



University
of Basel

Annual Report 2022

Summary.

3,011

doctoral candidates are currently researching at the University of Basel. The high proportion of doctoral candidates shows that the university enjoys a good reputation both nationally and internationally as a research university.

24.5%

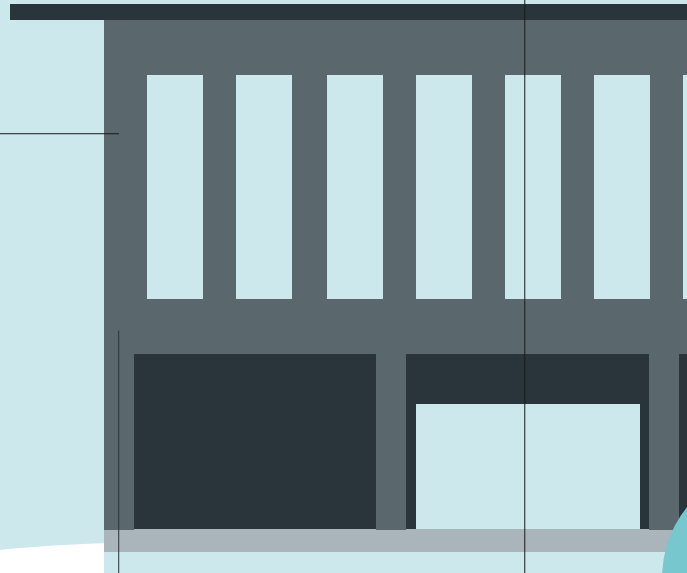
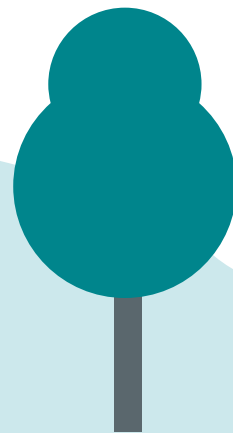
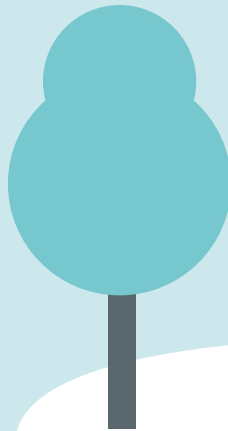
of students study at the **Faculty of Medicine**, making it the biggest faculty at the University of Basel.

336,362,600 Swiss francs

is the **global contribution** paid to the university by the cantons of Basel-Stadt and Basel-Landschaft. This amounts to over 40 percent of the university's total income.

4,737

students and doctoral candidates come from the cantons of **Basel-Stadt and Basel-Landschaft**. This amounts to 36.7 percent of all students and doctoral candidates at the university.



57.4 %

of all students and doctoral candidates are **women**.

1,775

lecturers work at the University of Basel.

9,569

students and doctoral candidates lived in **Switzerland** before starting their studies. This amounts to 74.2 percent of all students and doctoral candidates at the university.



The University of Basel would like to thank all private donors, foundations and companies whose support in 2022 contributed to the success of teaching and research.

Thanks also go to all those who make their knowledge and expertise available to the university on boards and committees.

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Legal note

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Fiscal year 2022

University of Basel

New accounting regulations at the University of Basel

As of the 2022 financial year, the university's annual financial statement switched to the new Swiss GAAP FER accounting standards. This changeover process involved two key areas of work: firstly, as of 1 January 2021, the chart of accounts for the new accounting system was completely revised, expanded and put into effect. Secondly, implementing the new accounting standards involved determining an opening balance sheet as at 1 January 2021 according to Swiss GAAP FER, and reposting the entire accounting material for 2021 in parallel, so to speak, taking the new rules into account. In particular, the second area of work and the updating of the previous year is mandatory for the first audit certificate of the financial statement according to Swiss GAAP FER by the auditors. The new accounting standards have significant consequences for the presentation of both the income statement and the balance sheet, the financial effects of which are summarized in the notes.

In addition to more formal aspects, such as the presentation of the income statement in terms of the operating result, financial result and extraordinary result, there are three main content-related aspects in the income statement that have a key impact on the annual result: the previously permitted recognition of earmarked reserves as expenses has been completely eliminated. Only the portion of project contributions recognized as expenses is now reported and no longer the actual cash receipts (this also eliminates the previous allocation of unused project funds to expenses), and financial assets are now valued at nominal value, or the lower fair value, at cost (previously at market value).

In the balance sheet, the effects are even more significant, especially on the liabilities side, as Swiss GAAP FER does not distinguish as previously between liabilities, committed funds, reserves and free equity. Instead, the new accounting regulations only allow for a distinction between liabilities and equity, which is why a complete review of the liabilities side was already carried out by the auditors for the opening balance sheet as at 1 January 2021, and a reallocation of all liability items to these two headings was made. The following rules apply to the future statement: liabilities include all funds with a narrowly defined purpose and an obligation to third parties. If

there is no obligation to third parties, it is equity. The additional distinction made by the university between restricted and non-restricted equity is based on the purpose for which the funds are earmarked. This earmarking, which is openly disclosed in equity, comes about through resolutions of the University Council (usually at the request of the President's Board), in accordance with stipulations in the State Treaty or performance agreements derived from it, and in the area of teaching and research. This earmarked equity will now also include the capital of independent foundations and associations, which will be included in a separate company code in the university's consolidated financial statement as of 1 January 2021.

On the basis of these adjusted accounts, the university's accounting principles had to be completely revised (see notes to the consolidated financial statement) and a cash flow statement had to be prepared in addition to the income statement and balance sheet. Finally, the newly prepared statement of changes in equity plays a central role in the risk-based assessment of the university's equity. The active management of restricted equity, as required by the accounting principles, openly discloses the special characteristics of a university operation, as well as the associated obligations, and makes it possible to distinguish between the year-end result and the balance sheet result.

Year-end result in the university's income statement and balance sheet result

Based on the new accounting rules, a differentiated view of the year-end result in the income statement is of central importance, and essential to the interpretation and assessment of the university's fiscal year. Beginning with this fiscal year, therefore, the consolidated year-end result in the income statement, the newly included statement of changes in equity and the resulting impact on the university's balance sheet results must be combined.

