



Annual report 2019

LUND UNIVERSITY





Sylvia Schwaag Serger and Torbjörn von Schantz.

Statement from the Vice-Chancellor and Deputy Vice-Chancellor

A new government was installed at the beginning of the year. Three ministers have visited Lund University and its management since then: Matilda Ernkrans, Ibrahim Baylan and Anders Ygeman. The visits have focused on important matters for the University such as creating sustainable funding for research, education and research infrastructure, providing conditions for academia and the business sector to work together with regard to MAX IV and ESS, as well as creating strategies for AI in research and education. These issues have also been addressed in other ways, for example, in the input into the research policy bill.

The issue of sustainability has been ubiquitous. In the spring, the University received a Climate Call from close to 5 000 students demanding a reduction in the University's greenhouse gas emissions. In 2019, the University established a sustainability strategy and adopted new travel regulations. In addition, the University is working on sustainability by reinforcing research, education and external engagement on the issue. In the autumn, the first doctoral students were admitted to the Agenda 2030 Graduate School. Since the start, it has stirred great interest and received applications from 106 countries during the year.

Education and research of the highest quality are prioritised areas in the strategic plan. During the year, SEK 20 million was allocated to the comprehensive quality evaluation of all research at Lund University. The RQ20 project had its kick-off in September and comprises both self-evaluations and assessments by external panels. The project is scheduled for completion in 2020.

Better and clearer career paths are important for the quality of the organisation. During the year, the University adopted a new policy on career paths for teaching staff and researchers. It is an important milestone to open up the careers system, invest in careers and professional development and to provide greater opportunities for promotion in academic careers. The work on gender equality and equal opportunities has also been reinforced with, among other things, a new project manager with the aim to have greater impact on these issues.

Open access to research publications and the publishing and archiving of research are important issues internationally and nationally. The University allocated SEK 4.5 million in 2019 to ensure that the University's researchers are able to adapt to a more open research system as well as to new demands and work methods for the archiving of research data.

The MAX IV research facility is a flagship for Swedish research. The accelerator programme comprises a significant technology leap and the light source has begun to deliver its world-leading capacity. During the year, the Swedish Research Council confirmed that MAX IV had achieved positive results to remedy the delays that had

previously been revealed in the beamline programme and the University has appointed a new director at MAX IV. A specific assignment has been created in order for the University to be able to vigorously pursue matters concerning MAX IV's future funding and strategies at the national level.

Science Village Scandinavia is being planned between the MAX IV and ESS facilities, with dynamic meeting places for academia and industry. During the year, the University progressed in its work to investigate conditions for environments that can and wish to relocate there. The University is taking decisions in stages – both with regard to volume and costs. It is clear that this investment offers significant opportunities – while we must be prepared for rental costs to increase.

An increasing number of students access support for mental ill health. This has an impact on the University's organisations at both the faculties and the Student Health Centre. During the year, the University established a project to review current resources, services, initiatives and work methods to ensure that students who seek help receive adequate support – both to improve their health and also to increase the opportunities for more students to complete their studies.

Campus Helsingborg is an important part of the University, not least for widening recruitment. Lund University has decided to reinforce the organisation and increase the number of students to at least 4 000 students. The University has invested SEK 35 million over five years to stimulate research and new courses and study programmes.

There is a significant shortage of teachers and, over a number of years, the government has expanded the teacher training in Sweden and Lund University wants to be a part of this expansion. In Lund, there is currently a programme in secondary education and, during the year, an inquiry was initiated on how this programme could be developed.

In 2019, Lund University was one of six universities to receive funding in the European Universities Initiative. It aims to strengthen the mobility of students and staff within Europe. The competition for the pilot projects was fierce. Lund University will collaborate with four European universities within health in the project European Universities Alliance for Global Health. The University continues its work on internationalisation and an action plan for internationalisation has been drawn up.

Transitions was the theme for the University's first Future Week, which took place in October. Researchers from all faculties held open lectures on significant questions about the future. The week will be an annual event.

Torbjörn von Schantz, vice-chancellor
Sylvia Schwaag Serger, deputy vice-chancellor

Innehållsförteckning

Statement from the Vice-Chancellor and Deputy Vice-Chancellor	3
Welcome to Lund University	5
Financial development	6
Revenue	7
Expenditure	7
Education	8
Research	9
Financial income, liquid assets and borrowing	10
Agency capital and unused grants	11
Opportunities and challenges	11
Donations	12
Statement of income	13
Balance sheet	14
Balance sheet continued	15
Report against government appropriations	16
Additional information and notes	17
Board decision	26
Key performance indicators	27

PHOTOS

Cover: Kennet Ruona. Page 2: Kennet Ruona. Page 8: Inger Henrekson Ekström. Page 10: Louise Larsson.

This is a translation of parts of Lund University's annual report for 2019. The full report is only available in Swedish.

Welcome to Lund University

Lund University is well anchored in its history while also being an important and driving force to transform and improve our future. The University's unique strength lies in its diversity and breadth. Together, the University's different parts can contribute to creating a whole that is stronger than its individual parts and that can face future challenges and needs.

The application rate for first cycle programmes continues to be high. The University's approximately 40 000 students are able to choose from a large number of study programmes and freestanding courses. There is still a trend for more students to apply for different kinds of programmes than for freestanding courses. Lund University is an attractive university where the number of international students continues to increase.

The diverse and well-developed student life in Lund is a significant factor in making the University an attractive and rewarding meeting place for students. The students' unions and nations are important organisations in this work. The University is actively working to create study environments that enable meetings between students from different areas and faculties as well as between Swedish and foreign students.

World-leading research in many fields is carried out at Lund University. Several significant external research projects were obtained in competition with other universities during the year. A well-developed collaboration with organisations, companies and wider society is a self-evident cornerstone in the University's activities. Lund University has also continued to show positive economic development. Not least, the percentage of external funding has steadily increased over the past year and the majority of the University's research funds come from external funding bodies.

The foundation for major and significant research breakthroughs in the future is now being laid at Lund University. MAX IV comprises a significant technology leap and has attracted attention from all over the world. Its capacity provides conditions for unique research in several research fields. Together with ESS, MAX IV demonstrates how Sweden is taking a prominent role as a research nation. Between these facilities there is a new and unique environment emerging – Science Village Scandinavia (SVS).

ABOUT THE ANNUAL REPORT

The annual report is the official report on the University's activities and economic results and is submitted to the government in accordance with the Annual Reports and Budget Documentation Ordinance (2000:605). The report is to comply with the formal requirements but is also to be informative for those who would like to know more about what is happening within Lund University. Therefore, the contents of the annual report include not only information that the University is obliged to report on but also other information that may be of interest to obtain an overview of the University's activities in 2019. In addition, the annual report is an important

document for the University Board in determining whether the internal direction and administration is satisfactory at the University.

The annual report consists of profit and loss statements, financial results and financial reports. The profit and loss statements report on volumes, revenues, expenditure and results within the main activities as well as important events that have affected the results of the organisation. The annual report is to provide an accurate presentation of the organisation and demonstrate that the University operates in accordance with the principles of reliability, relevance, comparability, comprehensibility and transparency. This annual report strives to provide not just spot checks of the past year but also to indicate and explain significant changes between the years.

STRATEGIC PLAN AND STRATEGIC WORK

The annual report can make it easier to take a step back to view the different activities from a more holistic perspective. In addition, there is also the annual risk assessment procedure and a general business intelligence report. The University's business intelligence provides an additional shift in perspective and places the University's opportunities in a larger context. Together, these different procedures and documents provide an overview of the University's development, challenges, strengths and potential future.

Lund University has an overarching and general strategic plan that covers the period between 2017 and 2026. Lund University is a university that works to understand, explain and improve our world and the human condition. The strategic plan is based on the premise that a clear strategic shift is required for Lund University to be able to continue developing as a stable bearer and developer of knowledge in a changing world as well as reinforcing its position as a leading university and inspiring societal force.

The strategic plan indicates the direction; however, not everything can be done at once. Priorities need to be made and different steps taken at different times. The annual organisational plan, which is connected to the University's allocation of resources, highlights different initiatives and objectives based on the strategic plan. The organisational plan weaves the strategic plan, the annual risk analysis and the University's overarching business intelligence report together. In addition, every faculty and department works to develop and improve its education, research and external engagement.

Welcome to Lund University's annual report

Financial development

Lund University's strong financial growth has continued in 2019 (primarily within research), and the level of activity in terms of expenditure amounted to SEK 8 852 million. This constitutes an increase of SEK 388 million from the previous year and by SEK 1 060 million since 2015. Funding from grants has increased by SEK 676 million within the past five years, in comparison with 2018 there has been an increase of SEK 300 million. The result for 2019 is a surplus of SEK 57 million, divided between a surplus of SEK 17 million in education and a surplus of SEK 40 million in research. The budgeted surplus for the University as a whole (SEK 82 million) was slightly higher than the actual result (SEK 57 million). Both the authority's revenue and expenditure increased in relation to the budget. It is primarily grant revenue and staff expenditure within research that have increased as the research has been successful in attracting more research funding than was budgeted.

At the end of 2019, the agency capital amounted to SEK 1 791 million, divided between SEK 426 million in education and SEK 1 365 million in research. The agency capital in research is largely located among the departments and research groups at the faculties that have a large proportion of external funding. The University Board has decided that the overall target for agency capital by the end of 2019 is to be 15 per cent (target calculated in relation to the University's operating costs). The outcome of the agency capital target for 2019 was 19 per cent, which is 1 per cent lower than in

2018 despite the increase of agency capital increasing by SEK 57 million. This means the operating costs have increased so that the relationship between capital and costs has changed. The increase in grant funding in recent years has been more rapid than the increase in activity, and some of the revenue is intended to be used over several years. MAX IV, for example, has received funding to cover the cost of operations and depreciations in the coming years. In total, the unused grants amount to SEK 4 058 million which is an increase by SEK 133 million since 2018, of which SEK 301 million is estimated to be tied up for future depreciations.

