

VIA University College

Annual report 2016

This is an extract from the annual report for 2016 of VIA University College approved by the Board of Directors on 30 March 2017.

Aarhus, 30 March 2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33963556

Jakob Boutrup Ditlevsen
State Authorised Public Accountant

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College details

Name, etc.

VIA University College

Skejbyvej 1, DK-8240 Risskov

VIA University College is a self-governing educational institution domiciled in Aarhus, Denmark.

Phone +45 87 55 00 00

Internet www.via.dk

E-mail via@via.dk

School Code 791.413

Central Business Registration No 30773047

Financial year 01.01.2016 - 31.12.2016

Registered in: Aarhus, Denmark

Board of Directors

Peter Sørensen, Chairman

Jørgen Nørby, Vice-Chairman

Poul Erik Christensen

Morten Ballisager

Peter Stampe

Berit Eika

Thor Jensen

Bente Alkærsig Rasmussen

Inge Lundin Bech

Cristian Russu

Jens Eistrup

Keld Bach Nielsen

Lars Goldschmidt

Ingelis Sander

Kristel Mari Skorge

Management

Harald Mikkelsen, Principal

Object of the College

According to the Statutes, VIA University College's object is to provide and develop higher education and supplementary and continuing education, which at an international professional level will meet the demand for qualified staff in the private as well as in the public sectors. VIA University College is to meet the demand for supply of bachelor education as well as continuing and higher education in this relation in Region Midtjylland.

Bank

Danske Bank, Finanscenter Jylland Øst, Åboulevarden 69, DK-8000 Aarhus C

Auditors

The National Audit Office of Denmark, Landgreven 4, DK-1301 Copenhagen K

Deloitte Statsautoriseret Revisionspartnerselskab, City Tower, Værkmestergade 2, DK-8000 Aarhus C

Income statement for 2016

	Note	2016 DKK	2015 DKK
Government subsidies	1	1,239,863,978	1,266,215,212
Students fee and other income	2	<u>365,626,785</u>	<u>342,963,637</u>
Total revenue		<u>1,605,490,763</u>	<u>1,609,178,849</u>
Implementation of the education	3	(959,754,956)	(965,672,382)
Marketing	4	(7,334,739)	(6,976,732)
Management and administration	5	(162,054,854)	(167,264,898)
Administrative cooperation, host institution	6	(13,438,536)	(13,644,677)
Building operation	7	(190,877,063)	(207,283,421)
Activities with special subsidies	8	(113,706,315)	(132,452,574)
Research and development activities	9	<u>(110,243,700)</u>	<u>(99,420,444)</u>
Total costs		<u>(1,557,410,163)</u>	<u>(1,592,715,128)</u>
Profit/loss before financial income/expenses and extraordinary items		<u>48,080,600</u>	<u>16,463,721</u>
Financial income	10	4,893,420	140,235
Financial expenses	11	<u>(51,936,473)</u>	<u>(40,440,581)</u>
Total net financials		<u>(47,043,053)</u>	<u>(40,300,346)</u>
Profit/loss for the year		<u>1,037,547</u>	<u>(23,836,625)</u>
Distribution of profit/loss			
Transfer to equity		<u>1,037,547</u>	<u>(23,836,625)</u>
Total		<u>1,037,547</u>	<u>(23,836,625)</u>

() means that the amount is deducted or is negative.

Balance sheet at 31 December 2016

	Note	2016 DKK	2015 DKK
Leasehold improvements	12	3,923,342	5,469,069
Land and buildings	12	2,171,719,242	2,163,402,685
Tools and equipment, fixtures and fittings	12	16,911,888	29,527,872
Fixed assets held for sale		75,986,426	166,453,806
Prepaid and uncompleted fixed assets		<u>38,321,920</u>	<u>35,864,578</u>
Total property, plant and equipment		<u>2,306,862,818</u>	<u>2,400,718,010</u>
Deposits	13	22,127,188	21,670,803
Deposit "VIA i Kina"	13	<u>549,676</u>	<u>547,915</u>
Total fixed asset investments		<u>22,676,864</u>	<u>22,218,718</u>
Total fixed assets		<u>2,329,539,682</u>	<u>2,422,936,728</u>
Trade receivables		40,190,816	34,946,056
Other receivables		45,071,807	42,779,137
Prepayments		<u>4,117,716</u>	<u>2,570,504</u>
Total receivables		<u>89,380,339</u>	<u>80,295,697</u>
Cash		<u>97,451,093</u>	<u>97,866,291</u>
Total current assets		<u>186,831,432</u>	<u>178,161,988</u>
Total assets		<u>2,516,371,114</u>	<u>2,601,098,716</u>

