TARTU ÜLIKOOL
1632
UNIVERSITAS TARTUENSIS

ANNUAL REPORT 2011

UNIVERSITY OF TARTU ANNUAL REPORT 2011

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Registration number:	74001073
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E-mail:	proffice@ut.ee
Website:	http://www.ut.ee
Ownership:	legal person in public law
Core activities:	1) academic research activities 2) provision of higher education through integrated academic and research activities 3) provision of academic and research activities-based services to society
Financial year:	1 January 2011 – 31 December 2011
Auditor:	PricewaterhouseCoopers AS
Council:	50 members
Chairman of the Council:	Professor Alar Karis
Attached:	Auditor's report

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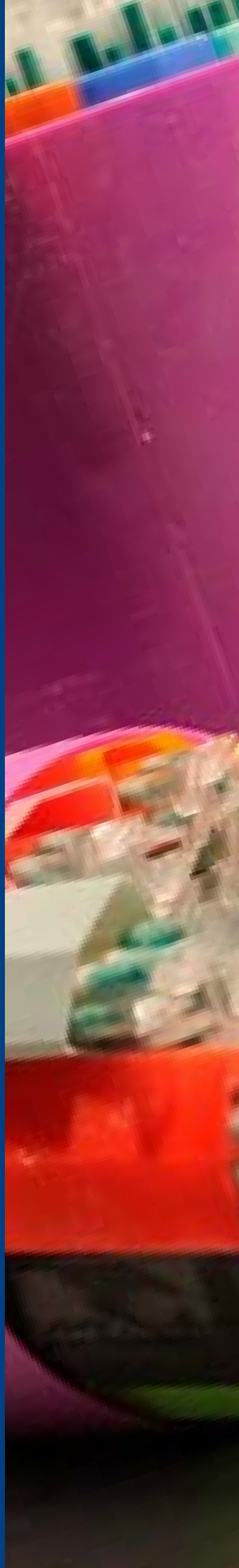


UNIVERSITY OF TARTU

ACTIVITY REPORT 2011

RECTOR'S FOREWORD

For the University of Tartu, the year 2011 was marked by several important research initiatives and by preparations for significant reforms in the university's governance. The year also brought a significant increase in the university's international visibility.

According to the results of the Times Higher Education Ranking 2011 the University of Tartu is placed among the top 3% of universities worldwide. UT is the only one from the Baltics to have achieved such a high ranking. The university continues to hold a place on the top rung in life sciences (QS University Rankings). UT is also the first Estonian university to have achieved the top 1% ranking in engineering (Thomson Reuters Web of Science). These results are something that we can truly take pride in.

Another reason for satisfaction is that UT is attracting more and more school-leavers who have shown exceptional academic achievement and high results in international academic competitions. The 2011 reform of the university's admissions system focused on academic quality: our threshold-based system was replaced with one based on rank lists. We have seen an almost 50% increase in the number of international students, and their academic qualifications have improved markedly. Another significant achievement lies in the record number of 152 PhD defences successfully completed in 2011 at UT. The university has also become the largest provider of continuing education in Estonia – the courses offered by UT in 2011 attracted over 30,000 learners.

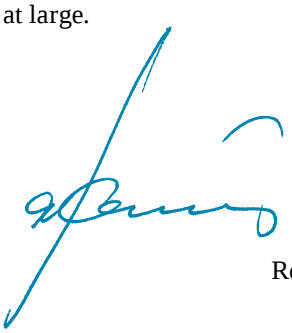
The research conducted at UT is evaluated as top quality in several fields. This is reflected in the international recognition of the university as well as by the number of research prizes granted to UT academics. It should not be underestimated that in addition to the fundamental research, the year 2011 at UT has seen the creation of exciting and innovative technological applications, and the launch of several research cooperation initiatives of considerable importance to the university and to Estonia as a whole. In 2011, UT established a 6.1m EUR research development fund which makes it possible to support outstanding research in the university in selected breakthrough fields.

