



University
of Basel

Annual Report 2023 Summary.

3,051

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

25.2%

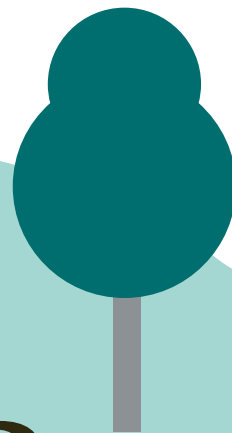
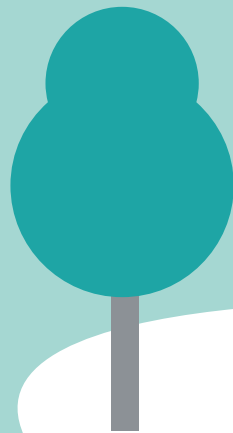
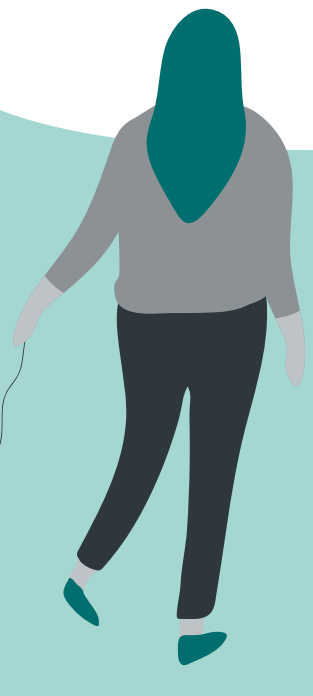
of the students and doctoral candidates are enrolled at the **Faculty of Medicine**, making it the biggest faculty at the University of Basel.

CHF 122,975,299

received from the **Swiss National Science Foundation, the European Union and the Swiss federal government** in the reporting year – more than ever before in the university's history.

4,833

students and doctoral candidates come from the cantons of **Basel-Stadt and Basel-Landschaft**. This amounts to 37.2% of all students and doctoral candidates at the university.



57.6%

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

1,735

lecturers work at the University of Basel.



14

new **start-ups** founded by people associated with the University of Basel in the reporting year.

The University of Basel in fiscal year 2023.

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

Based on the new accounting rules, a differentiated view of the year-end result in the income statement is of central importance, and essential to the interpretation and assessment of

the university's fiscal year. The consolidated year-end result in the income statement, the statement of changes in equity and the resulting impact on the university's balance sheet result must therefore be combined.

Derivation of the university's balance sheet result

in CHF million	Statement for 2023	Statement for 2022
Year-end result, foundations and associations	-5.7	4.9
Year-end result, university	-7.7	-28.6
Consolidated year-end result	-13.4	-23.7
Release of funds, teaching and research	5.3	20.4
Release of funds, infrastructure and real estate	14.7	15.1
Release of capital, foundations and associations	-5.9	0.3
Allocation of year-end result, foundations and associations	5.7	-4.9
Balance sheet profit (+)/loss (-), university	6.3	7.1

The university's consolidated year-end result consists of two components: in addition to the university in its core business, the independent foundations and associations included in the consolidated annual financial statement also generate their own year-end results. The balance of these two year-end results is the consolidated year-end result of minus CHF 13.4 million as reported in the income statement of the university as a whole. These two areas are to be treated separately in the context of the appropriation of profits, however. The year-end result achieved by the foundations and associations (minus CHF 5.7 million) must be factored out of the balance sheet profit or loss generated by the university's core business (as calculated above) as a direct allocation to the foundations and associations. There are also releases of committed funds listed separately in the restricted equity (see items 34 to 36 in the notes), the net effect of which influences whether the balance sheet result achieved by the university is a balance sheet profit or loss.

Based on the active management of restricted equity required by the accounting principles, balance sheet profits result in a shift within the equity items and, in accounting terms, in an increase in the university's non-restricted equity. Balance sheet losses, on the other hand, would result in the release of non-restricted equity. As in the previous year, the aforementioned distribution of the consolidated year-end result and the active management of restricted equity resulted in a balance sheet profit for the university's core business in 2023, and therefore a CHF 6.3 million increase in non-restricted equity (previous year: CHF 7.1 million).

