

# University of Tartu Annual Report 2017



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TÕNU ESKO



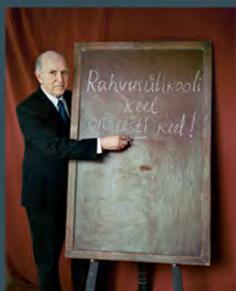
ANDRES VÕRK



ANDRES METSPALU



HELI LÜKNER



MATI ERELT



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PETTAI



TOOMAS ASSER



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## UNIVERSITY OF TARTU ANNUAL REPORT 2017

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Form of ownership: Legal person governed by public law  
Main activities: 1) academic research  
2) provision of higher education based on integrated teaching and research activities  
3) provision of teaching- and research-based services to the society  
Financial year: 01.01.2017–31.12.2017  
Auditor: BDO Eesti AS  
Council: 11 members  
Chairman of the Council: Ruth Oltjer  
Attached: Report of independent sworn auditor

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**University of Tartu**

**Activity Report  
2017**

# RECTOR'S FOREWORD



Dear readers,

The University of Tartu has had a busy and eventful year. We had outstanding achievements in 2017, but also complicated situations to cope with and learn from. The university has been successful in studies and research, as well as financial performance. We have 4,113 new students and 2,625 new graduates, including 138 PhD graduates. Nearly 48,000 learners from all over Estonia took part in continuing education courses. The best evidence of our performance in research and development is the excellent external evaluation result in all six fields of research, continued growth in research funding, and a lot of valuable new research grants.

Progress in international rankings shows that our objectives have a solid footing. The year 2017 was an extraordinarily active year in international cooperation. We were invited to participate in networks of Europe's top universities and we contributed to the preparation of education and research policy discussions during Estonia's presidency of the European Union. This meant daily international attention for the university.

The new governance system and structure of the university, implemented in 2016, increasingly prove the foresightedness of the reform. Enhanced interdisciplinary cooperation and the better functioning of the academic units clearly reveal that two years ago the university received a fresh impetus for development.

In 2017, the university got new leaders. In March, Volli Kalm was re-elected as rector and considerably reformed the Rector's Office. The university's council started work in its new composition in March and the senate in July. Active work on renewing the university's structure ensured the opening of Grant Office and Centre for Entrepreneurship and Innovation, and the smooth merger of Tartu Observatory and Estonian Biocentre with the university on 1 January 2018.

By the end of 2017, we finally completed work on revising the Job Descriptions of Academic Staff of the University of Tartu. This regulation had been in use since 1999; the Requirements for Teaching and Research Staff since 2000. Both documents were thoroughly updated. As a result, our academic staff have better opportunities now to combine their main activities and the university has clear guidelines for making, supporting and assessing work-related agreements.

There was much activity in the area of real property. Setbacks in the reconstruction of the library were successfully overcome under the leadership of vice rector for development acting in the capacity of director of administration. We started the construction of an extension to the sports hall at Ujula 4, as well as the Delta complex, so as to be soon able to offer excellent working conditions to our colleagues and to open the buildings for the public.

The end of the generally very successful year was difficult: the unexpected death of rector Volli Kalm is an irreparable loss. Although it is hard to accept the passing of an outstanding leader and colleague, the university is moving on, keeping together.

I am grateful to all colleagues and supporters of the university for their contribution in 2017 and for supporting and holding on to the university in the future.

Tõnu Lehtsaar  
Acting Rector

# General data on the University of Tartu 2013–2017

	2013	2014	2015	2016	2017
<b>EMPLOYEES</b>					
<b>Number of employees</b>	<b>3,739</b>	<b>3,708</b>	<b>3,479</b>	<b>3,447</b>	<b>3,435</b>
<b>Number of employees (FTE)</b>	<b>3,129</b>	<b>3,080</b>	<b>2,862</b>	<b>2,825</b>	<b>2,805</b>
incl. academic staff	48.7%	49.3%	50.4%	49.6%	51.1%
<b>Number of teaching and research staff (FTE)</b>	<b>1,525</b>	<b>1,520</b>	<b>1,443</b>	<b>1,402</b>	<b>1,432</b>
incl. PhD holders	70.5%	70.2%	71.7%	73.0%	73.3%
incl. international research and teaching staff	9.4%	9.3%	8.5%	8.4%	10.0%
<b>Number of professors (FTE)</b>	<b>180</b>	<b>178</b>	<b>173</b>	<b>172</b>	<b>170</b>
incl. female professors	20.8%	20.5%	22.7%	23.7%	22.8%
<b>STUDENTS</b>					
<b>Number of students</b>	<b>16,025</b>	<b>14,470</b>	<b>13,719</b>	<b>12,970</b>	<b>12,896</b>
in first level of higher education	62.9%	61.7%	61.3%	60.6%	60.8%
in master's studies	28.0%	28.6%	28.8%	29.7%	29.9%
in doctoral studies	9.1%	9.7%	9.8%	9.7%	9.3%
<b>Number of international students</b>	<b>579</b>	<b>686</b>	<b>821</b>	<b>980</b>	<b>1,195</b>
percentage of all students	3.6%	4.7%	6.0%	7.6%	9.3%
<b>Number of graduates</b>	<b>3,117</b>	<b>2,907</b>	<b>2,887</b>	<b>2,871</b>	<b>2,625</b>
incl. number of PhD graduates	114	117	107	120	138
<b>STRUCTURE</b>					
<b>Number of curricula to which students were admitted</b>	<b>174</b>	<b>168</b>	<b>168</b>	<b>159</b>	<b>162</b>
incl. English-taught curricula in the first and second level of higher education	13	14	19	21	26
<b>Number of curricula with enrolled students</b>	<b>193</b>	<b>195</b>	<b>201</b>	<b>207</b>	<b>213</b>
<b>RESEARCH PUBLICATIONS</b>					
<b>Number of publications</b>	<b>2,879</b>	<b>2,870</b>	<b>2,644</b>	<b>2,676</b>	<b>3,409</b>
incl. number of high-level publications	1,957	1,958	1,857	1,909	1,709
incl. number of publications of the category 1.1	1,175	1,335	1,252	1,358	1,231
<b>POSITION IN INTERNATIONAL UNIVERSITY RANKINGS</b>					
Times Higher Education World University Rankings	351–400		351–400	301–350	301–350
QS World University Rankings	461–470	379	400	347	314
Academic Ranking of World Universities (ARWU)				401–500	301–400

**Employee** figures are given as full-time equivalent (FTE) as at 31 December.

**Student** figures are presented as at 10 November. The number of students does not include external students, visiting students and medical residents. The first level of higher education includes professional higher education, bachelor's studies and integrated bachelor's and master's studies.

The number of **graduates** of a given year refers to students who completed their studies during the period from 1 October of the previous calendar year to 30 September of the given calendar year.

The number of **curricula** in which students were enrolled includes curricula in which students were enrolled as at 10 November (including all joint curricula).

The number of **publications** includes Estonian Research Information System (ETIS) categories 1.1, 1.2, 1.3, 2.1, 2.5, 3.1, 3.2, 3.3, 4.1, 5.1, 6.3, 6.4. **High-level publications** include ETIS categories 1.1, 1.2, 2.1 ja 3.1. The number of publications includes those authored by persons who had a valid employment contract with the University of Tartu or who were enrolled as regular or external doctoral students in the corresponding calendar year. The data retrieved from ETIS as at 15 February.

# GOVERNANCE OF THE UNIVERSITY OF TARTU

The highest decision-making body of the UT is the **council**, who is responsible for the university's economic activities and long-term development, approves the university's statutes and adopts the strategic plan and budget. The council has eleven members: five nominated by the UT, five by the minister of education and research, and one by the Estonian Academy of Sciences. The first university council was appointed in 2011 for a five-year period. On 16 February 2017, the Government of Estonia approved the second composition of the UT council; without the member nominated by the Estonian Academy of Sciences. Members of the council are:

- **Ruth Oltjer** (Council Chair), GM of Chemi-Pharm AS,
- **Eva Åkesson**, Rector of Uppsala University, Professor,
- **Toomas Asser**, Professor of Neurosurgery, Academician,
- **Heidi Kakko**, CEO of EstBAN,
- **Birute Klaas-Lang**, Professor of Estonian as a Foreign Language,
- **Vahur Kraft**, Chairman of the Board of Sangar AS,
- **Tõnu Lehtsaar** (until 27/12/2017), Professor of Psychology of Religion,
- **Ants Nõmper**, Managing Partner of Raidla Ellex Law Firm,
- **Jüri Sepp**, Professor of Economic Policy,
- **Richard Villems**, Professor of Archaeogenetics, Academician.

**Toomas Asser**, **Jüri Sepp** and **Vahur Kraft** were also members of the first council. **Tõnu Lehtsaar** started to perform the duties of acting rector on 27 December 2017.



*University of Tartu council meeting in March 2017*

The **senate** is the university's highest academic decision-making body, who is responsible for the university's teaching, research and development activities and ensuring the excellent quality of these activities. The senate comprises 22 members: rector as the chair of the senate, four representatives of each faculty of the university, and five student representatives. The senate is elected for a term of three years. The third senate took office on 1 July 2017.

Faculty of Arts and Humanities:

- Professor **Aivar Kriiska**
- Associate Professor **Ene Kõresaar**
- Associate Professor **Bruno Mölder**
- Professor **Karl Pajusalu**

Faculty of Social Sciences:

- Lecturer **Anzori Barkalaja**
- Professor **Veronika Kalmus**
- Professor **Marju Luts-Sootak**
- Professor **Urmas Varblane**

Faculty of Medicine:

- Professor **Küllli Kingo**
- Professor **Irja Lutsar**
- Professor **Pärt Peterson**
- Professor **Mihkel Zilmer**

Faculty of Science and Technology:

- Professor **Jaan Aarik**
- Professor **Maia Kivisaar**
- Professor **Tõnu Meidla**
- Professor **Varmo Vene**

Students:

- **Kristina Kutsar**
- **Indrek Peedu**
- **Sirelin Sillamaa**
- **Oto Tuul**
- **Mihkel Viru**



*Some members of the second and third senate of the University of Tartu in July 2017*

In 2017, the five-year term of office of **Volli Kalm** as Rector of the University of Tartu expired. The rector elections took place in March and the 250-member electoral council re-elected Volli Kalm as rector. He started his second term of office on 1 July 2017.

In the **new Rector's Office**, Professor of Theatre Science **Anneli Saro** started work as Vice Rector for Academic Affairs, and Senior Research Fellow in Technology Research **Kristjan Vassil** as Vice Rector for Research. **Erik Puura** continued in the position of Vice Rector for Development. On 21 August 2017, former Board Member of Eesti Meedia Group **Meelis Luht** started as Director of Administration.

The year 2017 brought painful losses for the University of Tartu. Professor emeritus and Academician **Peeter Tulviste**, who was Rector of the University of Tartu from 1993–1998, died on 11 March. In October, Peeter Tulviste Memorial Fund was established to support and recognise active students and young researchers who contribute to the progress of the Estonian society with their outstanding studies and research.

On 23 December, the university and the general public of Estonia suffered a great loss when Rector of the University of Tartu Professor **Volli Kalm** passed away. On 27 December, the senate of the University of Tartu appointed **Tõnu Lehtsaare** as Acting Rector.

**A2020 objective: the university follows the interdisciplinary balance and peculiarities of faculties when making strategic decisions**

Studies and research are conducted at the University of Tartu in the 25 institutes and four colleges of **four faculties**:

- Faculty of Arts and Humanities (HV),
- Faculty of Social Sciences (SV),
- Faculty of Medicine (MV),
- Faculty of Science and Technology (LT).

The academic structure also comprises five non-faculty **institutions**:

- Estonian Genome Centre,
- Museum,
- Natural History Museum and Botanical Garden,
- Library,
- Youth Academy.

Minister of education and research **Mailis Reps** and Rector of the University of Tartu **Volli Kalm** signed the merger agreement of the university and **Tartu Observatory** on 13 December and the merger agreement of the university and **Estonian Biocentre** on 21 December.

As a result of the merger, Tartu Observatory will operate as an institute of the Faculty of Science and Technology as of 1 January 2018. The Institute of Genomics, established by the merger of Estonian Genome Centre and Estonian Biocentre, starts as a non-faculty institution on 1 January 2018 and will become an institute within the Faculty of Science and Technology on 1 January 2021.



**Professor Volli Kalm**  
Rector  
(until 23 December 2017)



**Professor Tõnu Lehtsaar**  
Acting Rector  
(from 27 December 2017)



**Professor Anneli Saro**  
Vice Rector for Academic Affairs



**Kristjan Vassil**  
Vice Rector for Research



**Erik Puura**  
Vice Rector for Development



**Meelis Luht**  
Director of Administration



**Taimo Saan**  
Head of Finance



**Andres Soosaar**  
Academic Secretary



**Professor Margit Sutrop**  
Dean of the Faculty of  
Arts and Humanities



**Professor Raul Eamets**  
Dean of the Faculty of  
Social Sciences



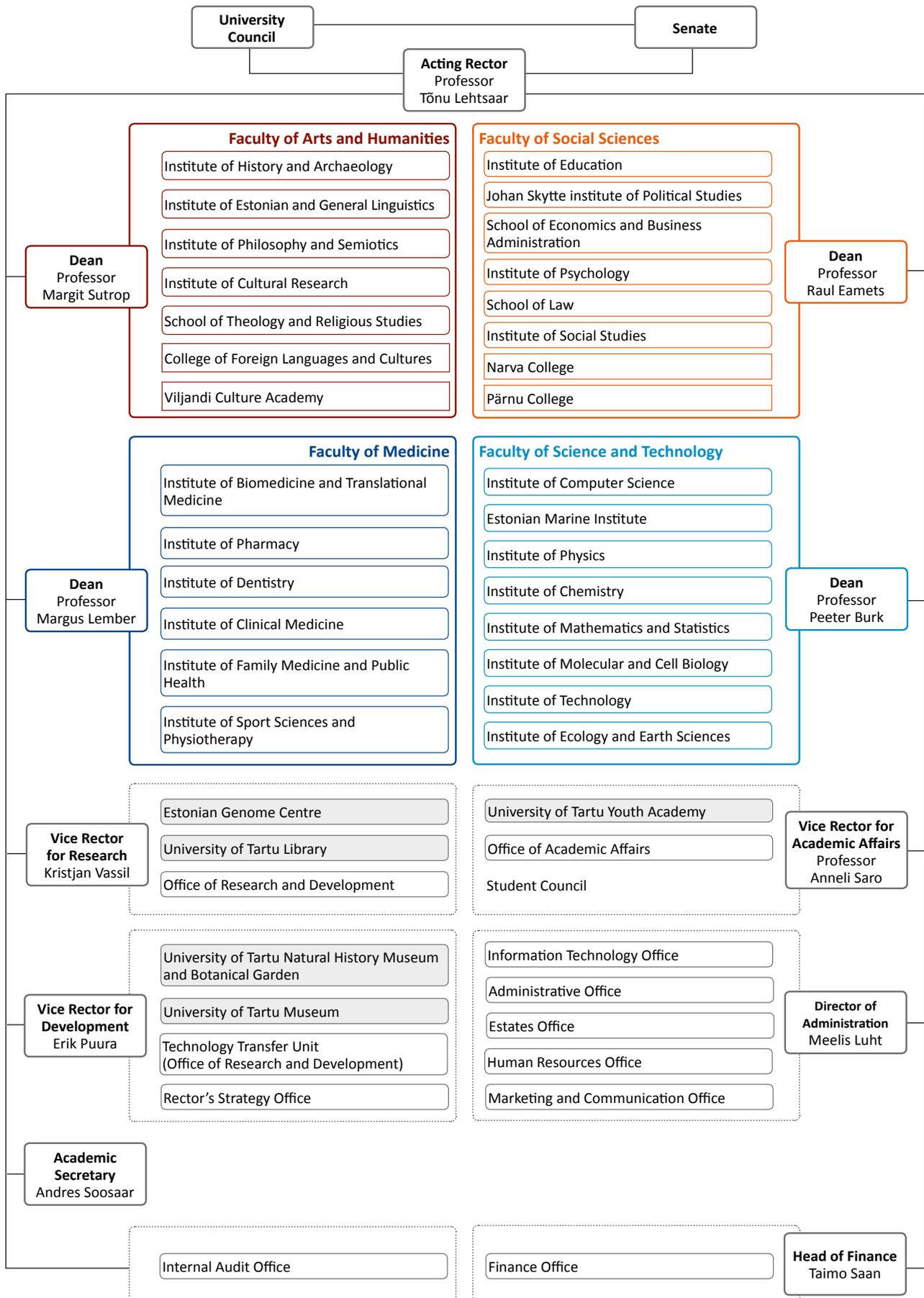
**Professor Margus Lember**  
Dean of the Faculty of  
Medicine



**Professor Peeter Burk**  
Dean of the Faculty of  
Science and Technology

# Structure of the University of Tartu

as at 31 December 2017



# Strategic Plan

Activities of the University of Tartu are guided by the **Strategic Plan for 2015–2020** and its goals are elaborated by the faculties' strategic plans and key performance indicators

Every year the rector approves the university's goals in five fields of activities: teaching and studies, research and development, entrepreneurship, organisation, Estonian language and culture and national cultural assets.

**18 key performance indicators** were agreed on in 2016 to monitor and evaluate the university's development.



In the following chapters, figures representing the results of the strategic key indicators are marked with "A2020".

Key performance indicators	Result 2017	Target 2020
Number of high-level research publications per academic staff member	1.2	> 1.3
Percentage of publications among the world's top 10% most cited research publications	14%	> 12%
Percentage of revenue from R&D not funded from national funding programmes in the total R&D revenue	30%	> 32%
Share of students admitted to the first level of higher education at the University of Tartu among all students admitted to the first level of higher education in Estonian higher education institutions	26%	≥ 23%
Number of continuing education learners	47,815	≥ 35,000
Percentage of completed entrepreneurship courses in the total volume of studies	0.8%	5%
Students' overall satisfaction with teaching and courses	4.1	≥ 4.0
Interruption rate in the first and second level of higher education	16%	≤ 15%
Percentage of doctoral graduates in the number of students admitted four years (standard period of study) ago	77%	50%
Percentage of English-taught curricula in the first and second level of higher education	20%	25%
Percentage of international students	9.3%	12%
Percentage of international academic staff	9.4%	≥ 10%
Percentage of academic staff who participated actively in teaching-related development activities	14%	15%
Income per academic staff member	86,608	123,000
Percentage of structural units in a good or satisfactory financial standing	81%	100%
Employees' overall satisfaction	93%	≥ 93%
UT master's graduates' satisfaction with their competitiveness in the labour market	–	90%
Evaluation of the University of Tartu's entrepreneurial spirit (annual reputation survey of universities conducted by KANTAR EMOR)	7.7	≥ 9.0

The objective of the University of Tartu **development fund** is to support the implementation of the strategic plan, incl. primarily, inter-faculty developments. For each development fund allocation, its role in implementing the university's strategic plan, relations with the university's RDI focuses and contribution to cooperation between units are taken into account. In 2017, the development fund received 32 funding applications for the total amount of 2,784,992 euros.

The **development fund resources** amounted to **1.56 million euros** in 2017



# OPERATING ENVIRONMENT

## Strategic management trends

The university's operating environment depends on the strategies and the financial instruments of Estonia and the European Union

In 2017, **Estonia started to use the accrual-based system in state budgeting.** To increase the transparency of the state budget, the government will gradually switch to activity-based budgeting by 2020.

In research, budgeting is based on the implementation plan of the Estonian Research and Development and Innovation Strategy 2014–2020 **“Knowledge-based Estonia”**. In education, achievement of the objectives of **“Estonian Lifelong Learning Strategy 2020”** and budgeting is based on nine programmes, incl. the higher education programme.

→ [hm.ee/et/tegevused/arengukavad](http://hm.ee/et/tegevused/arengukavad)

In 2018, the Ministry of Economic Affairs and Communications, the Ministry of Education and Research and the Government Office will conduct an evaluation of **research and development activities and innovation system in Estonia**. As a result, external experts will give their opinion on the current R&D system with recommendations on how to better apply research for the benefit of the society and economy. The evaluation will be completed in 2019 and helps to prepare for the European Union's new financing period.

In spring 2017, the **Government of Estonia formed the Economic Development Committee**. This government committee is led by the Prime Minister and meets once a month to gain an overview of the state of economy, find solutions for issues requiring coordination across ministries, and involve experts and interested parties in the development of the economic environment. The expert council of the committee also comprises the University of Tartu's School of Economics and Business Administration.

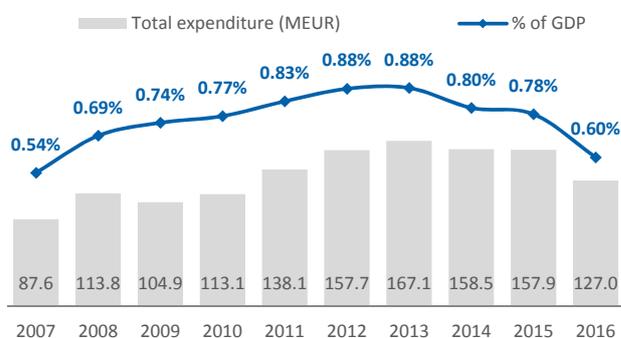
In May 2017, the **Government of Estonia approved the State Reform Programme** to audit and restructure public authority, review and revise its functions and tasks, ways of exercising authority and mechanisms of action.

→ [rahandusministeerium.ee/et/riigivalitsemise-reform](http://rahandusministeerium.ee/et/riigivalitsemise-reform)

On 1 September 2017, the new **Public Procurement Act** was adopted, which allows **innovation partnership** as a new procurement procedure. This enables contracting entities to establish long-term partnerships with enterprises to develop, and later purchase, innovative solutions. It is also possible to procure research or innovation, services or construction within a single procedure.

### Research and development investments in Estonia have decreased since 2012.

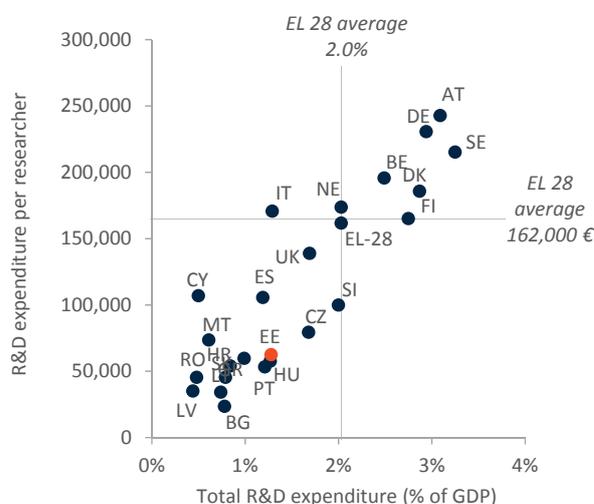
The government's action plan for 2016–2019 sets the target to raise the public R&D expenditure to 1% of GDP, increase the share of base funding of research to 50% and increase the amount of doctoral allowances. In 2017, base funding of research institutions grew 3 million euros compared to 2016, to 16.9 million euros. Doctoral allowance will be raised in 2018 from 422 euros to 660 euros.



Public expenditure in Estonia on research and development as percentage of GDP in 2007–2016. Sources: Ministry of Education and Research (MoER) and Statistics Estonia

### Expenditure per one researcher in Estonia is only 39% of the EU average.

The ratio of R&D expenditure in Estonia to gross domestic product was 1.3% in 2016 (EU average 2%). R&D expenditure per one researcher in Estonia was 62,000 euros in 2016, EU average was 162,000 euros.



Total research and development expenditure as a percentage of GDP and per researcher in EU countries in 2016.

Source: Eurostat, Science and technology statistics (rd\_p\_persocc, rd\_e\_gerdot, data accessed in February 2018)

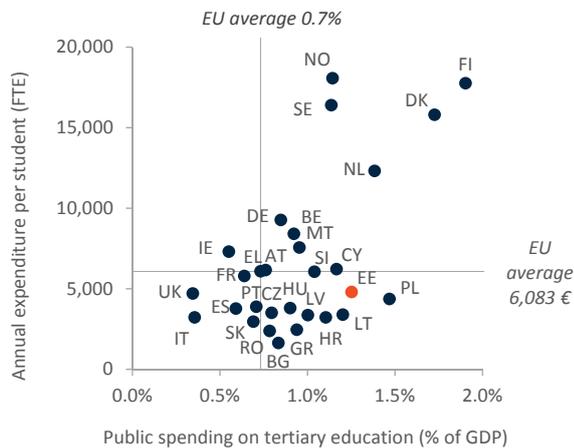
## The economic impact of universities

in Estonia and abroad is **1.6 billion euros per year** (gross value added)

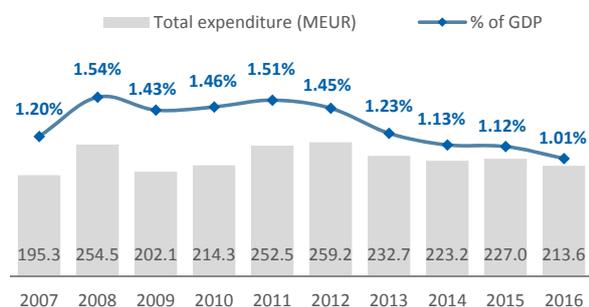
Universities Estonia in cooperation with Universities Finland ordered an **assessment of the economic contribution of universities in 2016**. BiGGAR Economics report shows that the combined contribution of the Estonian universities was an estimated 6.4% of Estonia's GDP (6% for Finnish universities). The activities of Estonian universities supported an estimated 37,000 jobs and each euro invested in Estonian universities returned 4.6 euros to Estonia's economy. For each euro invested in R&D, the universities created seven euros in total benefits for Estonia's economy.

→ [ern.ee/et/uudis/eesti-uelikoolide-majanduslik-moju-on-1-6-miljardit-eurot-aastas](http://ern.ee/et/uudis/eesti-uelikoolide-majanduslik-moju-on-1-6-miljardit-eurot-aastas)

On average, Estonia's public sector spent more on higher education than other European countries, but expenditure per student was below the EU average.



Public expenditure on tertiary education as a percentage of GDP and per student per year in European countries in 2015. Source: Eurostat (educ\_uae\_enrt01, gov\_10a\_exp, nama\_10\_gdp, data accessed in March 2018)



Estonian public expenditure on higher education as a percentage of GDP in 2007–2016. Sources: MoER and Statistics Estonia

According to Statistics Estonia, **working-age unemployment rate in 2017 was 3.2% for people with higher education**, 6.7% for people with vocational or secondary education and 10.9% for people with primary or basic education.

## In future, 46% of employees should have higher education and every third employee vocational education

According to OSKA report "Estonian Labour Market Today and Tomorrow 2017", working-age population will decrease by 43,000 people by the year 2025. To have enough employees, it is necessary to extend people's working life and decrease the percentage of inactive people in the labour market. By 2025, the need for employees will grow the most in software development, telecommunications, timber industry, administrative and support activities, and due to ageing population, also in healthcare and social welfare. The number of jobs will decrease in public administration, education, retail business, agriculture, and transportation and warehousing.