Annual financial statement

Derivation of the university's balance sheet result

in CHF million	Statement 2022	Statement 2021
Year-end result foundations and associations	4.9	0.7
Year-end result university	-28.6	-16.6
Consolidated year-end result	-23.7	-15.8
Release of funds teaching and research	20.4	1.8
Release of funds infrastructure and real estate	15.1	17.6
Release of capital foundations and associations	0.3	0.0
Allocation year-end result foundations and associations	-4.9	-0.7
Balance sheet profit (+)/loss (-) university	7.1	2.9

The university's consolidated year-end result consists of two components: in addition to the university in its core business, the independent foundations and associations included in the consolidated annual financial statement also generate their own year-end results. The balance of these two year-end results is the annual loss reported in 2022 and 2021 in the university's consolidated income statement as a whole. These two areas are to be treated separately in the context of the appropriation of profits, however. In particular, the annual net profit generated by the foundations and associations in 2021 and 2022 must be factored out as a direct allocation to the foundations and

associations in the net income of the university's core business derived above. There are also releases of committed funds listed separately in the restricted equity (see items 34 to 36 in the notes), so that the university achieves balance sheet profits (2022 up CHF 7.1 million; 2021 up CHF 2.9 million).

Based on the active management of restricted equity required by the accounting principles, these balance sheet profits result in a shift within the equity items and, in accounting terms, in an increase in the university's non-restricted equity.

Development of free equity

in CHF million	Statement 2022	Statement 2021
Carried forward from previous year	56.1	53.2
Year-end result university	-28.6	-16.6
Allocations (+)/releases (-)	35.8	19.4
Change in free equity	7.1	2.9
Free equity university	63.2	56.1

Comments on the 2022 fiscal year

The new presentation of the income statement results in a separation of business activities within the financial year. The individual components that ultimately lead to the consolidated annual loss of CHF 23.7 million will therefore be explained and commented on below. This report provides a detailed description of the activities and influences in the 2022 fiscal year, with the aim of presenting investors and interested members of the public with the most accurate picture possible of the university's financial situation.

The 2022 operating result

The operating result of minus CHF 10.0 million in 2022 (previous year minus CHF 23.5 million) is made up of income from ordinary activities and operating expenses. This year-on-year increase of CHF 13.5 million in the consolidated operating result is attributable to an increase in income (CHF 7.1 million) and a reduction in operating expenses of CHF 6.4 million.

Income from ordinary activities

First, the funds within the framework of basic funding from the public sector (for details see items 1 to 5 in the notes) have fallen by CHF 4.2 million compared to the previous year: on the one hand, the global contributions from the supporting cantons will increase by a total of CHF 14.2 million based on the new 2022 to 2025 performance mandate. On the other hand, the special contributions from the supporting cantons fell by CHF 16.7 million. This is strongly related to the opening of the new Biozentrum building in 2021. In 2022, the supporting cantons only had to increase their commitments for the impairment of the new building by a total of CHF 0.5 million (previous year CHF 5.0 million); in addition, there was a one-off repayment of prefinanced benefits from this fund in 2021 in favor of the real estate fund. In addition, payments from the Canton of Basel-Stadt for the performance agreements for the University Library and the Student Advice Center, which are listed separately in the special contributions and updated for the fifth performance period, increased by a total of CHF 0.4 million. Finally, federal contributions increased by CHF 1.5 million, while contributions from other cantons fell by CHF 3.2 million.

Project contributions as the sum of "research contributions" and "commitments with conditions and legacies" rose by CHF 6.0 million on the previous year (for details see items 6 and 7 in the notes). It should be noted that, with the changeover to Swiss GAAP FER, these contributions no longer show the cash inflows for the year, but the effective loss of value. As this change was also made for 2021 as part of the changeover work, however, comparability is ensured and the further increase is proof of the University of Basel's continued attractiveness in a highly competitive field in 2022.

Other income increased by CHF 5.3 million on the previous year (for details see items 8 and 9 in the notes). In this context, the educational contributions and fees rose by a total of CHF 0.7 million, with semester fees (up CHF 1.5 million) and participation fees for workshops and conferences (up CHF 0.6 million) increasing, and contributions for teaching and training (down CHF 1.1 million) and federal and cantonal contributions for scholarships (down CHF 0.3 million) decreasing. The second item summarized here, "Other operating income", increased by CHF 4.6 million on the previous year. The biggest increases were in real estate income (CHF 3.0 million) and the reimbursement of expenses (up CHF 1.8 million). All other items fell by CHF 0.2 million.

Operating expenses

The university's operating expenses consist of personnel expenses, expenses for goods and services, depreciation and amortization, and other operating expenses. Compared to the previous year, total operating expenses fell by CHF 6.4 million.

Personnel expenses, as the biggest item in the operating expenses (CHF 375.4 million), rose by CHF 6.9 million compared to 2021 (for details see item 10 in the notes). The following developments are responsible for this increase: a CHF 4.3 million rise in personnel costs for positions funded by ordinary budget funds in teaching, research and self-administration, and an increase of CHF 2.6 million for the Swiss National Science Foundation and other external funding. More details can also be found in the personnel overview in the statistical data.

Expenses for goods and services consist of operating expenses and occupancy costs, and fell by CHF 11.7 million on the previous year. Operating expenses rose by CHF 10.3 million, while occupancy costs fell by CHF 22.0 million (for details see item 11 in the notes). The main drivers behind the increase in operating expenses were the significant reduction in expenses for travel, overnight stays and events in the two years of the Covid pandemic (up CHF 6.4 million) and the purchase of material assets below the capitalization threshold of CHF 10,000, primarily in the area of IT (up CHF 3.8 million). There are also some significant changes in the other items under operating expenses, which almost balance out at minus CHF 0.1 million (for details of operating expenses, see item 11). There will be significant adjustments to occupancy costs and the expenses for goods and services items detailed in note 11 as a result of the new real estate agreement, which came into effect at the start of the fifth performance period from 2022 to 2025: on the one hand, the repair and maintenance of the buildings via the previously separately managed real estate fund only takes place for projects that have already been decided on or are still in progress. On the other hand, CHF 10.0 million of non-capitalizable additional costs for the new Biozentrum building still had to be recognized as expenses in 2021. These two effects led to a total reduction in repair and maintenance expenses of CHF 27.7 million compared to the previous year. In addition, expenses in the areas of cleaning, building management (including moving costs) and security also fell by CHF 1.5 million. Opposing developments came from the basic rents payable to the Canton of Basel-Stadt (up CHF 6.0 million) and rising energy costs (up CHF 1.3 million).