Development of non-restricted equity

in CHF million	Statement for 2023	Statement for 2022
Carried forward from previous year	63.2	56.1
Year-end result, university	-7.7	-28.6
Allocations (+)/releases (-)	14.0	35.8
Change in non-restricted equity	6.3	7.1
Non-restricted equity, university	69.5	63.2

Comments on the 2023 fiscal year.

The income statement itemizes the business activities carried out within the fiscal year. The individual components that ultimately lead to the consolidated annual loss of CHF 13.4 million will therefore be explained and commented on below. This report offers comprehensive details of the activities and influences in the 2023 fiscal year with the aim of providing investors and interested members of the public with the most accurate depiction possible of the university's financial situation.

The 2023 operating result.

The operating result of minus CHF 10.4 million in 2023 (previous year: minus CHF 10.0 million) is made up of income from ordinary activities and operating expenses. The only slight net year-on-year change in the consolidated operating result of minus CHF 0.4 million can be attributed to an increase in income (by CHF 14.6 million) and an increase in operating expenses by CHF 15.0 million.

Income from ordinary activities.

The funds within the framework of basic funding from the public sector (please refer to items 1 to 5 in the notes) have fallen in net terms by CHF 0.4 million compared to the previous year: Firstly, the global contributions from the supporting cantons increased by a total of CHF 3.0 million based on the new 2022 to 2025 performance mandate. And secondly, the special contributions from the supporting cantons fell by CHF 0.5 million. This was due to the fact that the additional commitment totaling CHF 0.5 million that had been required in 2022 for the impairment of the new Biozentrum building was absent in 2023. As a result, for 2023 this item only includes payments made by the Canton of Basel-Stadt for the performance agreements for

the university library and the Student Advice Center, which are listed here separately and updated for the fifth performance period. Finally, federal contributions increased by CHF 0.5 million, while contributions from other cantons fell by CHF 3.4 million.

Project contributions as the sum of "research contributions" and "commitments with conditions and legacies" rose by CHF 7.8 million on the previous year (for details see items 6 and 7 in the notes). It should be noted that these contributions show the effective loss of value rather than cash inflows for the year. This further increase reflects the University of Basel's ongoing attractiveness in 2023, despite a highly competitive environment.

Other income increased by CHF 7.1 million on the previous year (for details see items 8 and 9 in the notes). The educational contributions and fees recognized there rose by a total of CHF 1.6 million, with an increase of CHF 2.0 million in contributions for teaching and continuing education and a CHF 0.4 million reduction in participation fees for workshops and conferences. All other items, including tuition fees, are more or less on a par with the previous year. The second item summarized here, "Other operating income" increased by CHF 5.6 million on the previous year. The biggest increases were seen in income from services (up CHF 3.3 million), income from licenses and patents (up CHF 1.9 million), income from the sale of goods and printed materials (up CHF 0.6 million) and real estate income, which was also up CHF 0.6 million. Reimbursements of expenses fell by CHF 0.6 million, and all other items saw a net reduction of CHF 0.2 million.

Operating expenses.

The university's operating expenses consist of personnel expenses, expenses for goods and services, depreciation and amortization, and other operating expenses. Compared to the previous year, total operating expenses rose by CHF 15.0 million.

Personnel expenses, as the biggest item in operating expenses (CHF 395.0 million), rose by CHF 19.6 million compared to 2022 (for details see item 10 in the notes). The following developments are responsible for this increase: a CHF 9.3 million rise in personnel costs for positions funded by ordinary budget funds in teaching, research and self-administration, and an increase of CHF 10.3 million for the Swiss National Science Foundation and other external funding. In addition to the creation of new jobs (particularly in connection with the Swiss National Science Foundation and other external funding), the sharp increase in personnel expenses compared to previous years is due to a large extent to the cost-of-living adjustment, which was set at 2.5% for 2023. More details can also be found in the personnel overview in the statistical data.