Figure 7.1 Financial development (SEK million)

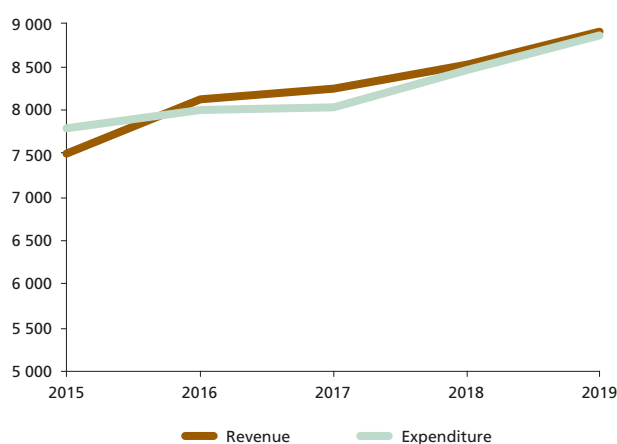


Figure 7.2 Total operating profit/loss (SEK million)

	2019	2018	Change 2019-2018	%	2017
Operating revenue					
Government appropriations	4 763	4 664	99	2.1 %	4 505
Fees	741	744	-3	-0.4 %	719
Grants	3 361	3 095	266	8.6 %	3 005
Financial	30	14	16	114.6 %	16
Total	8 895	8 516	379	4.4 %	8 245
Operating expenditure					
Staff	5 517	5 236	281	5.4 %	5 023
Premises	1 083	1 042	41	3.9 %	998
Other	2 240	2 152	88	4.1 %	2 005
Financial	14	34	-20	-59.9 %	20
Total	8 852	8 464	388	4.6 %	8 046
Operating profit/loss	42	52	-10	0	199
Profit/loss from shares in subsidiary and associated companies	15	20	-5		2
Change in capital for the year before collection and transfers	57	72	-15	0	201

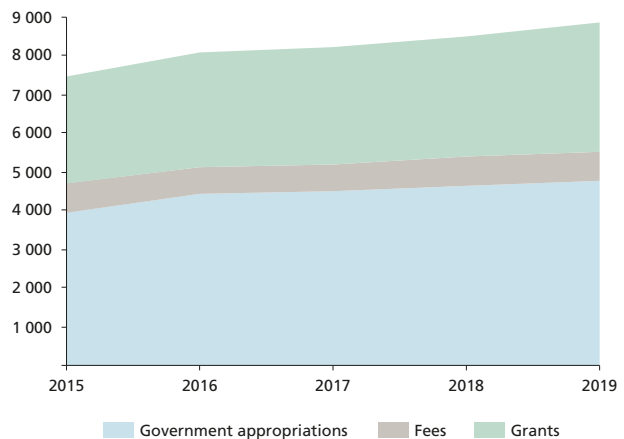
Revenue

The revenue for 2019 amounts to SEK 8 895 million excluding collections and transfers, which is an increase in SEK 379 million compared to 2019. Compared to 2018, all revenue has increased apart from fees which decreased by SEK 3 million. The appropriation revenue amounts to SEK 4 763 million, divided between SEK 2 218 million in education and SEK 2 545 million in research. This is an increase of SEK 99 million (2.1 per cent) compared to 2018, divided between SEK 39 million for education and SEK 61 million for research. Revenue from fees amounts to SEK 741 million, which is a marginal decrease of SEK 3 million (0.4 per cent) from the previous year. Grant revenue amounts to SEK 3 361 million, which is an increase of SEK 266 million (8.6 per cent) from 2018 and demonstrates the University's ability to attract research funding. This increase is due to significant changes in four organisational units (SEK 125 million in the Faculty of Medicine, SEK 70 million in the Faculty of Science, SEK 31 in the Faculty of Social Sciences and SEK 22 million in the Faculty of Engineering) and small changes at the other organisational units. The largest grant providers are the Swedish Research Council (SEK 926 million), the EU (SEK 315 million), the Knut and Alice Wallenberg Foundation (SEK 252 million) and Formas (SEK 181 million).

Swedish Research Council funding has decreased by SEK 141 million since 2017.

Figure 7.3 shows the revenue increase in the last five years (excluding financial revenue and profit/loss from shares in subsidiary and associated companies) amounting in total to SEK 1 389 million.

Figure 7.3 Revenue (SEK million)



Expenditure

Expenditure for 2019 amounts to SEK 8 852 million, excluding collections and transfers, which is an increase of SEK 388 million (4.6 per cent) from 2018. The largest item is staff costs, which amounts to SEK 5 517 million, an increase of SEK 281 million (5.4 per cent). There are two major reasons for the increase being higher than the standard salary increases. The fact that the contribution for the year for occupational pensions increased by SEK 69 million from the previous year and that the number of staff has increased (calculated in full-time equivalents). Compared with the previous year, the number of employees has increased by 286, which is an increase of 4.2 per cent. Nine staff categories increased and two decreased. The largest increase in number is in the category of administrative staff (76). The largest increase in this category is reported at the Faculty of Medicine (22), the Faculty of Science (11) and the central administration (10). Holders of career-development positions have increased by 70.

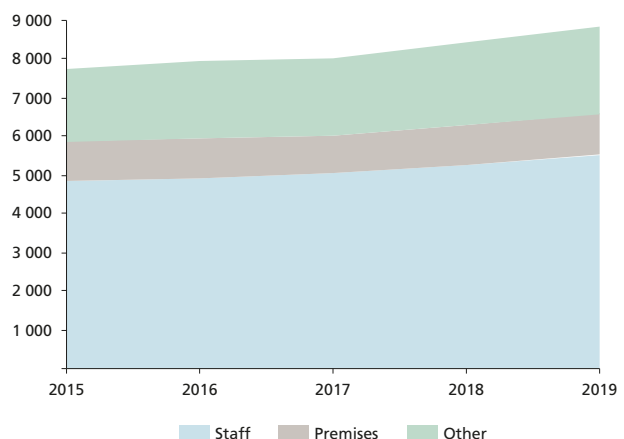
Expenditure for premises amounts to SEK 1 083 million, which is an increase of SEK 41 million (4.1 per cent) from the previous year. The increase is explained, mainly by increased rents and increased media costs.

The 'other' expenditure item amounts to SEK 2 240 million and comprises operating expenditure (SEK 1 704 million) and depreciations (SEK 536 million), which represents an increase of SEK 88 million (4.1 per cent) from 2018. Significant changes to items within the operating costs are software licences, e-resources, in the form of databases and procured services under the

LUA/ALF agreement. The largest increase is in software licences which has increased by SEK 24 million (53.6 per cent) which can partly be accounted for by the fact that LADOK is no longer operated internally and is instead purchased as a licensed program. Another explanation is that the costs for foreign software licences are increasing due to the weakened Swedish currency.

The depreciations, which amount to SEK 536 million, represent an increase of SEK 31 million (6.1 per cent). The biggest changes were seen at MAX IV, which increased its depreciations by SEK 22 million and the Faculty of Medicine, which increased theirs by SEK 6 million. The financial costs amount to SEK 21 million, which is a decrease of SEK 13 million.

Figure 7.4 Expenditure (SEK million)





Education

First- and second-cycle education (including contract education) reports a surplus of SEK 17 million to be compared to the previous year's surplus of SEK 31 million.

The educational activities in 2019 in the first and second cycles, which may be settled against the funding cap, have generated a total of SEK 2 103 million, which is equal to the funding cap for the year. This means that the appropriation savings that can be saved and offset against an under-production in coming years is at the same level of approximately SEK 144 million.

Revenue in education amounts to SEK 2 663 million, which is an increase of 1.1 per cent compared to the previous year (SEK 2 635 million). Appropriation funding is the largest source of funding, accounting for 83 per cent of the revenue. Of the SEK 386 million in total fee revenue, SEK 124 million comprises fees from third-country students, which is an increase of SEK 14 million from 2018. Expenditure in education amounts to SEK 2 650 million, an increase of SEK 41 million compared to 2018. Staff costs, the major item, increased by SEK 63 million, resulting in a total of SEK 1 711 million. This is due to annual salary increases, increased contributions for occupational pensions as well as an increase in the number of staff (calculated in full-time equivalents). Costs for premises increased by SEK 8 million to amount to SEK 423 million and the 'other' costs have decreased by SEK 27 million to amount to SEK 512 million in comparison with 2018. Commissioned activities, including both contract education and contracted courses report revenue of SEK 99 million, which is an increase of SEK 5 million compared to last year. The net financial income for education is a deficit of SEK 3 million, which is due to the negative interest rate.

Figure 7.5 Operating profit/loss for first- and second-cycle education (SEK million)

	2019	2018	Change 2019-2018	%	2017
Operating revenue					
Government appropriations	2 218	2 179	39	1.8%	2 094
Fees	386	380	6	1.5%	377
Grants	59	75	-16	-21.0%	58
Financial	1	1	0	-28.4%	2
Total	2 663	2 635	28	1.1%	2 530
Operating expenditure					
Staff	1 711	1 648	63	3.8%	1 592
Premises	423	415	8	2.0%	412
Other	512	539	-27	-5.1%	501
Financial	4	7	-3		6
Total	2 650	2 609	41	1.6%	2 512
Operating profit/loss	13	26	-13		19
Profit/loss from shares in subsidiary and associated companies	4	5	-1		0
Change in capital for the year before collection and transfers	17	31	-14		19

Research

Research and third-cycle education (including contract research) reports a surplus of SEK 40 million, which is equal to the surplus in 2018 of SEK 41 million. According to its financial planning, the University is to contribute SEK 55 million to ESS per year from 2013 to 2022. A sum of SEK 82 million was paid in 2014, and the outstanding amount of SEK 512 million in 2015. The annual allocation in the University's internal financing will in the future be reported as a surplus. Accordingly, SEK 55 million of the SEK 40 million surplus in 2019 is accounted for by this internal allocation. LU Holding (the University's holding company) had an impact on the surplus for research by SEK 11 million. The operating profit/loss for research in 2019 is thus a deficit of SEK 26 million.