Compared to the previous year, depreciation on tangible fixed assets rose by CHF 3.4 million, while amortization of intangible assets fell by CHF 0.2 million. In addition to additional capitalization items for the new Biozentrum building and the now full depreciation amount for the new Department of Sport, Exercise and Health building, the increase in depreciation on tangible fixed assets is primarily due to the capitalization of the new Belo Horizonte building for the Swiss Tropical Institute (Swiss TPH) in the 2022 fiscal year. For details of developments in depreciation and amortization, please see the fixed assets schedule in items 22, 23 and 28 in the notes.

The “Other operating expenses” item comprises all other expenses in operating expenses (for details, see item 12 in the notes). There was a total decrease of CHF 4.7 million in expenditure over the previous year in this item. In addition to contributions to third parties (i.e. students, research projects and other projects), this collective item reported under the new accounting system also includes transfer expenses to associates, project partners and compensation for teaching and research in clinical medicine recorded by the university and broken down by expense category.

The 2022 financial result

The financial result includes all income and expenses relating to loans to third parties, time deposits, holdings, bonds and shares. Bonds and shares are measured at cost less operational value adjustments according to the lowest value principle.

The significant decline in the financial result compared with the previous year, from plus CHF 5.1 million to minus CHF 13.8 million (minus CHF 18.9 million), is due mainly to the turbulence on the financial markets (following a very strong investment year in 2021). For the first time in over 40 years (in the days of the oil crisis), both the stock and bond markets experienced negative performance in parallel in 2022. This can be attributed to the Ukraine crisis in combination with the accompanying energy crisis. Unfortunately, the crisis situation has also affected the university's financial investments, resulting in a negative performance of just over 15 percent in 2022. Over the past 20 years, the university has successively built up a financial cushion for precisely such crisis situations as part of its risk provision through the non-distribution of a portion of the financial income generated (status before appropriation of profit 2022: CHF 22.4 million), which can only be used to offset market risks on the financial markets. In terms of the appropriation of profit for 2022, CHF 11.5 million were released at the expense of this item, which is included in restricted equity. In addition to these comments, please see items 13 (Financial income) and 14 (Financial expenses) in the notes, where the other items are disclosed in both income and expenses.

The 2022 extraordinary result

The extraordinary result fell by CHF 2.5 million compared to the previous year. Extraordinary income (down CHF 3.1 million on the previous year) comprises the subsequent invoicing of the share of ancillary rental costs (for electricity, heating, water and cooling) on the Rosental site for the 2017 to 2020 (total income of CHF 1.0 million), which was still included in 2021. The same applies to the one-off reimbursements received for tenant improvement measures and rent reductions amounting to CHF 2.2 million. The current extraordinary income remaining for 2022 (CHF 0.1 million) is attributable to a repayment in connection with the final settlement in 2021 for the storage library. Extraordinary expenses in the 2021 financial year still include ancillary cost settlements for the Rosental site for 2019 and 2020 totaling CHF 0.6 million. In 2022, only the derecognition of a rental deposit was reported.

Notes to the cash flow statement

The cash flow statement provides information on the origin and use of cash and cash equivalents and short-term investments. The cash flow statement also provides a record of all transactions affecting liquidity during a fiscal year. These are usually divided into cash flows from operating activities, from investments (or divestments), and from financing and definancing transactions. The balance of the cash flow statement shows the change in cash and cash equivalents during the period under review.

The cash flow statement thus closes the information gaps between the balance sheet and the income statement by providing details of liquidity development, investment transactions and financing measures.

The following two examples briefly illustrate the significance and interpretation of the university's cash flow statement:

- The depreciation of buildings (e.g. the new Biozentrum building) recorded in the income statement represents a significant expense item. These expenses do not result in a cash outflow, however, and depreciation is therefore adjusted accordingly in the cash flow statement. Instead, the cash outflow in this area takes the form of the contractually agreed amortization payments (i.e. the annual repayment) of the loan granted by the two supporting cantons for the new building. There are also the related interest payments, which are, however, recognized as expenses and cash-effective.
- The monthly payments of wages and salaries represent both expense and liquidity items and are therefore already included in the annual result; the formation of provisions for vacation credits in HR, on the other hand, only affects expenses and must therefore be eliminated in the cash flow statement.

Notes to the statement of changes in equity

According to Swiss GAAP FER, the statement of changes in equity is part of the annual financial statement. It provides a differentiated breakdown of the equity components, and shows the changes within a financial year. For the University of Basel, the effects of the appropriation of earnings are of particular significance, since allocation and release of restricted and/or non-restricted equity result in corresponding adjustments in the two equity items.

The statement of changes in equity ends for a financial year with a list of the closing balances of the individual equity components. As the statement of changes in equity compares the various equity components at the beginning and end, it is also possible to analyze the development of equity items over several periods.

Outlook for 2023 and the fifth performance period as a whole

Once the Covid crisis was overcome without major damage in 2020 and 2021 thanks to the dedication of all university employees, 2022 presented the university with new and no less challenging situations in many respects. On the one hand, this year, which also marks the beginning of the fifth performance period 2022 to 2025, the university has gradually returned to the normality of university operations, both in its academic areas of teaching and research and in its administrative activities. On the other hand, new “exogenous” factors and macro-economic developments have emerged that, although with causes and manifestations, all present the university with significant financial challenges for the future. The keywords here are: energy shortages, rising prices in all areas, inflation and associated inflationary trends, loss of European research programs, new contribution rates under the Intercantonal University Agreement for students from outside the two Basel cantons and, finally, stagnating or even slightly declining student numbers in some cases.

These exogenous factors are also of (financial) significance for the university because the associated significant changes in the overall economic conditions could not have been foreseen in October 2021 (the point when the fifth performance period was defined) in terms of the global contributions determined by the supporting cantons for the years 2022 to 2025. This means that certain “new” factors already had to be taken into account in the updated planning for the 2023 budget. These include in particular the cost-of-living adjustment for staff defined by the University Council, general cost-of-living effects in procurement, and the newly forecast revenue shortfalls in the area of federal funding in accordance with the Higher Education Act (HEdA) and the Intercantonal University Agreement (IUV). Finally, the university as a whole is facing further increases in expenditure in connection with the renewal of necessary basic infrastructure. The further development of cybersecurity in the IT sector, the ongoing increase in digitization in teaching and research and the announced loss of subsidies for

equipment procurement from Innosuisse are key elements here. These steps necessary in the strategy development and implementation process for the coming years of the fifth performance period, and the consideration of the “exogenous” factors mentioned above, will be verified on an ongoing basis in the financial multi-year planning, and will continue based on the 2023 budget for the years 2024 and 2025.