Expenses for goods and services consist of operating expenses and occupancy costs, and fell by a net amount of CHF 7.7 million year on year. Operating expenses fell by CHF 1.8 million, while occupancy costs fell by CHF 5.9 million (for details see item 11 in the notes). The reduction in operating expenses was mainly due to the payment of remuneration to third parties (down CHF 1.5 million), IT and telecommunications expenses (down CHF 1.4 million), and the acquisition of tangible assets that fall below the capitalization threshold of CHF 10,000, primarily in the area of IT (down CHF 0.8 million). Some other items in operating expenses also saw minor reductions, the

combined volume of which was CHF 0.2 million. These reductions were offset by a CHF 1.3 million increase the cost of materials and a CHF 0.8 million increase in expenses for travel, accommodation and events (for details of operating expenses see item 11 in the notes). Within the occupancy costs, the expenses for maintaining and repairing buildings fell by CHF 10.9 million year on year because the real estate fund, which had previously been maintained separately, can now only be used for projects that have already been approved or are currently ongoing. At the same time, the amount spent on maintaining and repairing real estate was up by CHF 1.4 million. Furthermore, recurring expenses for third-party rents increased by CHF 1.7 million, while the costs of cleaning, building maintenance (including relocation costs) and security increased by CHF 1.0 million, as did energy costs.

Compared to the previous year, depreciation on tangible fixed assets rose by CHF 0.2 million, while amortization of intangible assets rose by CHF 0.1 million. For details of developments in depreciation and amortization, please see the fixed assets schedule in items 22, 23 and 28 in the notes.

The "Other operating expenses" item comprises all other expenses in operating expenses (for details, see item 12 in the notes). There was a total increase of CHF 3.4 million in expenditure over the previous year in this item. In addition to contributions to third parties (i.e. students, research projects and other projects), this collective item reported under the new accounting system also includes transfer expenses to associates, project partners and compensation for teaching and research in clinical medicine recorded by the university and broken down by expense category.

The 2023 financial result.

The financial result includes all income and expenses relating to loans to third parties, time deposits, holdings, bonds and shares. Bonds and shares are measured at cost less operational value adjustments according to the lowest value principle. The significant change in the financial result compared with the previous year, from plus CHF 10.8 million to minus CHF 3.0 million (down CHF 13.8 million), is due mainly to the positive developments on the financial markets (following a very poor investment year in 2022). In 2023, both the equity and the bond markets recorded positive performances. This development also affected the university's financial investments, resulting in a positive performance of almost 7.4% in 2023 (previous year: minus 15.2%). This almost completely offset the losses in value that were suffered in 2022, although the strong Swiss franc also led to negative currency fluctuations in non-current financial assets at the same time. These expenses, which were recognized as currency losses in accordance with the university's accounting policies and despite currency hedging measures, combined with a few instances of further declines in value in the share portfolio, meant that just a small positive result was achieved on a net basis. The net profit effectively realized was added to the funds for market risks due to risk-related considerations and in order to safeguard the effective deposits. In addition to these comments, please see items 13 (Financial income) and 14 (Financial expenses) in the notes, where the other items of both income and expenses are disclosed.

The 2023 extraordinary result.

Compared to the previous year, the extraordinary result fell again by CHF 0.1 million, resulting in a net figure of almost zero. Extraordinary income only includes a few insurance settlements for repairs and damage to IT devices, and extraordinary expenses only include a corrective payment for an Inter-cantonal University Agreement settlement from 2021.

Notes to the cash flow statement.

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

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

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

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

Notes to the statement of changes in equity.

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

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

Outlook for 2024 and the fifth performance period as a whole.

In October 2021, the parliaments of the two supporting cantons Basel-Landschaft and Basel-Stadt approved funds totaling CHF 1.35 billion for the fifth performance period. The university has set a course for its successful (ongoing) development with its Strategy 2022–2030. However, this basic funding of the university by the two supporting cantons, which when it was approved was very balanced and also forward-looking, is increasingly being put to the test by significant changes in the macroeconomic conditions and the associated increase in financial risks. The university's budget is, for example, being impacted to a significant degree by unexpected inflation effects in 2022 and 2023 (the first two years of the fifth performance period) as well as substantial, staggered reductions in the Inter-cantonal University Agreement rates in the same period combined with a slight reduction in the number of students from outside the two Basel cantons. Due to additional negative factors in subsequent years, this will also gradually start to impact the university's annual financial statement. Reduced growth rates for the basic funding provided by the federal government and sharp price increases on the procurement side (and increasingly also in expenses for goods and services) will reduce the financial leeway for the second half of the fifth performance period. Thanks to the university's solid equity, these effects can be currently covered by existing university reserves, but they pose a significant challenge for the future. What this means is that lasting financial solutions need to be found in the medium term based on the supporting cantons' ownership strategy and its specifications, combined with the university's risk-based equity management measures. This will also impact