→ [oska.kutsekoda.ee](http://oska.kutsekoda.ee)

In November 2017, the Economic Development Committee approved the **ICT development programme**, which aims to relieve labour shortage in the ICT sector, develop the e-residency programme and increase the effectiveness of Estonia's economy by starting a digital reform in industry and construction. The three-year programme's budget for 2018–2020 is 28 million euros.

## 47% of people aged 30–34 had higher education in 2017

Performance indicators of higher education at the national level

	2013	2014	2015	2016	2017	2020
Employment rate of people aged 20–34 who completed higher education 1–3 years ago, %	85.5	86.7	86.1	75.5		88.0
Percentage of people with higher education in the age group 30–34, %	42.5	43.2	45.3	45.4	47.4	40.0

→ [haridussilm.ee](http://haridussilm.ee)

**Gender gap in higher education** remains wide: 38.8% of men aged 30–34 have obtained higher education, and 52.4% of women (in 2011, 30.6% of men and 50.5% of women).

While not all people with higher education are able to immediately find a job suited to their qualification, the survey of adult skills (PIAAC) shows that in Estonia over-qualification among young people with higher education is a smaller problem than on average in OECD countries.

→ [hm.ee/sites/default/files/uuringud/htmaas-taanaluus2017\\_kokkuvote.pdf](http://hm.ee/sites/default/files/uuringud/htmaas-taanaluus2017_kokkuvote.pdf)

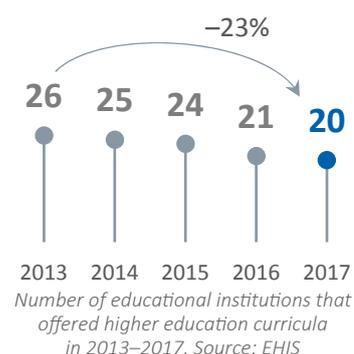
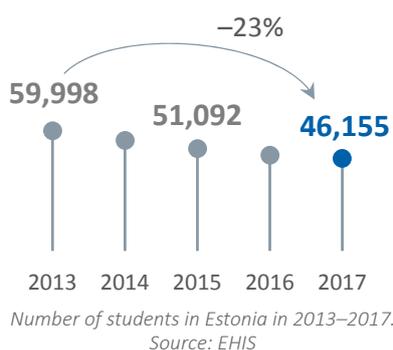
A survey conducted among the 2015 graduates of Estonian universities, completed in 2017, revealed that **nine out of ten graduates of Estonian universities were satisfied with obtained higher education** and eight out of ten felt they were competitive on the labour market. At the time of the survey, 84% of the graduates were engaged in the labour market and three fourths worked in a job that was close to their specialisation.

→ [hm.ee/sites/default/files/uuringud/vil2015\\_aruanne.pdf](http://hm.ee/sites/default/files/uuringud/vil2015_aruanne.pdf)

# Changes in operating environment

## The number of students and the number of higher education institutions have decreased over the last five years.

In the 2017/2018 academic year, there are 20 higher education institutions in Estonia. In total, 46,155 students studied at the level of higher education, incl. 81% in free student places.



In 2017, Estonian Academy of Security Sciences, the University of Tartu and Ministry of the Interior signed the cooperation agreement to build an academic centre of the Academy of Security Sciences in Narva. The academic, training and dormitory building will be erected on a plot owned by the University of Tartu (Kerese 14). The complex is completed in 2020 and will be managed jointly by the Academy of Security Sciences and the University of Tartu.

Over ten years (2008–2017), the **percentage of students studying computer science and technology has increased** (from 19% to 25%) and the percentage of students studying social sciences and business has decreased (from 40% to 30%).

According to Estonian Report of the international EUROSTUDENT VI survey, completed in 2017, **no significant changes can be detected yet in the Estonian student body compared to the period before the higher education reform.** Students' commitment to studies has not grown; the proportion of working students has not decreased. Two out of three students work besides studies. Half of the students see themselves primarily as employees who study besides working. Participation of young people with poorer socio-economic background in the first level of higher education has not grown. However, there is an increase in the share of students whose parents have higher education. There is an increase in the percentage of students who do not plan

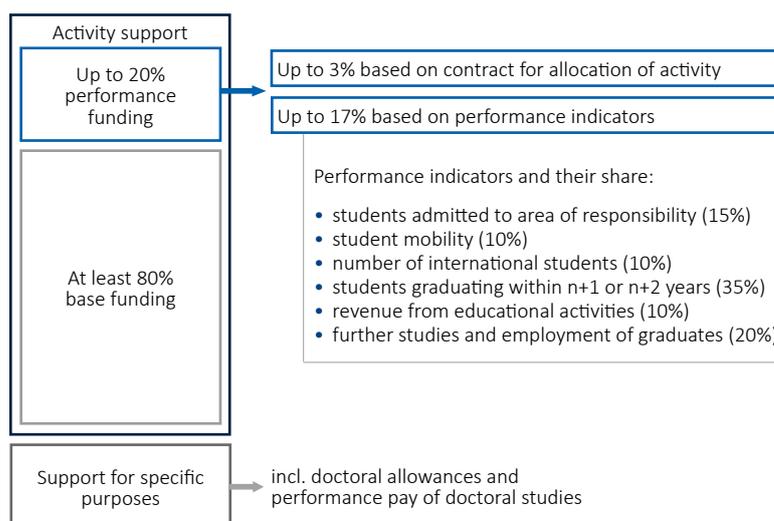
to take short-term studies abroad, as the process of transferring the credit points earned at the university abroad to their own curriculum is considered too complicated.

The survey shows that the **conditions of supporting students need reviewing.** According to the current needs-based allowances system, students up to 24 years of age are usually considered as members of their parents' household. However, the survey reveals that only 31% of students aged up to 19 live at their parents' or relatives' place and 41% of 20–24-year-old students have a regular paid job.

→ [praxis.ee/tood/eurostudent/eurostudent-eesti-uuring](http://praxis.ee/tood/eurostudent/eurostudent-eesti-uuring)

At the beginning of 2017, a new **higher education funding model** was implemented: money for supporting higher education is divided into activity support and support for specific purposes.

At least 80% of activity support is base funding, which is divided between higher education institutions based on their funding in the past three years. Up to 20% of the activity support is performance funding, of which up to 17% is determined based on achievement of performance indicators and up to 3% based on the implementation of the contract for allocation of activity support.



## 32% of higher education activity support

was allocated to the University of Tartu in 2017



Activity support allocated to institutions of higher education by the state in 2017 in euros. Source: MoER

# TEACHING AND STUDIES

## Curricula and admissions



- First level (56)
- Master's studies (73)
- Doctoral studies (33)

Number of curricula (incl. joint curricula) to which new students were admitted in 2017 in the University of Tartu. Source: EHIS

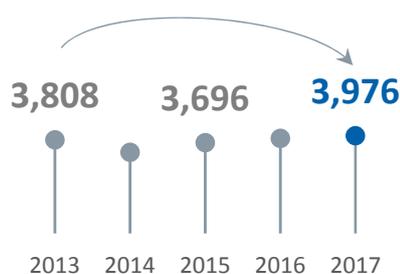


Change in the number of curricula to which new students were admitted



- First level (2,394)
- Master's studies (1,405)
- Doctoral studies (177)

Number of students admitted to the University of Tartu by levels in 2017



Number of students admitted to the University of Tartu in 2013–2017

**PERFORMANCE AGREEMENT:** the university increases the number of admitted students in the curricula group of computer science and IT

Number of students admitted to UT in the curricula group of computer science and IT in 2015–2017

Level of study	2015	2016	2017
First level of higher education	163	175	213
Master's studies	156	228	220
Doctoral studies	12	14	10
<b>Total</b>	<b>331</b>	<b>417</b>	<b>443</b>

In 2017, students were admitted to **162 curricula**. The number of curricula open for admissions has decreased 7% in four years. The university continues to regularly review, update and join or close curricula.

Number of curricula by levels in the 2013/2014 and in the 2017/2018 academic year

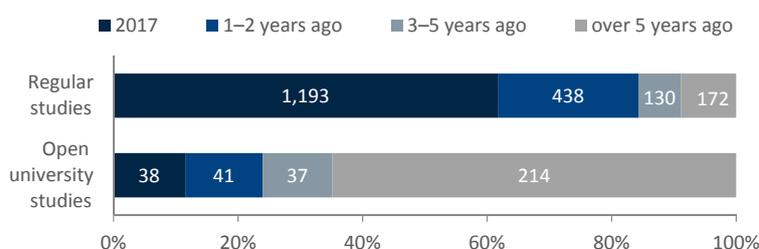
Level of study	2013/2014		2017/2018	
	To which new students were admitted	With enrolled students	To which new students were admitted	With enrolled students
First level of higher education	64	71	56	78
Master's studies	76	87	73	100
Doctoral studies	34	35	33	35
<b>Total</b>	<b>174</b>	<b>193</b>	<b>162</b>	<b>213</b>

In 2017, 7,202 students completed general secondary education in Estonia. 3,674 of them (51%) continued studies at an Estonian higher education institution. Public universities admitted a total of 6,517 students to the first level of higher education, which shows that secondary school graduates of previous years and applicants to distance learning take up an important share of student places.

Compared to 2013, the number of students admitted to the University of Tartu at the first level of higher education has decreased primarily in the area of engineering, manufacturing and construction (36%) and social sciences (13%). Admissions have increased the most in the area of ICT (40%), and health and welfare (17%).

In 2017, a total of 4,113 students joined the university's student body in the three levels of higher education. The majority – **3,976 students\*** – started studies in the first year of their respective level of study, the rest continued previously interrupted studies or were transferred from another higher education institution, applying for a vacant student place.

In 2017, **2,394 students** started their studies **in the first level of higher education** in UT: 1,657 in bachelor's studies, 444 in professional higher education studies, and 293 in integrated bachelor's and master's studies. In 2017, recent graduates of upper secondary school amounted to 51% of the students admitted to the first level of higher education at the University of Tartu (55% in 2016).



Percentage of students admitted to the first level of higher education of the University of Tartu in 2017 by year of graduating from general education school

\* Number of admitted students includes people who were matriculated between 11 November 2016 and 10 November 2017 and had student status as of 10 November 2017. This includes students of joint curricula. This is why the number of students admitted to the UT differs from the national statistics

The number of new **master's students** in 2017 was **1,405**. The proportion of students coming to the University of Tartu from other universities is also growing year by year. Of students admitted to master's studies at the University of Tartu in 2017, 49% had completed their previous studies elsewhere, incl. 27% at a university abroad, 7% at Tallinn University, 4% at Tallinn University of Technology and 2% at Estonian University of Life Sciences.

In 2017, 105% of student places were filled in the first level of higher education and 93% of student places in the second level of higher education.

*Number of student places formed for admission\* and filling of student places in 2016 and 2017*

Level of study	2016		2017	
	Number of student places for admission	Student places filled	Number of student places for admission	Student places filled
First level of higher education	2,342	101%	2,347	105%
Master's studies	1,417	96%	1,457	93%

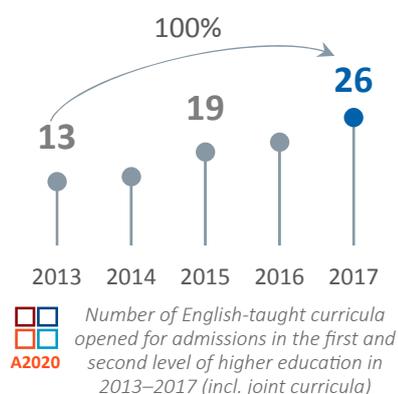
*\* Number of student places does not include the student places of joint curricula coordinated by other universities*

**A2020 objective: the university develops existing curricula and creates new international curricula based on strong research fields, providing students with a motivating international learning environment of excellent quality and competitiveness in the labour market**

The University of Tartu has followed the principle that in bachelor's studies, an English-taught curriculum may be opened only if it is also possible to study in Estonian in that particular field of study.

In 2017, students were admitted to **26 English-taught curricula**. Seven new English-taught curricula were opened:

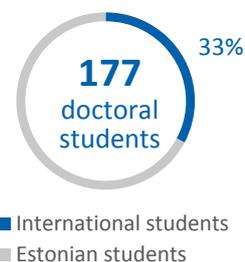
- European Languages and Cultures
- Folkloristics and Applied Heritage Studies
- Educational Technology
- Innovation and Technology Management
- Actuarial and Financial Engineering
- Central and Eastern European, Russian and Eurasian Studies
- Geoinformatics for Urbanised Society



In 2017, three curricula of the University of Tartu received the European Commission's **Erasmus Mundus Programme** funding for joint programmes and won international recognition. The joint curriculum of four universities "**Excellence in Analytical Chemistry**", led by Professor **Ivo Leito**, got the grant for the second time already. Two more UT master's curricula – "**Computer Science**" and "**Central and Eastern European, Russian and Eurasian Studies**" – were supported by Erasmus Mundus. With these two curricula, UT is a partner in consortia led by Aalto University and the University of Glasgow, respectively.

**PERFORMANCE AGREEMENT: the university creates at least 164 doctoral student places in 2017**

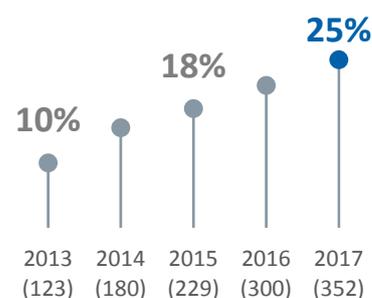
In 2017, **177 doctoral students started their doctoral studies**, the same number as the year before.



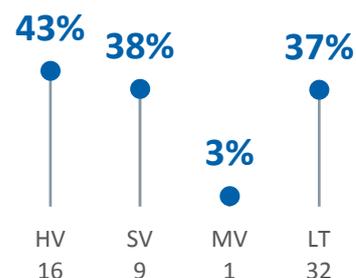
*Number of doctoral students admitted to the University of Tartu in 2017*

In 2017, **980 international students** started studies at the University of Tartu. The majority of newly matriculated international students came from Russia (41), Ukraine (39), Georgia (31), Turkey (25) and India (23).

With the increased number of new English-taught curricula, the percentage of admitted international students in master's studies has tripled compared to 2013. A fourth of the students admitted to master's studies in 2017 were international students.



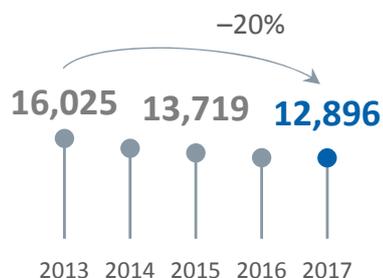
*Percentage of international students admitted to master's studies in 2013-2017 (incl. joint curricula)*



*Percentage of international doctoral students admitted to the University of Tartu by faculties in 2017*

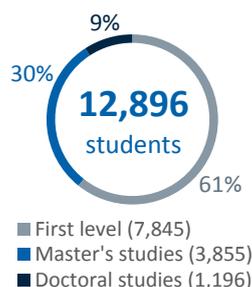
# Studying

In 2017, **12,896 students** studied at the University of Tartu, incl. 9% international students. 88% of students were in non-fee-paying student places. The number of students has decreased by 74 compared to last year, but 20% compared to 2013.



Number of students of the University of Tartu in 2013–2017

In 2017, the percentage of master's and doctoral students was 39% of the university's student body.

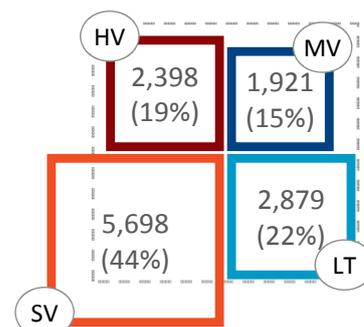


Number and percentage of students in the University of Tartu by levels in 2017

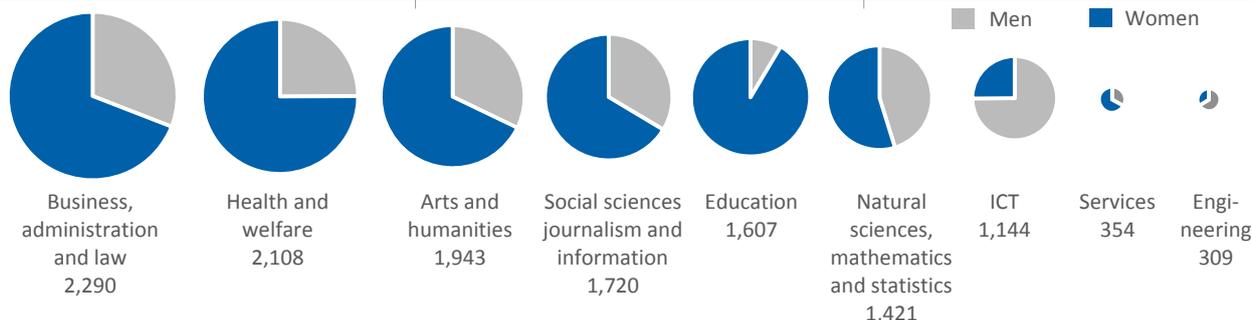
In 2017, students studied in four faculties according to a total of 213 curricula, incl. eight joint curricula. 179 students studied based on joint curricula managed by UT, and 252 students based on curricula managed by other higher education institutions. The largest number of students studied in the Faculty of Social Sciences (5,698).

## Central support services for students:

- 2 student advisors,
- 4 student mobility advisors,
- 2 psychologists,
- 2 career counsellors,
- 1 entrepreneurship counsellor,
- 120 tutors,
- 15 support students.



Number of students by faculties in 2017



Number and gender distribution of students of the University of Tartu by areas of study in 2017

## E-learning

**A2020 objective: the university supports innovation and the use of technology and cooperation in studies**

The university aims to modernise study methods and forms, and to achieve that, web-based study opportunities are created and developed. E-learning is mostly used at the university in combination with classroom work to facilitate students' individual work.

In 2017, the University of Tartu **offered 15 and piloted three MOOCs**, massive open online courses, which had altogether 11,935 learners of whom 5,976 graduated. The percentage of graduates was 52%, which is exceptionally high for MOOCs.

### The use of e-learning at the University of Tartu

	2014	2015	2016	2017
<b>Partly and fully web-based courses</b>				
Number of courses (percentage of all courses)	1,841 (22%)	2,049 (25%)	2,413 (30%)	2,737 (35%)
Incl. number of fully web-based courses	130	130	122	116
Number of participants	50,729	56,761	64,996	74,789
<b>Online continuing education</b>				
Number of participants in online continuing education	7,731	9,525	16,452	22,559
Number of MOOCs	2	6	10	15
Number of MOOC participants	335	3,111	8,001	11,935
Number of Moodle courses	2,876	3,535	3,910	5,010
<b>Number of videos</b>				
In UTTV video portal	4,045	4,260	5,166	5,850
In Panopto video platform			1,236	2,756

In 2017, the **e-course quality mark** was awarded to eleven UT's courses by the Information Technology Foundation for Education (HITSA).

→ [innovatsioonikeskus.ee/et/e-kursuse-kvaliteedimark](http://innovatsioonikeskus.ee/et/e-kursuse-kvaliteedimark)

## International students and student exchange

A2020 objective: the university supports the academic mobility of students and employees and values a diverse international and cultural learning and working environment

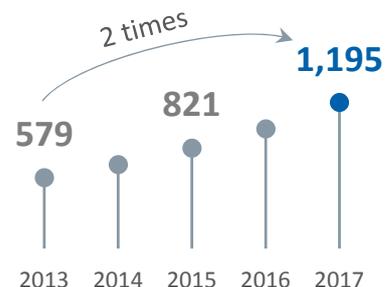


- First level (296)
- Master's studies (713)
- Doctoral studies (186)

Number of international students by study levels in 2017

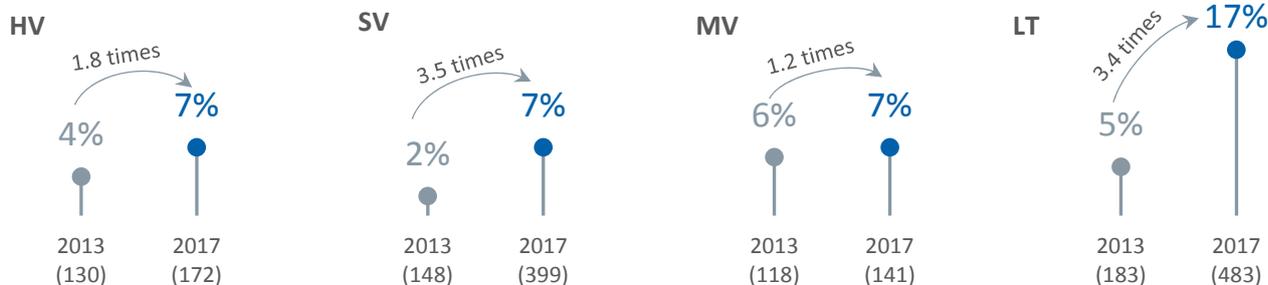
### 9% international students

In 2017, the University of Tartu had **1,195 international students**, which is 9% of the total number of students. Compared to 2016, the number of international students increased by 22%. Of all international students of the University of Tartu, 60% studied in master's studies and 16% in doctoral studies. International students came from **93 countries**.



Number of international students 2013–2017

Over the last five years, the percentage of international students has increased mostly in the Faculty of Science and Technology. 40% of all international students studied in the Faculty of Science and Technology, 33% in the Faculty of Social Sciences, 14% in the Faculty of Arts and Humanities and 12% in the Faculty of Medicine.



Number and percentage of international students in faculties in 2013 and 2017



447

UT students studied abroad

**Finland 127** **Germany 44** **France 25**

**Spain 23** **Sweden 22** **Italy 17** **USA 16** **Czech Republic 16** **Other 157**

According to the available data 447 students of the University of Tartu went abroad as exchange students, incl. 215 for traineeship, in the 2016/2017 academic year. Compared to the previous academic year, the number was slightly lower (7%). 250 students, i.e. 56% studied and trained in foreign universities with the support of the EU Erasmus+ programme. The most popular countries of destination were Germany (15%) and Spain (9%).

586

international visiting students studied at UT

**Germany 122** **Italy 48** **Czech Republic 46**

**France 35** **Russia 27** **USA 24** **Poland 21** **Other 224**

In the 2016/2017 academic year, 586 international visiting students studied at the University of Tartu. Within Erasmus+ programme, a total of 373 exchange students studied at the University of Tartu (increase 13%). Every third student in the Erasmus+ programme came from one of our partner universities in Germany. Also Italian and Czech students were very interested in studying at the University of Tartu.

### Counselling of international

**(visiting) students.** At the beginning of each semester, an orientation course introducing Tartu and the university is offered for international (visiting) students; guidelines and information materials are available. Besides employees, also students help to support international (visiting) students. A new active group is the international student ambassadors of the University of Tartu. Student-to-student support service is also provided by tutors and members of the Erasmus Student Network.

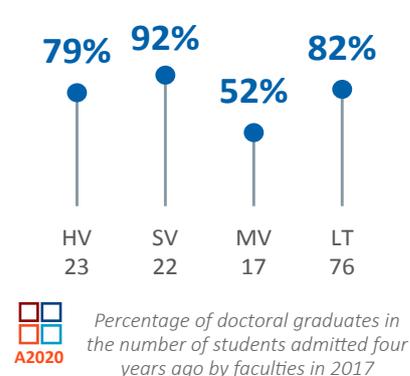
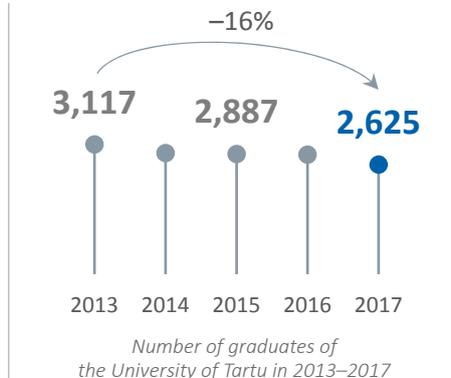
→ isa.ut.ee

To ensure that during studies or traineeship abroad, attention is also paid to general knowledge and experience, not just specialist knowledge, seminars are organised for students who are going abroad or have returned. The seminars help students to analyse their experience and make use of it in the labour market.

# Graduation and interruption of studies

**2,625 students graduated** from the University of Tartu in 2017. Nearly a half (47%) studied in the Faculty of Social Sciences. The number of cum laude graduates was 284.

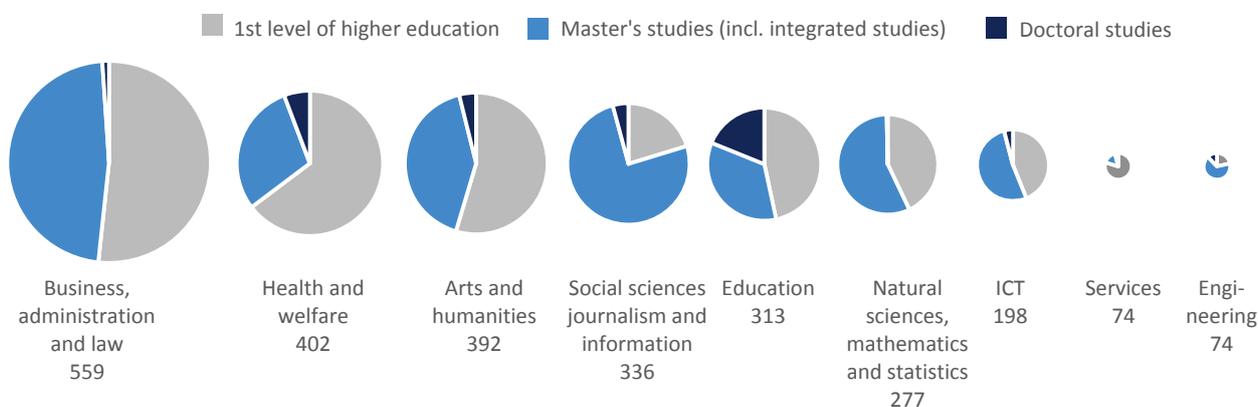
In 2017, a third of the UT graduates of the first level of higher education continued in our master's studies.



In 2017, 253 doctoral dissertations were defended in Estonia. **138 doctoral students graduated** from the University of Tartu, 15% more than in 2016.

	University of Tartu	TUT	TU	EULS	EAMT	EAA
2013	114	67	22	17	3	6
2014	117	53	15	21	3	2
2015	107	64	18	13	3	2
2016	120	73	22	16	3	1
2017	138	57	28	18	6	4

Number of PhD graduates from public universities in 2013–2017. Source: EHIS



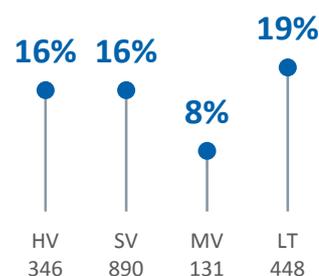
Number of graduates of the University of Tartu by areas of study in 2017

According to EHIS, the average **interruption rate in Estonian higher education institutions was 14.5%** in 2017, in the University of Tartu 14%. In the University of Tartu, the interruption rate was the lowest in the area of health and welfare (8.3%).