The University's research activities have grown strongly in recent years. In parallel with the increased level of activity, there has been a rise in reserves for future strategic investments in the form of agency capital and unused grants. Grant revenue (new grants in 2019) amounts to SEK 3 470 million to be compared to SEK 3 170 million in 2018. Most faculties have reported an increase in grant revenue in 2019, and the greatest increase was at MAX IV (SEK 88 million), the Faculty

of Science (SEK 60 million) and the Faculty of Social Sciences (SEK 59 million).

Research revenue amounts to SEK 6 203 million, which is an increase of 348 million from 2018. Grant revenue, which is the largest source of revenue, amounts to SEK 3 302 million, an increase of SEK 282 million. The largest recipient of grant funding is the Faculty of Medicine, which accounts for 35.7 per cent of the University's total grant revenue. Revenue from fees amounts to SEK 355 million, which represents a decrease of SEK 9 million from the previous year.

Expenditure in research amounts to SEK 6 203 million, which is an increase of SEK 348 million (5.9 per cent). Staff costs amounting to SEK 3 805 million have increased by SEK 217 million (6.1 per cent). This is due to annual salary increases, increased contributions for occupational pensions as well as an increase in the number of staff (calculated in full-time equivalents). The 'other' costs item comprises operation and depreciation costs and has increased by SEK 115 million (7.1 per cent). Expenditure on premises has increased by SEK 32 million to amount to SEK 659 million.

Figure 7.6 Operating profit/loss for research and third-cycle education (SEK million)

	2019	2018	Change 2019–2018	%	2017
Operating revenue					
Government appropriations	2 545	2 484	61	2.5 %	2 411
Fees	355	364	-9	-2.4 %	342
Grants	3 302	3 020	282	9.3 %	2 947
Financial	29	13	16	123.1 %	14
Total	6 231	5 882	350	6.0 %	5 715
Operating expenditure					
Staff	3 805	3 588	217	6.1 %	3 431
Premises	659	627	32	5.1 %	586
Other	1 728	1 613	115	7.1 %	1 503
Financial	10	27	-17	-63.0 %	14
Total	6 203	5 856	348	5.9 %	5 534
Operating profit/loss	29	26	3		181
Profit/loss from shares in subsidiary and associated companies	11	15	-4		1
Change in capital for the year before collection and transfers	40	41	-1		182

Financial income, liquid assets and borrowing

Lund University reports a financial surplus of SEK 16 million for 2019, and a balance of cash and bank of SEK 4 398 million at the close of the year, which is an increase of SEK 161 million compared to 2018. In 2019, there was a continued negative interest rate on the interest-bearing account at the National Debt Office during the first part of the year to then become zero. Regulations state that the University is to invest surplus liquidity in such an account at the National Debt Office. Consequently, costs are incurred by the invested funds. In a corresponding way, interest revenue has been received on the borrowings that according to regulations the University is to have with the National Debt Office for grant-funded investments.

The net interest income from the account has decreased considerably in recent years and was negative for 2019. The decrease since 2015 is SEK 17 million. The University's borrowing and deposit rates at the National Debt Office are the same. Financial revenue amounts to SEK 14 million, compared to SEK 16 million in 2017. Financial revenue amounts to SEK 30 million (SEK 14 million in 2018), and mainly comprises unrealised gains from shares (SEK 21 million) in LU funds (in accordance with the K3 framework), other financial revenue (SEK 4 million) and exchange rate profits (SEK 3 million). Financial expenditure amounts to SEK 14 million (SEK 34 million in 2018), and mainly comprises interest expenditure associated with the account at the National Debt Office (SEK 10 million).



Figure 7.7 Financial revenue and expenditure (SEK million)

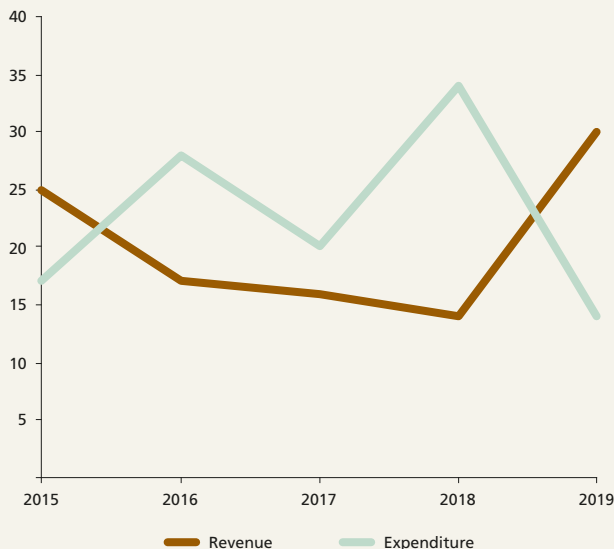
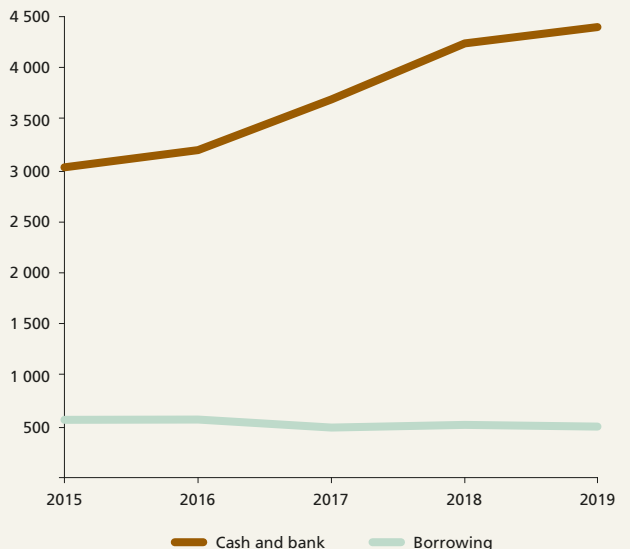


Figure 7.8 Liquidity and borrowing (SEK million)



Agency capital and unused grants

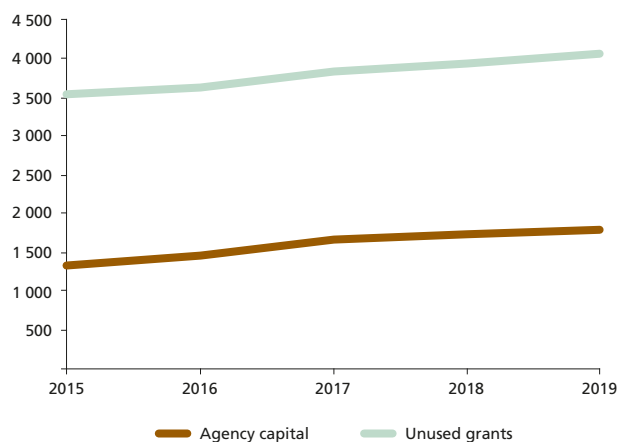
The total agency capital including the balance for the year is SEK 1 791 million (SEK 1 733 million in 2018), of which SEK 1 700 million (1 663 million in 2018) relates to the accumulated capital change (change in capital brought forward and change in capital for the year). The remainder of the agency capital is government capital, donated capital and shares of earnings in subsidiary and associated companies. Including the latter items, the agency capital increased by SEK 57 million during the year, and since 2015 increased by SEK 460 million. In 2015, the agency capital decreased considerably, due to the payment of an unconditional capital infusion to ESS amounting to a total of SEK 512 million.

More than half of the faculties have increased their agency capital in 2019. The largest amount of agency capital is accounted for by the Faculty of Medicine (SEK 491 million), followed by the Faculty of Engineering (SEK 307 million). The largest proportion of agency capital in relation to its own expenditure can be found at the Faculty of Social Sciences (26 per cent) and the Faculty of Science (21 per cent). The proportion for the whole of Lund University is 19.2 per cent. The objective was that by the end of 2019, the agency capital will amount to no more than 15 per cent, something in which the public authority has not been successful in spite of many good investments.

Unused grants continue to increase and amount to SEK 4 058 million, which is an increase of SEK 133 million, or approximately 3.4 per cent, from 2018. Of the unused grants, SEK 301 million are calculated to be tied up for future depreciations.

Since 2015, unused grants have increased by SEK 522 million. Some faculties report an increase and other a decrease. The largest increase is from the Faculty of Medicine (SEK 62 million) and the Faculty of Social Sciences (SEK 44 million). The largest decrease is reported by MAX IV (SEK 28 million). MAX IV's unused grants are primarily to be used to cover depreciations and operating costs in the coming years. MAX IV Laboratory and the Faculty of Medicine together hold SEK 2 425 million, or 60 per cent, of the total unused grants. The figure below shows that both the agency capital and the unused grants continue to increase in 2018.

Figure 7.9 Agency capital and unused grants (SEK million)



Opportunities and challenges

Lund University is an international university that conducts high quality education and world-leading research that impacts and improves our society. The University's significant breadth offers good conditions for cross-disciplinary meetings and the ability to address major societal challenges. For a number of years, Lund University has experienced good economic growth, primarily within research. The growth within education has been significantly weaker. Of the University's overall research revenue, 60 per cent comes from external financing. The University's success in obtaining external grants is a sign of strength. At the same time, a high proportion of external financing limits the University's possibilities to decide on its own priorities and strategic choices, to take long-term strategic responsibility as an employer and to conduct basic research.

The University continues to generate a certain amount of surplus. Primarily this takes place at faculties that are facing greater commitments in the form of increased premises costs, but also at faculties with a large proportion of external funding. In recent years, the shift towards an increasing proportion of external funding has led to financial conditions becoming less stable. Scheduled new construction, major renovations and infrastructure investments can also lead to a certain amount

of capital being created during a limited period. Parts of the agency capital are therefore tied up in different types of long-term commitments, for example in the form of co-financing and depreciations.