the negotiations regarding the sixth performance period (2026 to 2029), which are just starting now, particularly since the aforementioned exogenous factors such as inflation trends and systemic adjustments to basic funding can only be influenced by the university to a limited extent (and therefore only on a temporary basis), and cannot be structurally offset using existing equity. In order to be able to continuously evaluate and assess this utilization of capital and its medium-term impact in both the University Council and the President's Board, both the measures in the strategy development and implementation process and the financial implications of the aforementioned exogenous factors are verified on an ongoing basis and continuously updated for the remaining years of the fifth performance period and also in the multi-year financial planning. Only by having sufficient equity will it be possible to take advantage of short-term opportunities in the areas of innovation, research and teaching, and to at least partially cover the numerous and in some cases financially significant risks (real estate financing, pension fund financing, loss of sources of finance, pandemics etc.). Only then will the university (as formulated in the Strategy 2022–2030) be able to continue to position itself as an excellent teaching and research institution that is both regionally anchored and internationally networked and visible, provides its employees with optimal research conditions and offers its students challenging and diverse study programs. It sees the increasingly fierce competition at a national and international level as an incentive to constantly improve and further increase the contribution to scientific progress, innovative strength and the appeal of the entire Basel region as a place to live and work.

Consolidated income statement for 2023.

Consolidated income statement for 2023

in Swiss francs	Notes	Statement for 2023	Statement for 2022
Operating income			
Global contributions, Canton of Basel-Stadt	1	170,605,167	169,264,558
Global contributions, Canton of Basel-Landschaft	2	166,094,833	164,435,442
Special contributions, supporting cantons	3	2,162,600	2,662,600
Federal contributions as per the Higher Education Act	4	97,809,229	97,308,188
Contributions from other cantons as per the Intercantonal University Agreement	5	72,596,654	75,972,974
Basic funding		509,268,483	509,643,762
Research contributions	6	185,691,958	171,642,796
Conditional grants and legacies	7	8,159,107	14,372,360
Project contributions		193,851,065	186,015,156
Educational contributions and fees	8	29,409,740	27,831,697
Other operating income	9	34,000,554	28,379,292
Other income		63,410,294	56,210,990
Total income from ordinary activities		766,529,841	751,869,907
Operating expenses			
Personnel expenses	10	395,036,234	375,409,214
Expenses for goods and services	11	182,648,166	190,441,834
Depreciation on fixed assets		38,316,198	38,528,588
Amortization of intangible assets		373,806	304,824
Other operating expenses	12	160,575,798	157,213,221
Total operating expenses		776,950,202	761,897,681
Operating result		-10,420,361	-10,027,773
Financial income	13	9,398,954	33,861,576
Financial expenses	14	-12,381,334	-47,644,632
Financial result		-2,982,380	-13,783,056
Ordinary result		-13,402,741	-23,810,830
Extraordinary income		23,373	105,691
Extraordinary expenses		-32,641	-2,965
Extraordinary result		-9,268	102,727
Year-end result		-13,412,010	-23,708,103
Allocation/release			
Allocation (+)/release (-) of funds, teaching and research		-5,278,408	-20,432,471
Allocation (+)/release (-) of funds, infrastructure and real estate		-14,669,701	-15,060,853
Allocation (+)/release (-) of capital, foundations and associations		5,918,217	-301,075
Allocation (+)/release (-) of free reserves		14,029,892	35,794,398

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

Consolidated balance sheet

as at 31 December 2023.