In the University of Tartu, 1,961 students interrupted their studies in 2017. Interruption rate in the first level was 13%, in master's studies 15% and doctoral studies 12%. However, a part of them restarted studies at the University of Tartu within the year, which allows us to say that 11% of

Main reasons for interrupting studies in 2017 were as follows:

- interruption at student's request (41%),
- expiry of study period (31%),
- insufficient academic progress (15%).



Interruption rate and number of interruption cases in the University of Tartu in the first and second level of higher education by faculties in 2017

# Using feedback

A2020 objective: in improving the quality of studies, the university proceeds from the principle of supporting the development of students for the benefit of society

Annual **feedback survey** conducted among the first-year students of the first level of higher education and master's studies revealed that when choosing the university, the most important factors for the applicants were the quality of education (98% of respondents regarded it very important), interesting curricula (97%) and the reputation of the University of Tartu (88%). Master's studies were usually taken up for personal development.

After the first semester, the majority (89% in the first study level, 83% in master's studies) agreed that their studies at the UT had so far met their expectations. Results of the survey revealed that 42% of first-year students of higher education and 80% of first-year master's students worked besides their studies. Compared to last year, the percentage of students who work besides studies has increased 3% at the first level of higher education and 14% in master's studies.

*Results of the feedback survey among first-year students of the first and second level of higher education in 2015–2017 (percentage of agreement)*

Statement	2015	2016	2017
Studies at the UT meet my expectations	88%	90%	87%
After the first semester I would still apply to the UT	93%	95%	94%
After the first semester I would still apply to the same curriculum	87%	88%	87%
My earlier education is sufficient to manage well with my university studies	86%	85%	87%

At the end of each semester, students have the opportunity to give **feedback to courses and the teaching skills of the teaching staff**. When giving feedback, students analyse their experience, give feedback to the teaching staff, answer questions about the courses and may add recommendations to future students. A certain part of the results is accessible to all members of the university. Institutes and colleges are required to discuss the survey results once a semester and take measures to eliminate shortcomings.

In the 2016/2017 academic year, students completed 72,233 feedback questionnaires. In total, feedback was given to teaching staff who taught 2,682 courses. In the case of teaching-related statements, students agreed most with statements that the teacher's attitude was supportive of learning and open to students (93% of respondents agreed) and the recommended study materials were relevant in terms of content and suitability (92%). Summarising the aspects of teaching and course arrangements, learners gave our courses the average grade 4.13 out of 5 (4.12 in 2016).



*UT students' consolidated grade for courses in the academic year 2016/2017*

Annual feedback surveys are also conducted among **final-year students** (excl. PhD students) with regard to the organisation of curricula, study process and learning environment, support services and graduates' further plans. Students agreed (92%) that they obtained the learning outcomes described in the curriculum and adequate general skills (communication, speaking skills, teamwork, etc.). They generally agree (86%) that the organisation of studies favoured learning and that they received necessary information in a timely manner.

The state awarded the **Lecturer of the Year** title to **Maido Merisalu**. Engineer of Materials Science of the University of Tartu Institute of Physics. Associate Professor **Mart Noorma** received the **Friend of Education** award. Professor **Alvo Aabloo** was recognised for the **best educational project of 2017** as one of the leaders of the technology and design hackathon series "Garage48 Hardware and Arts".

The UT **award for improving the quality of teaching** was granted to the Institute of Clinical Medicine. The other strong candidate for the award was the Institute of Mathematics and Statistics. The title **Best Programme Director** was awarded to **Vivian Puusepp, Alar Kilp, Merike Ristikivi, Ilona Faustova** and **Ain Raal**.

Based on student feedback, the University of Tartu gives out the annual **best teaching staff award** to acknowledge excellent teaching skills and recognise those who receive the highest scores in student feedback surveys. In each faculty the award is given to one member of teaching staff who received the highest grade in the feedback survey of that academic year. In 2017, the best teaching staff award of the University of Tartu was granted to:



**Natalija Joonas**  
HV, Teacher of  
Russian Language



**Reet Talpsepp**  
SV, Teacher of  
Legal English



**Margot Peetsalu**  
MV, Associate Professor in  
Surgical Diseases



**Joachim Matthias Gerhold**  
LT, Associate Professor in  
Plant Physiology

# Continuing education

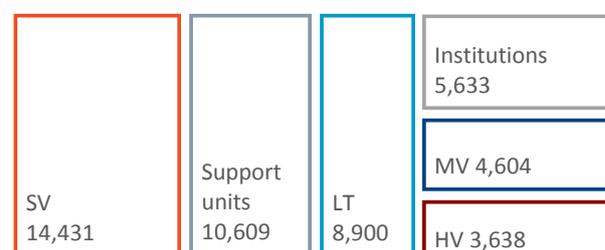
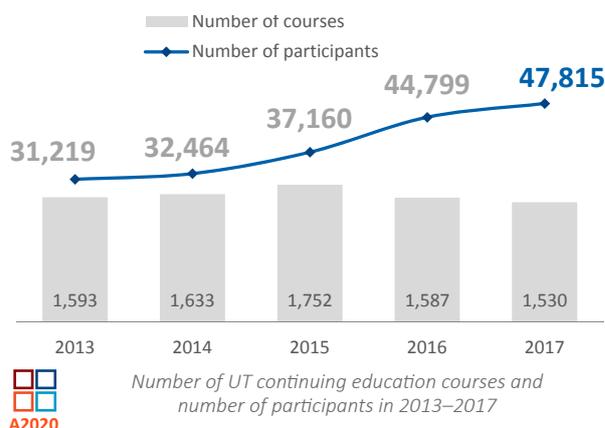
A2020 objective: the university provides various target groups with flexible learning opportunities in both degree studies and continuing education

In 2017, **47,815** learners participated in the continuing education courses of the UT

Compared to 2016, the number of courses decreased by 4%, but the number of participants grew by 7%. Income from continuing education increased by 16% in a year, exceeding 5.5 million euros.

Courses were ordered from the university by educational institutions, governmental agencies and institutions, public entities, professional associations, and companies, incl. Technical Regulatory Authority, Social Insurance Board, Estonian Maritime Administration, Agricultural Board, Statistics Estonia, Estonian Patent Office, Supreme Court of Estonia, Tartu Circuit Court, Chamber of Notaries, and Chamber of Bailiffs and Trustees in Bankruptcy.

In **international continuing education** there were more than 4000 learners from 134 countries. In a year, the number of participants in international courses increased by 37% and the number of courses by 40%. Participants from nearly 30 countries took part in **International Summer University**. Ten Summer University programmes offered the opportunity to learn the Estonian language, and acquire knowledge of semiotics of culture, the Russian-EU relations, and Baltic regional security.

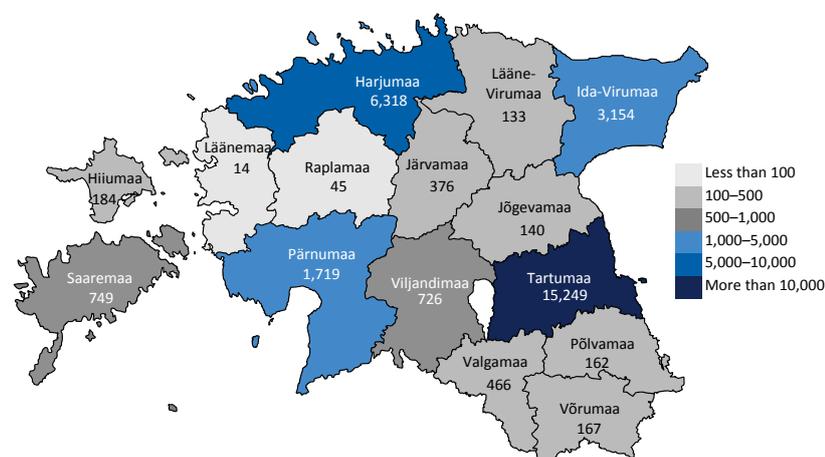


Number of participants in UT continuing education courses by structural units that organised courses in 2017

Number of continuing education courses and participants at the UT in 2017

	Participants	Courses
<b>Continuing education in total</b>	<b>47,815</b>	<b>1,530</b>
Continuing education courses	47,091	1,257
incl. partly or fully web-based or distance learning courses (in brackets: percentage of all continuing education programmes)	22,559 (47%)	417 (27%)
incl. MOOCs	11,935	27
incl. international continuing education	4,045	67
incl. fully web-based study (in brackets: percentage of international continuing education)	2,605 (64%)	14 (21%)
Degree study courses	724	273

In 2017, 4,493 learners participated in the main programme of the UT **University for Senior Citizens**. In addition, the programme included 32 computer study or language courses, workshops or study tours, with a total of 828 participants. Study groups of the University for Senior Citizens also operate in Tallinn (in Estonian and Russian), Tartu, Keila, Kuressaare, Narva (in Russian), Pärnu, Türi, Valga and Viljandi.



Participation in UT continuing education courses by counties in 2017 (excl. abroad, online and distance courses)

A2020 objective: the university contributes to the designing of Estonian regional policy by strengthening the colleges in Viljandi, Narva and Pärnu as centres of regional development and cooperation

In accordance with the aim of the strategic plan, continuing education was successfully provided outside Tartu as well. Training courses with the highest participation rate were conducted in the counties of Harju, Ida-Viru, Pärnu and Viljandi and Saaremaa, i.e. mostly in regions where the university has a college or an office.

# RESEARCH

## External evaluation

### Research and development at the University of Tartu was positively evaluated in all six fields of science.

In 2017, Estonian Research Council (ETAg) conducted the regular evaluation to assess the level of research in Estonian R&D institutions following internationally recognised criteria in six fields of science. For the first time, also the societal impact of research was assessed. A positive evaluation decision will be valid for seven years and entitles the institution to apply for R&D funding from the state budget and to open doctoral studies in evaluated fields of science.

→ [uudiskiri.etag.ee/2017/09/eesti-teadusagentuur-viis-labi-teaduse-korralise-evalveerimise-ehk-valishindamise](http://uudiskiri.etag.ee/2017/09/eesti-teadusagentuur-viis-labi-teaduse-korralise-evalveerimise-ehk-valishindamise)

Evaluation committee said **natural sciences** were the strength of the university, and in most cases, at an excellent level. Particularly, centres of excellence were highlighted. The Institute of Computer Science was recognised for significant growth over seven years, great interest among students and international attractiveness.

For **engineering and technology**, innovation of fundamental research in the field and international cooperation in applying the results, incl. in the business sector, was pointed out. The sustainability and potential of engineering and technology sciences is supported by an adequate number of PhD students, state-of-the-art infrastructure and equipment.

According to the evaluation, the impact of **medical and health sciences** is high. In the aspect of societal impact, the work of Estonian Genome Centre was mentioned. The committee pointed out modernised infrastructure, but also the low attractiveness of PhD studies in medicine, which leaves unanswered the question of the sustainability of clinical research in the current volume.

In **agricultural and veterinary sciences**, the university's research groups work successfully on biodiversity, environmental ecology, plant biology and processes of climate change. The societal impact of research, which extends beyond Estonia, was acknowledged.

In **social sciences**, active participation in applied research and valuing the related activities was appreciated. According to the evaluation, the impact of this field of science is great. Communication of research results and other ways of disseminating information of the faculty's activities were highlighted.

The strength of **humanities and the arts** consists in a unique comprehensive approach. Researchers' active and influential engagement in the societal dialogue both at the national and international level was mentioned. Also the work of the Centre for Ethics was recognised, incl. activities related with values education.

*Results of regular evaluation of research and development*

	Scientific impact	Sustainability and potential	Societal importance
<b>Natural sciences</b>			
UT	excellent	excellent	excellent
TUT	good	excellent	good
EULS	good	good	excellent
TU	good	good	excellent
<b>Engineering and technology</b>			
UT	excellent	excellent	excellent
TUT	excellent	excellent	excellent
EULS	good	excellent	excellent
<b>Medical and health sciences</b>			
UT	excellent	good	good
TUT	good	good	good
<b>Agricultural and veterinary sciences</b>			
UT	excellent	excellent	excellent
TUT	good	good	satisfactory
EULS	good	excellent	excellent
<b>Social sciences</b>			
UT	good	good	good
TUT	good	good	good
TU	good	good	good
<b>Humanities and the arts</b>			
UT	good	good	good
TUT	good	satisfactory	satisfactory
TU	satisfactory	good	good

Source: ETAg

→ [etag.ee/tegevused/evalveerimine/korraline-evalveerimine](http://etag.ee/tegevused/evalveerimine/korraline-evalveerimine)

Under the leadership of the Centre for Ethics, the UT **Code of Conduct for Research Integrity** was completed after nearly two years of discussions. The code of conduct is divided into two parts: fundamental values that serve as a basis for research (freedom, responsibility, honesty and objectivity, respect, caring, justice, openness and cooperation) and principles of action in research; and describes the conduct expected from researchers and the responsibility of research institutions in ensuring research integrity. Appendices include a glossary, cases of research-ethical dilemmas, and an overview of other codes of conduct for research integrity. The values and principles of action of the university's code of conduct are consistent with the Estonian Code of Conduct for Research Integrity.

**Estonian Code of Conduct for Research Integrity** is a framework document providing guidelines to all Estonian research institutions and researchers working there. On 1 November 2017, this framework document was signed by 21 research institutions, Estonian Research Council, Ministry of Education and Research.

→ [ut.ee/et/hea-teadustava](http://ut.ee/et/hea-teadustava)

# Financing

**A2020 objective:** in the conditions of the rapid development of research and technology and global competition, the university preserves and strengthens its position on the international research and education landscape

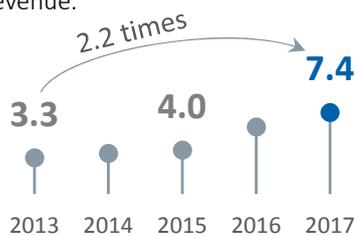
In 2017, Estonian R&D institutions were financed from major national financing programmes in the amount of 50.4 million euros, nearly 53% of it was allocated to UT.

*Research funding allocated to Estonian R&D institutions from major national financing programmes\* for 2013 and 2017 in millions of euros*

R&D institution	2013	2017	Change
UT	20.6	26.5	5.9
TUT	8.6	10.1	1.5
TU	2.0	2.6	0.6
EULS	2.6	3.4	0.8
Other	5.5	7.8	2.3
<b>Total</b>	<b>39.3</b>	<b>50.4</b>	<b>11.1</b>

\* Targeted funding of research topics, Estonian Science Foundation grants, institutional research funding, personal research funding, national programmes and base funding. Source: MoER

The amount of base funding allocated from state budget to the University of Tartu and its percentage in the UT research revenue has increased considerably in the last years – in 2017 it was 7.4 million euros, i.e. nearly 14% of research revenue.

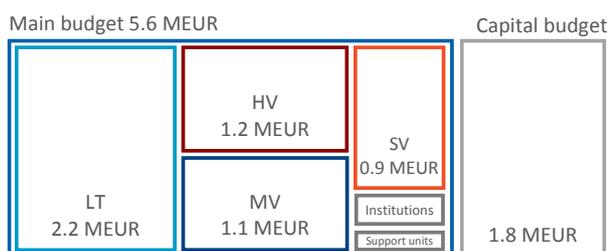


Base funding allocated to the University of Tartu in 2013–2017 (in million euros)

The council allocated the national sciences support of the 2017 base funding to the Faculty of Arts and Humanities and divided the rest of the base funding amount as follows:

- 42% to academic units according to their contribution to earning the base funding;
- 26% for investment in academic and research buildings;
- 20% to the university's development fund;
- 12% to the rector for performance-based financing of academic units.

After distribution of performance-based amounts and making allocations from the development fund, 73.8% of the 2017 base funding was directed into the budgets of academic units.



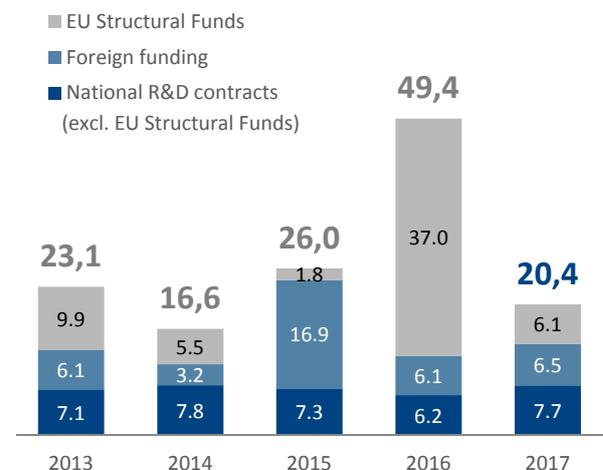
Distribution of base funding for research in 2017 between the university's main budget and capital budget after distribution of performance-based grants and allocations from the development fund (in million euros)

In 2017, the total financial volume of **institutional research funding** for research themes in Estonia was 22.5 million euros. No new calls for institutional funding applications are announced and therefore the number of themes has remained the same for the second year.

The University of Tartu had **76 IUT themes** in the amount of **12.6 million euros** in 2007

The volume of **personal research funding** grants in Estonia was 9.6 million euros, of which funding to UT researchers was 5.8 million euros. In 2017, 46 of the new personal research funding applications were successful (total amount 2.6 million euros). The success rate of UT's new applications was 58%.

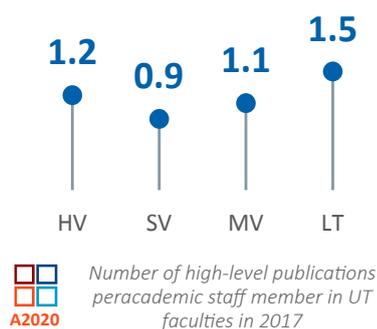
**Research and development contracts** (except public financing) were made with Estonian and international partners for 20.4 million euros in 2017. This was 29 million euros less compared to 2016; the decrease resulted from structural funds contracts. The total price of public contracts has grown by 1.5 million euros and that of international contracts by 0.4 million euros compared to 2016.



The value (in million euros) of R&D contracts on the basis of concluded contracts (excl. national financing) in 2013–2017

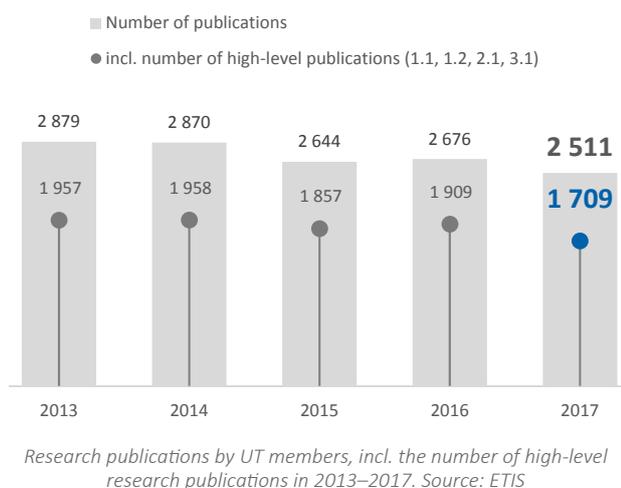
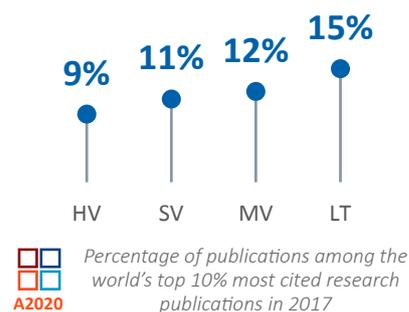
Professor of the University of Tartu **Tambet Teesalu** was the first Estonian scientist to win the European Research Council's prestigious **Proof of Concept Grant** for investigating the innovation and market potential of the research results. In 2012, Teesalu received the starting grant of the European Research Council for four years. In his research project he focused on developing an anticancer drug which, if injected into blood vessels, would find cancer cells and leave the healthy tissue unharmed. Before scientific research results in a real drug sold in pharmacies, usually a considerable amount of money is needed. Therefore, the European Research Council has decided to support the Estonian scientists' work and its way to production.

# Publications



According to the Estonian Research Information System (ETIS), in 2017 UT members published **2,511 research publications**; 1,709 were high-level publications, incl. 1,231 ETIS category 1.1 publications.

The average number of high-level publications published per academic staff member (FTE) was 1.2.



According to ESI (Essential Science Indicators), which is standardised by fields of science but does not include the humanities and focuses only on the 1% of the world's most successful publications, the University of Tartu continues to be the most successful research and development institution in Estonia by the number of publications and citations, in the majority of research fields in ESI.

According to ESI, 50 researchers affiliated with the University of Tartu belonged to the 1% most cited researchers in their field of science in 2017.

- |                               |                               |                           |
|-------------------------------|-------------------------------|---------------------------|
| <b>Anto Aasa</b>              | <b>Tiit Kutser</b>            | <b>Elin Org</b>           |
| <b>Kessy Abarenkov</b>        | <b>Urmas Kõljalg</b>          | <b>Erast Parmasto</b>     |
| <b>Rein Ahas</b>              | <b>Triinu Kõresaar</b>        | <b>Leopold Parts</b>      |
| <b>Helene Alavere</b>         | <b>Maris Laan</b>             | <b>Markus Perola</b>      |
| <b>Jüri Allik</b>             | <b>Ülo Langel</b>             | <b>Margus Punab</b>       |
| <b>Mohammad Bahram</b>        | <b>Ivo Leito</b>              | <b>Meelis Pärtel</b>      |
| <b>Mikael Brosche</b>         | <b>Jaan Liira</b>             | <b>Martti Raidal</b>      |
| <b>Vinay Choubey</b>          | <b>Ülo Mander</b>             | <b>Anu Realo</b>          |
| <b>Alexander John Davison</b> | <b>Andres Merits</b>          | <b>Maido Remm</b>         |
| <b>Marlon Dumas</b>           | <b>Andres Metspalu</b>        | <b>Harold Snieder</b>     |
| <b>Tõnu Esko</b>              | <b>Evelin Mihailov</b>        | <b>Martin Zobel</b>       |
| <b>Krista Fischer</b>         | <b>Lili Milani</b>            | <b>Mari-Liis Tammesoo</b> |
| <b>Aveliina Helm</b>          | <b>Mari Moora</b>             | <b>Kaido Tammeveski</b>   |
| <b>Allen Kaasik</b>           | <b>Andrew Paul Morris</b>     | <b>Leho Tedersoo</b>      |
| <b>Toomas Kivisild</b>        | <b>Reedik Mägi</b>            | <b>Richard Villemis</b>   |
| <b>Hannes Kollist</b>         | <b>Mari Nelis</b>             | <b>Jaak Vilo</b>          |
|                               | <b>Risto-Kalervo Näätänen</b> | <b>Maarja Öpik</b>        |

In the world's leading research information database Web of Science Core Collection, 1,299 publications by authors from the University of Tartu were indexed in 2017, cited 1,518 times. Scopus database covers 1,469 publications related with the University of Tartu, cited 1,690 times. In Scopus and Web of Science, the h-index of the University of Tartu's publications in 2013–2017 is 91 and 89, respectively.

Field division of fractionated publications by authors from Estonia and the UT among the 1% of most cited publications in the Web of Science ESI database in 2006–2017 and the impact of UT publications (as of January 2018)

	Clinical medicine	Plant and animal sciences	Chemistry	General social sciences	Environmental science and ecology	Molecular biology and genetics	Biology and biochemistry	Neuroscience and behaviour	Psychiatry and psychology	Geo-science	All fields
Total number of Estonian publications	1,542	1,649	1,460	1,410	1,288	743	747	465	458	1,188	16,458
Total number of UT publications	990	921	901	857	757	607	482	390	340	483	9,185
Percentage of UT publications	64%	56%	62%	61%	59%	82%	65%	84%	74%	41%	56%
Division of UT publications by field of study	15%	14%	13%	13%	11%	9%	7%	6%	5%	7%	
Number of citations to UT publications	15,029	15,596	11,550	4,024	15,873	32,944	10,902	6,897	5,142	5,937	124,427
Number of UT citations per publication	15.2	16.9	12.8	4.7	21.0	54.3	22.6	17.7	15.1	12.3	14.6

# ENTERPRISING UNIVERSITY

## Cooperation with companies

A2020 objective: inspires businesses to more actively use the research infrastructure of the university and the knowledge and skills of academic staff

**8.2 million euros** was the value of contracts signed by the University of Tartu in 2017 for providing measuring, analysis, consultation or R&D services

This is 3.8 million euros more than the year before. Most of all, orders from Estonian businesses who actively use national R&D cooperation measures have increased. Compared to 2016, fewer small and medium-sized enterprises used the innovation voucher of Enterprise Estonia for cooperation with the university; the use of development vouchers remained at the same level.

Investments by Estonian enterprises in R&D have grown year by year. In 2015, businesses invested nearly 230,000 euros in R&D jointly with the University of Tartu, in 2017 they invested more than **740,000 euros**.

*The university's partners for measuring, analysis, training or consultation services and the value and number of R&D contracts with businesses supported from various financing schemes in 2017*

	Value of contract (in euros)	Number of contracts
NGOs, foundations and public institutions	2,153,132	31
State institutions, ministries, local governments	2,728,450	54
Business associations	3,335,043	59
Participation in financing schemes with businesses	1,991,302	10
<b>Total</b>	<b>10,207,928</b>	<b>154</b>

In 2016 and 2017, Archimedes Foundation co-financed by the European Regional Development financed 21 applied research and product development projects in smart specialisation growth areas, incl. 11 projects implemented in cooperation with the University of Tartu. In 2017, the University of Tartu entered into R&D contracts valued at **2.2 million euros** within the action "Support for applied research in smart specialisation growth areas".

A2020 objective: the university increases the interest in and awareness of innovation and science among Estonian residents and businesses through various forms of cooperation

The University of Tartu's **partnership programme**, launched in 2016, has helped the university to create close relationships with 60 enterprises, with whom to cooperate or plan future cooperation in studies and research. In 2017, close cooperation started with Swedbank, SEB Pank, Eesti Energia and Värskä Sanatorium. In the course of the partnership programme, in October 2017 a **Demo Day** was organised for enterprises, introducing the R&D possibilities of the University of Tartu. At the event, 26 UT researchers made short presentations, giving an overview to the entrepreneurs of the skills and knowhow available at the

Four new partners joined the **ADAPTER** network which connects entrepreneurs with scientists: National Institute of Chemical Physics and Biophysics, Software Technology and Applications Competence Centre (STACC), Tallinn University of Applied Sciences, and Centre of Food and Fermentation Technologies (CFFT). Via adapter.ee portal, 159 enterprises sent their request for development. 21 cooperation agreements were made with enterprises; the University of Tartu researchers perform eight of them.

In November, the yearly **ADAPTER cooperation festival** "Right time, right place" was held at Tallinn University of Applied Sciences, bringing together 280 entrepreneurs and researchers. The keywords of the third festival were man, environment and resources. At the festival, researchers gave 3-minute presentations on their field of science; contacts were made, and both current and forward-looking issues were discussed in workshops.

→ [adapter.ee](http://adapter.ee)

In December, the largest business festival in the Baltic countries, "**sTARTUp Day**" was organised for the second time by the University of Tartu, the City of Tartu and Tartu Science Park. The festival had more than 2,600 participants and 100 speakers, and its seminars and workshops gave the participants countless new ideas.