MAX IV is Sweden's largest investment in research infrastructure and a flagship within Swedish research. MAX IV comprises a significant technology leap that has drawn attention from all over the world. Together with ESS, MAX IV demonstrates how Sweden is taking a prominent role as a research nation. In order to take full advantage of the potential of the large-scale MAX IV and ESS facilities, a unique environment is planned for the area between these – Science Village Scandinavia (SVS). Lund University has a vision to establish an internationally leading research, innovation and education centre in this environment. This environment can develop into an important meeting place for research and development from different higher education institutions and companies. Such an environment may be very significant in the reinforcement of the potential of Swedish companies and organisations to develop and contribute to sustainable solutions and sustainable production. MAX IV, ESS and SVS will considerably reinforce Sweden's attractiveness and international profile, while being a major financial challenge.

Donations

Reporting requirements: the University shall report the development of the returns in relation to the market index.

The capital and disposable income from donations administered in accordance with Section 12 of the Donations Ordinance amount to SEK 206.9 million (SEK 166.2 million in 2018). The market value of the assets on the day of closure of accounts was SEK 208.3 million (SEK 180.3 million in 2018). Returns over the year amounted to SEK +9.2 million (SEK +2.2 in 2017). Dividends have been paid out according to the donors' requests. During 2019, SEK 1.3 million (SEK 11.4 million in 2018) have been distributed to departments within Lund University, of which SEK 1.1 million (SEK 9.3 million in 2018) from capital. The University's administrative costs have been calculated and debited from the donated funds. The reimbursement for costs incurred comes to SEK 255 664 (SEK 246 602 in 2018).

The expectations for 2019 were low following the stock exchange concerns at the end of 2018. However, the securities markets have increased strongly across the board. For example, both global shares and Swedish shares have risen by over 30 per cent. The most important explanation for this is likely to be the reversals of the central banks. Signs of increases to key interest rates have been replaced by decisions to wait as well as assurances that they are ready to take incentive measures if required. Neither the American nor the European Central Bank raised their key interest rates during the year and in China different incentive measures have been put in place.

Concerns in the form of, for example, trade wars and Brexit remain and periodically shake the market. However, the stock exchange seems to continue to be strong and most strategists and economists are counting on a continued upwards trend, at least in the short term.

The University's investments have provided an average distributable income including capital gains of +2.0 per cent

(+5.2 per cent in 2018). The interest rate for treasury bills amounted to -0.5 per cent (-0.8 per cent in 2018). Total return on the portfolio amounted to +16.6 per cent (-1.9 per cent in 2018). The development for the portfolio's benchmark index was +9.9 per cent (-2.5 per cent in 2018). During the year, investments in two new long-term interest funds were made. All funds previously in the portfolio remain. The returns for these are reported below. The returns from the Swedish equity funds were +26.1 per cent, +19.3 per cent and +32.2 per cent, the investments in the index-tracking global equity fund +37.8 per cent (in SEK). The investments in the current global equity fund increased to +37.2 per cent and +35.7 per cent (in SEK). The development of the Swedish dividend index SIXRX amounted to +35.0 per cent, Eurostoxx (in SEK) +32.4 per cent, and the T-bill -0.5 per cent. The benchmark index consists of: SIXRX (15 per cent), Eurostoxx50 (15 per cent) and the T-bill (70 per cent).

Asset distribution in equity and interest-bearing investments are shown in the figure below.

During the year, the University received the following large donations (SEK 1 million and above):

Donation from Bo Bergström. The funds are to go to Lund University, the Faculty of Theology, Division of the History of Christianity for the ongoing publication of Carlquist, Lunds stifts herdaminne, together with supplements and registry. SEK 5.4 million

Donation from Hillevi Svensson. For support of research on pulmonary vascular diseases and prostate cancer. SEK 3.7 million.

Donations received for the period 2015–2019 are shown in figure 7.10 below.

Figure 7.10 Donations received (SEK thousand)

2015	2016	2017	2018	2019
5 888	3 329	17 950	9 858	9 443

Figure 7.11 Investment of donations (total SEK 205.7 million)

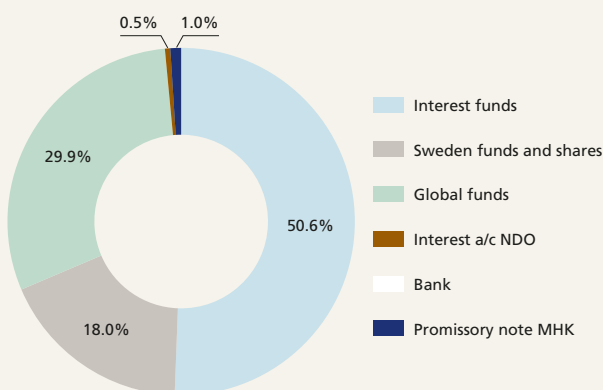
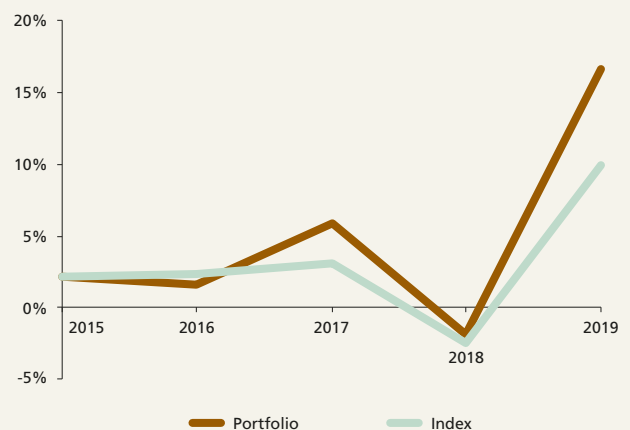


Figure 7.12 Capital development of donations (%)



Statement of income

Amounts in SEK thousand	Note	2019	2018
Operating revenue			
Revenue from government appropriations	1	4 762 922	4 663 758
Revenue from fees and other charges	2, 43, 44	740 791	744 024
Revenue from grants	3	3 360 892	3 094 685
Financial revenue	4	30 041	13 925
= Total		8 894 646	8 516 391
Operating expenditure			
Staff costs	5	-5 516 514	-5 236 348
Premises costs	6	-1 082 524	-1 041 824
Other operating costs	7	-1 703 637	-1 646 311
Financial costs	8	-13 651	-34 434
Depreciation and writing down	11, 12, 13, 14	-536 170	-505 159
= Total		-8 852 496	-8 464 077
Operating profit/loss		42 150	52 314
Profit/loss from shares in subsidiary and associated companies		14 539	20 054
Transfers			
	9		
Funding received from the state budget for the financing of grants		60 267	55 829
Funding received from government agencies for the financing of grants		223 468	217 600
Other funding received for the financing of grants		71 231	60 256
Grants distributed		-354 966	-333 685
= Balance		0	0
CHANGE IN CAPITAL FOR THE YEAR	10	56 689	72 368

Balance sheet

Amounts in SEK thousand	Note	31 Dec 2019	31 Dec 2018
ASSETS			
Intangible fixed assets			
Capitalised expenditure for development	11	5 009	5 265
Rights and other intangible fixed assets	12	9 828	9 940
Total intangible fixed assets		14 837	15 205
Tangible fixed assets			
Expenditure for improvements to leased property	13	248 762	269 741
Machinery, equipment, installations, etc.	14	1 702 542	1 736 988
Construction in progress	15	58 605	174 522
Advance on tangible fixed assets	16	452	2 214
Total tangible fixed assets		2 010 360	2 183 465
Financial assets			
Shares in subsidiary and associated companies	17	96 607	81 068
Other long-term securities holdings	18	202 689	177 243
Other long-term accounts owing	19	2 000	2 000
Total financial assets		301 296	260 311
Stock etc.			
Stock and stores		11 337	6 440
Short-term receivables			
Accounts receivable	20	94 312	122 638
Claims on other public agencies	21	117 897	124 919
Other short-term receivables	22	4 393	81
Total short-term receivables		216 602	247 638
Cut-off items			
Prepaid expenditure	23	275 971	263 377
Accrued grant revenue	24	494 448	464 052
Other accrued revenue	25	11 908	13 081
Total cut-off items		782 327	740 510
Settlement with Government			
Settlement with Government	26	0	0
Cash and bank			
Balance of interest-bearing account at the National Debt Office	27	4 213 549	4 165 989
Cash and bank	28	184 753	71 221
Total cash and bank		4 398 302	4 237 209
TOTAL ASSETS		7 735 061	7 690 778

Balance sheet continued

Amounts in SEK thousand	Note	31 Dec 2019	31 Dec 2018
CAPITAL AND LIABILITIES			
Agency capital			
Government capital	29	29 333	28 234
Donated capital	30	6 060	6 060
Shares of earnings in subsidiary and associated companies	31	56 069	36 014
Capital brought forward	32	1 643 000	1 590 797
Change in capital according to statement of income	10	56 689	72 368
Total agency capital		1 791 152	1 733 473
Provisions			
Provisions for pensions and similar obligations	33	41 434	39 282
Other provisions	34	58 986	53 177
Total provisions		100 420	92 459
Liabilities etc.			
Loans at the National Debt Office	35	497 659	501 722
Short-term debts to other public agencies	36	174 423	181 831
Accounts payable	37	238 110	465 913
Other short-term liabilities	38	279 368	181 051
Deposits	39	3 676	3 774
Total liabilities etc.		1 193 235	1 334 291
Cut-off items			
Accrued expenditure	40	355 156	384 433
Unused grants	41	4 058 022	3 925 462
Other prepaid revenue	42	237 075	220 661
Total cut-off items		4 650 254	4 530 555
TOTAL CAPITAL AND LIABILITIES		7 735 061	7 690 778
CONTINGENT LIABILITIES			
1. Government guarantees for loans and credits		None	None
2. Other contingent liabilities		None	None