Balance sheet at 31 December 2016

	Note	2016 DKK	2015 DKK
Equity at 31 December 1990		83,274,758	83,274,758
Gifts in the form of chattels granted after 1 January 1991		5,078,000	5,078,000
Revaluation	14	34,850,317	75,272,636
Other equity	15	<u>356,570,260</u>	<u>310,146,894</u>
Equity		<u>479,773,335</u>	<u>473,772,288</u>
Municipal debt	16	9,708,215	9,708,215
Mortgage debt	17	1,392,617,321	1,412,682,371
Payables relating to interest swaps		78,016,374	82,979,870
Donations		<u>0</u>	<u>4,400,000</u>
Long-term liabilities other than provisions		<u>1,480,341,910</u>	<u>1,509,770,456</u>
Next year's instalments on long-term liabilities other than provisions		64,129,515	120,651,239
Salaries and wages payable		41,181,239	30,477,110
Holiday pay obligation		137,430,578	139,126,621
Intercompany account with the Danish Agency for Higher Education		145,541,757	141,677,080
Trade payables		74,850,217	87,041,112
Other short-term payables		35,451,165	29,970,897
Deferred income		<u>57,671,398</u>	<u>68,611,913</u>
Total short-term liabilities other than provisions		<u>556,255,869</u>	<u>617,555,972</u>
Total liabilities other than provisions		<u>2,036,597,779</u>	<u>2,127,326,428</u>
Total equity and liabilities		<u>2,516,371,114</u>	<u>2,601,098,716</u>
Assets charged and security	18		
Other liabilities	19		

Independent auditor's report

To the Board of Directors of VIA University College

Report on the financial statements

Opinion

We have audited the financial statements of VIA University College for the financial year 1 January to 31 December 2016, which comprise the income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, including accounting policies and special specifications. The financial statements are prepared in accordance with the Danish State Accounting Act etc. as well as Ministerial Order no. 70 of 27 January 2011 on state accounting etc. (state accounting rules), directions from December 2016 on preparation of annual reports of academies of professional higher education and university colleges as well as rules laid down in the Financial Administrative Directions prepared by the Danish Ministry of Finance.

In our opinion, the financial statements are accurate, in all material respects, i.e. they have been prepared in accordance with state accounting rules, directions from December 2016 on preparation of annual reports of academies of professional higher education and university colleges and rules laid down in the Financial Administrative Directions prepared by the Danish Ministry of Finance.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation as well as good public auditing practice as the audit is performed on the basis of the provisions laid down in the Danish Ministry of Higher Education and Science's Ministerial Order no. 1294 of 12 December 2008 on audit and subsidy control, etc at university colleges for higher education as well as the Danish School of Media and Journalism. 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 the Institution in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the Institution's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Institution 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 generally accepted public auditing standards, cf. the Danish Ministry of Higher Education and Science's Ministerial Order no. 1294 of 12 December 2008 on audit and subsidy control, etc at university colleges for higher education as well as the Danish School of Media and Journalism, 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 generally accepted public auditing standards, cf. the Danish Ministry of Higher Education and Science's Ministerial Order no. 1294 of 12 December 2008 on audit and subsidy control, etc at university colleges for higher education as well as the Danish School of Media and Journalism, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks 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 the Institution'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 and conditions that may cast significant doubt on the Institution'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 the Institution 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

The management commentary also includes the target reporting.

Management is responsible for the management commentary and the target reporting.

Our opinion on the financial statements does not cover the management commentary and the target reporting, 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 the target reporting, and in doing so, consider whether the management commentary and the target reporting 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 and the target reporting are in accordance with the financial statements and have been prepared in accordance with the state accounting rules. We did not identify any material misstatement of the management commentary and the target reporting.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

It is Management's responsibility to ensure that the transactions covered by the financial statements are in accordance with the allocations, laws and regulations and other rules, agreements concluded as well as common practice, and that financial consideration was made when managing the funds and the operations of the activities covered by the financial statements.

As part of our audit of the financial statements, it is our responsibility in accordance with generally accepted public auditing standards to select relevant subject matters for compliance audit as well as performance audit. In a compliance audit, we test the selected subject matters to obtain reasonable assurance about whether the transactions covered by the financial statements comply with appropriations granted, statutes, other regulations, agreements and usual practice. In a 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 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.

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

Aarhus, 30 March 2017

Deloitte

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Central Business Registration No 33963556

Jakob Boutrup Ditlevsen	Klaus Tvede-Jensen
State Authorised	State Authorised
Public Accountant	Public Accountant