→ [startupday.ee](http://startupday.ee)

A2020 objective: contributes to the creation and growth of knowledge-based businesses and innovation

At "sTARTUp Day", a match between Estonian and Finnish **spin-offs** took place. This was a joint initiative of the University of Tartu, Tartu Science Park, University of Turku and Turku Science Park. Four spin-offs of different stage of development from each country took part in the competition.

**53 enterprises** were in the list of the University of Tartu spin-offs by the end of 2017

In 2017, UT researchers announced 18 new **objects of intellectual property**, three times more than the year before. Direct income from the commercialisation of the university's intellectual property was 65,500 euros. In 2017, intellectual property of the University of Tartu was used the most by Tere AS and Linde AG.

# Entrepreneurship education

A2020 objective: the university enables students to develop their general and area-related business competencies based on their needs and interests

The **entrepreneurship education programme “Edu ja tegu”** was launched in 2016, to be implemented by the Ministry of Education and Research in 2016–2018. The programme’s lead partners are the University of Tartu and Innove Foundation. In 2017, the decision was made to extend the programme until the year 2020. The programme aims to promote entrepreneurship education at all levels and types of study (incl. vocational and teacher education) and develop an enterprising spirit and attitude in young people. The programme is financed by the European Social Fund, with public national co-financing.

→ [ettevotlusope.edu.ee](http://ettevotlusope.edu.ee)

In the 2016/2017 academic year, 41% of the curricula, incl. 92% of professional higher education programmes included at least one **entrepreneurship course**. The percentage of successfully passed entrepreneurship studies accounted for 2.6% of the total volume of studies. The university aims for each student to pass entrepreneurship courses for at least 6 ECTS during the first and second level of higher education. In 2016/2017, traineeship courses were included in 76% of the bachelor’s curricula and 88% of the master’s curricula.

Two UT Idea Lab teams – Cody (mobile app for teaching computer coding) and The Coulomb Sailing Group (technology to eliminate space debris) – won the main prize in the international business development programme **“Network Globally, Act Locally”**. The programme is financed by **Harry** and **Reba Huges** Foundation and participants are students of the University of Tartu, Tallinn University of Technology, College of Charleston, the Citadel Military College of Charleston and Nebraska Wesleyan University. The first half of the programme was conducted in Tartu and Tallinn, and the last week in the USA, where the young startups pitched their ideas to leaders of the local enterprises.



Members of the teams representing the University of Tartu **Iaroslav Iakubivskiy** (on the left), **Kaspar Kuus** and **Reino Zuppur** introduced their business ideas in the USA. Head of the Idea Lab **Maret Ahonen** (second from the left) helped to refine their ideas in Tartu.

To advance students’ enterprising and innovative spirit, the University of Tartu **Idea Lab** has been created, where active students and pupils can work together to find innovative and practical solutions to interesting problems. In “Edu ja tegu” **STARTER pre-incubation programme**, participants can develop their idea into a business model with support from mentors and, if desired, set up a business.



In February, 200 university and secondary school students worked at Idea Lab’s season opening event **“Idea Storm. 100 Ideas That Change the World”** together with 22 inspiring new-generation entrepreneurs to create innovative ideas to be carried out in the Idea Lab’s **STARTER** programme. **STARTER** also took place in Narva and Pärnu Colleges. All in all, there were 36 **STARTER** teams.

→ [ideelabor.ut.ee](http://ideelabor.ut.ee)



The first prize of the business ideas competition **“Kaleidoskoop”** was awarded to **WillDigital** who provides digital legacy management service

In business and project ideas competition **“Kaleidoskoop”**, 25 teams took part in the preliminary round and 10 made it to the finals in spring. A record number of teams – 45 – participated in the preliminary round in autumn. The first prize was awarded to **Decomer Technology** who develop bioprotein-based bioplastics, which they currently use for packaging honey. **Decomer Technology** won the title of the best **STARTER** team at “sTARTUp Day” business festival.

# CONTRIBUTION TO SOCIETY

A2020 objective: the university ensures the competitive level of the development of national sciences

The University of Tartu is the only classical university in Estonia who has the double role of an international research university and the **Estonian national university**. The responsibility of the national university is to preserve and develop the Estonian language and culture. For that purpose, the university advances the sciences investigating Estonia and its people, promotes education in Estonian, and preserves the national cultural heritage in the possession of the university.

In 2012, **ten national sciences professorships** were established in UT to perform these tasks. In February 2017, the UT professorship of Estonian history and the Estonian National Archives started a **public lecture series** that aims to analyse and interpret the radical events in the process of Estonia's independence, the basic documents and the decisions made in the turbulent political situation of that time.

*In 2017, photographic artist **Peeter Laurits** was elected the **Professor of Liberal Arts** at the University of Tartu*



*In 2017, the University of Tartu **award for contribution to Estonian national identity** was granted to populariser of nature, biologist **Fred Jüssi***



## Sharing knowledge

A2020 objective: the university intensifies cooperation with schools to generate scientific interest in pupils and to involve talented pupils in research

In 2016/2017, 1,629 pupils from 170 schools studied in the 49 courses of the UT **Youth Academy**. Workshops in physics, chemistry and biology were organised in 44 schools; 713 pupils completed the programme. In 2017/2018, 3,796 students started studies in 48 e-courses and four workshops.

862 pupils participated in the finals of Olympiads in 13 subjects. In regional contests there were nearly 10,000 participants. In addition to Olympiads, Youth Academy organised open competitions in mathematics, computer science, chemistry, physics and astronomy (with 771 competitors). Pupils appreciate the online competitions Kobras, Spekter, Pulsar and Kuubik, but the most popular is the mathematics contest Känguru.

→ [teaduskool.ut.ee](http://teaduskool.ut.ee)

In the national science communication competition, the Youth Academy's Investigation Lab received the second prize in the category "Best new science and technology communication initiative".



*In 2016 and 2017, a total of 2,415 pupils and 145 teachers from 58 schools visited the Investigation Lab in UT Chemicum*

A2020 objective: the university actively participates in developing and implementing policies required for the development of health care in Estonia

**Estonian Genome Centre** completed the genotyping of 50,000 gene donor samples in 2017. This database is continuously supplemented with information from other health databases and registers. Based on existing information, new methods for forecasting health risks are developed, allowing better prevention of diseases and more effective treatment based on genetic data.

In 2017, the Genome Centre started sharing genetic information with gene donors. This is the first step in implementing the Estonian national personalised

medicine programme. In December 2017, the Ministry of Social Affairs, the National Institute for Health Development and the University of Tartu signed a protocol for collecting samples of 100,000 new gene donors in 2018, to genotype them and prepare gene cards. The project aims to make the results of genetic research available to gene donors and doctors. This enables to provide better healthcare services, prevent diseases and determine the most appropriate medicine and dose for each patient.

**A2020 objectives: the university supports the development of memory institutions of the university and the research and preservation of national cultural assets and heritage**

The University of Tartu **Museum** provided services to 80,163 visitors in 2017. Thanks to support from the Integration Foundation, audio and video guides are available now for visitors of the museum.

In February 2017, UT Art Museum opened the **Chamber of Mummies**, which attracted new audience. UT Museum opened the annual exhibition “Glory of the Cathedral” to display the archaeological heritage of the cathedral in its treasury. As a result of the preparations for the “National University 100” programme, the **travelling exhibition “Get Ready! 100 Faces of the University of Tartu”** was opened in December 2017.



*The travelling exhibition “Get Ready! 100 Faces of the University of Tartu”*

The University of Tartu Museum provided **active learning programmes** focusing on the humanities, science and technology to the schools of Tartu. In May, the Crazy Scientist’s 3<sup>rd</sup> scientific conference on waste sorting was held, with schools all over Estonia participating.

In 2017, in cooperation with the Vanemuine theatre, the monodrama “Ghost in the Machine. G. F. Parrot” (author **Meelis Friedenthal** and director **Tiit Palu**) premiered in the rotund of the Old Anatomical Theatre to celebrate the 250 anniversary of Parrot.

The Vanemuine theatre played the summer production “Julie and the Stars” in the observatory garden, and the summer production “The Name of the Rose” in the ruins of the cathedral.

High-level interdisciplinary teams analysed the portrait of G.F. Parrot (project leader **Ingrid Sahk**) and ancient Egyptian mummies (project leader **Jaanika Anderson**). The former project was nominated for the Conservation Award and the latter won the Best Curator of Collection award at the 2017 Annual Estonian Museum Awards gala.

At the same event, the 2017 Best Scientific Event award was granted to UT Museum for the 28<sup>th</sup> Baltic Conference on the history and philosophy of science “On the Border of the Russian Empire: The German University of Tartu and its first Rector Georg Friedrich Parrot”.

→ [muuseum.ut.ee](http://muuseum.ut.ee)

A total of 160,742 people visited UT **Natural History Museum and Botanical Garden** in 2017.

UT **Natural History Museum** celebrated its 215<sup>th</sup> anniversary and was awarded the title of the most tourist-friendly museum. The exhibition “Estonian Plant Repository”, dedicated to Estonia’s 100<sup>th</sup> anniversary, was prepared in cooperation with schoolchildren and teachers all over Estonia. Their herbariums are preserved in the museum as a repository that helps researchers to study changes in nature over time. In 2017, the collections of UT Natural History Museum grew by 21,074 items to nearly 1.2 million items.



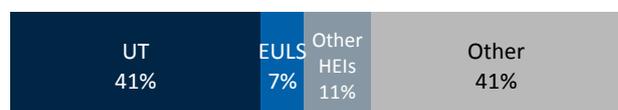
*At the exhibition “On the Trail of Vanishing Species” visitors can walk around the permanent exhibition of the museum and, using a smart device, read about 40 rare species from all over the world and learn what has been done to preserve them*

→ [natmuseum.ut.ee](http://natmuseum.ut.ee)

At the end of 2017, there were 10,983 plant species and varieties in the **Botanical Garden**. The department of Estonian native plants was completed. With the exhibition “Oil Palm and Palm Oil – in the Footsteps of the Green Plague” in summer 2017, the Botanical Garden drew visitors’ attention to a serious environmental problem, asking whether consumer choices can save the environment. Led by the Natural History Museum and Botanical Garden, the third **Nature Festival** was held in Tartu in 2017, focusing on urban nature and offering numerous workshops and nature tours in the City of Tartu.

→ [botaanikaaed.ut.ee](http://botaanikaaed.ut.ee)

In 2017, UT **Library** was closed for readers due to renovation works. Only open-shelf books were available for borrowing, and temporary reading rooms and groupwork rooms could be used. By the end of the year, the library had 56,608 registered users. Students accounted for 50% of the total number of readers. During the year, 15,437 physical and 161 million virtual visits were registered in the main library. By the end of 2017, access to 119 online databases had been created via the library.



*Distribution of UT Library users by universities in 2017*

→ [utlib.ut.ee](http://utlib.ut.ee)

# Feedback from society



*Gennadi Vainikko*

National research awards are issued by the Government to Estonian researchers and research groups for outstanding research work in eight fields of research.

**Research award for long-term research and development achievements** was given to UT Professor emeritus, Academician **Gennadi Vainikko**, an outstanding mathematician whose main research focus is specific integral, differential and operator equations.



*Marlon Gerardo Dumas Menjivar*

The award in **technical sciences** was granted to Professor of Software Engineering **Marlon Gerardo Dumas Menjivar** for his research on the foundations of process mining.

In **medical sciences**, Visiting Professor **Tambet Teesalu** of the Institute of Biomedicine and Translational Medicine received the award for the development of homing peptides for precision-guided cancer therapy.



*Olev Vinn*

The award in **geology and biology** was given to Senior Research Fellow **Olev Vinn** of the Department of Geology, Institute of Ecology and Earth Sciences for the series of works "Paleoecology and Biomineralisation of Annelids in the Phanerozoic".

The award in **social sciences** was granted to Professor of International Law **Lauri Mälksoo** for his research "Russian approaches to International Law and Human Rights".

In the **humanities**, Head of the Centre for Archaeological Research **Heiki Valk** was awarded for the series of papers "Rural Archaeology in Estonia in the Late Iron Age and the Middle Ages: Society and Culture" (incl. the monograph "Siksälä Mound").

President **Kersti Kaljulaid** recognised Senior Research Fellow **Tõnu Esko** of the Estonian Genome Centre with the **Young Scientist Award of the Cultural Foundation of the President**.

The Special Young Scientist Award for the popularisation of scientific ways of thinking went to Lecturer and Senior Research Fellow in Physical Optics **Heli Lukner** of the Institute of Physics.

Senior Research Fellow in Estonian and Comparative Folklore **Merili Metsvahi** received the **Folklore Collection Award** for supervising fieldwork courses of UT folklore students and for handing over the archive in 2001–2016.

Director of Estonian Genome Centre Professor **Andres Metspalu** was awarded the **Science Prize of the Baltic Assembly** for his innovative, diverse and lasting contribution to gene technology and molecular diagnostics.



*Heiki Valk*



*Tõnu Esko*



*Tambet Teesalu*



*Lauri Mälksoo*



*Heli Lukner*



*Merili Metsvahi*



*Andres Metspalu*



Urmas Varblane

Professor of International Business **Urmas Varblane** received the **2<sup>nd</sup> class Badge of Honour of the Estonian Chamber of Commerce and Industry**, which is awarded for outstanding contribution to the development of the Chamber or the economy of Estonia.

The daily Postimees gave the title **Person of the Year 2017** to Head of the Chair of Natural Resources of the Institute of Ecology and Earth Sciences **Asko Lõhmus**.



Asko Lõhmus



Valter Lang

Professor of Archaeology **Valter Lang** was elected an external member of the Finnish Academy of Science and Letters.

On the 15<sup>th</sup> anniversary of the Estonian-language Wikipedia, Associate Professor in Optical Metrology **Mart Noorma** was recognised with the title **Friend of Wikipedia 2017** for initiating and actively promoting the Million+ project.



Mart Noorma



Andra Siibak

Junior Chamber International Estonia awarded the title **Outstanding Young Person 2017 (TOYP) Estonia** to Professor in Media Studies **Andra Siibak**. The title serves to recognise people aged 18–40 who excel in their chosen field and initiate positive changes.

Professor emeritus at Johan Skytte Institute of Political Studies, political scientist and public figure **Rein Taagepera** was awarded with the title **Honorary Citizen of Tartu**.



Rein Taagepera

In 2017, the University of Tartu improved its position in two most important **university rankings**. In the **Shanghai ranking (ARWU)**, UT rose 100 positions to the 301–400 range.

In **QS World University Rankings**, UT advanced to the 314<sup>th</sup> place among the nearly 4000 analysed universities (347<sup>th</sup> in 2016). The university improved its position thanks to reputation survey conducted among employers, the improved faculty-to-student ratio and the percentage of international students. In addition to the general ranking, QS compiles rankings by 46 subjects. In 2017, the University of Tartu was represented in 13 subject rankings.

In the **Times Higher Education (THE)** overall ranking, the university maintained its last year's position. In the subject rankings, UT was placed between 126–150 in biological sciences, 201–250 in clinical and health sciences and computer science, and 301–400 in arts and humanities, physical sciences and social sciences.



Times Higher Education  
World University  
Rankings (THE)

**301–350**



QS World University  
Rankings

**314**



Academic Ranking of  
World Universities  
(ARWU)

**301–400**

*The University of Tartu results in major international university rankings in 2017*

*The University of Tartu results in QS ranking by subjects in 2013–2017*

Subject	2013	2014	2015	2016	2017
Linguistics				101–150	101–150
Philosophy			151–200		101–150
Communication & Media Studies	51–100	51–100	101–150	101–150	151–200
History & Archaeology		151–200			151–200
Agriculture & Forestry					201–250
English Language & Literature			201–250	251–300	251–300
Modern Languages	151–200	151–200	251–300	251–300	251–300
Pharmacy & Pharmacology					251–300
Medicine			301–350	301–350	301–350
Physics & Astronomy					351–400
Biology					351–400
Computer Science & Information Systems				401–450	401–450
Chemistry					401–450

# ORGANISATION

## Employees

**3,435 people**

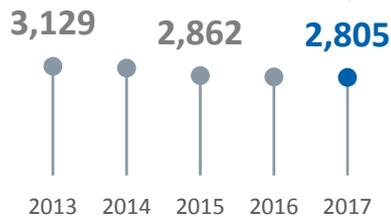
worked for the University of Tartu at the end of 2017



- Academic staff (1,432)
- Support staff (1,373)

Number of employees (FTE) of the University of Tartu in 2017

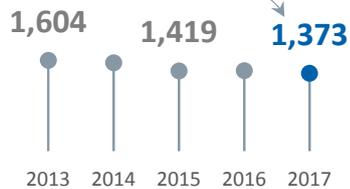
-10%



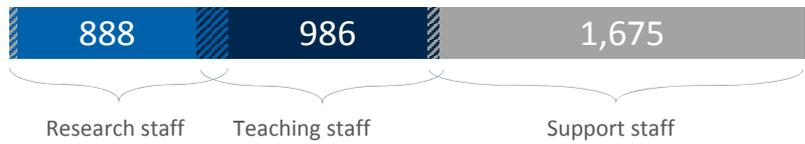
Number of employees (FTE) of the University of Tartu in 2013–2017

57% of support staff worked in faculties, 27% in support structure and 16% in UT institutions.

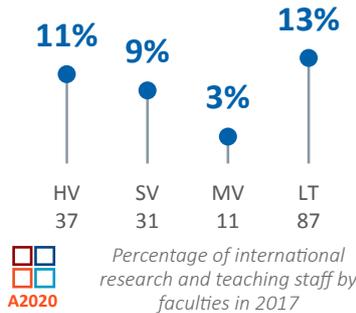
-14%



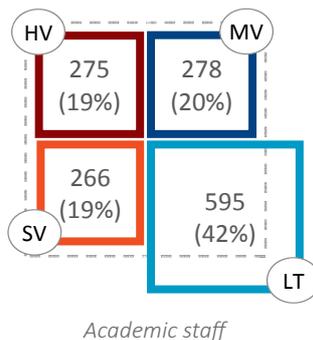
Number of support staff members (FTE) in 2013–2017



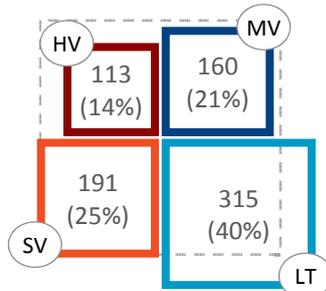
Number of academic and support staff members in the University of Tartu in 2017



Percentage of international research and teaching staff by faculties in 2017



Academic staff



Support staff

Number of academic and support staff members (FTE) and their division by faculties in 2017

**210 foreign nationals**

from 55 countries worked in the University of Tartu

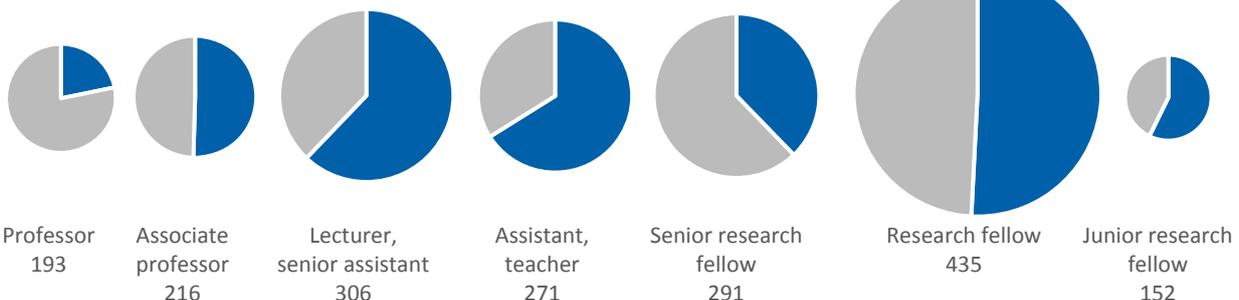
169 of them held an academic position. International teaching and research staff members made up nearly 9% of the total UT academic staff. Most of them (59 persons) worked as research fellows. 22 foreigners were employed as professors (11% of all professors).

**69%** of the academic staff hold a **PhD**

There were 1,240 academic staff members with a PhD at UT. The requirement to hold a PhD or an equivalent qualification applies to UT professors, associate professors, research professors and senior research fellows, and is also extended to lecturers in 2018.

In 2017, 32 professors were elected, incl. 15 who assumed the position for the first time. Eight of the elected professors are women. At the end of 2017, UT had **193 professors**, incl. 42 women (22%).

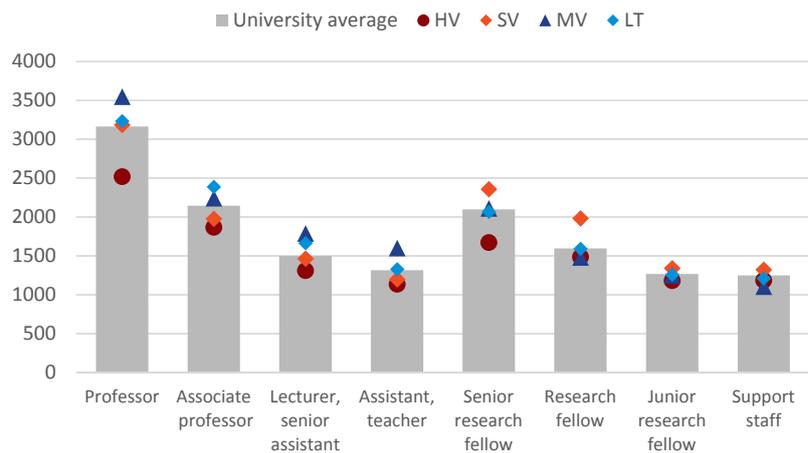
Men Women



Number and gender ratio of academic staff by positions in 2017

**1,567 euros** was the average gross monthly salary of UT

Average gross monthly salary increased by 6.8% in a year. In 2017, the salary rise was the quickest among teaching staff (7.8%), followed by support staff (7.1%) and research staff (4.2%). By positions of academic staff, the largest salary increase was for professors (8.3%), associate professors (8.2%), lecturers (6.8%), and assistants and teachers (6.8%). In 2017, women's average salary in academic positions was 1–10% lower than men's.



Average salary of UT employees (euros) by positions and faculties in 2017

## Training courses for employees

**A2020 objective: the university supports the development of the teaching and instructing skills of academic staff and the learning skills of students**

The University of Tartu supports the development of teaching and supervision skills with training and through collegial feedback communities.

In 2017, UT teaching staff were offered 47 **continuing education courses** and 50 **seminars for the development of teaching skills**, with 634 participants. 36 teaching staff members completed the base training course “Learning and Teaching in Higher Education” and 24 completed the first course for supervisors of student papers. 14% of academic staff members participated in long-term teaching development activities.

In the spring semester of 2017, there were seven **collegial feedback communities** in the university with 63 participants, and in the autumn semester, six communities with 56 participants. In addition, the awardees of the UT good teaching grant (for conducting research on their teaching) held meetings all through the year. Collegial feedback communities discuss various teaching-related issues, for example, how to shape the learning environment, involve students, give feedback on teaching, assess teaching, and prepare teaching materials. Reciprocal observation of teaching and its analysis have an important role in the process. Some of the communities focused on a new topic: the development of university-wide courses or methodology.

In order to develop teaching skills in a new way, **faculty methodology sessions** were introduced, where participants introduced new methodological approaches and together discussed the ways to implement them.

The conference “From Lecturer to Lecturer 2017: Development of Own Teaching” concentrated on changes that have supported the implementation of the principles of the **good practice of teaching**. Based on the presentations, a poster e-book was made.

**A2020 objective: the university values the high-level Estonian language skills of its employees and students and supports foreign employees and students upon studying Estonian language and cultural history**

A comprehensive **Estonian language e-course** was organised for the Estonian-speaking employees of the university. With the support of numerous exercises and thorough feedback, the learners received excellent training on the accurate use of standard Estonian.

International staff members were offered regular events to support their settling in (for example, guided trips to introduce Estonian culture, seminars, sports day), which attracted 121 participants, incl. 27 family members. 44 international employees and 15 family members used the opportunity to learn the Estonian language.

**A2020 objective: the university plays an important role in transforming Tartu into an international learning, working and living environment**

“Tartu – Rich in Culture” is a series of seminars for university members and townspeople, where international staff and students introduce the culture, nature and customs of their country. In the culture evenings in 2017, the traditions of Lithuania, Italy and America were introduced, and 200 people participated in the events.



Lithuanian Days at the University of Tartu in March 2017

**A2020 objective: the university supports the constant improvement of specialised and professional knowledge and skills of employees, including the development of the managerial skills of managers**

In 2017, the organisation of **management training** was changed. The former broad-based single training courses were replaced by long-term systematic development of the skills of beginning managers. All in all, 171 employees participated in the 20 professional leadership courses (on 279 occasions).

In March 2017, the senate approved the university's **good practice of leadership**. More than 125 university employees contributed to preparing this document by participating in discussions and supplementing the text. The principles of good leadership practice were also introduced at the three performances by Juhtimisteaater, which were attended by nearly 200 UT employees. Besides describing expectations to leaders, this initiative resulted in launching the new manager's development programme and a self-analysis tool for managers.

In autumn 2017, the one-year **training programme for beginning managers** was launched to develop their leadership skills, give new knowledge and create a social network to support good leadership. The programme is taught by UT teaching staff and other experienced instructors. Each participant in the programme gets a coach, if requested. 24 employees joined the new manager's development programme.

In 2017, 17 managers participated in the **mentorship and coaching programme** designed to advance professional leadership. 13 employees completed the coach training programme to act as mentors or coaches to other employees in the future. Nine co-vision seminars were held with 31 participants.

University employees actively use the Erasmus+ staff training and academic staff mobility programmes. In 2017, all in all 136 employees delivered lectures or participated in trainings in universities abroad. Most often they went to Germany, France, Latvia and Austria. The most popular International Credit Mobility destinations were Vietnam, Moldova and the United States of America.

For the development of a fair and ethical organisation, a **series of seminars focusing on students and staff with special needs** was organised. In the seven seminars, a total of 63 employees participated (on 158 occasions).

## Work environment

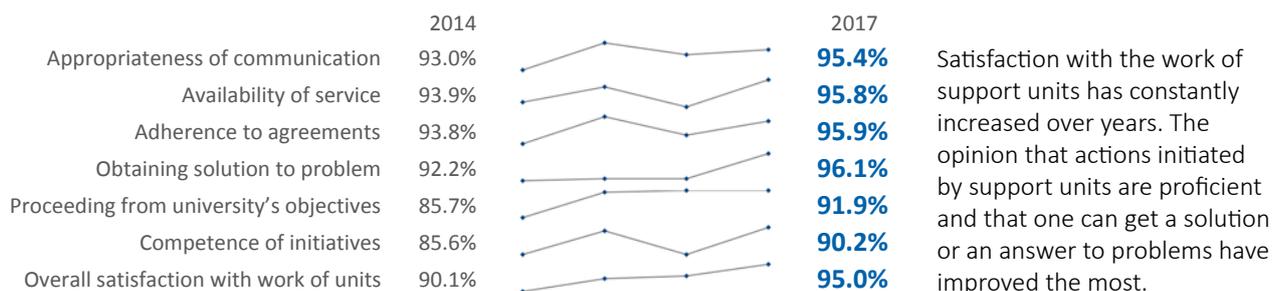
To improve the work environment, management, work of support units and availability of services, annual surveys on the work environment and the work of support units have been organised since 2011. In the 2017 survey, the number of respondents was record high: 1,641 employees, i.e. 47.4% of all UT staff.