Report against government appropriations

Figures in SEK thousand

Item	Description	Transfer balance brought forward	Allocation for the year under public service agreement	Reallocated appropriation amount	Withdrawal	Total balance available	Expenditure	Transferred balance carried forward
16.2:5	<i>Lund University: First- and second-cycle education¹</i>							
16.2:5:1	Funding cap	0	2 104 049	0	0	2 104 049	-2 104 049	0
	Total	0	2 104 049	0	0	2 104 049	-2 104 049	0
16.2:6	<i>Lund University: Research and third-cycle education¹</i>							
16.2:6:6	Funding base	0	2 248 855	0	0	2 248 855	-2 248 855	0
	Total	0	2 248 855	0	0	2 248 855	-2 248 855	0
16.2:65	<i>Special funding for higher education institutions</i>							
16.2:65:4	National Resource Centre for Physics	0	1 439	0	0	1 439	-1 439	0
16.2:65:6	Care of archaeological finds	0	3 135	0	0	3 135	-3 135	0
16.2:65:62	Cutting-edge programme in entrepreneurship	0	3 994	0	0	3 994	-3 994	0
	Total	0	8 568	0	0	8 568	-8 568	0
16.2:66	<i>Reimbursement for clinical training and research</i>							
16.2:66:2	Lund University	0	455 858	1 029	0	456 887	-456 887	0
	Total	0	455 858	1 029	0	456 887	-456 887	0
23.1:23	<i>Swedish University of Agricultural Sciences</i>							
23.1:23:5	Analysis activities at Lund University	0	4 830	0	0	4 830	-4 830	0
	Total	0	4 830	0	0	4 830	-4 830	0
	Overall total	0	4 822 160	1 029	0	4 823 189	-4 823 189	0

Notes on appropriation reporting

- 1) Distributed grants financed from the state budget amount to SEK 60 267 000 and are reported under transfers in the statement of income. Of these distributed grants, SEK 3 265 000 relates to the financing of graduate schools, SEK 49 335 000 to the transfer of strategic research funding, SEK 7 367 000 to support for the students' unions and the transfer of strategic educational funding SEK 300 thousand.

Other financial terms

Item 16.2:5:1 Learning support for students with disabilities

Learning support for students with disabilities has not exceeded 0.3 per cent of the appropriations for first and second-cycle education.

Item 16.2:5:1 Expenditure for personal injury insurance for students

The annual premium for 2019 is SEK 160 087 based on 27 938 full-time equivalent students.

Personal injury insurance is now dealt with by the Swedish Council for Higher Education, which is not able to produce statistics per institution.

Additional information and notes

ACCOUNTING PRINCIPLES

The annual report has been drawn up in accordance with the Annual Reports and Budget Documentation Ordinance (2000:605) and the Bookkeeping Ordinance (2000:606).

The cut-off date for the current accounting for the period was 3 January 2020.

Figures in the financial report are given in SEK thousand unless otherwise stated.

Higher education institutions are exempt from certain directives in ordinances as follows.

Higher education institutions are exempted from the regulations on reporting of appropriations pursuant to Section 12 of the Appropriations Ordinance (2011:223). Settlement against appropriations and appropriation items for funding paid to the institutions' interest-bearing accounts at the National Debt Office shall take place in conjunction with the monthly payments to each institution's interest-bearing account at the National Debt Office.

Higher education institutions are exempted from Section 7 of the Appropriations Ordinance (2011:223) in that the institutions are permitted to transfer both over-production and unused production below the funding cap (appropriation saving) to a value of no more than ten per cent of the funding cap to the following financial year without making a special request to the Government.

Higher education institutions are exempted from the regulation in Chapter 2 Section 4 third paragraph of the Annual Reports and Budget Documentation Ordinance (2000:605) that the annual report shall contain information on circumstances of significance. Higher education institutions shall instead submit information in accordance with Annex 6 (Key performance indicators) of the public service agreement.

In conjunction with the drawing up of notes to the annual report, higher education institutions shall take special care to specify

- loan facilities at the National Debt Office divided into approved loan facilities and used loan facilities at the close of the financial year, and
- approved and maximum used loan facilities at the National Debt Office.

Higher education institutions are exempted from the regulation of Chapter 2 Section 4 paragraph two of the Annual Reports and Budget Documentation Ordinance (2000:605) on the submission of a financial analysis to the Government in the annual report.

Higher education institutions are exempted from the regulation in Chapter 2 Section 1 first paragraph and Section 3 of the Capital Supply Ordinance (2011:210) on the financing of fixed assets. A fixed asset used in the authority's activities may be wholly or partly financed through grants received from non-governmental sources. This also applies to grants from state funding bodies on the condition that the grant has been awarded for the purpose.

Lund University has the right pursuant to Section 12 of the Donations Ordinance (1998:140) to administrate funds in shares and other securities. The University can also assign another party to invest these funds pursuant to Section 12 second paragraph. The University shall report the development of the returns in relation to the market index.

Higher education institutions are exempted from Section 25 a second and third paragraphs of the Fees Ordinance (1992:191) on the use of revenue from fee-charging activities. If the accumulated surplus amounts to more than 10 per cent of the turnover from fee-charging activities during the financial year, the public authority shall state in the annual report how the surplus is to be used. If there is a deficit in a fee-charging activity which is not covered by a surplus brought forward from the previous financial year, the public authority shall submit a proposal to the Government in its annual report for how the deficit is to be covered.

Valuation of bank funds in foreign currencies

The balance of the EUR account as of 31 December 2019 has been recalculated using the exchange rate in force on the balance sheet date.

Valuation of receivables and liabilities

Receivables amount to SEK 123 million, which is a decrease of SEK 27 million from the previous year. Receivables that are older than six months have been written off as probable bad debt losses. Accounts payable amount to SEK 304 million, a decrease of SEK 233 million compared to 2017. The decrease is explained partly by a donation of SEK 154 million and a larger fixed asset of nearly SEK 21 million that were managed in 2018, which demonstrates that the current amount is a return to more normal conditions. Receivables and liabilities in foreign currencies have been entered using the exchange rate in force on the balance sheet date.

Valuation of stock

Stock has been valued at market value on the balance sheet date.

Valuation of fixed assets

Intangible fixed assets primarily comprise capitalised expenditure for the development of existing infrastructure to ensure future benefits for the organisation in terms of finances and quality through the use of newer and more efficient computerised administrative systems. The economic life shall be at least three years and the acquisition value at least SEK 500 000. The acquisition value includes both external purchases and the University's own direct costs for the individual asset. Intangible fixed assets are depreciated linearly over the calculated economic life starting from the month the assets are put into service.

Tangible fixed assets are primarily fixtures and equipment etc. The economic life shall be at least three years and the acquisition value at least SEK 25 000. Tangible fixed assets are

depreciated linearly over the calculated economic life starting from the month the assets are put into service.

Expenditure for improvements to leased property that refers to repairs and maintenance is activated when the acquisition sum exceeds SEK 100 000 and the economic life is calculated as longer than three years. The depreciation period for expenditure for improvements to leased property is adjusted to match the remaining length of the lease.

The following depreciation periods are applied:

Intangible fixed assets	3, 4 or 5 years
Expenditure for improvements to leased property	3–25 years, in acc. with the lease + any extension
Fixed equipment	3, 5, 7 or 10 years
Computers and associated equipment	3, 5, 7 or 10 years
Laboratory/workshop equipment	3, 5 or 10 years
Office machines and photocopiers	3, 4 or 5 years
Furnishings	3, 5 or 10 years

There is no depreciation for works of art. Only the acquisition value of works of art acquired or transferred from the National Public Art Council since 2004 are included on the balance sheet. No estimate of current value for previously acquired works of art has been carried out.

For large fixed assets, consisting of several components, component depreciation is carried out in cases where the use of significant components differs considerably. In these cases, the fixed asset is allocated to different components and each component is depreciated separately.

Cut-off items

A cut-off means that any income and expenditure is to be assigned to the year that it concerns. Possible cut-off items include accounts payable, holiday pay liabilities, fees and grants. For expenditure cut-off items, a limit of SEK 50 000 has been applied. Invoices that have been received but not entered onto the books by the cut-off date and which concern 2019 have been manually entered as accounts payable and expenditure.

Since 2004, the University has made provisions for accrued costs for teaching staff salaries. The provisions have been made for liabilities that will not be regulated in the three-year perspective of the teaching staff agreement. The liability is based on a real number of hours and is calculated in accordance with a standard average salary for each staff category.

For externally financed grants and commissions, the current state accounting principle for revenue accounting in projects is applied. For ongoing projects, revenue is entered to correspond to costs incurred during the year. Received funding from grant providers that has not yet been used in the operations is reported as unused grants on the balance sheet. For projects completed during the course of the year, the difference between revenue and expenditure is reported as profit/loss on the statement of income. Projects for which contracted grants have not yet been received are reported as a claim on the grant provider for the part that comprises costs incurred. The validity of the claim is also tested against the contract or equivalent agreement.

Reporting of overhead costs

The University applies the SUHF model for accounting of overhead costs, which is common to all higher education institutions. Under the model, overhead costs are distributed by month based on costs incurred, which entails full cost reporting at the lowest level of operations (cost objects) and provides the conditions for correct allocation of grant revenue.

The University distributes the costs of the administrative services (overhead costs) among the cost objects relative to direct salary and operating costs (the distribution basis).

Transfers

The University reports transfers separately, as they do not represent a real use of resources within the University. Transfers are funding that is intended to be used to finance grants to external partners, scholarships, etc. Funding corresponding to expenditure has been taken from government appropriations and grants. Examples of transfers are scholarships, EU funding for projects coordinated by the University, and transfer of strategic research funding to other higher education institutions.