From the university’s perspective, these developments can currently still be covered by the existing university reserves, but they represent a major challenge for the future (and at the latest for the sixth performance period 2026 to 2029). Sustainable financial solutions will therefore have to be found (and based on decisions by the supporting cantons regarding ownership strategy) for the risk-based equity needed by the university to ensure its ability to act in the medium and long term with a view to sustainable operations. Adequate equity will make it possible to take advantage of short-term opportunities in the areas of innovation, research and teaching, and to at least partially cover the numerous and in some cases financially significant risks (real estate financing, pension fund financing, loss of financial sources, pandemics, etc.). Only then will the university (as formulated in the Strategy 2022–2030) be able to continue to position itself as an excellent teaching and research institution that is both regionally anchored and internationally networked and visible, provides its employees with optimal research conditions and offers its students challenging and diverse study programs. It sees the increasingly fierce competition at a national and international level as an incentive to constantly improve and further increase the contribution to scientific progress, innovative strength and the appeal of the entire Basel region as a place to live and work.

Consolidated income statement of the University of Basel 2022

Consolidated income statement 2022

in Swiss francs	Notes	Statement 2022	Statement 2021
Operating income			
Global contributions Canton of Basel-Stadt	1	169,264,558	156,800,000
Global contributions Canton of Basel-Landschaft	2	164,435,442	162,700,000
Special contributions supporting cantons	3	2,662,600	19,392,251
Federal contributions as per the Higher Education Act	4	97,308,188	95,756,755
Contributions from other cantons as per the Intercantonal University Agreement	5	75,972,974	79,165,931
Basic funding		509,643,762	513,814,938
Research contributions	6	171,642,796	175,692,322
Conditional grants and legacies	7	14,372,360	4,276,597
Project contributions		186,015,156	179,968,919
Educational contributions and fees	8	27,831,697	27,142,059
Other operating income	9	28,379,292	23,804,085
Other income		56,210,990	50,946,144
Total income from ordinary activities		751,869,907	744,730,001
Operating expenses			
Personnel expenses	10	375,409,214	368,544,526
Expenses for goods and services	11	190,441,834	202,157,577
Depreciation on fixed assets		38,528,588	35,140,101
Amortization of intangible assets		304,824	487,568
Other operating expenses	12	157,213,221	161,949,017
Total operating expenses		761,897,681	768,278,790
Operating result		-10,027,773	-23,548,790
Financial income	13	33,861,576	9,677,728
Financial expenses	14	-47,644,632	-4,536,409
Financial result		-13,783,056	5,141,319
Ordinary result		-23,810,830	-18,407,470
Extraordinary income		105,691	3,241,767
Extraordinary expenses		-2,965	-637,904
Extraordinary result		102,727	2,603,863
Year-end result		-23,708,103	-15,803,607
Allocation/release			
Allocation (+)/release (-) of funds teaching and research		-20,432,471	-1,759,760
Allocation (+)/release (-) of funds infrastructure and real estate		-15,060,853	-17,619,468
Allocation (+)/release (-) of capital foundations and associations		-301,075	-48,072
Allocation (+)/release (-) of free reserves		35,794,398	19,427,300

Allocation/release and its effects on restricted and non-restricted equity are shown in the statement of changes in equity as part of the appropriation of profit. The corresponding detailed developments for each main category are included in items 34 to 36 of the notes.

Consolidated balance sheet of the University of Basel 2022

Consolidated balance sheet 2022

in Swiss francs	Notes	31.12.2022	31.12.2021
Assets			
Cash and cash equivalents and short-term investments	15	153,924,442	192,018,806
Receivables from goods and services	16	35,022,878	34,756,407
Other current receivables	17	27,930,001	20,045,583
Inventories	18	516,773	441,073
Prepaid expenses and accrued income	19	10,606,249	8,458,907
Current assets		228,000,343	255,720,776
Movable non-current assets	20	53,338,282	50,902,258
Immovable non-current assets	21	607,254,369	584,085,092
Tangible fixed assets		660,592,651	634,987,350
Long-term receivables		1,217,154	1,217,154
Loans	22	53,621,602	58,261,755
Investments	23	1,280,001	1,333,015
Securities	24	291,078,124	296,741,490
Financial assets		347,196,881	357,553,414
Intangible assets	25	347,591	491,364
Non-current assets		1,008,137,124	993,032,128
Total assets		1,236,137,466	1,248,752,904
Liabilities and equity			
Short-term financial liabilities	26	75,967,307	66,445,247
Payables for goods and services	27	23,650,922	42,033,734
Other short-term liabilities	28	3,855,416	9,601,352
Short-term provisions	29	9,900,000	6,700,000
Accrued expenses and deferred income	30	30,071,273	28,646,466
Short-term liabilities		143,444,917	153,426,799
Long-term financial liabilities	31	405,654,748	393,621,037
Other long-term liabilities	32	178,595,307	173,937,322
Long-term provisions	33	27,852,731	23,469,882
Long-term liabilities		612,102,787	591,028,240
Liabilities		755,547,704	744,455,039
Committed funds teaching and research	34	216,760,639	237,193,111
Committed funds infrastructure and real estate	35	168,290,531	183,351,383
Capital foundations and associations	36	32,317,627	27,682,363
Committed equity		417,368,797	448,226,856
Free reserves		56,071,009	53,195,894
Balance sheet profit (+)/loss (-)	37	7,149,956	2,875,115
Free equity		63,220,965	56,071,009
Equity		480,589,762	504,297,865
Total liabilities and equity		1,236,137,466	1,248,752,904