Consolidated balance sheet for 2023

in Swiss francs	Notes	12/31/2023	12/31/2022
Assets			
Cash and cash equivalents and short-term investments	15	142,252,480	153,924,442
Receivables from goods and services	16	26,569,741	35,022,878
Other current receivables	17	22,605,117	27,930,001
Inventories	18	411,996	516,773
Prepaid expenses and accrued income	19	15,106,942	10,606,249
Current assets		206,946,276	228,000,343
Movable non-current assets	20	57,132,898	53,338,282
Immovable non-current assets	21	612,190,843	607,254,369
Tangible fixed assets		669,323,741	660,592,651
Long-term receivables		482,439	1,217,154
Loans	22	49,183,967	53,621,602
Investments	23	1,271,942	1,280,001
Securities	24	290,486,187	291,078,124
Financial assets		341,424,535	347,196,881
Intangible assets	25	3,672,920	347,591
Non-current assets		1,014,421,195	1,008,137,124
Total assets		1,221,367,471	1,236,137,466
Liabilities and equity			
Short-term financial liabilities	26	70,672,328	75,967,307
Payables for goods and services	27	28,330,461	23,650,922
Other short-term liabilities	28	13,352,152	3,855,416
Short-term provisions	29	9,600,000	9,900,000
Accrued expenses and deferred income	30	29,999,561	30,071,273
Short-term liabilities		151,954,502	143,444,917
Long-term financial liabilities	31	390,033,211	405,654,748
Other long-term liabilities	32	176,360,569	178,595,307
Long-term provisions	33	35,841,437	27,852,731
Long-term liabilities		602,235,216	612,102,787
Liabilities		754,189,719	755,547,704
Committed funds, teaching and research	34	211,482,232	216,760,639
Committed funds, infrastructure and real estate	35	153,620,829	168,290,531
Capital, foundations and associations	36	32,554,931	32,317,627
Restricted equity		397,657,992	417,368,797
Free reserves		63,220,965	56,071,009
Balance sheet profit (+)/loss (-)	37	6,298,796	7,149,956
Non-restricted equity		69,519,761	63,220,965
Equity		467,177,752	480,589,762
Total liabilities and equity		1,221,367,471	1,236,137,466

Consolidated cash flow statement for 2023.

Consolidated cash flow statement for 2023

in Swiss francs	2023	2022
Operating activity		
Profit (+)/loss (-)	-13,412,010	-23,708,103
Depreciation (+)/appreciation (-), movable non-current assets	18,264,301	18,439,515
Depreciation (+)/appreciation (-), immovable non-current assets	20,039,044	19,762,509
Amortization (+)/appreciation (-), intangible non-current assets	373,806	304,824
Other non-fund-related expenses (+)/income (-)	7,696,764	7,635,863
Decrease (+)/increase (-) in receivables from goods and services	8,453,138	-266,471
Decrease (+)/increase (-) in other receivables and prepaid expenses and accrued income	824,191	-10,031,759
Decrease (+)/increase (-) in inventories	104,776	-75,700
Increase (+)/decrease (-) in payables for goods and services	4,679,540	-18,382,812
Increase (+)/decrease (-) in other short-term liabilities and accrued expenses and deferred income	9,425,025	-4,321,130
Increase (+)/decrease (-) in long-term committed funds	-2,234,739	4,657,985
Cash flow statement from operating activity	54,213,836	-5,985,278
Investing activities		
Inflows (-) of movable non-current assets	-23,579,887	-22,612,304
Disposals (+) of movable non-current assets	1,520,971	1,736,764
Inflows (-) of immovable non-current assets	-31,479,215	-42,931,786
Disposals (+) of immovable non-current assets	6,503,697	-
Inflows (-) of intangible assets	-3,699,134	-163,123
Disposals (+) of intangible assets	-	2,072
Inflows (-) of long-term financial assets	-774,514	-7,402,205
Disposals (+) of long-term financial assets	6,538,801	17,705,724
Cash flow statement from investing activities	-44,969,281	-53,664,858
Financing activities		
Increase (+) in short-term financial liabilities	28,995	11,806,307
Repayment (-) of short-term financial liabilities	-5,323,975	-2,284,247
Increase (+) in long-term financial liabilities	5,187,204	24,004,453
Repayment (-) of long-term financial liabilities	-294,741	-294,741
Repayment (-) of long-term loans	-20,514,000	-11,676,000
Cash flow statement from financing activities	-20,916,517	21,555,772
Total cash flow statement	-11,671,962	-38,094,364
Cash and cash equivalents at the beginning of the reporting period	153,924,442	192,018,806
Cash and cash equivalents at the end of the reporting period	142,252,480	153,924,442
Change in cash and cash equivalents	-11,671,962	-38,094,364

Consolidated statement of changes in equity for 2023/2022.