Balancing of accounts with other public authorities

It must be possible to separate out every transaction with another public authority in the consolidated reporting to the Government. Received grants and fees, and distributed grants and purchases shall be reported and reconciled with every public party for amounts exceeding SEK 1 million. For receivables and liabilities spanning the end of the financial year, amounts over SEK 100 000 shall be reconciled. Lund University has a unique code in its code string for each public authority and a single code for all other parties, in order to separate out these transactions. Following this year's reconciliation with other public authorities, the University has no unexplained discrepancies.

Donations

The University has approval from the Government pursuant to Section 12 of the Donations Ordinance to invest donated funds that will not be used within the next two years outside the National Debt Office. The need for liquid funds over the next two years is expected to amount to SEK 14 million.

NOTES

Amounts in SEK thousand unless otherwise stated.

1. Revenue from government appropriations

	2019	2018
Research and third-cycle education	2 196 255	2 145 060
First- and second-cycle education	2 104 950	2 067 649
Reimbursement for clinical training and research	456 887	446 264
Reimbursement for financial analysis	4 830	4 785
Total revenue from appropriations	4 762 922	4 663 758

Distributed grants financed from the state budget amount to SEK 60 267 000 and are reported under transfers in the statement of income. Of these distributed grants, SEK 3 265 000 relates to the financing of graduate schools, SEK 49 335 000 to the transfer of strategic research funding, SEK 7 367 000 to financial support to the students' unions and transfer of strategic educational funding SEK 300 thousand.

2. Revenue from fees and other charges

	2019	2018
Education of fee-paying students	124 080	110 431
Contract research	104 238	95 119
Contract education	63 729	78 408
Letting of accommodation to students/visiting researchers	60 550	58 913
Higher vocational education	16 304	0
Contracted courses	10 517	5 306
Museum entrance fees	4 054	2 058
Swedish Scholastic Aptitude Test fees	3 843	4 109
Total revenue from fees in acc. with public service agreement	387 315	354 345
Consultancy and similar services	243 583	211 570
Premises, parking	60 320	105 372
Conferences and courses	9 627	12 095
Information and teaching materials	5 238	5 579
Journals and other publications	1 183	852
Total revenue in acc. with Section 4 of Fees Ordinance	319 951	335 469
Copies of public documents (Sec. 15 Fees Ordinance)	79	45
Total copies public documents (Sec. 15 Fees Ordinance)	79	45
Invoicing of expenditure, sales of materials	21 341	42 685
Accounting services for foundations etc.	7 806	7 660
Sponsorship	2 137	895
Delay charges and damages	1 575	2 892
Total revenue from other charges	32 859	54 132
Capital gain on sales of fixed assets to non-gov. parties	587	33
Total capital gain on sale of fixed assets to non-gov. parties	587	33
Total revenue from fees and other charges	740 791	744 024
Revenue pursuant to Section 4 (excl. premises) in relation to total expenditure*	3.0 %	2.8 %
* From 2009, higher education institutions may charge fees for premises originally leased for the institution's own operations without the limitations of section 4 second paragraph. In 2019, revenue from rents amounted to SEK 50 328 000 (SEK 96 385 000 in 2018).		
Separate reporting of fee-charging activities – service exports		
Revenue	189 483	193 977
Expenditure	-189 483	-193 977

Service exports are defined as services sold by the University to parties abroad. Expenditure is calculated to be equal to revenue. From 2013, the SUHF recommendation is used to calculate service exports. There has been an increase in tuition fees of SEK 13.6 million and contracted courses by SEK 4 million, but a decrease of contract education by SEK 14.8 million, consultancy and similar services by SEK 6 million and contract research by SEK 2.7 million.

3. Revenue from grants (by funding body)

	2019	2018
Public agencies incl. public enterprise	1 636 576	1 595 699
Other organisations and non-profit associations	1 150 433	986 451
EU institutions	283 303	275 071
Other countries and international organisations	156 564	115 471
Local and regional authorities	67 418	64 235
Private companies	56 102	41 783
State-owned companies	7 615	7 210
Private individuals	2 881	8 765
Total revenue from grants	3 360 892	3 094 685

4. Financial revenue

	2019	2018
Unrealised gain from shares	20 946	0
Interest revenue etc., other	3 920	2 175
Exchange rate profits	2 914	2 023
Interest revenue, loans NDO	1 305	2 527
Unrealised gain from interest funds	779	0
Capital gain from sales of short-term investments	99	7 126
Interest revenue, donations	78	74
Total financial revenue	30 041	13 925

5. Staff costs

	2019	2018
Salary expenditure excl. employer contributions	3 576 912	3 423 444
Other staff costs	1 939 602	1 812 904
Total staff costs	5 516 514	5 236 348

The percentage of the salary total that refers to fees for the Board, committees or non-employed staff (contract staff) amounts to 3%.

6. Premises costs

	2019	2018
Rent excl. electricity and heating	946 530	917 390
Operating costs (electricity, gas, district heating, water)	90 367	73 495
Cleaning, security and other operating costs	45 626	50 940
Total premises costs	1 082 524	1 041 824

Summary of premises costs in accordance with the SUHF recommendation	2019	2018
Total annual rent acc. to rental agreement	882 552	857 159
Total media costs, electricity, heating, air con., water etc.	93 145	80 202
Repair of premises	4 742	5 507
Total depreciations	39 798	38 802
Total premises cleaning costs	137 183	136 719
Operating costs for surveillance, alarm systems, building shell protection, security	12 578	11 146
Other premises costs/premises fittings	19 087	22 875
Pre-planning costs		
Costs for own properties		
Total external rental revenue (including resource coordination Region Skåne)	-94 891	-92 945
Costs for accomm. for students and visiting researchers	66 060	61 426
Total premises costs	1 160 254	1 120 891
Total premises costs excluding student accommodation	1 094 194	1 059 465
Area, sqm usable floor area (UFA) at the end of the year (excluding external rent and student and visiting researcher housing)	548 152 sqm	537 897 sqm
Average premises costs (SEK/sqm UFA)	1 996 SEK/sqm	1 969 SEK/sqm

Calculated in accordance with SUHF's recommendations on premises cost accounting

7. Other operating costs

	2019	2018
ALF agreement	456 887	446 264
Other services	348 484	321 009
Other goods	289 348	274 393
Consultancy services	110 242	103 119
Travel	109 551	109 102
Computer services	105 585	89 950
E-resources	69 766	73 679
Repairs and maintenance	48 214	45 647
Education services	45 373	51 251
Short-term investments, 1–3 years and/or EUR 500	37 444	34 688
Printing, publications and stationery	26 469	25 571
Research assignments	19 435	17 983
Post and telecommunications	17 268	17 625
Goods transport and shipping fees	7 511	8 458
Open access	5 888	4 626
Office supplies	5 480	5 538
Leasing fees, operational leasing and machinery hire	1 936	3 391
Public law-related fees	1 771	1 891
Capital loss on sales of fixed assets	1 280	10 041
Provision MAX IV	1 000	1 000
Taxes	556	372
Damages	400	0
Stock taking	-6 252	714
Total other operating costs	1 703 637	1 646 311

8. Financial expenditure

	2019	2018
Interest expenditure, interest-bearing account NDO	10 394	18 996
Exchange rate losses	2 885	2 885
Interest expenditure, other	241	271
Unrealised loss from interest funds	96	545
Unrealised loss from shares	35	11 736
Total financial expenditure	13 651	34 434

9. Transfers (by funding body)

Funding received for financing of grants:	2019	2018
Public agencies incl. public enterprise	223 468	217 600
State budget	60 267	55 829
Other organisations and non-profit associations	57 913	45 442
Other countries and international organisations	6 772	6 967
Private companies	3 267	2 962
EU institutions	2 791	4 784
Local and regional authorities	487	80
State-owned companies	0	21
Total funding received	354 966	333 685
Grants distributed to:		
Public agencies excl. public enterprise	-137 907	-138 279
Individuals	-92 096	-93 141
Other countries and international organisations	-40 844	-33 911
Private companies & privately-owned economic associations	-25 079	-30 339
County councils	-18 574	-12 195
Other organisations and non-profit associations	-16 499	-8 555
Other public sector bodies	-9 906	-8 935
State-owned companies	-8 125	-3 838
Municipalities and municipal companies	-5 936	-4 492
Total distributed grants	-354 966	-333 685
Balance of transfers	0	0

10. Change in capital according to statement of income

	2019	2018
Appropriation-funded activities	74 735	96 806
Fee-funded activities	3 438	-12 259
Grant-funded activities	-21 484	-12 180
Reported change in capital	56 689	72 368

Change in capital by area			
Amounts in SEK thousand	Capital brought forward (A)	Change in capital for the year (B)	Total (A+B)
First- and second-cycle education			
Education in accordance with public service agreement	370 975	18 837	389 812
Contract activities	16 179	-1 778	14 401
Total	387 154	17 059	404 213
Research and third-cycle education			
Research and third-cycle education	1 265 788	34 413	1 300 201
Contract activities	-9 942	5 217	-4 725
Total	1 255 846	39 630	1 295 476
Overall total	1 643 000	56 689	1 699 689

Change in agency capital (SEK thousand)

	Government capita	Donated capital	Shares of earnings in subsidiary and associated companies	Appraised capital	Change in Donated capital	Change in capital: appropriations	Change in capital: fees	Change in capital: grants	Change In capital acc. to the statement of income	Total
BCF 2018	28 234	6 060	36 014	0	47 187	1 279 598	18 496	245 516	72 368	1 733 473
<i>Changed accounting principles</i>										
<i>Corrections</i>										
A BBF 2019	28 234	6 060	36 014	0	47 187	1 279 598	18 496	245 516	72 368	1 733 473
Change in capital for previous year 20900, BBF 2019						96 806	-12 259	-12 180	-72 368	0
Dividend from subsidiary and associated companies			20 055							20 055
Appropriation-funded assets	100					-110				-11
Capital infusion holding company	1 000					-5 014		-15 041		-19 055
Received donations										0
Conversion of capital, result					-7 438	-1 449		8 887		0
Change in capital for the year CF 20900						74 735	3 438	-21 484	56 689	56 689
B Total change for the year	1 100	0	20 055	0	-7 438	164 969	-8 820	-39 819	-15 679	57 679
C BCF 2019 A + B	29 333	6 060	56 069	0	39 749	1 444 567	9 676	205 697	56 689	1 791 152