Consolidated cash flow statement of the University of Basel 2022

Consolidated cash flow statement 2022

in Swiss francs	2022	2021
Operating activity		
Profit (+)/loss (-)	-23,708,103	-15,803,607
Depreciation (+)/appreciation (-) movable non-current assets	18,439,515	19,503,545
Depreciation (+)/appreciation (-) immovable non-current assets	19,762,509	15,664,635
Depreciation (+)/appreciation (-) intangible non-current assets	304,824	487,568
Other non-fund-related expenses (+)/income (-)	7,635,863	3,142,181
Decrease (+)/increase (-) in receivables from goods and services	-266,471	22,612,372
Decrease (+)/increase (-) in other receivables and prepaid expenses and accrued income	-10,031,759	-6,649,692
Decrease (+) / increase (-) in inventories	-75,700	63,119
Increase (+)/decrease (-) in payables for goods and services	-18,382,812	-10,640,602
Increase (+)/decrease (-) in other short-term liabilities and accrued expenses and deferred income	-4,321,130	-7,247,171
Increase (+)/decrease (-) in long-term earmarked funds	4,657,985	566,362
Cash flow statement from operating activity	-5,985,278	21,698,711
Investing activities		
Inflows (-) of movable non-current assets	-22,612,304	-24,190,620
Disposals (+) of movable non-current assets	1,736,764	-
Inflows (-) of immovable non-current assets	-42,931,786	-81,613,815
Inflows (-) of intangible assets	-163,123	-358,339
Disposals (+) of intangible assets	2,072	-
Inflows (-) of long-term financial assets	-7,402,205	-26,659,253
Disposals (+) of long-term financial assets	17,705,724	24,648,266
Cash flow statement from investing activities	-53,664,858	-108,173,761
Financing activities		
Increase (+) in short-term financial liabilities	11,806,307	39,803,213
Repayment (-) of short-term financial liabilities	-2,284,247	-
Increase (+) in long-term financial liabilities	24,004,453	-9,090,645
Repayment (-) of long-term financial liabilities	-294,741	3,000,000
Repayment (-) of long-term loans	-11,676,000	-
Cash flow statement from financing activities	21,555,772	33,712,568
Total cash flow statement	-38,094,364	-52,762,483
Cash and cash equivalents at the beginning of the reporting period	192,018,806	244,781,289
Cash and cash equivalents at the end of the reporting period	153,924,442	192,018,806
Change in cash and cash equivalents	-38,094,364	-52,762,483

Consolidated statement of changes in equity

for the University of Basel 2022/2021

Consolidated statement of changes in equity 2022/2021

in Swiss francs	Funds teaching and research	Funds infrastructure and real estate	Capital foundations and associations	Committed equity	Free reserves university	Year-end result university	Free equity	Total equity
Equity 31.12.2020	232,900,013	200,970,851	27,742,211	461,613,075	61,566,669	179,432	61,746,101	523,359,176
Appropriation of earnings 2020	–	–	–	–	179,432	–179,432	–	–
Allocation (+)/release (–)	6,052,858	–	–760,354	5,292,504	–102,465	–	–102,465	5,190,038
Revaluations 1.1.2021	–	–	–	–	–8,447,742	–	–8,447,742	–8,447,742
Equity 31.12.2020 after appropriation of earnings	238,952,871	200,970,851	26,981,857	466,905,579	53,195,894	–	53,195,894	520,101,473
Year-end result 2021	–	–	748,577	748,577	–	–16,552,185	–16,552,185	–15,803,607
Equity 31.12.2021 before appropriation of earnings	238,952,871	200,970,851	27,730,434	467,654,156	53,195,894	–16,552,185	36,643,709	504,297,865
Appropriation of earnings	–	–	–	–	–16,552,185	16,552,185	–	–
Allocation (+)/release (–)	–1,759,760	–17,619,468	–48,072	–19,427,300	19,427,300	–	19,427,300	–
Equity 31.12.2021 after appropriation of earnings	237,193,111	183,351,383	27,682,363	448,226,856	56,071,009	–	56,071,009	504,297,865
Year-end result 2022	–	–	4,936,339	4,936,339	–	–28,644,442	–28,644,442	–23,708,103
Equity 31.12.2022 before appropriation of earnings	237,193,111	183,351,383	32,618,702	453,163,196	56,071,009	–28,644,442	27,426,567	480,589,762
Appropriation of earnings	–	–	–	–	–28,644,442	28,644,442	–	–
Allocation (+)/release (–)	–20,432,471	–15,060,853	–301,075	–35,794,398	35,794,398	–	35,794,398	–
Equity 31.12.2022 after appropriation of earnings	216,760,639	168,290,531	32,317,627	417,368,797	63,220,965	–	63,220,965	480,589,762

The consolidated statement of changes in equity of the University of Basel does not include any endowment capital from the supporting cantons (for allocation and release in committed equity, see items 34 to 36 in the notes).

Notes to the consolidated annual financial statement of the University of Basel 2022

University accounting practices

The accounts of the University of Basel are kept in accordance with all existing accounting recommendations (Swiss GAAP FER). The overarching principle of Swiss GAAP FER is to present a true and fair view of the financial position and performance. This consolidated financial statement represents the situation as at 31 December and was approved by the President's Board on 14 March 2023 and by the University Council on 24 April 2023. The statement was then presented to the governments of the supporting cantons of Basel-Stadt and Basel-Landschaft.

Principles of consolidation

The consolidated financial statement of the University of Basel as at 31 December is based on uniform principles of all organizations under the control of the university included in the scope of consolidation. It comprises all asset, capital and profit figures for all departments and service areas legally belonging to the University of Basel as an institution under public law, as well as all figures relating to the legally independent and non-independent foundations and associations with significant economic relations with the university. In terms of non-independent funds and foundations, this involves various conditional grants and legacies from third parties that benefit the university, individual departments or institutes, or that benefit university hospitals and individual university museums. In addition, the University of Basel reports all funds given by third

parties for the fulfillment of the university's performance mandate or which make it possible to carry out supplementary projects in research and teaching for the university or its representatives.

Alternatively, the following rules apply for the principle of including foundations and associations in the annual financial statement:

- Foundations and associations are included if the majority of the members of the legally established body which has influence over the management and assets of the respective organization as the supreme authority consists of university members who are exercising their university function.
- Economic relationships are considered significant if the majority of the assets and/or contributions from the foundations and associations benefit the other units that are included in the university's scope of consolidation.

The consolidation methods used are full consolidation for independent foundations and associations, and the equity method for companies with shares of between 20 and 50 percent (associated companies). Holdings of less than 20 percent are measured at acquisition cost less any value adjustments required for business reasons. These holdings are reported under financial assets (see note 28).

Annual financial statement

The independent foundations and associations as separate legal entities that are wholly integrated are subject to the cantonal supervisory law and are also managed by the university.

These are the foundations and associations listed in the table below.