### 92.5% of employees were generally satisfied with work at the university

Above all, UT employee satisfaction was dependent on interesting work, work atmosphere and salary. Important factors determining the level of job satisfaction were also the importance of work, support of colleagues, level of work stress, adequate time for personal life and the leadership style of immediate supervisor.

Most of all, the university members are satisfied that their job is interesting – 98.3% of respondents said so. Workplace atmosphere is an area that most needs improvement: every eighth respondent did not consider it positive (12.3%). Only 61.4% of respondents regard their salary as fair, which is similar to last year's result.

Responses to management questions show steady improvement over years in two areas: receiving feedback on one's work, and recognition of good work results. Constant improvement is also evident in professional development opportunities and work-life balance. Job satisfaction has increased considerably among international staff.



*Staff satisfaction with the work of the support units (share of respondents who strongly, generally or slightly agreed with the statement), 316 respondents*

## Events for university employees



2 January

*Rector's New Year's reception for UT employees in the Estonian National Museum*



8 February

*Winter sports day of UT employees and their family members in Kääriku Sports Centre*



23 February

*Ceremony and concert dedicated to the 99<sup>th</sup> anniversary of the Republic of Estonia in the assembly hall. UT awards ceremony*



23 May

*Rector's appreciation event for retired employees*



4 September

*Opening ceremony of the academic year*



28 September

*UT Memorial Day in Raadi cemetery*



2 October

*Rector's reception for international staff*



1 December

*Celebration of the 98<sup>th</sup> anniversary of the Estonian national university*

# International cooperation



14 March

Minister of Culture of Moldova **Monica Babuc** visited the University of Tartu. The visit was dedicated to the 25<sup>th</sup> anniversary of the establishment of diplomatic relations between the Republic of Moldova and the Republic of Estonia.

The delegation of German parliament members who visited Tartu had a meeting with Rector **Volli Kalm** and Vice Rector for Research **Kristjan Vassil**.

25 May

14 July

During their visit to Estonia, the Committee of the Permanent Representatives of the Governments of the EU Member States (COREPER I) had a meeting with Rector **Volli Kalm** and attended a lecture by **Mart Noorma** on Estonia as a space country.

18 July

The University of Tartu hosted the education attachés of EU member states. The presentations and discussions focused on modern approaches to teaching and learning and monitoring the progress of graduates.



31 August

Head of the Europe office of the US National Science Foundation (NSF) **Sonia Ortega** (second from the right) visited the university to gain a better overview of the competence of Estonian research institutions, primarily in the area of IT, and to enhance cooperation with European scientists and technology developers. Together with the host country, NSF plans to start financing short visits by outstanding young US researchers to Estonia.

8 September

Commissioner for education, culture, youth and sport at the European Commission **Tibor Navracsics** and Rector **Volli Kalm** discussed issues concerning young people and education in the European Union.

11–12 January

Rector **Volli Kalm** hosted his colleagues from Vilnius University and the University of Latvia. To promote cross-border cooperation and joint studies in the leading universities of the Baltic countries, and to popularise the learning of the languages and culture of other Baltic countries, the rectors signed an agreement to establish a scholarship for students who know the languages of all three Baltic countries.

24 April

In the lecture series named after J. G. Granö, Professor of Computer Science at the University of Helsinki, member of the Estonian Academy of Sciences **Esko Ukkonen** delivered a lecture “The Era of Algorithms”.

25 April



Ambassador of the People's Republic of China H. E. **Qu Zhe** delivered a public speech “China's Belt and Road Initiative: Rise above Challenges and Build Common Prosperity” during the Chinese Week organised by UT Asian Centre. The lecture focused on China's “One Belt, One Road” (OBOR) initiative and the EU–China relations.

19 July



The University of Tartu hosted the business delegation of South Carolina, USA, led by Honorary Consul of the Republic of Estonia **Harry Huge**. For promoting the Estonian-US educational relations and outstanding achievements in introducing Estonia and the University of Tartu in the USA, Harry Huge was conferred the title of Honorary Fellow of the University of Tartu at the ceremony dedicated to the 98th anniversary of the national university.

4–6 September

During the German-Estonian academic week **Academica**, funded by the Federation of Employers' Associations of North Rhine-Westphalia, the international symposium on the media of the Enlightenment “Medien der Aufklärung. Aufklärung der Medien” was held.

21–22 September

The meeting of European Research and Innovation Committee (ERAC) and the Council of the EU Working Party on Research held a meeting in the University of Tartu. UT researchers' achievements were introduced at the seminar "Exclusive Showcases of Estonian Life Sciences and E-Estonia".



13 October



The University of Tartu hosted the **General Assembly of The Guild**. During the meeting, the presidents of the universities agreed upon the network's three-year goals for the European higher education and research area and discussed communication with the European Parliament, European Commission and other strategic partners.



31 October

Vice-President of the European Commission, former Prime Minister of Latvia **Valdis Dombrovskis** made a public speech "The Future of the Economic and Monetary Union" in the university assembly hall.

16–17 November

Academica conference "Post-truth, Post-society, Post-post", organised by Johan Skytte Institute of Political Studies, discussed manipulation of information, propaganda and influencing public opinion. Workshops on post-truth society were held on the second day of the conference.

14–15 September



The University of Tartu hosted the meeting of vice presidents of **The Guild of European Research-intensive Universities (The Guild)** to discuss the cooperation opportunities of the universities in the EU research and higher education policy-making. The cooperation network was founded in summer 2016 and comprises 19 European research universities.

17 October



Led by the European University Association (EUA), the workshop "Universities in Regional Innovation Ecosystems: Coherent Policies for Europe Beyond 2020" took place in the University of Tartu.

15 December



Universities Estonia, the World Bank and the University of Tartu co-hosted the "Workshop on Academic Career Models" to find the best possible structure and regulation of the academic career in the Estonian context. Experts from the World Bank, the Netherlands and Finland shared their experiences.

In 2017, the **University of Tartu hosted** the delegations of the Ukrainian Pharmacology University, Moldova University of Pharmacy, Turku University of Applied Sciences, Hang Seng Management College (Hong Kong), Tajik State University of Law, San Ignacio de Loyola University (Peru), Beijing International University, Malaysian University of Technology, University of Greifswald (Germany), Parul University (India), University of Fukui (Japan), Sophia University (Japan), Radboud University (Netherlands), KU Leuven (Belgium) and University of Konstanz (Germany).

The ambassadors of the United States of America, China, Armenia, Germany, Italy, Sweden and Chile paid a **traditional visit** to the university in 2017.

Members of the University of Tartu **Rector's Office visited** Uppsala University, the University of Helsinki and Aalto University. Rector **Volli Kalm** was a member of the Estonian delegation during the President's working visit to Switzerland and state visit to Georgia.

## Culture and sport



*Tartu Academic Male Choir in the procession of the XII Youth Song and Dance Festival “Here I’ll Stay”*



*Brass orchestra “Popsid” giving a concert in Tallinn’s Old Town between song festival rehearsals*



*UT Folk Art Ensemble’s senior mixed group performing the dance “Tulepuuhuulte luule” by Maido Saar on Lithuanian TV*



*University of Tartu Symphony Orchestra*



*University of Tartu Academic Women’s Choir organised a programme for young choral composers and performed their works. In the photo: gala concert of the programme in the Estonian National Museum*



*Estonian Academic Sports Federation (EASL) celebrated its 26th anniversary with the traditional EASL Anniversary Tournament for UT lecturers and staff in the University of Tartu Sports Hall. In the photo: **Harry Lemberg**, Chairman of the Board of the University of Tartu Academic Sports Club*

## Alumni activities

By the end of 2017, about 5,600 graduates had joined the **UT alumni network UTalumni**. 83% of them are willing to contribute to the university’s activities, incl. to offer traineeship opportunities for students, introduce their enterprise, answer professional questions and supervise students’ graduation papers.

In 2017, a new **mentoring programme** was launched with 83 mentors participating, most of them University of Tartu graduates. Mentors are successful specialists and managers who give advice and share their experiences to help students realise their goals. All areas of study were represented in the programme; most active were social sciences (entrepreneurship, law and teacher education) and IT.

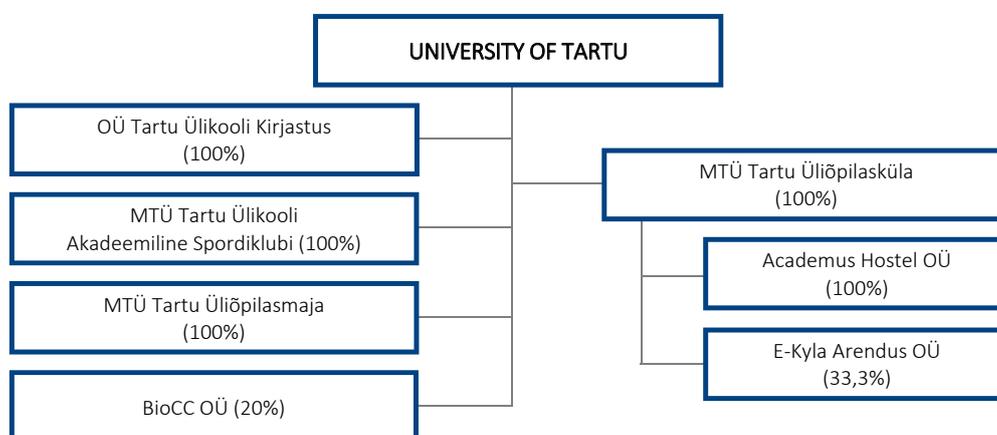
The University of Tartu **alumni blog** attracted on average 1,750 new readers each month in 2017. This was a threefold increase compared to 2016.

→ [vilistlaselu.ut.ee](http://vilistlaselu.ut.ee)

# Financial activities

OBJECTIVE: the university considers financial sustainability when making choices

The consolidation group of the University of Tartu consists of the university and seven other legal entities. In 2017, OÜ Tartu Ülikooli Kesklinna Apteek was liquidated. OÜ Tervisliku Piima Biotehnoloogiate Arenduskeskus changed its name to BioCC OÜ. The total operating revenue of the group amounted to 153.8 million euros in 2017.



Main indicators of the field and volume of activity of the legal entities in the consolidation group

Legal person in public law	Field of activity	Operating revenue	Total net gain /loss	Balance sheet total	Net assets
in thousands of euros					
University of Tartu	Higher education, research	149,768	-8,471	266,655	235,328
OÜ Tartu Ülikooli Kirjastus	Publishing	379	14	358	300
OÜ Tartu Ülikooli Kesklinna Apteek	Sale of medicines	0	-53	0	0
Academus Hostel OÜ	Accommodation	361	31	239	235
E-Kyla Arendus OÜ	Software development for student residences	24	1	66	58
BioCC OÜ	Research in natural sciences	1,490	40	859	296
MTÜ Tartu Üliõpilasküla	Student accommodation	3,381	-57	1,213	605
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	Students' sports activities	2,690	-236	139	-84
MTÜ Tartu Üliõpilasmaja	Students' cultural activities	399	-8	712	182
<b>University of Tartu group</b>		<b>153 817</b>	<b>-8,772</b>	<b>269,282</b>	<b>236,611</b>

The university has concentrated its fiscal policy in four directions:

- diversifying and focusing revenue,
- implementing austerity measures,
- consistent management of the policy for covering indirect costs,
- improving the efficiency of financial management on all administrative levels.

In 2017, the university achieved the objectives set in the university's financial strategy:

- objective: cash flow from economic activities is positive; actual: +3.6 million euros,
- objective: share of university's net assets in balance sheet is at least 75%; actual: 87.9%.
- objective: loan burden is less than 25% of annual revenue; actual: 6.8%.

Main indicators (consolidated)

FINANCIAL INDICATORS (in thousands of euros)	2013	2014	2015	2016	2017
Operating revenue	173,866	158,487	161,895	137,989	153,817
Operating expenses	153,685	150,714	157,890	147,306	162,522
Financial revenue and expenses	-148	-162	-135	-59	-56
Annual total net gain/loss	20,027	7,605	3,864	-9,382	-8,772
Balance sheet total	284,995	291,846	290,866	281,803	269,282
Current assets	46,226	50,046	48,897	51,390	45,211
Fixed assets	238,769	241,800	241,969	230,413	224,070
Current liabilities	28,507	29,214	27,299	25,968	24,935
Long-term liabilities	13,192	11,731	8,802	10,452	7,736
Net assets	243,296	250,901	254,765	245,383	236,611
Loans from banks	16,171	14,760	11,730	13,352	10,446

RATIOS	2013	2014	2015	2016	2017
Operating expenses / operating revenue	88%	95%	98%	107%	106%
Loans/ operating revenue	9%	9%	7%	10%	7%
Current assets / current liabilities	162%	171%	179%	198%	181%
Fixed assets / balance sheet total	84%	83%	83%	82%	83%
Loans/ balance sheet total	6%	5%	4%	5%	4%
Net assets / balance sheet total	85%	86%	88%	87%	88%

**OBJECTIVE:** the university develops infrastructure, following the principle of ensuring the quality of study and research and optimal use of resources

**Main investments in 2017:**

- renovation of the library continued (estimated cost 9.5 million euros)
- Delta academic building was designed
- construction of extension to Ujula 4 started
- renovation of the facade of Biomeedikum started

**Main investments in 2018:**

- construction of Delta academic building (estimated cost 34 million euros)
- construction of Delta business park (estimated cost 6.4 million euros)
- construction of extension to Ujula 4 sports hall (estimated cost 13.4 million euros)
- renovation of the library continues
- renovation of Biomeedikum (vivarium is rebuilt for teaching, facade is renovated, utilities modernised; estimated cost 1.3 million euros)



Topping-out ceremony at UT Sports Hall extension in December 2017



Renovation of the University of Tartu Library

# Abbreviations

## Universities

EAA	Estonian Academy of Arts
EAMT	Estonian Academy of Music and Theatre
EULS	Estonian University of Life Sciences
TU	Tallinna University
TUT	Tallinn University of Technology
UT	University of Tartu

## Faculties of the University of Tartu

HV	Faculty of Arts and Humanities
SV	Faculty of Social Sciences
MV	Faculty of Medicine
LT	Faculty of Science and Technology

## Countries

AT	Austria	IT	Italy
BE	Belgium	LV	Latvia
BG	Bulgaria	LT	Lithuania
CH	Switzerland	LU	Luxembourg
CY	Cyprus	MT	Malta
CZ	Czech Republic	NL	Netherlands
DK	Denmark	NO	Norway
DE	Germany	PL	Poland
EE	Estonia	PT	Portugal
ES	Spain	RO	Romania
FI	Finland	SE	Sweden
FR	France	SI	Slovenia
GR	Greece	SK	Slovakia
HR	Croatia	UK	United Kingdom
HU	Hungary	USA	United States of America
IE	Ireland		

## Other abbreviations

A2020	University of Tartu Strategic Plan for 2015–2020
ARWU	Academic Ranking of World Universities (Shanghai ranking)
AS	<i>aktsiaselts</i> (public limited company)
EASL	Estonian Academic Sports Federation
ECTS	European Credit Transfer and Accumulation System credit point
EHIS	Eesti Hariduse Infosüsteem (Estonian Education Information System)
ERAC	European Research and Innovation Committee
ERR	Estonian Public Broadcasting
ESI	Essential Science Indicators
ETAg	Eesti Teadusagentuur (Estonian Research Council)
ETIS	Eesti Teadusinfosüsteem (Estonian Research Information System)
EU	European Union
FTE	full time equivalent
GDP	gross domestic product
h-index	highly cited index
HITSA	Hariduse Infotehnoloogia Sihtasutus (Information Technology Foundation for Education)
ICT	information and communication technology
IT	information technology
MEUR	million euros
MOER	Estonian Ministry of Education and Research
MOOC	massive open online course
MTÜ	<i>mittetulundusühing</i> (non-profit organisation)
NGO	non-governmental organisation
NSF	US National Science Foundation
OECD	Organisation for Economic Co-operation and Development
OSKA	a system of labour market monitoring and future skills forecasting
OÜ	<i>osühing</i> (private limited company)
PhD	Doctor of Philosophy
PHEI	professional higher education institution
QS	QS World University Rankings
R&D	research and development
RDI	research, development and innovation
SA	<i>sihtasutus</i> (foundation)
THE	Times Higher Education World University Ranking
UTTV	University of Tartu Television



**University of Tartu**

**Consolidated  
financial  
statements  
2017**



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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros			
As at 31 December	Note	2017	2016
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	30,415	35,957
Receivables and prepayments	4	14,616	15,239
Inventories	6	180	194
<b>Total current assets</b>		<b>45,211</b>	<b>51,390</b>
<b>Non-current assets</b>			
Investments in associates	7	78	70
Investments in financial assets		2	2
Receivables and prepayments		4	5
Investment property	8	1,510	1,559
Property, plant and equipment	9	219,434	226,396
Intangible assets	10	3,042	2,381
<b>Total non-current assets</b>		<b>224,070</b>	<b>230,413</b>
<b>TOTAL ASSETS</b>		<b>269,281</b>	<b>281,803</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	11	2,716	2,910
Payables and deferred income	14	22,219	23,058
<b>Total current liabilities</b>		<b>24,935</b>	<b>25,968</b>
<b>Non-current liabilities</b>			
Borrowings	11	7,736	10,452
<b>Total non-current liabilities</b>		<b>7,736</b>	<b>10,452</b>
<b>Total liabilities</b>		<b>32,671</b>	<b>36,420</b>
<b>Net assets</b>			
Capital of the university		144,182	144,182
Accumulated surpluses		101,200	110,583
Deficit for the year		-8,772	-9,382
<b>Total net assets</b>		<b>236,610</b>	<b>245,383</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>269,281</b>	<b>281,803</b>

The notes on pages 48 to 79 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

In thousands of euros	Note	2017	2016
<b>Revenue</b>			
Revenue from sale of goods and provision of services	16	16,667	16,934
State budget funding for education activities	17	66,408	64,356
State budget funding for research activities	18	26,092	25,572
Grants related to assets	19	3,897	28
Grants related to income	20	40,262	29,869
Other income	21	491	1,230
<b>Total revenue</b>		<b>153,817</b>	<b>137,989</b>
<b>Expenses</b>			
Goods, materials and services used	22	-16,243	-15,921
Operating expenses	23	-37,053	-29,701
Scholarships and study grants		-9,540	-8,862
Staff costs	24	-81,235	-76,707
Depreciation, amortisation and impairment losses	25	-16,704	-15,936
Other expenses	27	-1,747	-179
<b>Total expenses</b>		<b>-162,522</b>	<b>-147,306</b>
<b>Deficit on operating activities</b>		<b>-8,705</b>	<b>-9,317</b>
Share of profit/loss of associates	7	8	-7
Interest income		5	10
Interest expense		-69	-62
<b>Deficit before income tax</b>		<b>-8,761</b>	<b>-9,376</b>
Income tax expense		-11	-6
<b>Deficit for the year</b>		<b>-8,772</b>	<b>-9,382</b>

The notes on pages 48 to 79 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros	Note	2017	2016
<b>Cash flows from operating activities</b>			
Deficit on operating activities		-8,705	-9,317
Adjustments for			
Depreciation, amortisation and impairment losses	25	16,704	15,936
Loss/gain on sale of non-current assets	21, 27	160	-1,110
Non-monetary grants related to assets	19	-4	-145
Change in provisions		0	-1,105
Grants related to assets received	19	-3,893	117
Grants related to assets passed through (as an intermediary)		385	-8
Change in receivables and prepayments		1,408	2,836
Change in inventories		14	59
Change in payables and deferred income		-2,399	937
Interest paid		-70	-63
Corporate income tax paid		-11	-6
<b>Net cash from operating activities</b>		<b>3,589</b>	<b>8,131</b>
<b>Cash flows from investing activities</b>			
Paid on acquisition of property, plant and equipment		-2,658	-1,430
Proceeds from sale of property, plant and equipment		373	596
Paid for assets under construction		-6,119	-2,733
Prepayments made for property, plant and equipment	9	-14	-52
Proceeds from sale of investment property		0	271
Paid on acquisition of intangible assets	10	-910	-274
Prepayments made for intangible assets	10	-6	0
Proceeds from government grants related to assets		3,430	5,612
Government grants related to assets paid (partners)		-323	-625
Collection of a non-current receivable		2	2
Interest received		4	8
<b>Net cash used in/from investing activities</b>		<b>-6,221</b>	<b>1,375</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans received	13	0	4,560
Repayment of loans received	11, 13	-2,905	-2,939
Payment of finance lease principal	12	-5	-4
<b>Net cash used in/from financing activities</b>		<b>-2,910</b>	<b>1,617</b>
<b>Net cash flow</b>		<b>-5,542</b>	<b>11,123</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3</b>	<b>35,957</b>	<b>24,834</b>
Decrease/increase in cash and cash equivalents		-5,542	11,123
<b>Cash and cash equivalents at end of year</b>	<b>3</b>	<b>30,415</b>	<b>35,957</b>

The notes on pages 48 to 79 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

In thousands of euros	Capital of the university	Accumulated surpluses	Surplus/deficit for the year	Total
<b>As at 31 December 2015</b>	<b>144,182</b>	<b>106,719</b>	<b>3,864</b>	<b>254,765</b>
Transfer of surplus to accumulated surpluses	0	3,864	-3,864	0
Deficit for the year	0	0	-9,382	-9,382
<b>As at 31 December 2016</b>	<b>144,182</b>	<b>110,583</b>	<b>-9,382</b>	<b>245,383</b>
Transfer of deficit to accumulated surpluses	0	-9,382	9,382	0
Deficit for the year	0	0	-8,772	-8,772
<b>As at 31 December 2017</b>	<b>144,182</b>	<b>101,200</b>	<b>-8,772</b>	<b>236,610</b>

The notes on pages 48 to 79 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1. General information

The consolidated financial statements of the University of Tartu as at and for the year ended 31 December 2017 (the financial statements) have been prepared in accordance with the Estonian Financial Reporting Standard, which is a set of requirements for general purpose financial statements that is based on internationally recognised accounting and reporting principles. The main requirements of the Estonian Financial Reporting Standard are set out in the Estonian Accounting Act and more specific guidance is provided in the Public Sector Financial Accounting and Reporting Guidelines (the General Rules).

The financial statements have been prepared on the assumption that the University of Tartu and its subsidiaries (together referred to as the group) are going concerns. The financial year began on 1 January 2017 and ended on 31 December 2017. The financial statements are presented in thousands of euros.

The financial statements have been prepared on the historical cost basis unless stated otherwise in these accounting policies.

The consolidated statement of financial performance has been prepared based on Income Statement Format 1 in Annex 2 to the Estonian Accounting Act. Certain account titles in the statements of financial performance and changes in net assets as well as the structure of the statements have been modified to represent the nature of the operations of the University of Tartu group more faithfully.

In the consolidated statement of cash flows, cash flows from operating activities are reported using the indirect method. Cash flows from investing and financing activities are reported using the direct method.

### 1.2. Preparation of consolidated financial statements

#### 1.2.1. Basis of consolidation

In preparing consolidated financial statements, the financial statements of the parent and all the subsidiaries under its control are combined line by line. Intra-group balances and transactions and any resulting unrealised profits are eliminated. Unrealised losses are also eliminated unless the costs cannot be recovered. The accounting policies of the subsidiaries are adjusted where necessary to ensure consistency with the policies adopted by the group.

These financial statements comprise the financial information of the University of Tartu (the parent), its subsidiaries OÜ Tartu Ülikooli Kirjastus, OÜ Tartu Ülikooli Kesklinna Apteek (was liquidated on 31 July 2017), Academus Hostel OÜ, MTÜ Tartu Üliõpilasküla, MTÜ Tartu Üliõpilasmaja and MTÜ Tartu Ülikooli Akadeemiline Spordiklubi and its associates BioCC OÜ (business name until 19 June 2017: OÜ Tervisliku Piima Biotehnoloogiate Arenduskeskus), Eesti Nanotehnoloogiate Arenduskeskuse AS (was liquidated on 25 January 2017) and E-Kyla Arendus OÜ.

#### 1.2.2. Subsidiaries

A subsidiary is an entity controlled by the University of Tartu. Control is presumed to exist when the parent holds, directly or indirectly, over 50% of the voting power of an entity or has the power to govern an entity's operating and financial policies by some other means.

The term 'subsidiary' also covers non-corporate entities (foundations and non-profit associations). The existence of control of non-corporate entities is determined considering, among other factors, whether the assets of the entity will transfer to the parent when the entity is liquidated. When the parent has control of a foundation or a non-profit association (generally over 50% of voting power), the investment is accounted for as a wholly-held investment.

Information on subsidiaries is disclosed in note 2.

### 1.2.3. Associates

An associate is an entity over which the University of Tartu or its subsidiary has significant influence but not control. Significant influence is generally presumed to exist when the University of Tartu or its subsidiary holds 20 to 50% of the voting power of an entity.

When the University of Tartu or its subsidiary has significant influence (generally 20 to 50% of voting power) in a foundation or non-profit association, neither an investment in an associate nor a financial asset is recognised in the consolidated statement of financial position. Contributions to the investee's capital are recognised as an expense (a transfer made).

Investments in associates are accounted for using the equity method. Under the equity method, an investment is initially recognised at cost and its carrying amount is subsequently adjusted to recognise the investor's share of changes in the investee's net assets (both changes in the investee's profit or loss and other items of net assets), depreciation, and amortisation of the difference identified in the purchase price allocation between the fair value and carrying amount of the investee's assets, liabilities and contingent liabilities.

At each reporting date the group assesses whether there is any indication that the recoverable amount of an investment may have decreased below its carrying amount. If such indication exists, the investment is tested for impairment. The recoverable amounts of investments are estimated as described in subsection 1.11. *Impairment of assets*.

Information on associates is disclosed in note 7.

### 1.2.4. Interests in foundations

The University of Tartu is a founding member in the following foundations:

- Tartu University Hospital Foundation
- Science Centre AHHA Foundation
- Information Technology Foundation for Education
- Tartu Science Park Foundation
- University of Tartu Foundation
- Estonian Agrenska Foundation
- Viljandi County Centre for Creative Industries Foundation
- Iuridicum Foundation.

The University of Tartu has significant influence over the following foundations:

In thousands of euros	Domicile	Net assets		Representation of the university in terms of council members
		As at 31 December 2017	2016	
Tartu University Hospital Foundation	Estonia	136,264	131,589	3 members of 8
Science Centre AHHA Foundation	Estonia	9,707	10,151	2 members of 6
Tartu Science Park Foundation	Estonia	4,343	4,497	3 members of 10
University of Tartu Foundation	Estonia	3,728	3,712	2 members of 8
Estonian Agrenska Foundation	Estonia	1,249	1,268	1 member of 5
Viljandi County Centre for Creative Industries Foundation	Estonia	56	-380	1 member of 5

### 1.2.5. Investments in financial assets (shares and other equity instruments)

Current and non-current investments in shares and other equity instruments (except for investments in subsidiaries and associates) whose fair value cannot be measured reliably are measured at cost less any impairment losses.