11. Capitalised expenditure for development

	2019	2018
BBF acquisition value	18 376	18 376
Acquisitions for the year	1 555	0
Sales/retirements for the year	-5 433	0
Construction in progress completed during the year	0	0
<i>BCF acquisition value</i>	<i>14 499</i>	<i>18 376</i>
BBF accumulated depreciations	-13 111	-11 319
Depreciations for the year	-1 812	-1 792
Sales/retirements for the year	5 433	0
<i>BCF acquisition value</i>	<i>-9 490</i>	<i>-13 111</i>
Reported value	5 009	5 265

12. Rights and other intangible fixed assets

	2019	2018
BBF acquisition value	37 099	34 908
Acquisitions for the year	2 013	2 191
Sales/retirements for the year	0	0
Construction in progress completed during the year	0	0
<i>BCF acquisition value</i>	<i>39 112</i>	<i>37 099</i>
BBF accumulated depreciations	-27 160	-25 077
Depreciations for the year	-2 124	-2 083
Sales/retirements for the year	0	0
<i>BCF accumulated depreciations</i>	<i>-29 284</i>	<i>-27 160</i>
Reported value	9 828	9 940

13. Improvements to leased property

	2019	2018
BBF acquisition value	702 447	703 843
Acquisitions for the year	25 726	28 664
Sales/retirements for the year	-14 656	-38 783
Reclassification	10 459	8 723
<i>BCF acquisition value</i>	<i>723 975</i>	<i>702 447</i>
BBF accumulated depreciations	-432 706	-412 523
Depreciations for the year	-56 887	-55 134
Sales/retirements for the year	14 380	34 951
<i>BCF accumulated depreciations</i>	<i>-475 213</i>	<i>-432 706</i>
Reported value	248 762	269 741

14. Machinery, equipment, installations, etc.

	2019	2018
BBF acquisition value	4 597 199	4 349 922
Acquisitions for the year	290 395	327 987
Sales/retirements for the year	-232 320	-163 656
Construction in progress completed during the year	151 652	82 945
<i>BCF acquisition value</i>	<i>4 806 926</i>	<i>4 597 199</i>
BBF accumulated depreciations	-2 860 211	-2 571 200
Depreciations for the year	-475 347	-446 151
Sales/retirements for the year	231 174	157 139
<i>BCF accumulated depreciations</i>	<i>-3 104 384</i>	<i>-2 860 211</i>
Reported value, excluding financial leasing	1 702 542	1 736 988
Financial leasing		
BBF acquisition value	301	301
Acquisitions for the year	0	0
Sales/retirements for the year	0	0
<i>BCF acquisition value</i>	<i>301</i>	<i>301</i>
BBF accumulated depreciations	-301	-301
Depreciations for the year	0	0
Sales/retirements for the year	0	0
<i>BCF accumulated depreciations</i>	<i>-301</i>	<i>-301</i>
Reported value	0	0
Total reported value machinery, equipment, installations, etc.		
Machinery, equipment, installations, etc.	1 702 542	1 736 988
Financial leasing, machinery/equipment	0	0
Total machinery, equipment, installations, etc.	1 702 542	1 736 988

15. Construction in progress

	2019	2018
BBF acquisition value	174 522	212 640
Acquisitions for the year	46 194	53 550
Completed construction	-151 652	-82 945
Reclassification	-10 459	-8 723
BCF acquisition value, reported value	58 605	174 522

16. Advances on tangible fixed assets

	2019	2018
OSL reader/analysis tool Department of Geology	302	0
Separator Department of Food Technology, Engineering and Nutrition	150	0
Spray dryer Department of Food Technology, Engineering and Nutrition	0	631
Spectrometer Department of Chemistry	0	1 508
Server University Library	0	75
Total advances on tangible fixed assets	452	2 214

17. Shares in subsidiary and associated companies

Number	Company	Nom. value of holding	Acquisition value	Value 2019	Value 2018
100	LUIS AB	100	10 802	96 607	81 068
Total shares in subsidiary and associated companies				96 607	81 068

18. Other long-term securities holdings

	2019	2018
Stocks and shares:		
BBF acquisition value	84 274	86 968
Write-ups/write-downs to market value	20 910	-11 736
Acquisitions for the year	3 556	32 030
Sales for the year	0	-22 987
BCF acquisition value stocks and shares	108 741	84 274
Market value stocks and shares	108 741	84 274
Bonds and other securities:		
BBF acquisition value	92 969	83 401
Write-downs/write-downs to market value	684	-545
Acquisitions for the year	20 196	45 000
Sales for the year	-19 901	-34 887
BCF acquisition value bonds and other securities	93 948	92 969
Market value bonds and other securities	93 948	92 969
Total market value securities	202 689	177 243

Securities that are fixed assets are entered at acquisition value.

19. Other long-term accounts owing

	2019	2018
Promissory note Michael Hansens kollegium	2 000	2 000
	2 000	2 000

20. Accounts receivable

	2019	2018
Accounts receivable, non-governmental	97 977	126 026
Provision for doubtful debts	-3 665	-3 388
Total accounts receivable	94 312	122 638

21. Claims on other public agencies

	2019	2018
VAT receivables and other receivables	89 200	97 858
Accounts receivable	28 698	27 061
Total claims on other public agencies	117 897	124 919

22. Other short-term accounts receivable

	2019	2018
Not yet paid donation	3 656	0
Travel advances	949	594
Other receivables	-212	-513
Total other short-term accounts receivable	4 393	81

23. Prepaid expenditure

	2019	2018
Prepaid rental expenditure, other	222 456	205 371
Prepaid purchased services and goods	43 006	47 754
Prepaid rental expenditure, other public agencies	10 509	10 251
Total prepaid expenditure	275 971	263 377

The item for prepaid rental expenditure include long (usually 10-year) prepaid rents totalling SEK 2 091 000 (SEK 2 845 000 in 2018).

24. Accrued grant revenue

	2019	2018
Accrued grant revenue, other	305 175	268 711
Accrued grant revenue, other public agencies	95 466	101 439
Accrued grant revenue, foreign sources	93 807	93 902
Total accrued grant revenue	494 448	464 052

25. Other accrued revenue

	2019	2018
Accrued revenue, commissions and other sales, other	8 053	10 175
Accrued revenue, commissions and other sales, other public agencies	3 856	2 907
Total other accrued revenue	11 908	13 081

26. Settlement with Government

	2019	2018
<i>Government appropriations in interest-bearing flow</i>		
Balance brought forward	0	0
Reported against government appropriations	4 823 189	4 553 543
Appropriations added to interest-bearing account	-4 823 189	-4 553 543
<i>Debts with regard to appropriations in interest-bearing flow</i>	0	0

27. Balance of interest-bearing account at National Debt Office

	2019	2018
Interest-bearing account	4 213 549	4 165 989

The balance of the interest-bearing account includes a deficit of SEK 1 381 000 in donated funding invested at the National Debt Office.

Credit granted on the interest-bearing account is SEK 0 (SEK 0 in 2018)

28. Cash and bank balances

	2019	2018
Banked funds, EU funding	184 753	70 142
Banked funds, donations	0	1 079
Total cash and bank	184 753	71 221

29. Government capital without required return

	2019	2018
Transfer to LUIS AB	26 000	25 000
Cultural assets transferred from National Public Art Council	2 038	2 049
Art financed from government appropriations	1 295	1 185
Total government capital without required return	29 333	28 234

30. Donated capital

	2019	2018
Donation-financed art at Skissernas Museum, University Library and LU350	4 060	4 060
Donation from publisher Michael Hansen	2 000	2 000
Total donated capital	6 060	6 060

The donated capital from Michael Hansen is on loan to the Michael Hansen Kollegium foundation in accordance with the foundation statutes (see note 19). The dividends (interest revenue) are distributed to the same foundation. The dividends are distributed in the same year as they are received.

31. Shares of earnings in subsidiary and associated companies

	2019	2018
BBF shares of earnings	36 014	34 354
Transferred from previous year's earnings	20 055	1 660
BCF shares of earnings	56 069	36 014

32. Capital brought forward

	2019	2018
Change in capital brought forward, BBF	1 590 797	1 391 820
Change in capital previous year	72 368	200 692
Appropriation of profit		
– conversion of art financed from government appropriations	-110	-55
– to shares of earnings in subsidiary and associated companies	-20 055	-1 660
Remaining change in capital previous year	52 203	198 977
Capital brought forward, BCF	1 643 000	1 590 797

33. Provisions for pensions and similar obligations

	2019	2018
Pension benefits to be paid by the University		
Provisions brought forward	39 282	37 714
+ Pension expenditure for the year	21 479	18 381
+ Special payroll tax	5 211	4 459
- Pension payments for the year	-24 538	-21 272
Provisions carried forward	41 434	39 282

34. Other provisions

	2019	2018
Provision for professional development according to agreement		
Provisions brought forward	53 177	51 078
Change for the year	5 808	2 099
Provisions carried forward	58 986	53 177

35. Loans at National Debt Office

	2019	2018
BBF fixed asset loans	501 722	499 399
Newly raised loans	170 801	170 639
Amortisation	-174 864	-168 316
BCF fixed asset loans	497 659	501 722
Approved loan facilities at the National Debt Office	545 000	600 000