Consolidation methods for independent foundations and associations 2022

Name of foundation/association	Registered office	Consolidation method	Share
Alfred Mutz-Stiftung	4056 Basel	Full consolidation	0%
Bernhard Hollander-Stiftung	4003 Basel	Full consolidation	0%
Basler Studienstiftung	4002 Basel	Full consolidation	0%
Frey-Grynäische Stiftung	4051 Basel	Full consolidation	0%
Friedrich Zschokke-Stiftung	4056 Basel	Full consolidation	0%
Fritz Mangold-Stiftung	4052 Basel	Full consolidation	0%
Josef Anton Häfliger-Stiftung	4059 Basel	Full consolidation	0%
Nikolaus und Bertha Burckhardt-Bürgin-Stiftung	4051 Basel	Full consolidation	0%
Rudolf Riggerbach-Stiftung	4056 Basel	Full consolidation	0%
Stiftung für das Knochentumor-Referenzzentrum Basel	4003 Basel	Full consolidation	0%
Stiftung für theologische und philosophische Studien	4051 Basel	Full consolidation	0%
Stiftung Schweizerisches Wirtschaftsarchiv	4052 Basel	Full consolidation	0%
Stiftung Zschokke-Haus	4051 Basel	Full consolidation	0%
Stiftung zur Förderung der biologischen Forschung	4051 Basel	Full consolidation	0%
Universitätsstiftung Basel	4051 Basel	Full consolidation	0%
Verein AlumniBasel	4051 Basel	Full consolidation	0%
Verein zur Förderung des Wirtschaftswissenschaftlichen Zentrums der Universität Basel	4052 Basel	Full consolidation	0%
Unitectra AG	8006 Zurich	Equity method	33.33%

Accounting principles

General

The consolidated financial statement gives a true and fair view of the financial position and performance of the University of Basel, and includes the balance sheet, income statement, cash flow statement, statement of changes in equity, and notes with supplementary information.

The relevant legal principles of the two supporting cantons are taken into account. This refers in particular to the law on university property (SAG 440.400), the ordinance on the perpetuity of university property (SG 440.450), the agreement between the Cantons of Basel-Landschaft and Basel-Stadt concerning the joint sponsorship of the University of Basel (SG 442.400) and the agreement on the real estate of the University of Basel (SG 442.410).

The principle of individual valuation of assets and liabilities applies, with the valuation concept based on historical values. Assets are measured at acquisition or production cost, liabilities at nominal value. The financial involvements within the university have been eliminated.

The following rules apply to revenue recognition or realization:

- Income from basic funding from the supporting cantons is recognized on the basis of the annual installments defined for the performance period and in the performance mandate.
- Income from the federal government within the framework of basic funding is recognized on the basis of federal government rulings pursuant to the Higher Education Act and on the basis of performance indicators in teaching, research and for buildings per fiscal year.
- Income from the other cantons within the framework of basic funding is recorded in each calendar year in accordance with the Intercantonal University Agreement (IUV) and on the basis of student numbers within an academic year.
- Research contributions are only recognized at the end of the year and in the amount of the expense actually incurred in the reporting year.
- Conditional grants and legacies are recognized in accordance with the contractually stipulated grants (pro rata or in total).
- Educational contributions and fees and other operating income are recognized directly in revenue and, if necessary, allocated on an accrual basis.

The essential principles of key items in the financial statement are explained below:

Cash and cash equivalents

Cash and cash equivalents encompass cash in hand, postal account and bank balances as well as cash equivalents with a remaining maturity of at least 90 days. They are appraised at their nominal value.

Short-term financial assets

Short-term financial assets are financial assets with a maturity of 90 days to one year that are intended to be held for the short term. Short-term financial assets with market value are measured at current value. Short-term financial assets without a market value are measured at no more than acquisition cost less any impairment. The principle of individual valuation applies. Price gains and losses, as well as impairment, are recognized in profit or loss for the period.

Short-term receivables

Short-term receivables are measured at nominal value less any impairment. For receivables that are clearly impaired, a valuation allowance is recognized based on the individual risk situation. Credit and loss risks that cannot be clearly quantified are covered by a bad-debt allowance. The amount of the allowance is calculated as the average of the receivables actually written off in the last two accounting periods.

Receivables from and liabilities to the two cantons

Receivables from and liabilities to the two cantons are reported individually in receivables/liabilities on the basis of their maturity.

Inventories

Inventories are measured at cost using the weighted average cost method.

Prepaid expenses and accrued income

Prepaid expenses and accrued income are used to recognize expenses and income on an accrual basis (key elements here are prepaid rent and insurance premiums, advance payments to suppliers, outstanding incoming payments from third parties). Prepaid expenses and accrued income are measured at nominal value.

Tangible fixed assets

The threshold for capitalization is CHF 10,000. Fixed assets above this amount are measured at acquisition or production cost minus accumulated depreciation. Depreciation is calculated on a straight line basis over the useful life of the asset.

In the domain of properties belonging to the university and properties used for university purposes, the value-enhancing investments in the area of upkeep and development are capitalized and written off in accordance with the capitalization rules. Contributions to investments in building infrastructure in accordance with Art. 55, para. 1 of the Higher Education Act are recorded as a separate minus item under tangible fixed assets. The release is made over the same useful life as the investments financed by means of a federal subsidy.

Tangible fixed assets

Asset class	Useful life
Property	Unlimited
Structures	Buildings and surroundings 40 years
	Operational facilities 20 years
	Fixtures and fittings 10 years
Furnishings	10–15 years
Technical facilities	8–15 years
Laboratory and research equipment	3–10 years
Office equipment	5 years
IT hardware	3–5 years

Investment property

Investment property that is not used for university purposes but where the rental income fulfills foundational or fund purposes (e.g. payment of scholarships), is allocated to tangible fixed assets, measured at cost and depreciated on a useful life basis.

Long-term financial assets

Financial assets include loans to third parties, time deposits, holdings, bonds and shares. Loans are recognized in the balance sheet at the lower of nominal value less any valuation allowances or fair value. Time deposits are measured at nominal value, and bonds and shares are measured at acquisition cost less operational value adjustments.

Intangible assets

At the University of Basel, software and licenses in particular are capitalized if they are identifiable, the University of Basel has power of disposal, there is a future benefit and the acquisition and production costs are verifiable. Software is amortized on a straight-line basis over a period of three years. Impairment is reviewed whenever changes in circumstances or events indicate that the carrying amounts may not be recoverable.

Impairment of assets

Assets are reviewed at each balance sheet date to determine whether there is any indication that their carrying amount may not be recoverable. If necessary, a value adjustment is recognized in profit or loss (unscheduled depreciation).

Payables for goods and services

Payables for goods and services are current liabilities with a remaining term at the balance sheet date of up to one year resulting from ordinary business activities. Payables for goods and services are measured at nominal value.

Other short-term liabilities

Other short-term liabilities are liabilities with a maturity of up to one year that are not directly related to the provision of services. Other short-term liabilities are measured at nominal value.

Miscellaneous short-term financial liabilities

Short-term financial liabilities are monetary liabilities arising from financing activities. Miscellaneous short-term financial liabilities are measured at nominal value.