The University of Tartu group has interests in two companies:

- Tervisetehnoloogiate Arenduskeskus AS – 7.69% interest
- OÜ Tarkvara Tehnoloogia Arenduskeskus – 2% interest.

### 1.2.6. Parent company's primary financial statements presented in the notes to the consolidated financial statements

The notes to the consolidated financial statements include the separate primary financial statements of the group's parent (the consolidating entity): the statements of financial position, financial performance, cash flows and changes in net assets. The parent's separate primary financial statements are prepared using the same accounting policies as those applied on the preparation of the consolidated financial statements. In the parent's separate financial statements presented in the notes to these financial statements, investments in subsidiaries and associates are measured at deemed cost less any impairment losses. If the deemed cost of an investment recognised in the separate financial statements exceeds the interest in the investee's net assets, which have decreased due to a dividend distribution, a loss incurred or for some other reason, the deemed cost of the investment is written down to the interest in the investee's net assets. When the interest in the investee's net assets subsequently increases, the write-down is reversed and the carrying amount is increased to the lower of deemed cost and interest in the investee's net assets.

### 1.3. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances on current accounts (excluding overdrafts), term deposits with a short maturity (up to three months) and card payments in transit. In the consolidated statement of financial position, overdrafts are classified as current borrowings.

### 1.4. Receivables and prepayments

Trade receivables, accrued income and other current and non-current receivables (including loans provided and deposits) are measured at their amortised cost. The amortised cost of current receivables is generally equal to their nominal value (less any write-down for impairment). Therefore, current receivables are measured at the amount that is expected to be collectible. Non-current receivables are recognised initially at the fair value of the consideration receivable. After initial recognition, they are measured at amortised cost using the effective interest rate method. Non-current receivables that do not bear interest are measured at their present value by applying a discount rate of 4% per year.

The collectibility of receivables is estimated using the approximation technique which is based on historical experience. On the application of the approximation technique, receivables which are 90-180 days past due are written down by 50% and receivables which are more than 180 days past due are written down in full (100%). Doubtful receivables are carried in the trade receivables ledger until they are collected or considered uncollectible and written off the statement of financial position.

When it appears that collection of a receivable is impracticable, the item is considered uncollectible and written off the statement of financial position. A receivable is considered uncollectible when the group has no means for collecting it (the debtor has been liquidated or gone bankrupt and the assets in the bankrupt's estate are insufficient for settling the debt, etc.) or when the costs of collecting the receivable would exceed estimated income from its collection.

When a doubtful receivable is subsequently collected, the previously recognised impairment loss is reversed by reducing expenses from impairment of receivables in the period in which the item is collected.

### 1.5. Impairment of financial assets

At each reporting date the group assesses whether there is any indication that a financial asset or a group of financial assets measured using the amortised cost or cost method may be impaired. If such indication exists, financial assets measured at amortised cost are written down to the present value of their expected future cash flows (discounted at the financial asset's original effective interest rate) and financial assets measured at cost are written down to the amount that could reasonably be expected to be collected if the financial asset were sold at the reporting date. An impairment loss is recognised as an expense in the consolidated statement of financial performance.

### 1.6. Inventories

Inventories are assets, which are: held for sale in the ordinary course of economic activity; in the process of production for such sale; or in the form of materials or supplies to be consumed in the production process or the rendering of services.

Inventories comprise not only goods purchased for sale, materials, work in progress and finished goods but also equipment and real estate held for resale and capitalised expenses directly attributable to the provision of services for which revenue cannot yet be recognised using the stage of completion method.

Inventories are initially measured at cost, which comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Expenditure on fuel excise duty incurred on the acquisition of inventories is capitalised and included in the cost of the inventories.

Borrowing costs are not included in the cost of inventories and, in line with the General Rules, non-recoverable levies and taxes paid on the acquisition of inventories are recognised as an expense.

The cost of goods is assigned using the FIFO formula. In the consolidated statement of financial position, inventories are measured at the lower of cost and net realisable value.

### 1.7. Investment property

Investment property comprises property (land or a building or part of a building) that the group leases out to a non-public sector entity to earn rentals or holds for capital appreciation and which is not used in the operating activity of any public sector entity. Buildings and premises that are used by public sector entities are recognised as items of property, plant and equipment.

An investment property is measured initially at its cost that includes any expenditure directly attributable to its acquisition (e.g., notary's fees, stamp duties, legal and advisory fees, and other expenditures without which the transaction would probably not have occurred). Borrowing costs are not included in the cost of investment property and, in line with the General Rules, non-recoverable levies and taxes incurred on the acquisition of investment property are recognised as an expense. In line with the General Rules, after initial recognition, investment property is measured at cost less any accumulated depreciation and any impairment losses.

Depreciation is charged using the straight-line method. Each investment property is assigned a depreciation rate that corresponds to its useful life. Where an investment property consists of significant parts that have different useful lives, the parts are accounted for separately and assigned depreciation rates that correspond to their useful lives. In 2017, the depreciation rates assigned to the group's investment properties ranged from 2% to 3% per year. Exceptions included properties without buildings (plots of land), which are not depreciated.

Subsequent costs on an investment property are added to the carrying amount of the property if it is probable that future economic benefits associated with the costs will flow to the group and the costs can be measured reliably. The costs of day-to-day maintenance and repair of investment properties are recognised as an expense as incurred. When part of an investment property is replaced, the cost of the new part is added to the carrying amount of the property if it meets the definition of investment property and the recognition criteria and the carrying amount of the replaced part is written off the statement of financial position.

An investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses arising from derecognition of investment property are recognised in the period in which the property is derecognised in the consolidated statement of financial performance within *Other income* and *Other expenses* respectively.

When the purpose of use of an investment property changes, the property is reclassified. From the date of reclassification, the investment property is accounted for using the accounting policies applied to the class of assets the property was transferred to.

### 1.8. Property, plant and equipment

Property, plant and equipment are assets which the group uses for meeting its statutory responsibilities, rendering services or administrative purposes and expects to use for a period exceeding one year, and which have a cost of at least 5,000 euros (until 31 December 2016: 2,000 euros).

As an exception, land, assets acquired for library collections (see subsection 1.9), assets belonging to museum collections (museum objects) and assets belonging to and in the possession of the University of Tartu group that have been entered in the national register of cultural property are recognised as items of property, plant and equipment regardless of cost.

Assets acquired for museum collections are recognised as items of property, plant and equipment in an aggregated set (total amount). Accounts in unit and title terms are kept in the museums' information systems. Items of artistic value that are not recognised as assets of museum collections or assets entered in the national register of cultural property are recognised as items of property, plant and equipment, provided their cost exceeds the threshold for recognition as items of property, plant and equipment, and depreciated over their estimated useful lives.

Assets whose useful lives exceed a year but cost is less than 5,000 euros are recognised as an expense on implementation. Items of immaterial value with a cost from 2,000 to 4,999.99 euros that have been recognised as an expense are accounted for off the statement of financial position.

An item of property, plant and equipment is initially recognised at cost, which comprises the purchase price and any costs directly attributable to bringing the item to the location and condition necessary for it to be capable of operating in the intended manner. Costs not included in the cost of an item of property, plant and equipment include the costs of opening a new facility, the costs of introducing a new product or service (including the costs of advertising activities), the costs of conducting business in a new location or with a new class of customer (including staff training expenses), administration and other general overhead costs and borrowing costs. In line with the General Rules, non-recoverable levies and taxes are not capitalised as part of the cost of an item of property, plant and equipment. In the consolidated statement of financial position, items of property, plant and equipment are carried at cost less any accumulated depreciation and any impairment losses. Assets held under finance leases are accounted for similarly to assets that have been purchased.

Subsequent costs on an item of property, plant and equipment are capitalised and added to the carrying amount of the item if they meet the definition of property, plant and equipment and the recognition criteria (including it being probable that they will participate in the generation of future economic benefits) and their cost exceeds the threshold for recognising assets as items of property, plant and equipment, i.e., 5,000 euros. Other repair and maintenance costs are recognised as an expense as incurred.

Depreciation is charged using the straight-line method. Each item of property, plant and equipment is assigned a depreciation rate that corresponds to its useful life. In the case of assets with significant residual value only the depreciable amount (cost less residual value) is charged to expenses over the useful life of the asset. When an asset's residual value increases to an amount greater than the asset's carrying amount, depreciation of the asset is discontinued.

Where an item of property, plant and equipment consists of significant parts that have different useful lives, the parts are accounted for separately and assigned depreciation rates that correspond to their useful lives.

In 2017, the group applied to classes of property, plant and equipment the following annual depreciation rates:

- Land 0%
- Buildings 2–40%
- Equipment and vehicles 7–50%
- Library collections 0%
- Other items of property, plant and equipment 2–50%.

Assets with an unlimited useful life (land, assets entered in the national register of cultural property, assets belonging to museum collections and items belonging to library collections) are not depreciated. Assets acquired for decor and design that do not have permanent value and assets transferred to auxiliary museum collections which are replaced after certain periods are depreciated over their estimated useful lives.

Depreciation of an asset begins when it is available for use (i.e., in the location and condition necessary for it to be operating in the intended manner). Depreciation of an asset ceases when the asset's depreciable amount has been fully depreciated or the asset is permanently retired from use. Depreciation rates and methods and residual values are reviewed at each reporting date.

As a public sector entity that applies the Estonian Financial Reporting Standard, the University of Tartu group does not conduct impairment tests or recognise impairment losses for items of property, plant and equipment that are required for rendering public service unless the value of such an item has declined due to damage or the item has been partly or fully retired from use due to some other reason. Other items of property, plant and equipment are tested for impairment whenever there is any indication or reason to believe that the value of the asset has decreased. When the recoverable amount of an item of property, plant and equipment (i.e., the higher of its net selling price and value in use) has decreased below its carrying amount, the item is written down to its recoverable amount (see also subsection 1.11).

When there is indication that the useful life or residual value of an asset has changed significantly, depreciation accounting is adjusted prospectively.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses from derecognition of items of property, plant and equipment are recognised in the consolidated statement of financial performance in the period of derecognition.

### 1.9. Library collections

Section 41, clause 2 of subsection 2, of the General Rules provides that public libraries whose core activity is storage and lending of library items may, by way of an exception, recognise library items as items of property, plant and equipment regardless of cost. In line with the above provision of the General Rules, the group's statement of financial position includes items acquired for the library collections of the University of Tartu since January 2004. Items acquired for library collections are recognised as items of property, plant and equipment in an aggregated set (total amount). Accounts in unit and title terms are kept in the library's information system. In the consolidated statement of financial position, library collections are measured at cost. The following collections of the library of the University of Tartu have been recognised as items of property, plant and equipment in the group's statement of financial position:

- Library items that the University of Tartu has acquired since 2004
- Library items received from other libraries by means of exchange (measured at their cost in the library's exchange collection)
- Library items paid for by the ELNET consortium that have been acquired for the University of Tartu (recognised in revenue as non-monetary grants related to assets).

The following library collection items whose cost is unknown and fair value cannot be measured reliably are accounted for in unit terms off the statement of financial position:

- Library items acquired before 2004
- Library items received through donations
- Legal deposit copies sent to the library of the University of Tartu by Estonian publishing houses.

Library collections recognised in the consolidated statement of financial position are not depreciated. Library items are recognised as an expense in full when they are retired from use or it is determined that they have been lost.

### 1.10. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance that is expected to be used for more than one year and has a cost that exceeds the threshold for recognition as a non-current asset. An intangible asset (software, a right of use or another intangible asset) is recognised in the consolidated statement of financial position when the group controls the asset, it is probable that future economic benefits attributable to the asset will flow to the group, the cost of the asset can be measured reliably and the asset did not result from internal expenditures on research and development. Research and development expenditures are recognised as an expense as incurred. An intangible asset is measured initially at cost, which comprises its purchase price and other directly attributable costs of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any impairment losses.

The group's intangible assets include the biological material and health records database of the Estonian Genome Centre that is an institution of the University of Tartu, software, rights and licences, and other intangible assets. Detailed accounts of the biological material and health records database are kept in the information system of the Estonian Genome Centre.

All of the group's intangible assets are assumed to have finite useful lives. Intangible assets are amortised on a straight-line basis over their estimated useful lives. Each intangible asset is assigned an amortisation rate that corresponds to its useful life. When the useful life of an intangible asset cannot be estimated reliably, it is assumed that the useful life is up to ten years. Amortisation rates and methods are reviewed at each reporting date.

In 2017, the group applied the following annual amortisation rates:

- Biological material and health records database 3%
- Software 20–25%
- Other intangible assets 20%.

When there is indication that the useful life or residual value of an asset has changed significantly, amortisation accounting is adjusted prospectively (see also subsection 1.11).

### 1.11. Impairment of assets

As a public sector entity that applies the Estonian Financial Reporting Standard, the University of Tartu group does not conduct impairment tests or recognise impairment losses for non-current assets required for rendering public service unless the value of an asset has declined due to damage or the asset has been partly or fully retired from use due to some other reason. In the case of other non-current assets, items of property, plant and equipment with unlimited useful lives (land, assets entered in the national register of cultural property, assets belonging to museum collections and items belonging to library collections) are re-measured at each reporting date and depreciable and amortisable assets are assessed at each reporting date to determine whether there is any indication of impairment. When there is indication of impairment, the group estimates the asset's recoverable amount and compares it to the asset's carrying amount.

An impairment loss is recognised in an amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset or the smallest group of assets that generates largely independent cash flows. An impairment loss is recognised as an expense in the period in which it is incurred.

At the end of each reporting period the group assesses whether there is any indication that the recoverable amount of an asset written down in an earlier period may have increased (except for goodwill whose impairment losses are not reversed). If an impairment test indicates that the recoverable amount of an asset or a group of assets (a cash-generating unit) has risen above its carrying amount, the previously recognised impairment loss is reversed and the asset's carrying amount is increased to an amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the consolidated statement of financial performance by reducing expenses from impairment losses.

### 1.12. Financial liabilities

Upon initial recognition financial liabilities (trade payables, borrowings, accrued expenses, and other current and non-current payables) except for derivative financial instruments with a negative fair value are measured at their cost which includes any directly attributable transaction costs. After initial recognition, financial liabilities are measured at their amortised cost. Derivative financial instruments are measured at their fair value. Derivative financial instruments with a negative fair value are recognised as financial liabilities.

The amortised cost of current financial liabilities is generally equal to their nominal value. Therefore, current financial liabilities are measured in the amount payable. Non-current financial liabilities are recognised initially at the fair value of the consideration received (less any transaction costs). Thereafter they are measured at their amortised cost using the effective interest rate method. Interest expense on financial liabilities is recognised on an accrual basis within *Interest expense* in the consolidated statement of financial performance.

A financial liability is classified as current when it is due to be settled within 12 months after the reporting date or the group does not have an unconditional right to defer settlement for at least 12 months after the reporting date. Liabilities which become payable on demand at the reporting date due to breach of the provisions of the loan contract are also classified as current. A financial liability is derecognised when it is discharged or cancelled or expires.

### 1.13. Leases

A finance lease is a lease that transfers all significant risks and rewards of ownership of an asset to the lessee. In line with the General Rules, a lease is also classified as a finance lease when the leased asset cannot be easily replaced with another asset. All other leases are classified as operating leases.

#### 1.13.1. The group as a lessee

The group recognises finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the finance charge (interest expense) and the reduction of the outstanding liability. Interest expense on the lease is recognised in the period in which it is incurred within *Interest expense* in the consolidated statement of financial performance. The finance lease liability (net of the finance charge) is classified into current and non-current borrowings.

Assets held under finance leases are depreciated similarly to assets that are owned, over the shorter of their estimated useful life and lease term. Depreciation expense is recognised within *Depreciation, amortisation and impairment losses* in the consolidated statement of financial performance.

Operating lease payments are recognised as an expense on an accrual basis over the lease term.

#### 1.13.2. The group as a lessor

Assets leased out under operating leases are presented in the group's statement of financial position according to their nature, i.e., similarly to other assets recognised in the group's statement of financial position. Assets leased out under operating leases are depreciated using a depreciation policy consistent with the group's normal depreciation policy for similar assets. Operating lease payments received are recognised as income on a straight-line basis over the lease term.

### 1.14. Deferred income

Deferred income comprises prepaid grants and co-financing, advances received under research and development contracts and other deferred income that has not been recognised as income of the reporting period.

When a grant or a co-financing payment has been received but has not yet been used for incurring expenses or acquiring assets, it is recognised as deferred income (see subsection 1.15).

### 1.15. Grants

Grants comprise resources (grants) received through non-exchange transactions, i.e., without directly giving goods or services in exchange, and resources transferred (grants provided or passed through) through non-exchange transactions, i.e., without directly receiving goods or services in exchange. Grants are accounted for in accordance with the principles outlined in the General Rules.

Grants comprise:

- Government grants (hereafter 'grants') – grants received and provided on a project basis for particular purposes that have a specified goal along with milestones for monitoring achievement of the goal, a timeframe, and a monetary budget and where the provider of the grant (the donor) requires from the recipient (the beneficiary) detailed reporting on the use of funds received and any surplus funds have to be returned to the provider of the grant
- Operational funding grants (hereafter 'operational funding') – funding received and provided based on the functions and tasks outlined in the statutes and the goals outlined in the development documents of the recipient.

Grants comprise:

- Domestic grants
- International grants.

A grant is recognised in the consolidated statement of financial position when cash has been transferred or received or on the date when the receivables, liabilities, income and expenses associated with the grant are recognised. Grants are classified into grants related to income and grants related to assets. The main condition for grants related to assets is that the group as the grant recipient has to purchase, build or otherwise acquire a certain asset. A grant is recognised as income in the period in which the operating costs are incurred or the non-current asset is acquired unless the conditions of the grant involve the risk that the grant may be reclaimed or may not be received.

Operational funding is recognised as income when the cash has been received.

When a grant provider or intermediary provides a grant using simplified reimbursement of expenditures (standardised unit costs, payments of specific amounts, reimbursements of indirect expenditures compensated at a uniform rate) without requiring expense documents, grant income is recognised in the period in which the grant is provided.

On recognising grants in the consolidated statement of financial performance, the group differentiates between grants received and grants passed through (where the group acts an intermediary). Grants passed through are grants received for passing on to another party, not for covering the group's own operating expenses or acquiring assets. When the group acts as a grant intermediary, income from grants received for passing on equals expenses from grants passed on.

Non-monetary grants are measured at the fair value of the goods and services received. Assets received from other public sector entities by way of non-monetary grants are measured at their fair value or, if this cannot be determined, at their carrying amount in the transferor's financial statements.

When it appears that some conditions attaching to the grant have not been met and the group as the grant intermediary or recipient is liable to the grant provider for the recipient's compliance with the conditions attaching to the grant and use of the funds for their designated purpose, the group recognises at the date the breach of contract is identified a receivable from the grant recipient and/or a liability to the grant provider, and reduces income from grants received and/or expenses from grants provided.

#### **1.16. Provisions and contingent liabilities**

A provision is recognised when the group has a present legal or constructive obligation as a result of a past obligating event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is recognised in the consolidated statement of financial position in an amount which is management's best estimate of the expenditure required to settle the underlying obligation at the end of the reporting period. When it is probable that the provision will be used within more than 12 months after the reporting date, it is measured at its discounted value unless the effect of discounting is immaterial.

Other possible or present obligations whose realisation is not probable or amount cannot be measured sufficiently reliably are disclosed in the notes to the consolidated financial statements as contingent liabilities.

#### **1.17. Revenue and expenses (excluding grants)**

Revenue and expenses are recognised on an accrual basis.

Revenue is measured at the fair value of consideration received or receivable for the sale of goods or rendering of services in the ordinary course of the group's activities, taking into account any discounts and rebates allowed.

Revenue from the rendering of education services comprises tuition fees collected and to be collected by the University of Tartu from its regular study and open university students, participants in continuing education programmes, etc. Relevant revenue is recognised in the same period in which the service is rendered.

Revenue from the rendering of other services is recognised when the service has been rendered or, if the service is rendered over an extended period, using the stage of completion method. Revenue from services rendered over an extended period is recognised by reference to the stage of completion of the service at the end of the reporting period, assuming that the outcome of the transaction (i.e., the revenue and costs associated with the transaction) can be estimated reliably and it is probable that the economic benefits associated with the transaction will flow to the group.

When the outcome of a contract or project involving the rendering of services cannot be estimated reliably but it is probable that the group will at least recover the costs incurred, revenue is recognised to the extent of costs incurred.

Revenue from the sale of goods is recognised when all significant risks of ownership of the goods have been transferred to the buyer, the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the group.

Interest income is recognised when it is probable that it will be received and its amount can be measured reliably.

### **1.18. Corporate income tax**

Under the Estonian Income Tax Act in force, corporate earnings are not subject to tax. Instead, income tax is levied on dividend distributions, fringe benefits, gifts, donations, entertainment expenses, expenses not related to the taxpayer's business and transfer price adjustments. The tax rate for dividend distributions is 20% (the amount of tax payable is calculated as 20/80 of the amount of the net dividend). The income tax payable on a dividend distribution is recognised as a liability and an expense in the period in which the dividend is declared regardless of the period for which the dividend is declared or the period in which the dividend is actually distributed. The obligation to pay income tax arises on the 10<sup>th</sup> day of the month following the disbursement of the dividend.

From 2019, dividend distributions may be taxed at the rate of 14% (the amount of tax payable is calculated as 14/86 of the net distribution). The more favourable rate may be applied to a dividend distribution which amounts to up to three prior financial years' average dividend distribution on which income tax has been paid at the rate of 20% (20/80 of the net distribution). In calculating the average dividend distribution of the three prior years, 2018 is the first year.

The income tax expense recognised in the consolidated statement of financial performance comprises income tax expense calculated and paid on dividends distributed by a subsidiary to the parent.

### **1.19. Foreign currency transactions**

The functional currency of all group entities is the euro. The consolidated financial statements are presented in euros.

A transaction in a foreign currency is recorded using the exchange rate of the European Central Bank at the date of the transaction. At the reporting date, foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rates of the European Central Bank ruling at that date. Exchange gains and losses arising on translation are recognised in the consolidated statement of financial performance in the period in which they arise. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates of the European Central Bank quoted at the date the fair value was determined. Non-monetary foreign currency assets and liabilities that are not measured at fair value are not translated at the reporting date but are continuously measured using the exchange rates of the European Central Bank quoted at the dates of the transactions.

### **1.20. Events after the reporting period**

The financial statements reflect all adjusting events that occurred between the reporting date and the date on which the financial statements were authorised for issue. The effects of non-adjusting events after the reporting period are disclosed in the notes to the financial statements, provided the effects are material.

## NOTE 2. SUBSIDIARIES OF THE GROUP

	Domicile	Ownership interest	
		31 December 2017	31 December 2016
OÜ Tartu Ülikooli Kirjastus	Estonia	100%	100%
OÜ Tartu Ülikooli Kesklinna Apteek	Estonia	0%	100%
Academus Hostel OÜ	Estonia	100%	100%
MTÜ Tartu Üliõpilasküla	Estonia	100%	100%
MTÜ Tartu Üliõpilasmaja	Estonia	100%	100%
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	Estonia	100%	100%

The group has control of (over 50% of voting power in) all subsidiaries that are non-profit associations (MTÜs). Accordingly, non-profit associations are fully consolidated.

At a meeting held on 2 September 2016, the University of Tartu decided to terminate the operation of its wholly-held subsidiary OÜ Tartu Ülikooli Kesklinna Apteek from 31 October 2016 and to carry out its liquidation. During the liquidation proceedings, on 1 March 2017, the University of Tartu approved the subsidiary's final balance sheet and asset distribution plan. In May 2017, the subsidiary transferred to the University of Tartu its share capital at a nominal value of 22 thousand euros and liquidation proceeds of 42 thousand euros. OÜ Tartu Kesklinna Apteek was deleted from the Commercial Register on 31 July 2017.

## NOTE 3. CASH AND CASH EQUIVALENTS

In thousands of euros	31 December 2017	31 December 2016
Cash on hand	92	31
Current accounts and overnight deposits	29,716	35,519
Term deposits with a short maturity	607	406
Card payments in transit	0	1
<b>Total</b>	<b>30,415</b>	<b>35,957</b>

In 2017, interest income on current accounts and term deposits with a short maturity amounted to 5 thousand euros (2016: 8.5 thousand euros). Interest rates for term deposits and current accounts ranged from 0.01 to 1.25% (2016: from 0.01 to 2.5%).

## NOTE 4. RECEIVABLES AND PREPAYMENTS

In thousands of euros	31 December 2017	31 December 2016
Trade receivables	2,384	2,144
Accounts receivable	2,455	2,161
Allowance for impairment	-71	-17
Grants receivable ( <i>note 5</i> )	9,483	7,285
Other receivables	38	70
Prepayments	2,402	5,383
Prepaid grants and co-financing	1,534	4,443
Prepayments to suppliers	838	912
Prepayments to staff	30	28
Prepaid and refundable taxes	309	357
<b>Total</b>	<b>14,616</b>	<b>15,239</b>

## NOTE 5. GRANTS RECEIVABLE

In thousands of euros	31 December	
	2017	2016
Centres of excellence projects (Archimedes Foundation)	1,496	974
Activities supporting the activity: Institutional development programme for R&D and higher education institutions (ASTRA) (Archimedes Foundation)	1,429	270
Projects of sub-measure for modernising research infrastructure of national importance (Archimedes Foundation)	1,025	554
International aid projects	962	1,543
Projects funded by the Environmental Investment Centre	632	308
Projects of the European Territorial Cooperation Programme	496	426
EU programme for research and innovation Horizon 2020	488	217
Projects of the EU 7 <sup>th</sup> Framework Programme	468	927
Projects of measures for education activities administered by the Ministry of Education and Research (Innove Foundation)	416	436
Mobilitas Pluss support for mobility (Estonian Research Council)	415	133
Programme for higher education scholarships and grants in smart specialisation growth areas (Archimedes Foundation)	357	617
Programme Dora Pluss (Archimedes Foundation)	344	124
Projects funded by the Information Technology Foundation for Education	304	291
Projects funded by the European Maritime and Fisheries Fund (Agricultural Registers and Information Board)	288	150
Programme for systematic development of entrepreneurship and entrepreneurial studies at all levels of education (Ministry of Education and Research)	104	187
Projects for supporting research and development in specific areas (RITA 4) (Estonian Research Council)	86	0
Projects funded by Enterprise Estonia	31	27
Projects of sub-activity "Teeme+" for popularisation of science (Archimedes Foundation)	14	0
Projects of programmes supported by the EEA and the Norwegian financial mechanisms	0	19
Other projects funded by the Estonian Research Council	64	42
Other projects funded by Archimedes Foundation	23	4
Other	41	36
<b>Total</b>	<b>9,483</b>	<b>7,285</b>

## NOTE 6. INVENTORIES

In thousands of euros	31 December 2017	31 December 2016
Materials	27	23
Finished goods	61	72
Goods purchased for resale	88	95
Prepayments to suppliers	4	4
<b>Total</b>	<b>180</b>	<b>194</b>

During the year, inventories whose net realisable value had decreased below cost were written down and unusable goods were recognised as an expense as follows:

In thousands of euros	2017	2016
Goods purchased for resale	2	0
<b>Total</b>	<b>2</b>	<b>0</b>

In 2017 and 2016, no prior period inventory write-downs were reversed.