36. Short-term debts to other public authorities

	2019	2018
Debts, Swedish Tax Agency (employer contributions)	90 723	88 099
Accounts payable, other public agencies	65 729	70 711
VAT carried forward	17 971	23 021
Total debts to other public agencies	174 423	181 831

37. Accounts payable

	2019	2018
Accounts payable, non-governmental	238 110	465 913

38. Other short-term debts

	2019	2018
Clearing account EU	184 753	70 142
Employees' PAYE	88 813	84 355
Miscellaneous clearing accounts (uninvestigated payments etc.)	5 381	15 582
Other liabilities	421	10 963
Grants for redistribution from non-gov. funding bodies	0	8
Total other liabilities	279 368	181 051

39. Deposits

	2019	2018
Deposits from students for keys/key cards	3 676	3 774

40. Accrued expenditure

	2019	2018
Accrued holiday pay liabilities	212 328	209 851
Accrued social insurance contributions	116 787	130 179
Accrued salaries	27 043	53 975
Other accrued expenditure public authorities (clinical academics etc.)	900	1 000
Other accrued expenditure	-1 902	-10 572
Total accrued expenditure	355 156	384 433

41. Unused grants (by funding source)

	2019	2018
Public agencies incl. public enterprise	2 007 880	2 042 256
Other organisations and non-profit associations	1 207 608	1 139 180
EU institutions	221 624	202 376
Other countries and international organisations	208 367	164 119
Donations ¹	137 513	118 714
Local and regional authorities	127 419	115 523
Private companies	98 914	91 632
Private individuals	48 375	50 817
State-owned companies	322	844
Total unused grants	4 058 022	3 925 462

1) Donated funds are mainly donations from private individuals.

The total amount of unused grants for 2019 includes SEK 301 345 000 (SEK 333 887 000 in 2018) tied up for future depreciations. This corresponds to 7.43 per cent (8.51 per cent in 2018).

Rate of use of unused government grants calculated according to the HFR model

Unused grants SEK 2 020 395 000 (SEK 2 050 273 000 in 2018) minus accrued grant revenue SEK 95 466 000 (SEK 101 439 000 in 2018).

Rate of use	2019	2018
Within 3 months	410 984	396 201
3–12 months	1 232 952	1 188 604
1 year–3 years	280 992	364 029
> 3 years	0	0
Total	1 924 928	1 948 834

The difference from unused grants by funding source is due to government funding paid via non-governmental funding bodies.

42. Other prepaid revenue

	2019	2018
Prepaid internal commissions and other sales, other	186 886	174 074
Prepaid internal commissions and other sales, other public authorities	49 100	44 322
Prepaid rental revenue, external	1 088	2 265
Total other prepaid revenue	237 075	220 661

The total amount of other prepaid revenue for 2019 includes SEK 1 705 000 (SEK 2 219 000 in 2018) tied up for future depreciations. This corresponds to 0.72 per cent (1.01 per cent in 2018).

43. Reporting of fees pursuant to Chapter 3 Section 2 of the Annual Reports and Budget Documentation Ordinance

Reporting of fee-funded activities (SEK thousand)						
Activity	Surplus/ deficit up to and including 2017	Surplus/ deficit 2018	Revenue 2019	Expenditure 2019	Surplus/ deficit 2019	Accum. deficit CF 2019
<i>First and second-cycle education</i>						
Contracted courses	-2 102	771	10 517	8 956	1 561	230
Higher vocational educ, post-secondary voc. training, etc.	0	0	16 304	16 757	-453	-453
Contract education	19 981	-2 471	63 729	66 614	-2 885	14 625
Education of fee-paying students	149	8 150	124 080	118 534	5 546	13 845
Total	18 028	6 450	214 630	210 861	3 769	28 247
<i>Research and third-cycle education</i>						
Contract research	617	-10 558	104 238	99 021	5 217	-4 724
Total	617	-10 558	104 238	99 021	5 217	-4 724
<i>Activities not requiring full cost coverage</i>						
Swedish Scholastic Aptitude Test	-2 224	-574	3 843	5 597	-1 754	-4 552
Letting of accommodation to exchange students and visiting researchers	-78 137	1 001	60 550	64 016	-3 466	-80 602
Letting of accommodation in accordance with government decision (U2010/4277/UH)						
Other under annex 4	0	0	4 054	4 054	0	0
Total	-80 361	427	68 447	73 667	-5 220	-85 154

Service exports are included in the revenue as follows: SEK 17 997 000 for contract education, SEK 7 545 000 for contracted courses, SEK 17 894 000 for contract research and SEK 124 080 000 for education of fee-paying students.

44. Reporting pursuant to Section 25a of the Fees Ordinance

	2019	2018
A. Accumulated surplus in fee-funded activities	23 523	14 536
B. Total turnover for the year for fee-funded activities	318 868	289 265
A as a percentage of B	7.4 %	5.0 %

Board decision

The University Board approved the annual report for the 2019 financial year at its meeting on 14 February 2020. We confirm that the annual report gives a true and fair view of the financial outcome of the year and of expenditure, revenue and Lund University's financial position. We also judge that the internal governance and control at the University was satisfactory for the period covered by the annual report.

Jonas Hafström
Chair

Wanja Lundby-Wedin
Board member

Torbjörn von Schantz
Vice-Chancellor

Anne L'Huillier
Academic staff representative

Anna Stellingner
Board member

Ann-Katrin Bäcklund
Academic staff representative

Annika Winsth
Board member

Tommy Andersson
Academic staff representative

Gunnar Wetterberg
Board member

Robin Bernstähle
Student representative

Ingrid Bengtsson-Rijavec
Board member

Linn Svärd
Student representative

Jens Oddershede
Board member

Sara Thiringer
Student representative

Per Arfvidsson
Board member

Key performance indicators

	2019	2018	2017	2016	2015
Education and research					
Total FTE students ¹	26 802	25 899	26 567	26 766	27 370
Expenditure per FTE student ²	95.1	97.0	91.1	86.9	83.0
Total annual performance equivalents ¹	22 754	22 155	22 361	22 811	23 348
Expenditure per annual performance equivalent ²	112.0	113.4	108.2	102	97.3
Total fee-paying students (FTE)	956	805	732	630	580
Total newly admitted doctoral students ³	482	520	441	450	471
– percentage women	53	51 %	49 %	48 %	42 %
– percentage men	47	49 %	51 %	52 %	58 %
Total doctoral students active to some degree	2 715	2 724	2 835	2 947	3 116
– percentage women	49 %	48 %	48 %	47 %	47 %
– percentage men	51 %	52 %	52 %	53 %	53 %
Total doctoral students on doctoral studentships (FTE)	1 172	1 115	1 169	1 259	1 349
Total doctoral students with doctoral grants (FTE)	0	0	0	0	0
Average length of study ⁴ for licentiate	3.0	2.8	3.1	2.8	2.6
Average length of study ⁴ for PhD	4.1	4.0	4.1	4.2	4.2
Total PhDs awarded	390	402	447	461	381
Total licentiates awarded	27	33	36	48	48
Total peer-reviewed research publications ⁵		5 362	5 251	5 016	5 381
Cost per peer-reviewed research publication ⁵		1 072	1 032	1 088	985
Staff⁶					
Total full-time equivalents ⁷		6 770	6 604	6 664	6 757
Average number of employees	8 159	7 860	7 697	7 755	7 858
Total academic staff (FTEs)	2 272	2 169	2 075	2 088	2 081
– percentage women	39 %	38 %	38 %	37 %	36 %
– percentage men	61 %	62 %	62 %	63 %	64 %
Academic staff with PhDs (FTEs)	1 943	1 892	1 832	1 749	1 812
– percentage women	37 %	37 %	37 %	36 %	35 %
– percentage men		63 %	63 %	64 %	65 %
Professors (FTEs)	650	658	657	681	692
– percentage women	28 %	28 %	27 %	25 %	24 %
– percentage men	72 %	72 %	73 %	75 %	76 %
Finances					
Total revenue (SEK million) ⁸ , of which	8 895	8 516	8 245	8 113	7 501
first-and second-cycle education (SEK million)	2 564	2 635	2 531	2 396	2 442
– percentage appropriation funding (%)		83 %	83 %	85 %	83 %
– percentage external revenue (%)	14 %	17 %	17 %	15 %	17 %
research and third-cycle education (SEK million)	6 231	5 882	5 715	5 717	5 059
– percentage appropriation funding (%)	41 %	42 %	42 %	41 %	38 %
– percentage external revenue (%)	59 %	58 %	58 %	59 %	62 %
Total expenditure (SEK million) ⁹	8 852	8 464	8 046	7 992	7 792
– percentage staff	62 %	62 %	62 %	62 %	62 %
– percentage premises	12 %	12 %	12 %	13 %	13 %
Cost of premises per sq.m. (SEK)	1 996	1 969	1 908	1 844	1 757
Balance sheet total (SEK million)	7 736	7 692	7 181	6 774	6 540
– of which unused grants	4 058	3 925	3 838	3 626	3 536
– of which change in capital for the year	57	72	200	124	-279
– of which agency capital (incl. capital change for the year)	1 791	1 733	1 659	1 457	1 331

1) Excluding contract education and contracted courses.

2) Expenditure per full-time equivalent student and annual performance equivalent cannot be totalled. Both include total expenditure. Contract education and contracted courses are not included.

3) Figures refer to newly admitted students and not only to new higher education entrants.

4) Net median value.

5) Figures for 2019 are not reported.

6) The staffing situation in December of the respective year.

7) Full-time equivalents (FTE) excluding staff paid by the hour. In 2019, staff paid by the hour corresponded to a total of 234 FTEs.

8) Excluding collection, transfers and profit/loss from shares in subsidiary and associated companies.

9) Excluding collection and transfers.

The figures concerning research students are annually updated as there is a delay with regard to registration in the doctoral student registry.

LUND UNIVERSITY'S VISION

A world-class university that works to understand, explain and improve our world and the human condition.



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