Accrued expenses and deferred income

Accrued expenses and deferred income are used to recognize expenses and income on an accrual basis (the main components are accruals for outstanding consumption invoices for buildings, construction invoices and semester fees, as well as outstanding invoices based on service agreements). Accrued expenses and deferred income are measured at nominal value.

Provisions

Provisions with a maturity of less than twelve months are reported under short-term liabilities, while provisions with a maturity of more than twelve months are reported under long-term liabilities. A provision relates to a likely obligation based on a past event, the amount and/or timing of which is uncertain but can be estimated. The event involved must have occurred before the balance sheet date, and may be based on an explicit legal or a factual obligation. Employees' flexitime and vacation balances are treated as provisions. The creation of provisions is recognized by debiting the corresponding expense or revenue reduction item. The reduction or release of provisions is recognized in the same section of the income statement as the creation of the provision, and the changes in provisions are listed in the statement of changes in provisions.

Long-term financial liabilities

Long-term financial liabilities are monetary liabilities with a maturity of more than twelve months arising from financing activities. They are measured at nominal value.

Earmarked project funds

In the area of teaching and research at the University of Basel, earmarked funds with an obligation to third parties are recognized as liabilities. This item includes funding from the Swiss National Science Foundation, Innosuisse, the EU, special federal programs or project grants from the cantons, and grants from private individuals and foundations (including for research areas or endowed professorships).

Equity

If there is no obligation to third parties, the funds are considered equity. The distinction between committed and free equity is based on the purpose for which the funds are earmarked.

Committed equity

Earmarking comes about through resolutions of the University Council (usually at the request of the President's Board), in accordance with stipulations in the State Treaty or performance agreements derived from it, and in the area of teaching and research in the decentralized units.

This category includes:

- Funds for infrastructure and real estate (surpluses from the real estate division accounts, funds from the real estate fund, and overhead funds)
- Funds for teaching and research (appointment credits, hedging of currency and investment risks, funds for pension fund provision, budget transfers and project awards approved by the University Council, conditional awards, legacies, earmarked funds in the organizational units).
- The equity of independent foundations and associations is shown here separately.

Free equity

Includes all other funds classified as equity (free capital from funds, free reserves) and the respective year-end result (before appropriation of profit).

Leasing and rental agreements

The University of Basel does not engage in finance leasing. Operating lease obligations that cannot be terminated within one year are disclosed in the notes. Leases that contractually apply for longer than one year are also disclosed.

Employee pension benefits

The University of Basel has its own pension plans with the Basel-Stadt pension fund (PKBS) and the Basel-Landschaft pension fund (BLPK). The economic effects of pension plans on the university are calculated as at the balance sheet date. An economic benefit is capitalized only if a positive effect on future cash flows is anticipated (such as reductions in contributions). Economic obligations (such as contributions to the resolution of a shortfall in cover) are recognized as provisions in accordance with regulations.

Income taxes

The University of Basel is exempt from direct taxes.

Related party transactions

A related party (natural person or legal entity) is anyone who can directly or indirectly exercise significant influence over the financial or operational decisions of the University of Basel. All material transactions and resulting balances or liabilities with related parties are disclosed in the financial statement. As the sponsors of the University of Basel, the two supporting cantons Basel-Landschaft and Basel-Stadt have significant influence on the university within the scope of the performance mandate and the financing of four-year performance periods, and are therefore considered related parties within the meaning of Swiss GAAP FER 15. In this context, material transactions with the two supporting cantons, the hospitals with the university clinics and the associated institutes must be disclosed in the annual financial statement on the basis of the service agreements. The global contributions or any additional and separately stated special contributions from the supporting include all services. There are no services beyond this without a price (services provided free of charge).

Currency conversion

Assets and liabilities in foreign currencies are converted into Swiss francs (CHF) at the balance sheet date. The exchange rate published by the Swiss Federal Finance Administration is used as the conversion rate on the balance sheet date. The resulting currency conversion differences are recognized in financial income or expense.

Segment accounting

The University of Basel provides its supporting cantons with detailed segment accounting (does not correspond to segment reporting within the meaning of Swiss GAAP FER 31). Income and expenses are separated into “real estate” and “teaching and research” as relevant. This separate statement allows for better control and increases transparency with regard to the financing of real estate used by the university. It is intended to prevent cross-subsidization between the areas of teaching and research and real estate. Surpluses or deficits in real estate must be offset annually with earmarked equity.

Completeness

Each year, the organizational units submit a declaration of completeness confirming that they have reported all relevant information to the central units. Within the scope of reasonable effort on the part of the President’s Board, completeness as of the reporting date can therefore be confirmed to the best of our knowledge, particularly with regard to the scope of consolidation and the recording of third-party funds received for the university as a whole.

Rounding

Small rounding differences may result because values are rounded off in the annual financial statement.

Statistical data 2022

Financial performance figures (income from ordinary activities)

in CHF thousand	Basic funding 2022	Project contributions 2022	Other income 2022	Total income 2022	Total income 2021
Departments					
Theology Studies	4,060	2,092	177	6,330	6,084
Law	11,774	744	867	13,385	12,920
Biomedicine	20,408	11,565	1,772	33,746	34,756
Sport, Exercise and Health	5,803	1,399	640	7,841	7,625
Public Health	3,753	2,610	729	7,092	6,792
Biomedical Engineering	3,010	5,303	542	8,855	8,135
Teaching and research (university clinics) ¹⁾	92,616	22,708	844	116,168	115,489
Medicine, unallocated	9,223	669	14	9,906	9,303
Foreign Languages and Literary Studies	10,986	2,974	142	14,102	14,235
Studies of the Ancient World	4,283	2,900	102	7,285	7,219
Social Sciences	9,009	3,452	226	12,686	12,458
History	4,275	4,552	194	9,021	8,904
Arts, Media and Philosophy	6,642	2,588	207	9,437	9,411
Humanities, unallocated	5,154	1,287	222	6,664	6,364
Physics	10,573	19,434	1,903	31,910	30,882
Chemistry	16,565	13,069	460	30,094	30,486
Pharmacy	12,952	3,317	1,277	17,545	17,727
Environmental Sciences	19,171	8,202	1,290	28,662	27,021
Mathematics and Computer Science	8,040	3,896	301	12,237	11,973
Biozentrum	44,642	18,618	2,340	65,600	62,592
Natural Sciences, unallocated	755	–	–	755	736
Economics	11,965	4,529	277	16,770	20,312
Psychology	11,295	3,218	2,499	17,012	16,467
Institute for European Global Studies	1,991	1,009	54	3,054	2,822
Bio & Medical Ethics	794	542	188	1,524	1,401
Center for Philanthropy Studies	448	282	668	1,398	1,338
Institute for Educational Sciences	844	488	276	1,608	1,565