Consolidated statement of changes in equity for 2023/2022

in Swiss francs	Funds, teaching and research	Funds, infrastructure and real estate	Capital, foundations and associations	Restricted equity	Free reserves, university	Year-end result, university	Non- restricted equity	Total equity
Equity as at 31/12/2021 after appropriation of earnings	237,193,111	183,351,383	27,682,363	448,226,856	56,071,009	–	56,071,009	504,297,865
Year-end result, 2022	–	–	4,936,339	4,936,339	–	–28,644,442	–28,644,442	–23,708,103
Equity as at 31/12/2022 before appropriation of earnings	237,193,111	183,351,383	32,618,702	453,163,196	56,071,009	–28,644,442	27,426,567	480,589,762
Appropriation of earnings	–	–	–	–	–28,644,442	28,644,442	–	–
Allocations (+)/releases (–)	–20,432,471	–15,060,853	–301,075	–35,794,398	35,794,398	–	35,794,398	–
Equity as at 31/12/2022 after appropriation of earnings	216,760,639	168,290,531	32,317,627	417,368,797	63,220,965	–	63,220,965	480,589,76
Year-end result, 2023	–	–	–5,680,914	–5,680,914	–	–7,731,096	–7,731,096	–13,412,010
Equity as at 31/12/2023 before appropriation of earnings	216,760,639	168,290,531	26,636,713	411,687,884	63,220,965	–7,731,096	55,489,869	467,177,752
Appropriation of earnings	–	–	–	–	–7,731,096	7,731,096	–	–
Allocations (+)/releases (–)	–5,278,408	–14,669,701	5,918,217	–14,029,892	14,029,892	–	14,029,892	–
Equity as at 31/12/2023 after appropriation of earnings	211,482,232	153,620,829	32,554,931	397,657,992	69,519,761	–	69,519,761	467,177,752

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

Notes to the consolidated annual financial statement for 2023.

University accounting practices.

The accounts of the University of Basel are kept in accordance with all existing accounting recommendations (Swiss GAAP FER). The overarching principle of Swiss GAAP FER is to present a true and fair view of the financial position and performance. This consolidated financial statement represents the situation as at 31 December and was approved by the President's Board on 5 March 2024 and by the University Council on 29 April 2024. The statement was then presented to the governments of the supporting cantons of Basel-Stadt and Basel-Landschaft.

Principles of consolidation.

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

mandate or which make it possible to carry out supplementary projects in research and teaching for the university or its representatives.

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

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

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

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

Consolidation methods for independent foundations and associations, 2023

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

Accounting principles.

General.

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

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

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

The following rules apply to revenue recognition or realization:

- Income from basic funding from the supporting cantons is recognized on the basis of the annual installments defined for the performance period and in the performance mandate.
- Income from the federal government within the framework of basic funding is recognized on the basis of federal government rulings pursuant to the Higher Education Act and on the basis of performance indicators in teaching, research and for buildings per fiscal year.
- Income from the other cantons within the framework of basic funding is recorded in each calendar year in accordance with the Intercantonal University Agreement and on the basis of student numbers within an academic year.
- Research contributions are only recognized at the end of the year and in the amount of the expense actually incurred in the reporting year.

- Conditional grants and legacies are recognized in accordance with the contractually stipulated grants (pro rata or in total).
- Educational contributions and fees and other operating income are recognized directly in revenue and, if necessary, allocated on an accrual basis.

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

Cash and cash equivalents.

Cash and cash equivalents encompass cash in hand, postal-account and bank balances, and cash equivalents with a remaining maturity of no more than 90 days. They are measured at their nominal value.

Short-term financial assets.

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

Short-term receivables.

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

Receivables from and liabilities to the two cantons.

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

Inventories.

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

Prepaid expenses and accrued income.

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

Tangible fixed assets.

The threshold for capitalization is CHF 10,000. Tangible fixed assets above this amount are measured at acquisition or

production cost minus accumulated depreciation. Depreciation is calculated on a straight line basis over the useful life of the asset.

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

Tangible fixed assets

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

Investment property.

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

Long-term financial assets.

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

Intangible assets.

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

Impairment of assets.

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

Payables for goods and services.

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

Other short-term liabilities.

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

Miscellaneous short-term financial liabilities.

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

Accrued expenses and deferred income.

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

Provisions.

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

Long-term financial liabilities.

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

Committed project funds.

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

Equity.

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

Restricted equity.

Funds are committed by means of resolutions of the University Council (usually at the request of the President's Board), in accordance with stipulations in the State Treaty or performance agreements derived from it, and in the area of teaching and research in the decentralized units.

This includes:

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

Non-restricted equity.