## NOTE 7. INVESTMENTS IN ASSOCIATES

In thousands of euros	BioCC OÜ	Eesti Nano- tehnoloogiate Arenduskeskuse AS	E-Kyla Arendus OÜ	Total
Group's share of profit/loss for 2015	-26	-16	2	-40
<b>Carrying amount at 31 December 2015</b>	<b>50</b>	<b>8</b>	<b>19</b>	<b>77</b>
Cost at 31 December 2015	1	7	15	23
Group's share of profit/loss for 2016	1	-8	0	-7
<b>Carrying amount at 31 December 2016</b>	<b>51</b>	<b>0</b>	<b>19</b>	<b>70</b>
Cost at 31 December 2016	1	0	15	16
Group's share of profit for 2017	8	0	0	8
<b>Carrying amount at 31 December 2017</b>	<b>59</b>	<b>0</b>	<b>19</b>	<b>78</b>
Cost at 31 December 2017	1	0	15	16
<b>Group's ownership interest</b>				
As at 31 December 2016	20%	0%	33.33%	
As at 31 December 2017	20%	0%	33.33%	

All associates operate in Estonia. None of the associates is a listed company.

BioCC OÜ (until 19 June 2017 OÜ Tervisliku Piima Biotehnoloogiate Arenduskeskus) ended the financial year with a profit of 40 thousand euros, which increased the value of the investment of the University of Tartu by 8 thousand euros. E-Kyla Arendus OÜ ended the financial year with a profit of 565 euros.

Eesti Nanotehnoloogiate Arenduskeskuse AS was liquidated in 2016 and deleted from the Commercial Register on 25 January 2017.

The table below provides an overview of movements in the associates' equity:

In thousands of euros	BioCC OÜ	Eesti Nano- tehnoloogiate Arenduskeskuse AS	E-Kyla Arendus OÜ	Total
<b>As at 31 December 2016</b>				
Share capital	6	29	5	40
Share premium	0	0	41	41
Statutory capital reserve	1	3	0	4
Retained earnings (prior periods)	241	0	12	253
Profit/loss for the year	8	-32	0	-24
<b>Total equity</b>	<b>256</b>	<b>0</b>	<b>58</b>	<b>314</b>
<b>Group's share of equity</b>	<b>51</b>	<b>0</b>	<b>19</b>	<b>70</b>
Group's ownership interest	20%	23.78%	33.33%	
<b>As at 31 December 2017</b>				
Share capital	6	0	5	11
Share premium	0	0	41	41
Statutory capital reserve	1	0	0	1
Retained earnings (prior periods)	249	0	12	261
Profit for the year	40	0	0	40
<b>Total equity</b>	<b>296</b>	<b>0</b>	<b>58</b>	<b>354</b>
<b>Group's share of equity</b>	<b>59</b>	<b>0</b>	<b>19</b>	<b>78</b>
Group's ownership interest	20%	0	33.33%	

## NOTE 8. INVESTMENT PROPERTY

In thousands of euros	Riia 191, Tartu city	Ülikooli 20, Tartu city	Apartments, Tartu city	Total
<b>Cost</b>				
<b>As at 31 December 2015</b>	<b>94</b>	<b>1,953</b>	<b>86</b>	<b>2,133</b>
Reclassification from property, plant and equipment	0	0	2	2
Sales	0	0	-88	-88
<i>Rental income for 2016</i>	0	23	2	25
<i>Property management expenses for 2016</i>	0	50	1	51
<i>Of which management expenses re-invoiced to tenants</i>	0	15	1	16
<b>As at 31 December 2016</b>	<b>94</b>	<b>1,953</b>	<b>0</b>	<b>2,047</b>
<i>Rental income for 2017</i>	0	22	0	22
<i>Property management expenses for 2017</i>	0	27	0	27
<i>Of which management expenses re-invoiced to tenants</i>	0	14	0	14
<b>As at 31 December 2017</b>	<b>94</b>	<b>1,953</b>	<b>0</b>	<b>2,047</b>
<b>Depreciation</b>				
<b>As at 31 December 2015</b>	<b>0</b>	<b>439</b>	<b>86</b>	<b>525</b>
Depreciation for the year (note 25)	0	49	0	49
Depreciation of investment property sold	0	0	-86	-86
<b>As at 31 December 2016</b>	<b>0</b>	<b>488</b>	<b>0</b>	<b>488</b>
Depreciation for the year (note 25)	0	49	0	49
<b>As at 31 December 2017</b>	<b>0</b>	<b>537</b>	<b>0</b>	<b>537</b>
<b>Carrying amount</b>				
<b>As at 31 December 2015</b>	<b>94</b>	<b>1,514</b>	<b>0</b>	<b>1,608</b>
<b>As at 31 December 2016</b>	<b>94</b>	<b>1,465</b>	<b>0</b>	<b>1,559</b>
<b>As at 31 December 2017</b>	<b>94</b>	<b>1,416</b>	<b>0</b>	<b>1,510</b>

## NOTE 9. PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	Land	Buildings	Equipment and vehicles	Library collections	Other items of property, plant and equipment	Assets under construction	Prepayments for property, plant and equipment	Total
<b>Cost</b>								
<b>As at 31 December 2015</b>	<b>2,421</b>	<b>245,943</b>	<b>87,053</b>	<b>9,368</b>	<b>5,227</b>	<b>374</b>	<b>5</b>	<b>350,391</b>
Additions	160	18	986	347	79	2,608	52	4,250
Reclassification	0	1,405	123	0	0	-1,471	-57	0
Reclassification to investment property	-2	0	0	0	0	0	0	-2
Sales and write-off (note 26)	-39	-726	-7,384	-21	-2,194	0	0	-10,364
<b>As at 31 December 2016</b>	<b>2,540</b>	<b>246,640</b>	<b>80,778</b>	<b>9,694</b>	<b>3,112</b>	<b>1,511</b>	<b>0</b>	<b>344,275</b>
Additions	4	226	2,309	371	63	6,985	14	9,972
Reclassification	0	803	44	0	0	-833	-14	0
Sales and write-off	-44	-1,142	-894	-31	0	0	0	-2,111
<b>As at 31 December 2017</b>	<b>2,500</b>	<b>246,527</b>	<b>82,237</b>	<b>10,034</b>	<b>3,175</b>	<b>7,663</b>	<b>0</b>	<b>352,136</b>
<b>Depreciation</b>								
<b>As at 31 December 2015</b>	<b>0</b>	<b>58,104</b>	<b>50,588</b>	<b>0</b>	<b>3,804</b>	<b>0</b>	<b>0</b>	<b>112,496</b>
Depreciation for the year (note 25)	0	7,955	5,241	0	182	0	0	13,378
Depreciation of items sold and written off (note 26)	0	-322	-5,887	0	-1,786	0	0	-7,995
<b>As at 31 December 2016</b>	<b>0</b>	<b>65,737</b>	<b>49,942</b>	<b>0</b>	<b>2,200</b>	<b>0</b>	<b>0</b>	<b>117,879</b>
Depreciation for the year (note 25)	0	10,109	5,185	0	104	0	0	15,398
Write-down (note 25)	0	840	0	0	0	0	0	840
Depreciation of items sold and written off (note 26)	0	-521	-894	0	0	0	0	-1,415
<b>As at 31 December 2017</b>	<b>0</b>	<b>76,165</b>	<b>54,233</b>	<b>0</b>	<b>2,304</b>	<b>0</b>	<b>0</b>	<b>132,702</b>
<b>Carrying amount</b>								
<b>As at 31 December 2015</b>	<b>2,421</b>	<b>187,839</b>	<b>36,465</b>	<b>9,368</b>	<b>1,423</b>	<b>374</b>	<b>5</b>	<b>237,895</b>
<b>As at 31 December 2016</b>	<b>2,540</b>	<b>180,903</b>	<b>30,836</b>	<b>9,694</b>	<b>912</b>	<b>1,511</b>	<b>0</b>	<b>226,396</b>
<b>As at 31 December 2017</b>	<b>2,500</b>	<b>170,362</b>	<b>28,004</b>	<b>10,034</b>	<b>871</b>	<b>7,663</b>	<b>0</b>	<b>219,434</b>

## NOTE 10. INTANGIBLE ASSETS

In thousands of euros	Biological material and health records database	Software	Other intangible assets	Prepayments for intangible assets	Total
<b>Cost</b>					
As at 31 December 2015	2,634	1,088	184	0	3,906
Additions	274	0	0	0	274
Write-off (note 26)	0	-104	-2	0	-106
As at 31 December 2016	2,908	984	182	0	4,074
Additions	878	32	0	6	916
Reclassification	0	6	0	-6	0
As at 31 December 2017	3,786	1,022	182	0	4,990
<b>Amortisation</b>					
As at 31 December 2015	663	762	101	0	1,526
Amortisation for the year (note 25)	94	131	31	0	256
Amortisation of assets written off (note 26)	0	-88	-1	0	-89
As at 31 December 2016	757	805	131	0	1,693
Amortisation for the year (note 25)	130	96	29	0	255
As at 31 December 2017	887	901	160	0	1,948
<b>Carrying amount</b>					
As at 31 December 2015	1,971	326	83	0	2,380
As at 31 December 2016	2,151	179	51	0	2,381
As at 31 December 2017	2,899	121	22	0	3,042

At 31 December 2017, the biological material and health records database contained 52,536 samples (31 December 2016: 52,458 samples), which comprised gene donors' biological material (chromosomal DNA, white blood cells and blood plasma) and descriptions of the state of health (health, health behaviour and the environment).

## NOTE 11. BORROWINGS

In thousands of euros	31 December 2017	31 December 2016
<b>Current borrowings</b>		
Finance lease liabilities (note 12)	5	5
Current portion of non-current loans (note 13)	2,711	2,905
<b>Total</b>	<b>2,716</b>	<b>2,910</b>
<b>Non-current borrowings</b>		
Finance lease liabilities (note 12)	1	6
Loans (note 13)	7,735	10,446
<b>Total</b>	<b>7,736</b>	<b>10,452</b>

## NOTE 12. FINANCE AND OPERATING LEASES

### Finance leases – the group as a lessee

In thousands of euros	Equipment and vehicles
<b>As at 31 December 2016</b>	
Cost at 31 December 2016	20
Accumulated depreciation as at 31 December 2016	-7
Of which depreciation for 2016	-4
<b>Carrying amount at 31 December 2016</b>	<b>13</b>
Principal payments made in 2016	4
Interest payments made in 2016	0
<b>As at 31 December 2017</b>	
Cost at 31 December 2017	20
Accumulated depreciation as at 31 December 2017	-11
Of which depreciation for 2017	-4
<b>Carrying amount at 31 December 2017</b>	<b>9</b>
Principal payments made in 2017	5
Interest payments made in 2017	0
<b>Finance lease liabilities at 31 December 2016</b>	<b>11</b>
<b>Finance lease liabilities at 31 December 2017</b>	<b>6</b>
Payments due not later than 1 year	5
Payments due later than 1 and not later than 5 years	1
Interest rates	2.9%
Maturity date	2019
Base currency	EUR

### Operating leases – the group as a lessor

In thousands of euros	Buildings and structures	
	31 December 2017	31 December 2016
Operating lease income for the reporting year	134	153
Rental income due not later than 1 year	49	49
Rental income due later than 1 and not later than 5 years	89	89
Rental income due later than 5 years	134	156
<b>Cost of assets leased out</b>	<b>5,566</b>	<b>6,343</b>
<b>Carrying amount of assets leased out</b>	<b>3,740</b>	<b>4,465</b>

Operating lease income includes rental income on both investment property and property, plant and equipment. Where part of an asset has been leased out under an operating lease, the cost and carrying amount of the asset are included in the cost and carrying amount of assets leased out based on the proportion of the area that has been leased out.

Under the Creation of Usufruct and Real Right Contract No. 716, signed between the University of Tartu and Tehvandi Sports Centre Foundation on 22 March 2012, a fixed-term usufruct of 50 years was created on the Kääriku property for the benefit of Tehvandi Sports Centre Foundation as from 1 April 2012. The usufruct is without charge until 31 December 2021. From 1 January 2022, the University of Tartu may charge a usufruct fee, the amount of which is to be agreed between the University of Tartu and Tehvandi Sports Centre Foundation on 31 December 2020 at the latest.

## Operating leases – the group as a lessee

In thousands of euros	Buildings and structures	Equipment and vehicles
<b>As at 31 December 2016</b>		
Operating lease payments made in 2016	223	17
Payments due not later than 1 year	95	23
Payments due later than 1 and not later than 5 years	0	55
Payments due later than 5 years	0	4
<b>As at 31 December 2017</b>		
Operating lease payments made in 2017	279	23
Payments due not later than 1 year	101	21
Payments due later than 1 and not later than 5 years	0	37

## NOTE 13. LOANS AND ASSETS PLEDGED AS LOAN COLLATERAL

The group uses bank loans to finance long-term investments and the construction and renovation of buildings. The loans (1-7) in the tables below have been taken by the University of Tartu. Other members of the group have not taken loans.

In 2017, the University of Tartu did not take any new loans. The loan taken from Luminor Bank AS (1) was repaid.

In thousands of euros	Balance at 31 December 2017	Repayable			Maturity date	Base currency / Interest rate <sup>1</sup>
		Within 12 months	Between 1 and 5 years	In over 5 years		
Luminor Bank AS (2)	639	639	0	0	29 Dec 2018	EUR6 <sup>2</sup> +1.00%
AS SEB Pank (3)	689	344	345	0	4 Nov 2019	EUR6 <sup>2</sup> +0.49%
OP Corporate Bank plc Estonian branch (4)	1,400	480	920	0	28 Dec 2020	EUR3 <sup>2</sup> +0.80%
OP Corporate Bank plc Estonian branch (5)	2,400	600	1,800	0	8 Dec 2021	EUR3 <sup>2</sup> +0.96%
OP Corporate Bank plc Estonian branch (6)	1,078	168	672	238	22 May 2024	EUR3 <sup>2</sup> +0.82%
Luminor Bank AS (7)	4,240	480	1,920	1,840	20 Oct 2026	EUR3 <sup>2</sup> +0.64%
<b>Total</b>	<b>10,446</b>	<b>2,711</b>	<b>5,657</b>	<b>2,078</b>		

In thousands of euros	Balance at 31 December 2016	Repayable			Maturity date	Base currency / Interest rate <sup>1</sup>
		Within 12 months	Between 1 and 5 years	In over 5 years		
Luminor Bank AS (1)	355	355	0	0	14 Jun 2017	EUR1 <sup>2</sup> +0.13%
Luminor Bank AS (2)	1,278	639	639	0	29 Dec 2018	EUR6 <sup>2</sup> +1.00%
AS SEB Pank (3)	1,032	343	689	0	4 Nov 2019	EUR6 <sup>2</sup> +0.49%
OP Corporate Bank plc Estonian branch (4)	1,880	480	1,400	0	28 Dec 2020	EUR3 <sup>2</sup> +0.80%
OP Corporate Bank plc Estonian branch (5)	3,000	600	2,400	0	8 Dec 2021	EUR3 <sup>2</sup> +0.96%
OP Corporate Bank plc Estonian branch (6)	1,246	168	672	406	22 May 2024	EUR3 <sup>2</sup> +0.82%
Luminor Bank AS (7)	4,560	320	1,920	2,320	20 Oct 2026	EUR3 <sup>2</sup> +0.64%
<b>Total</b>	<b>13,351</b>	<b>2,905</b>	<b>7,720</b>	<b>2,726</b>		

<sup>1</sup> The contractual interest rates of all loans taken by the group are equal to their effective interest rates.

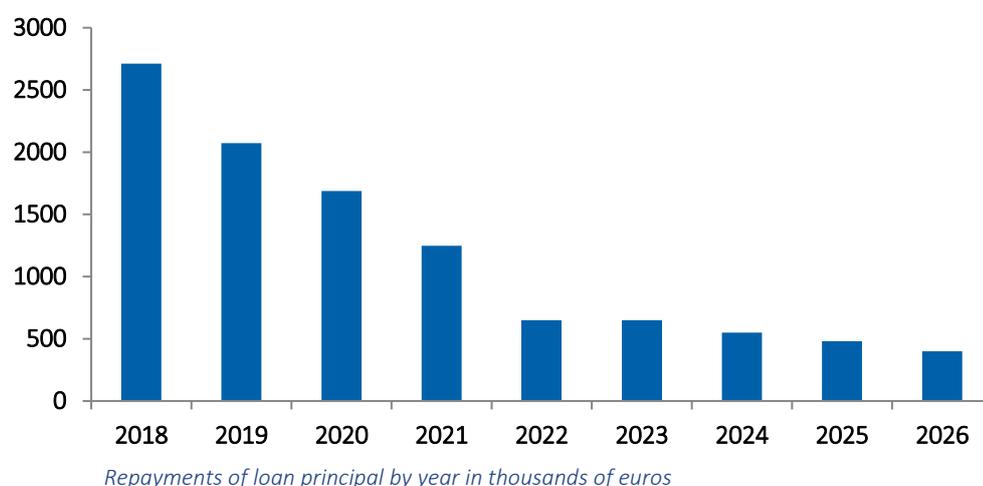
<sup>2</sup> Euribor® – European commercial banks' 1, 3 or 6 month average money market loan interest rate.

The loan from AS SEB Pank (3) is secured with a mortgage of an immovable property with three buildings with the addresses Ülikooli 16, Jakobi 2, and Lossi 3, Tartu city. The mortgage amounts to 4.79 million euros and collateral claims may amount to 0.48 million euros. At 31 December 2017, the carrying amount of the property was 10.39 million euros (31 December 2016: 10.78 million euros).

The loans from OP Corporate Bank plc Estonian branch (4, 5, 6) are secured with a mortgage of an immovable property with a building with the address Raatuse 22, Tartu city. The mortgage amounts to 4.32 million euros. At 31 December 2017, the carrying amount of the property was 4.37 million euros (31 December 2016: 4.52 million euros).

The loans taken from OP Corporate Bank plc Estonian branch (5, 6) are secured with a mortgage of an immovable property with a building with the address Lossi 36, Tartu city. The mortgage amounts to 5.94 million euros. At 31 December 2017, the carrying amount of the property was 5.38 million euros (31 December 2016: 5.60 million euros).

The loan agreements include covenants that require the University of Tartu to maintain certain financial ratios at certain levels. If the University of Tartu breaches a loan covenant, the bank may immediately call in the loan. At 31 December 2017, the University of Tartu was in compliance with all loan covenants.



## NOTE 14. PAYABLES AND DEFERRED INCOME

In thousands of euros	31 December 2017	31 December 2016
Security deposit liabilities	430	269
Trade payables	3,826	2,625
Payables to staff	2,408	2,519
Taxes payable	3,565	3,408
Social security tax	2,019	1,899
Personal income tax	1,079	1,021
Value added tax	206	243
Unemployment insurance contributions	132	126
Statutory funded pension contributions	103	97
Corporate income tax	26	22
Other payables	1,514	615
Grants and co-financing payable by the group as an intermediary	1,343	410
National education allowances and scholarships	161	187
Miscellaneous payables	10	18
Deferred income	10,476	13,622
Deferred grant and co-financing income (note 15)	10,001	13,057
Prepaid tuition fees	159	284
Advances under research and development contracts	311	275
Other deferred income	5	6
<b>Total</b>	<b>22,219</b>	<b>23,058</b>

## NOTE 15. DEFERRED GRANT AND CO-FINANCING INCOME

In thousands of euros	31 December 2017	31 December 2016
<b>Deferred income from Estonian residents</b>		
Archimedes Foundation	1,694	1,259
Estonian Research Council	1,140	1,372
Ministry of Education and Research	536	370
Ministry of Foreign Affairs	137	127
Ministry of Defence	126	122
Environmental Investment Centre	109	330
Information Technology Foundation for Education	41	36
Cultural Endowment of Estonia	38	26
Ministry of the Interior	36	9
Swedbank AS	15	10
Ministry of Social Affairs	7	13
Government Office of Estonia	4	0
Ministry of Justice	4	0
Ministry of the Environment	0	1
AS SEB Pank	0	28
Estonian Fund for Nature	0	14
Estonian Defence Forces	0	13
Ministry of Culture	0	4
Other domestic grants	181	104
<b>Deferred income from non-residents</b>		
EU 7 <sup>th</sup> Framework Programme and programme for research and innovation Horizon 2020	4,494	7,597
Other international grants	1,439	1,622
<b>Total</b>	<b>10,001</b>	<b>13,057</b>

## NOTE 16. REVENUE FROM SALE OF GOODS AND PROVISION OF SERVICES

In thousands of euros	2017	2016
Research and development activities	5,330	4,733
Education activities	5,027	4,871
Lease and rental activities	4,657	4,562
Sale of goods	205	698
Other services	1,448	2,070
<b>Total</b>	<b>16,667</b>	<b>16,934</b>

Revenue from sale of goods and provision of services by geographical area:

In thousands of euros	2017	2016
Estonia	15,728	15,477
Other countries of the European Union	866	881
Other countries	73	576
<b>Total</b>	<b>16,667</b>	<b>16,934</b>

## NOTE 17. STATE BUDGET FUNDING FOR EDUCATION ACTIVITIES

In thousands of euros	2017	2016
Funding for higher education	50,970	49,697
Funding for medical residents	15,159	14,367
Other state budget funding	279	292
<b>Total</b>	<b>66,408</b>	<b>64,356</b>

## NOTE 18. STATE BUDGET FUNDING FOR RESEARCH ACTIVITIES

In thousands of euros	2017	2016
Institutional research support	12,629	12,628
Basic funding for research institutions	7,431	6,067
Funding for maintenance of institutional research support infrastructure	3,503	3,503
Funding for national programmes	998	1,380
State budget funding for scientific and research information for the library	848	828
Funding for core infrastructure	496	496
Funding for research activities	187	0
Grants for research topics	0	524
Funding for research institutions' infrastructure expenses	0	146
<b>Total</b>	<b>26,092</b>	<b>25,572</b>

## NOTE 19. GRANTS RELATED TO ASSETS

In thousands of euros	2017	2016
Acquisition of assets in the framework of the activity for the acquisition and modernisation of education and research infrastructure of programme ASTRA (Archimedes Foundation)	1,988	16
Acquisition of assets in projects of sub-measure for modernising research infrastructure of national importance (Archimedes Foundation)	1,611	0
Acquisition of assets in projects of the EU 7 <sup>th</sup> Framework Programme and programme for research and innovation Horizon 2020	146	136
Acquisition of research equipment for centres of excellence (Archimedes Foundation)	55	0
Acquisition of assets in projects funded by Environmental Investment Centre	47	0
Acquisition of study equipment (Information Technology Foundation for Education)	14	31
Acquisition of assets in projects of the Mobilitas Plus programme (Estonian Research Council)	5	0
Acquisition of a property at Narva mnt. 4A, Tartu city, free of charge (Tartu City Government)	4	0
Acquisition of a property at Narva mnt. 10, Tartu city, free of charge (Tartu City Government)	0	141
Reconstruction of the square at W. Struwe 1, Tartu city (Tartu City Government and Ministry of Education and Research)	0	55
Acquisition of assets in projects of the European Territorial Cooperation Programme	0	52
Acquisition of a property at Staadioni 8a, Tartu city, free of charge (Ministry of the Environment)	0	4
Acquisition of assets in projects of the programme for internationalisation of research (Ministry of Education and Research)	0	-485
Other domestic grants related to assets	17	11
Other international grants related to assets	10	67
<b>Total</b>	<b>3,897</b>	<b>28</b>

Due to recovery claims received, in 2017 the University of Tartu as a recipient and intermediary of grants reduced income from grants related to assets by 1 thousand euros (2016: no reduction was recognised). The reduction of income from grants related to assets was recognised within income from other international grants related to assets.

## NOTE 20. GRANTS RELATED TO INCOME

In thousands of euros	2017	2016
<b>Domestic grants related to income</b>	<b>12,932</b>	<b>13,482</b>
Including		
Grants from Estonian Research Council	6,639	6,406
Grants from Information Technology Foundation for Education	1,449	1,509
Grants from Ministry of Education and Research	1,274	1,724
Grants from Environmental Investment Centre	1,022	1,064
Grants from Archimedes Foundation	290	591
<b>International grants related to income</b>	<b>27,330</b>	<b>16,387</b>
Including		
Grants from the European Union and its institutions	11,446	5,423
Grants passed on by Archimedes Foundation	9,097	3,723
Grants passed on by the Estonian Research Council	1,497	918
Grants passed on by Innove Foundation	748	319
<b>Total</b>	<b>40,262</b>	<b>29,869</b>

Due to recovery claims received, in 2017 the University of Tartu as a recipient and intermediary of grants reduced income from grants related to income by a total of 4 thousand euros (2016: 30 thousand euros). The reduction was recognised within income from grants related to income.