Annual financial statement

Financial performance figures (income from ordinary activities)

in CHF thousand	Basic funding 2022	Project contributions 2022	Other income 2022	Total income 2022	Total income 2021
Service divisions					
University Library	25,530	1,371	1,000	27,901	28,388
IT Services	20,825	–	229	21,054	20,618
University administration	35,748	2,957	1,967	40,672	37,989
University-wide, unallocated ²⁾	96,511	40,241	34,802	171,554	172,714
Summary by faculty					
Faculty of Theology	4,060	2,092	177	6,330	6,084
Faculty of Law	11,774	744	867	13,385	12,920
Faculty of Medicine	134,812	44,254	4,542	183,608	182,101
Faculty of Humanities and Social Sciences	40,349	17,753	1,094	59,195	58,593
Faculty of Science	112,697	66,536	7,570	186,804	181,417
Faculty of Business and Economics	11,965	4,529	277	16,770	20,312
Faculty of Psychology	11,295	3,218	2,499	17,012	16,467
Interdisciplinary units	4,078	2,321	1,186	7,584	7,127
Service divisions	82,103	4,328	3,197	89,628	86,995
University-wide, unallocated ²⁾	96,511	40,241	34,802	171,554	172,714
	509,644	186,015	56,211	751,870	744,730

¹⁾ The project contributions reported for the university clinics essentially only include awards from the Swiss National Science Foundation that are processed and posted by the university authority responsible for administration of the contributions.

²⁾ Unallocated university-wide figures include the public contributions not directly allocable to the organizational units.

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Financial performance figures (operating expenses)

in CHF thousand	Personnel expenses 2022	Expenses for goods and services 2022	Other expenses 2022	Depreciation & amortiza- tion 2022	Total expenses 2022	Total expenses 2021
Departments						
Theology Studies	5,797	454	64	15	6,330	6,084
Law	11,955	1,340	77	12	13,385	12,920
Biomedicine	18,543	8,048	5,380	1,775	33,746	34,756
Sport, Exercise and Health	6,195	1,249	93	304	7,841	7,625
Public Health	5,126	961	985	21	7,092	6,792
Biomedical Engineering	6,563	1,093	771	428	8,855	8,135
Teaching and research (university clinics) ¹⁾	2,829	5,877	107,460	2	116,168	115,489
Medicine, unallocated	5,550	3,586	700	70	9,906	9,303
Foreign Languages and Literary Studies	13,075	751	241	34	14,102	14,235
Studies of the Ancient World	6,247	807	163	69	7,285	7,219
Social Sciences	10,854	870	938	25	12,686	12,458
History	7,760	893	342	26	9,021	8,904
Arts, Media and Philosophy	8,456	674	259	48	9,437	9,411
Humanities, unallocated	5,872	480	244	69	6,664	6,364
Physics	20,637	4,292	3,696	3,284	31,910	30,882
Chemistry	19,225	5,732	3,209	1,928	30,094	30,486
Pharmacy	12,369	2,750	1,638	788	17,545	17,727
Environmental Sciences	22,504	4,279	647	1,233	28,662	27,021
Mathematics and Computer Science	11,337	643	82	174	12,237	11,973
Biozentrum	45,370	13,016	1,624	5,590	65,600	62,592
Natural Sciences, unallocated	702	50	2	1	755	736
Economics	14,704	1,530	457	79	16,770	20,312
Psychology	14,185	1,829	873	125	17,012	16,467
Institute for European Global Studies	2,647	332	69	5	3,054	2,822
Bio & Medical Ethics	1,357	114	45	7	1,524	1,401
Center for Philanthropy Studies	1,049	340	3	7	1,398	1,338
Institute for Educational Sciences	1,199	115	295	–	1,608	1,565

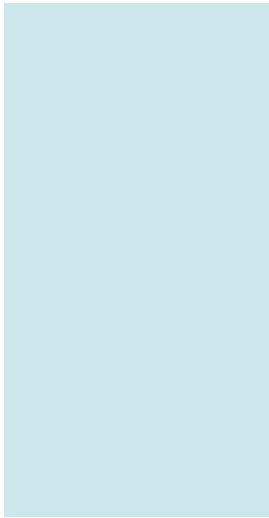
Annual financial statement

Financial performance figures (operating expenses)

in CHF thousand	Personnel expenses 2022	Expenses for goods and services 2022	Other expenses 2022	Depreciation & amortiza- tion 2022	Total expenses 2022	Total expenses 2021
Service divisions						
University Library	16,637	10,862	18	384	27,901	28,388
IT Services	13,646	6,776	7	626	21,054	20,618
University administration	32,677	7,426	437	133	40,672	37,989
University-wide, unallocated ²⁾	30,342	103,275	26,391	21,574	181,582	196,263
Summary by faculty						
Faculty of Theology	5,797	454	64	15	6,330	6,084
Faculty of Law	11,955	1,340	77	12	13,385	12,920
Faculty of Medicine	44,807	20,813	115,390	2,599	183,608	182,101
Faculty of Humanities and Social Sciences	52,264	4,474	2,187	270	59,195	58,593
Faculty of Science	132,143	30,763	10,899	12,999	186,804	181,417
Faculty of Business and Economics	14,704	1,530	457	79	16,770	20,312
Faculty of Psychology	14,185	1,829	873	125	17,012	16,467
Interdisciplinary units	6,252	901	413	18	7,584	7,127
Service divisions	62,960	25,064	462	1,142	89,628	86,995
University-wide, unallocated ²⁾	30,342	103,275	26,391	21,574	181,582	196,263
	375,409	190,442	157,213	38,833	761,898	768,279

¹⁾ Teaching and research (university clinics) includes, in other operating expenses, the compensation for teaching and research at the university clinics in the amount of CHF 91.1 million (previous year CHF 91.0 million).

²⁾ The figure "University wide, unallocated" includes central personnel expenses (pension inflation, social allowances, substitutes for vacant professorships, restructuring of the pension funds), the real estate fund, Unisport, SKUBA, AVUBA, expenses from federal programs (e.g. career advancement), the basic rent for use of cantonal properties of the Canton of Basel-Stadt, and premises costs for energy, third-party rent and cleaning.



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