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

Leasing and rental agreements.

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

Employee pension benefits.

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

Income taxes.

The University of Basel is exempt from direct taxes.

Related party transactions.

A related party (natural person or legal entity) is any party that can directly or indirectly exercise significant influence over the financial or operational decisions of the University of Basel. All material transactions and resulting balances or liabilities with related parties are disclosed in the financial statement. As the sponsors of the University of Basel, the two supporting cantons Basel-Landschaft and Basel-Stadt have significant influence on the university within the scope of the performance mandate and the financing of four-year performance periods, and are therefore considered related parties within the meaning of Swiss GAAP FER 15. In this context, material transactions with the two supporting cantons, the hospitals with the university clinics and the associated institutes must be disclosed in the annual financial statement on the basis of the

performance agreements. The global contributions or any additional and separately stated special contributions from the supporting cantons include all services. There are no services beyond this without a price (services provided free of charge).

Currency conversion.

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

Segment accounting.

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

Completeness.

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

Rounding.

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

Statistical data for 2023.

Financial performance figures (income from ordinary activities)

in CHF thousand	Basic funding 2023	Project contributions 2023	Other income 2023	Total income 2023	Total income 2022
Departments					
Theology Studies	4,196	1,783	210	6,190	6,330
Law	12,232	889	1,022	14,142	13,385
Biomedicine	23,563	14,028	2,103	39,695	33,746
Sport, Exercise and Health	5,997	1,393	540	7,930	7,841
Public Health	2,618	2,297	1,927	6,843	7,092
Biomedical Engineering	1,178	6,847	723	8,748	8,855
Teaching and research (university clinics) ¹⁾	90,691	23,686	1,324	115,702	116,168
Medicine, unallocated	9,429	828	599	10,855	9,906
Foreign Languages and Literary Studies	11,114	2,949	44	14,107	14,102
Classical Studies	4,215	3,298	143	7,657	7,285
Social Sciences	8,883	4,097	332	13,312	12,686
History	4,261	4,816	166	9,244	9,021
Arts, Media and Philosophy	7,003	3,187	92	10,282	9,437
Humanities, unallocated	6,102	1,246	330	7,677	6,664
Physics	10,539	21,323	1,939	33,801	31,910
Chemistry	17,165	12,032	302	29,499	30,094
Pharmacy	12,967	3,270	1,996	18,233	17,545
Environmental Sciences	19,015	7,304	2,768	29,087	28,662
Mathematics and Computer Science	8,581	4,528	179	13,288	12,237
Biozentrum	43,492	21,783	2,113	67,387	65,600
Natural Sciences, unallocated	764	–	–	764	755
Economics	12,132	3,946	1,094	17,173	16,770
Psychology	9,548	2,932	2,357	14,837	17,012
Institute for European Global Studies	2,146	802	76	3,024	3,054
Bio & Medical Ethics	879	1,014	89	1,982	1,524
Center for Philanthropy Studies	686	290	498	1,474	1,398
Institute for Educational Sciences	770	481	250	1,501	1,608

Annual financial statement

Financial performance figures (income from ordinary activities)

in CHF thousand	Basic funding 2023	Project contributions 2023	Other income 2023	Total income 2023	Total income 2022
Services					
University library	25,979	2,022	1,130	29,132	27,901
IT Services	20,881	–	237	21,118	21,054
University administration	39,323	2,291	2,325	43,939	40,672
University-wide, unallocated ²⁾	92,918	38,488	36,501	167,908	171,554
Summary by faculty					
Faculty of Theology	4,196	1,783	210	6,190	6,330
Faculty of Law	12,232	889	1,022	14,142	13,385
Faculty of Medicine	133,476	49,079	7,218	189,774	183,608
Faculty of Humanities and Social Sciences	41,578	19,592	1,107	62,277	59,195
Faculty of Science	112,523	70,240	9,296	192,060	186,804
Faculty of Business and Economics	12,132	3,946	1,094	17,173	16,770
Faculty of Psychology	9,548	2,932	2,357	14,837	17,012
Interdisciplinary units	4,481	2,587	913	7,982	7,584
Services	86,183	4,314	3,692	94,188	89,628
University-wide, unallocated ²⁾	92,918	38,488	36,501	167,908	171,554
	509,268	193,851	63,410	766,530	751,870