## NOTE 21. OTHER INCOME

In thousands of euros	2017	2016
Contractual penalties	350	1
Membership fees	58	50
Donations from individuals and legal persons	40	19
Gain on sale of non-current assets	0	1,110
Miscellaneous income	43	50
<b>Total</b>	<b>491</b>	<b>1,230</b>

## NOTE 22. GOODS, MATERIALS AND SERVICES USED

In thousands of euros	2017	2016
Services purchased	16,064	15,455
Materials purchased	157	88
Goods purchased	22	378
<b>Total</b>	<b>16,243</b>	<b>15,921</b>

## NOTE 23. OPERATING EXPENSES

In thousands of euros	2017	2016
Expenses on education and research activities	13,206	8,769
VAT expense	5,147	3,491
Work-related travel expenses	3,211	2,847
Utilities and maintenance expenses (excluding heating and electricity)	2,074	2,052
Electricity expenses	1,783	1,821
Office expenses and expenses on fixtures and fittings	1,590	818
Office equipment maintenance and software expenses	1,289	1,217
Repair expenses	1,285	1,256
Heating expenses	1,178	1,231
Lease and rental expenses	919	856
Transport expenses	877	842
Expenses on professional publications and literature	846	886
Expenses on research equipment maintenance and supplies	844	581
Expenses on purchase of assets of immaterial value	463	765
Advertising expenses	427	473
Telecommunications and postal expenses	157	146
Miscellaneous operating expenses	1,757	1,650
<b>Total</b>	<b>37,053</b>	<b>29,701</b>

## NOTE 24. STAFF COSTS

In thousands of euros	2017	2016
Remuneration expenses	60,466	57,187
Other pay and benefits	430	337
Taxes on staff costs	20,339	19,183
<b>Total</b>	<b>81,235</b>	<b>76,707</b>

<b>Average number of staff converted to full-time equivalent</b>	<b>2,910</b>	<b>2,909</b>
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## NOTE 25. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

In thousands of euros	2017	2016
Depreciation of property, plant and equipment (note 9)	15,398	13,378
Amortisation of intangible assets (note 10)	255	256
Loss on write-off of property, plant and equipment (note 26)	131	2,215
Depreciation of investment property (note 8)	49	49
Write-off of items of library collections (note 9)	31	21
Loss on write-off of intangible assets (note 26)	0	17
Write-down (note 9)	840	0
<b>Total</b>	<b>16,704</b>	<b>15,936</b>

## NOTE 26. LOSS ON WRITE-OFF OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(In thousands of euros)	2017	Reason for write-off
<b>Buildings</b>		
Ravila 19, Tartu city	109	Write-off of parts replaced during renovation
Turu 7, Viljandi city	12	Write-off of parts replaced during renovation
Field base, Käsnu village, Haljala parish	2	Write-off of parts replaced during renovation
Väike 6, Viljandi city	1	Write-off of parts replaced during renovation
<b>Land</b>		
Kerese 14, Narva city	7	Free transfer to Ministry of the Interior for building a training centre
<b>Equipment and vehicles</b>		
Equipment and vehicles	0	
<b>Other items of property, plant and equipment</b>		
Fixtures and fittings	0	
<b>Total</b>	<b>131</b>	
<b>Intangible assets</b>		
Intangible assets	0	
<b>Total</b>	<b>0</b>	

(In thousands of euros)	2016	Reason for write-off
<b>Buildings</b>		
Lossi 25, Tartu city	188	Write-off of parts replaced during renovation
Ülikooli 18a, Tartu city	98	Write-off of parts replaced during renovation
Narva mnt 89, Tartu city	24	Write-off of parts replaced during renovation
Kalevi 24, Tartu city	11	Write-off of parts replaced during renovation
Vanemuise 46a, Tartu city	6	Write-off of parts replaced during renovation
<b>Equipment and vehicles</b>		
Equipment and vehicles	1,468	Write-off in connection with an increase in recognition threshold
Equipment and vehicles	11	Write-off of unusable items
<b>Other items of property, plant and equipment</b>		
Fixtures and fittings	403	Write-off in connection with an increase in recognition threshold
Fixtures and fittings	6	Write-off of unusable items
<b>Total</b>	<b>2,215</b>	
<b>Intangible assets</b>		
Intangible assets	17	Write-off in connection with an increase in recognition threshold
<b>Total</b>	<b>17</b>	

## NOTE 27. OTHER EXPENSES

In thousands of euros	2017	2016
Entertainment expenses	1,042	837
Membership fees	287	300
Loss on sale of non-current assets	160	0
Awards and gifts	122	93
Expenses on provisions for grants	0	-1,105
Miscellaneous expenses	136	54
<b>Total</b>	<b>1,747</b>	<b>179</b>

The sales price of investment properties sold in 2017 was nil euros (2016: 271 thousand euros). The sales price of items of property, plant and equipment sold in 2017 was 373 thousand euros (2016: 975 thousand euros).

## NOTE 28. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, related parties include:

- the group's associates;
- non-profit associations that are not part of the University of Tartu group but are under the group's significant influence;
- foundations in which the University of Tartu group is a founder;
- members of the executive and higher management of the University of Tartu (members of the council, the rector, vice rectors, deans, and heads of functions) and foundations, non-profit associations and companies under their control or significant influence;
- members of the management boards of the subsidiaries of the University of Tartu and foundations, non-profit associations and companies under their control or significant influence;
- close family members of the members of the executive or higher management of the University of Tartu and the members of the management boards of the subsidiaries including spouses, domestic partners and children, and foundations, non-profit associations and companies under their control or significant influence.

The group has disclosed in these financial statements all transactions with related parties. In 2017, there were no transactions that did not comply with the law or the group's internal regulations or were not conducted on market terms.

In thousands of euros	Sales		Purchases	
	2017	2016	2017	2016
<b>Services</b>	<b>267</b>	<b>633</b>	<b>7 083</b>	<b>5 577</b>
Associates	1	4	20	10
Non-profit associations	19	13	39	39
Foundations	213	594	5,917	5,478
Companies	33	21	1,107	50
Individuals	1	1	0	0
<b>Goods</b>	<b>3</b>	<b>1</b>	<b>41</b>	<b>21</b>
Foundations	2	1	36	6
Companies	1	0	5	15
<b>Property, plant and equipment</b>	<b>0</b>	<b>710</b>	<b>0</b>	<b>0</b>
Foundations	0	710	0	0
<b>Total</b>	<b>270</b>	<b>1,344</b>	<b>7,124</b>	<b>5,598</b>

In the consolidated statement of financial performance, sales of goods and services to related parties are included in *Revenue from sale of goods and provision of services* and purchases from related parties are included in *Goods, materials and services used* and *Operating expenses*. Items of property, plant and equipment purchased from related parties are included in *Property, plant and equipment* in the consolidated statement of financial position.

In thousands of euros	Receivables		Liabilities	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Associates	0	0	0	6
Non-profit associations	0	0	2	0
Foundations	17	15	509	475
Companies	0	0	104	7
<b>Total</b>	<b>17</b>	<b>15</b>	<b>615</b>	<b>488</b>

In thousands of euros	Prepayments made		Advances received	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Foundations	4	0	0	0
<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>

In the consolidated statement of financial position, receivables from and prepayments made to related parties are included in *Receivables and prepayments* and liabilities to and advances from related parties are included in *Payables and deferred income*.

In thousands of euros	Grant income			
	Grants related to assets		Grants related to income	
	2017	2016	2017	2016
Non-profit associations	0	0	77	66
Foundations	14	44	1,452	8,836
<b>Total</b>	<b>14</b>	<b>44</b>	<b>1,529</b>	<b>8,902</b>

In the consolidated statement of financial performance, grant income from related parties is included in *Grants related to assets* and *Grants related to income*.

In thousands of euros	Grants receivable		Grants payable		Deferred grant income	
	2017	2016	2017	2016	2017	2016
As at 31 December						
Non-profit associations	9	0	0	0	0	0
Foundations	304	475	57	0	41	1,407
<b>Total</b>	<b>313</b>	<b>475</b>	<b>57</b>	<b>0</b>	<b>41</b>	<b>1 407</b>

In the consolidated statement of financial position, grants receivable from related parties are included in *Receivables and prepayments* and grants payable to and deferred grant income from related parties are included in *Payables and deferred income* “.

Remuneration provided to group entities’ council and management board members:

In thousands of euros	2017	2016
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	92	82
University of Tartu	53	63
MTÜ Tartu Üliõpilasküla	37	39
MTÜ Tartu Üliõpilasmaja	32	31
OÜ Tartu Ülikooli Kirjastus	28	25
Academos Hostel OÜ	5	5
OÜ Tartu Ülikooli Kesklinna Apteek	0	27
<b>Total</b>	<b>247</b>	<b>272</b>

The University of Tartu has no obligation to provide termination benefits to members of its council. Subsidiaries’ management board members are entitled to termination benefits in accordance with the terms and conditions of their service contracts. At 31 December 2017, contingent termination benefits payable to members of group entities’ executive and higher management totalled 81 thousand euros (31 December 2016: 93 thousand euros).

In 2017 and 2016, no receivables from related parties were written down.

## NOTE 29. CONTINGENT ASSETS AND LIABILITIES

### Possible liabilities from tax audits

The tax authorities may audit the group's tax accounting within five years after the deadline for the submission of a tax return. On the detection of a misstatement or omission, the tax authorities may charge additional tax, late payment interest and penalty payments. The group's management is not aware of any circumstances that might cause the tax authorities to assess a significant amount of additional tax to be paid by the group.

### Mortgages

The group has created two mortgages on its properties for the benefit of Swedbank AS: on Vanemuise 46 and Pepleri 14 in Tartu city. The mortgage on Vanemuise 46 amounts to 1.60 million euros and collateral claims may total 0.16 million euros. The mortgage on Pepleri 14 amounts to 0.32 million euros and collateral claims may total 0.03 million euros.

The group has also created a mortgage for the benefit of AS SEB Pank on the property at Nooruse 1 in Tartu city. The mortgage amounts to 4.79 million euros.

At the end of 2017, the University of Tartu did not have any outstanding contractual commitments that were secured by the above mortgages.

### Other contingent liabilities

In accordance with the Creation of Usufruct and Real Right Contract No. 716, signed between the University of Tartu and Tehvandi Sports Centre Foundation on 22 March 2012, a fixed-term usufruct of 50 years was created on the Kääriku property for the benefit of Tehvandi Sports Centre Foundation as from 1 April 2012. Under the agreement, on the expiry of the usufruct the University of Tartu will compensate Tehvandi Sports Centre Foundation for all capital investments that have been agreed with the University of Tartu in writing. The compensation will be calculated using a 3% annual depreciation rate. Investments that have not been agreed with the University of Tartu need not be compensated on the expiry of the usufruct. Nor is there any obligation to pay compensation for investments or expenditures financed with non-refundable support provided by the EU structural funds or other donors. The University of Tartu has agreed with Tehvandi Sports Centre Foundation capital investments of 3 million euros which the University of Tartu will compensate on the expiry of the usufruct. The agreed capital investments are depreciated at the contractually agreed rate of 3% per year from the month of implementation. At 31 December 2017, the carrying amount of investments to be compensated was 2.9 million euros (31 December 2016: 536 thousand euros).

## NOTE 30. ASSETS ACCOUNTED FOR OFF THE STATEMENT OF FINANCIAL POSITION

In 2017, assets with a cost of 2,000 euros to 4,999.99 euros were accounted for off the statement of financial position. At the reporting date, the total cost of such assets was 9.15 million euros (31 December 2016: 8.93 million euros).

The library items of the library of the University of Tartu are accounted for in detail in the library information system ESTER. At 31 December 2017, the estimated total value of the library's collections was 40.12 million euros (31 December 2016: 39.44 million euros), of which 10.03 million euros (31 December 2016: 9.69 million euros) was recognised in the consolidated statement of financial position (see note 9).

At the reporting date, the collection of the University of Tartu Botanical Gardens included 10,983 taxonomic units (species and varieties) of trees, bushes and other plants (31 December 2016: 10,298 taxonomic units).

Detailed accounts of items stored in museum collections are kept by the museums. From 2011, the assets included in museum collections are recognised in the consolidated statement of financial position in aggregated sets. At the reporting date, the total carrying value of the museum collections was 0.13 million euros (31 December 2016: 0.09 million euros).

Altogether, at the reporting date the museums had 1,306,910 storage items (31 December 2016: 1,283,035 storage items): the History Museum had 77,256 storage items (31 December 2016: 75,187 storage items), the Art Museum had 33,858 storage items (31 December 2016: 33,804 storage items), the Natural History Museum had 1,195,743 storage items (31 December 2016: 1,173,991 storage items), the library had 30 storage items (31 December 2016: 30 storage items) and the faculty of medicine had 23 storage items (31 December 2016: 23 storage items).

### **NOTE 31. EVENTS AFTER THE REPORTING PERIOD**

In December 2017, the Ministry of Education and Research and the University of Tartu signed an agreement on the merger of the state's research and development institutions the Estonian Biocentre and Tartu Observatory with the University of Tartu. The institutions were combined with the University of Tartu to whom they transferred all their rights and obligations as from 1 January 2018. On the same date, University of Tartu created the institute of Tartu Observatory in its Faculty of Science and Technology. The Estonian Biobank together the Estonian Genome Centre formed the Institute of Genomics, which is not part of any faculty of the university.

## NOTE 32. SEPARATE PRIMARY FINANCIAL STATEMENTS OF THE UNIVERSITY OF TARTU

### University of Tartu statement of financial position

In thousands of euros	31 December 2017	31 December 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	28,218	34,306
Receivables and prepayments	14,485	14,997
Inventories	90	95
<b>Total current assets</b>	<b>42,793</b>	<b>49,398</b>
<b>Non-current assets</b>		
Investments in subsidiaries and associates	17	40
Investments in financial assets	2	2
Receivables and prepayments	4	5
Investment property	1,510	1,559
Property, plant and equipment	219,287	226,147
Intangible assets	3,042	2,381
<b>Total non-current assets</b>	<b>223,862</b>	<b>230,134</b>
<b>TOTAL ASSETS</b>	<b>266,655</b>	<b>279,532</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Borrowings	2,711	2,905
Payables and deferred income	20,881	22,382
<b>Total current liabilities</b>	<b>23,592</b>	<b>25,287</b>
<b>Non-current liabilities</b>		
Borrowings	7,735	10,446
<b>Total non-current liabilities</b>	<b>7,735</b>	<b>10,446</b>
<b>Total liabilities</b>	<b>31,327</b>	<b>35,733</b>
<b>Net assets</b>		
Capital of the university	144,182	144,182
Accumulated surpluses	99,617	108,861
Deficit for the year	-8,471	-9,244
<b>Total net assets</b>	<b>235,328</b>	<b>243,799</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>266,655</b>	<b>279,532</b>

## University of Tartu statement of financial performance

In thousands of euros	2017	2016
<b>Revenue</b>		
Revenue from sale of goods and provision of services	13,353	13,096
State budget funding for education activities	66,408	64,356
State budget funding for research activities	26,092	25,572
Grants related to assets	3,897	28
Grants related to income	39,610	29,260
Other income	408	1,049
<b>Total revenue</b>	<b>149,768</b>	<b>133,361</b>
<b>Expenses</b>		
Goods, materials and services used	-14,369	-13,793
Operating expenses	-36,127	-28,803
Scholarships and study grants	-9,377	-8,709
Staff costs	-78,649	-74,008
Depreciation, amortisation and impairment losses	-16,606	-15,737
Other expenses	-3,088	-1,518
<b>Total expenses</b>	<b>-158,216</b>	<b>-142,568</b>
<b>Deficit on operating activities</b>	<b>-8,448</b>	<b>-9,207</b>
Share of profit of subsidiaries	42	24
Share of loss of associates	0	-6
Interest income	4	7
Interest expense	-69	-62
<b>Deficit before income tax</b>	<b>-8,471</b>	<b>-9,244</b>
<b>Deficit for the year</b>	<b>-8,471</b>	<b>-9,244</b>

## University of Tartu statement of cash flows

In thousands of euros	2017	2016
<b>Cash flows from operating activities</b>		
Deficit on operating activities	-8,448	-9,207
Adjustments for		
Depreciation, amortisation and impairment losses	16,606	15,737
Loss/gain on sale of non-current assets	204	-1,005
Non-monetary grants related to assets	-4	-145
Change in provisions	0	-1,105
Grants related to assets received	-3,893	117
Grants related to assets passed through (as an intermediary)	385	-8
Change in receivables and prepayments	1,294	2,693
Change in inventories	5	-2
Change in payables and deferred income	-3,047	1,099
Interest paid	-69	-62
<b>Net cash from operating activities</b>	<b>3,033</b>	<b>8,112</b>
<b>Cash flows from investing activities</b>		
Paid on acquisition of property, plant and equipment	-2,651	-1,387
Proceeds from sale of property, plant and equipment	307	407
Paid for assets under construction	-6,119	-2,733
Prepayments made for property, plant and equipment	-14	-43
Proceeds from sale of investment property	0	271
Paid on acquisition of intangible assets	-910	-274
Prepayments made for intangible assets	-6	0
Proceeds from government grants related to assets	3,430	5,612
Government grants related to assets paid	-323	-625
Receipt of an investment in a subsidiary	22	22
Collection of a non-current receivable	2	2
Interest received	4	7
Liquidation proceeds and dividends received	42	24
<b>Net cash used in/from investing activities</b>	<b>-6,216</b>	<b>1,283</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans received	0	4,560
Repayment of loans received	-2,905	-2,939
<b>Net cash used in/from financing activities</b>	<b>-2,905</b>	<b>1,621</b>
<b>Net cash flow</b>	<b>-6,088</b>	<b>11,016</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>34,306</b>	<b>23,290</b>
Decrease/increase in cash and cash equivalents	-6,088	11,016
<b>Cash and cash equivalents at end of year</b>	<b>28,218</b>	<b>34,306</b>

### University of Tartu statement of changes in net assets

In thousands of euros	Capital of the university	Accumulated surpluses	Surplus/deficit for the year	Total
<b>As at 31 December 2015</b>	<b>144,182</b>	<b>105,107</b>	<b>3,754</b>	<b>253,043</b>
Transfer of surplus to accumulated surpluses	0	3,754	-3,754	0
Deficit for the year	0	0	-9,244	-9,244
<b>As at 31 December 2016</b>	<b>144,182</b>	<b>108,861</b>	<b>-9,244</b>	<b>243,799</b>
Transfer of deficit to accumulated surpluses	0	-9,244	9,244	0
Deficit for the year	0	0	-8,471	-8,471
<b>As at 31 December 2017</b>	<b>144,182</b>	<b>99,617</b>	<b>-8,471</b>	<b>235,328</b>

### University of Tartu adjusted unconsolidated net assets

In thousands of euros	31 December 2017	31 December 2016
Unconsolidated net assets of the University of Tartu	235,328	243,799
Less: carrying amount of investments in subsidiaries and associates	-17	-40
Plus: value of investments in subsidiaries and associates under the equity method	1,300	1,624
<b>Total</b>	<b>236,611</b>	<b>245,383</b>

## SÕLTUMATU VANDEAUDIITORI ARUANNE

### Tartu Ülikooli nõukogule

#### Arvamus

Oleme auditeerinud Tartu Ülikooli ja selle tütarettevõtete (koos Kontsern) konsolideeritud raamatupidamise aastaaruannet, mis sisaldab konsolideeritud bilanssi seisuga 31. detsember 2017 ning konsolideeritud tulemiaruanne, konsolideeritud rahavoogude aruanne ja konsolideeritud netovara muutuste aruanne eeltoodud kuupäeval lõppenud majandusaasta kohta ja konsolideeritud raamatupidamise aastaaruande lisasid, mis sisaldavad oluliste arvestuspõhimõtete kokkuvõtet ja muud selgitavat infot.

Meie arvates kajastab konsolideeritud raamatupidamise aastaaruanne kõigis olulistes osades õiglaselt Tartu Ülikooli ja selle tütarettevõtete konsolideeritud finantsseisundit seisuga 31. detsember 2017 ning sellel kuupäeval lõppenud majandusaasta konsolideeritud finantstulemust ja konsolideeritud rahavoogusid kooskõlas Eesti finantsaruandluse standardiga.

#### Arvamuse alus

Viisime auditi läbi kooskõlas rahvusvaheliste auditeerimise standarditega (Eesti). Meie kohustusi vastavalt nendele standarditele kirjeldatakse täiendavalt meie aruande osas „Vandeauditori kohustused seoses konsolideeritud raamatupidamise aastaaruande auditiga”. Me oleme Kontsernist sõltumatud kooskõlas kutseliste arvestusekspertide eetikakoodeksiga (Eesti) (eetikakoodeks (EE)), ja oleme täitnud oma muud eetikaalased kohustused vastavalt eetikakoodeksi (EE) nõuetele.

Usume, et kogutud auditi tõendusmaterjal on piisav ja asjakohane meie arvamuse avaldamiseks.

#### Muu informatsioon

Rektor vastutab muu informatsiooni eest, mis sisaldub aastaaruandes lisaks konsolideeritud raamatupidamise aastaaruandele ja meie audiitori aruandele.

Meie arvamus konsolideeritud raamatupidamise aastaaruande kohta ei hõlma muud informatsiooni ja me ei avalda muu informatsiooni kohta kindlustandvat arvamust.

Konsolideeritud raamatupidamise aastaaruande auditeerimise käigus on meie kohustus lugeda muud informatsiooni ja kaaluda seda tehes, kas muu informatsioon sisaldab olulisi vasturääkivusi konsolideeritud raamatupidamise aruandega või meie poolt auditi käigus saadud teadmistega või tundub muul viisil olevat oluliselt väärkajastatud. Kui me teeme tehtud töö põhjal järelduse, et muu informatsioon on oluliselt väärkajastatud, oleme kohustatud selle info oma aruandes välja tooma. Meil ei ole sellega seoses midagi välja tuua.

#### Rektori ja nende, kelle ülesandeks on valitsemine, kohustused seoses konsolideeritud raamatupidamise aastaaruandega.

Rektor vastutab konsolideeritud raamatupidamise aastaaruande koostamise ja õiglase esitamise eest kooskõlas Eesti finantsaruandluse standardiga ja sellise sisekontrolli eest, nagu juhtkond peab vajalikuks, et võimaldada kas pettusest või veast tulenevate oluliste väärkajastamisteta konsolideeritud raamatupidamise aastaaruande koostamist.

Konsolideeritud raamatupidamise aastaaruande koostamisel on juhtkond kohustatud hindama Kontserni suutlikkust jätkata jätkuvalt tegutsevana, esitama infot, kui see on asjakohane, tegevuse jätkuvusega seotud asjaolude kohta ja kasutama tegevuse jätkuvuse arvestuse alusprintsipi, välja arvatud juhul, kui juhtkond kavatseb kas Kontserni likvideerida või tegevuse lõpetada või tal puudub sellele realistlik alternatiiv.

Need, kelle ülesandeks on valitsemine, vastutavad Kontserni finantsaruandlusprotsessi üle järelevalve teostamise eest.

## Vandeauditiitori kohustused seoses konsolideeritud raamatupidamise aastaaruande auditiga

Meie eesmärk on saada põhjendatud kindlus selle kohta, kas konsolideeritud raamatupidamise aastaaruanne tervikuna on kas pettusest või veast tulenevate oluliste väärkajastamisteta, ja anda välja vandeauditiitori aruanne, mis sisaldab meie arvamust. Põhjendatud kindlus on kõrgetasemeline kindlus, kuid see ei taga, et olulise väärkajastamise eksisteerimisel see kooskõlas rahvusvaheliste auditeerimise standarditega (Eesti) läbiviidud auditi käigus alati avastatakse. Väärkajastamised võivad tuleneda pettusest või veast ja neid peetakse oluliseks siis, kui võib põhjendatult eeldada, et need võivad üksikult või koos mõjutada majanduslikke otsuseid, mida kasutajad konsolideeritud raamatupidamise aastaaruande alusel teevad.

Kasutame auditeerides vastavalt rahvusvaheliste auditeerimise standarditele (Eesti) kutsealast otsustust ja säilitame kutsealase skeptitsismi kogu auditi käigus. Me teeme ka järgmist:

- teeme kindlaks ja hindame konsolideeritud raamatupidamise aastaaruande kas pettusest või veast tuleneva olulise väärkajastamise riskid, kavandame ja teostame auditiprotseduure vastuseks nendele riskidele ning hangime piisava ja asjakohase auditi tõendusmaterjali, mis on aluseks meie arvamusel. Pettusest tuleneva olulise väärkajastamise mitteavastamise risk on suurem kui veast tuleneva väärkajastamise puhul, sest pettus võib tähendada salakokkulepet, võltsimist, info esitamata jätmist, vääresitiste tegemist või sisekontrolli eiramist;
- omandame arusaamise auditi puhul asjassepuutuvast sisekontrollist, et kavandada nendes tingimustes asjakohaseid auditiprotseduure, kuid mitte arvamusel avaldamiseks Kontserni sisekontrolli tulemuslikkuse kohta;
- hindame kasutatud arvestuspõhimõtete asjakohasust ning juhtkonna arvestushinnangute ja nendega seoses avalikustatud info põhjendatust;
- teeme järelduse juhtkonna poolt tegevuse jätkuvuse arvestuse alusprintsipi kasutamise asjakohasuse kohta ja saadud auditi tõendusmaterjali põhjal selle kohta, kas esineb olulist ebakindlust sündmuste või tingimuste suhtes, mis võivad tekitada märkimisväärset kahtlust Kontserni suutlikkuses jätkata jätkuvalt tegutsevana. Kui me teeme järelduse, et eksisteerib oluline ebakindlus, oleme kohustatud juhtima vandeauditiitori aruandes tähelepanu konsolideeritud raamatupidamise aastaaruandes selle kohta avalikustatud infole või kui avalikustatud info on ebapiisav, siis modifitseerima oma arvamust. Meie järeldused põhinevad vandeauditiitori aruande kuupäevani saadud auditi tõendusmaterjalil. Tulevased sündmused või tingimused võivad siiski kahjustada Kontserni suutlikkust jätkata jätkuvalt tegutsevana;
- hindame konsolideeritud raamatupidamise aastaaruande üldist esitusviisi, struktuuri ja sisu, sealhulgas avalikustatud informatsiooni, ning seda, kas konsolideeritud raamatupidamise aastaaruanne esitab aluseks olevaid tehinguid ja sündmusi viisil, millega saavutatakse õiglane esitusviis.
- hangime piisava asjakohase tõendusmaterjali Kontserni kuuluvate majandusüksuste või äritegevuste finantsinformatsiooni kohta, avaldamaks arvamust konsolideeritud raamatupidamise aastaaruande kui terviku kohta. Me vastutame Kontserni auditi juhtimise, järelevalve ja läbiviimise eest ja oleme ainuvastutavad oma auditiarvamuse eest.

Me vahetame infot nendega, kelle ülesandeks on Kontserni valitsemine, muu hulgas auditi planeeritud ulatuse ja ajastuse ning oluliste auditi tähelepanekute kohta, sealhulgas auditi käigus tuvastatud oluliste sisekontrollisüsteemi puuduste kohta.

/allkirjastatud digitaalselt/  
Laile Kaasik  
Vandeauditiitor, litsents nr 511

BDO Eesti AS  
Tegevusluba nr 1  
A. H. Tammsaare tee 47, 11316 Tallinn

8. mai 2018

## SIGNATURES TO ANNUAL REPORT 2017

The annual report of the University of Tartu for the year ended 31 December 2017 consists of an activity report and consolidated financial statements.

The management of the University of Tartu has prepared the activity report and the consolidated financial statements. The consolidated financial statements are accompanied by an independent auditor's report. The rector of the University of Tartu has reviewed the annual report and approved its presentation to the council of the university.

*/signed digitally/*

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Tõnu Lehtsaar  
Acting Rector, Professor

*/signed digitally/*

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Taimo Saan  
Head of Finance

*/signed digitally/*

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University of Tartu. Annual Report 2017

## ACTIVITY REPORT

Editors: Annika Tina, Helina Riisalu, Katrin Pajuste-Kuul

The report was compiled with the assistance of Maret Ahonen, Annely Allik, Teele Arak, Piret Arusaar, Viivika Eljand-Kärp, Kalle Hein, Raigo Häelme, Laura Hütt, Ingrid Jaggo, Tuuli Kaldma, Katriin Kaljovee, Kristi Kerge, Ines Kerikmäe, Mihkel Kree, Kristi Kuningas, Kristina Kurm, Aitel Käpp, Ene Küüner, Annely Lambing, Kalmer Lauk, Lauri Leht, Janeli Meristo, Pille Mäesaar, Reet Mägi, Heleri Olo, Karin Org, Lehti Pilt, Kärt Puura, Mariann Raisma, Lauri Randveer, Taivo Raud, Kristel Ress, Tiia Ristolainen, Kersti Roosimäe, Jürgen Rünk, Marek Sammul, Aire Seene, Ülle Tensing, Saima Tiirmaa-Oras, Raivo Valk, Agnes Vask, Sirje Üprus and many others

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More detailed data are available on the UT website  
[ut.ee/et/ulikool-arvudes](http://ut.ee/et/ulikool-arvudes)

## FINANCIAL STATEMENTS

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Extract from photo collage (travelling exhibition “Get Ready! 100 Faces of the University of Tartu”, photos by Birgit Püve, collage by Maarja Roosi)

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**University of Tartu**  
**Annual report**  
**2017**