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

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

Annual financial statement

Financial performance figures (operating expenses)

in CHF thousand	Personnel expenses 2023	Expenses for goods and services 2023	Other expenses 2023	Depreciation & amortization 2023	Total expenses 2023	Total expenses 2022
Departments						
Theology Studies	5,727	454	–	9	6,190	6,330
Law	12,538	1,530	66	9	14,143	13,385
Biomedicine	23,244	8,563	6,047	1,861	39,714	33,746
Sport, Exercise and Health	6,425	1,114	221	172	7,932	7,841
Public Health	5,557	1,002	264	20	6,843	7,092
Biomedical Engineering	6,789	1,034	446	472	8,741	8,855
Teaching and research (university clinics) ¹⁾	3,065	6,820	105,833	2	115,720	116,168
Medicine, unallocated	5,981	3,541	1,288	47	10,857	9,906
Foreign Languages and Literary Studies	13,180	746	151	30	14,106	14,102
Classical Studies	6,615	893	83	67	7,657	7,285
Social Sciences	11,162	1,121	1,014	20	13,318	12,686
History	7,663	1,273	285	24	9,246	9,021
Arts, Media and Philosophy	9,268	740	228	47	10,282	9,437
Humanities, unallocated	6,443	516	687	35	7,680	6,664
Physics	21,288	4,471	4,992	3,047	33,798	31,910
Chemistry	19,520	5,756	2,587	1,644	29,506	30,094
Pharmacy	13,109	3,031	1,268	826	18,234	17,545
Environmental Sciences	23,730	3,720	396	1,243	29,089	28,662
Mathematics and Computer Science	12,223	688	212	164	13,288	12,237
Biozentrum	47,320	12,257	1,807	5,988	67,372	65,600
Natural Sciences, unallocated	719	45	0	–	764	755
Economics	15,109	1,466	549	47	17,172	16,770
Psychology	12,271	1,629	844	94	14,837	17,012
Institute for European Global Studies	2,696	305	18	5	3,024	3,054
Bio & Medical Ethics	1,719	190	66	7	1,982	1,524
Center for Philanthropy Studies	1,096	349	23	7	1,474	1,398
Institute for Educational Sciences	1,140	93	268	–	1,501	1,608

Annual financial statement

Financial performance figures (operating expenses)

in CHF thousand	Personnel expenses 2023	Expenses for goods and services 2023	Other expenses 2023	Depreciation & amortization 2023	Total expenses 2023	Total expenses 2022
Services						
University library	17,725	10,930	109	368	29,133	27,901
IT Services	13,554	7,249	5	503	21,311	21,054
University administration	35,426	7,449	956	113	43,945	40,672
University-wide, unallocated ²⁾	32,733	93,674	29,865	21,820	178,092	181,582
Summary by faculty						
Faculty of Theology	5,727	454	–	9	6,190	6,330
Faculty of Law	12,538	1,530	66	9	14,143	13,385
Faculty of Medicine	51,061	22,074	114,097	2,573	189,806	183,608
Faculty of Humanities and Social Sciences	54,331	5,288	2,448	222	62,290	59,195
Faculty of Science	137,909	29,967	11,262	12,912	192,051	186,804
Faculty of Business and Economics	15,109	1,466	549	47	17,172	16,770
Faculty of Psychology	12,271	1,629	844	94	14,837	17,012
Interdisciplinary units	6,652	937	374	18	7,981	7,584
Services	66,706	25,628	1,070	985	94,389	89,628
University-wide, unallocated ²⁾	32,733	93,674	29,865	21,820	178,092	181,582
	395,036	182,648	160,576	38,690	776,950	761,898

¹⁾ Teaching and research (university clinics) includes, in other operating expenses, the compensation for teaching and research at the university clinics in the amount of CHF 90.1 million (previous year: CHF 91.1 million).

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

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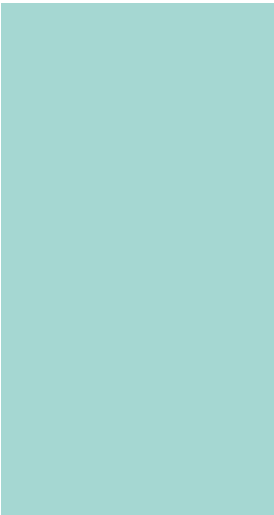
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