UT's development as an international university with an extensive network of international relations holds considerable promise. During the year, public lectures were held at UT by a number of internationally renowned researchers, including Robert Gallo, Keith Devlin, Ronald Inglehart and others. UT also received visits from famous politicians. Under the aegis of the Coimbra Group, the university organised an international symposion on language and identity which brought together semioticians, linguists, social scientists and philosophers from across Europe. At the same time, many of the university's teachers and researchers were working at universities abroad.

The university is a flexible and adaptable organisation. The year 2011 was a year of preparations for the transition to a new system of governance. A new council whose tasks and composition have been significantly modified and a senate – a novel body in the university's structure – were convened. The university's external partners are now directly involved in governing the university, which will forge stronger links between the university and the Estonian society.

UT's finances are sound and our receipts show an increase largely on account of assistance from the EU's structural funds. In 2011, the Philosophy Building at 2 Jakobi St and the Social Sciences and Education Building at 36 Lossi St were both overhauled. Construction work started on an academic building for the university's Narva College. The university has also invested in renovating the Old Observatory and in design work for a new Physics building. All these projects improve the conditions that the University of Tartu offers for research and studies.

The results of 2011 show that the university has performed well. I wish all of you continued success in the future and I am sure that the university will continue to be seen as a reliable partner in the Estonian society and in the world at large.



Alar Karis
Rector of the University of Tartu

GENERAL DATA ON THE UNIVERSITY OF TARTU, 2007–2011

	2007	2008	2009	2010	2011
EMPLOYEES					
Number of employees	**3 445**	**3 476**	**3 517**	**3 493**	**3 596**
incl. academic staff	49.3%	48.5%	48.8%	49.4%	48.6%
Number of teaching and research staff	**1 698**	**1 687**	**1 729**	**1 725**	**1 748**
incl. PhD holders	54.8%	56.7%	58.8%	63.6%	67.3%
Number of professors	**176**	**169**	**180**	**179**	**191**
incl. female professors	19.3%	20.7%	21.1%	18.4%	19.4%
Percentage of international academic staff	**4.5%**	**4.1%**	**4.5%**	**6.0%**	**6.4%**
STUDENTS					
Number of students	**16 992**	**16 944**	**17 493**	**18 136**	**18 047**
incl. first cycle of higher education	71.7%	70.4%	69.2%	68.0%	66.1%
incl. master's studies	21.3%	22.2%	23.2%	24.1%	25.7%
incl. doctoral studies	7.0%	7.4%	7.6%	7.9%	8.3%
Number of female students	**11 807**	**11 792**	**12 127**	**12 325**	**12 172**
incl. regular studies	67.5%	67.2%	66.7%	64.9%	64.1%
incl. Open University studies	74.2%	75.2%	75.7%	75.8%	75.9%
Number of students age 30 and over	**4 115**	**4 039**	**4 032**	**4 224**	**4 418**
incl. regular studies	10.3%	10.7%	11.1%	11.5%	12.9%
incl. Open University studies	56.5%	54.6%	52.2%	53.0%	53.7%
Number of international students	**294**	**314**	**343**	**438**	**484**
as a proportion of all students	1.7%	1.9%	2.0%	2.4%	2.7%
Number of graduates	**3 549**	**2 937**	**2 726**	**3 145**	**3 132**
incl. PhD graduates	97	77	100	109	152
RESEARCH PUBLICATONS					
Number of publications	**2742**	**2023**	**2127**	**2507**	**2479**
incl. high-level (1.1, 1.2, 2.1, 3.1) publications	45.4%	58.2%	58.7%	62.4%	64.3%
incl. number of publications of the ETIS category 1.1	670	651	775	943	952
STRUCTURE					
Number of faculties	**12**	**10**	**10**	**9**	**9**
Number of study programmes	**273**	**271**	**273**	**238**	**198**
incl. number of English taught study programmes in the first and the second cycles of higher education	2	3	6	8	9
BUDGET					
Total budget revenues, mln €	**109.0**	**116.8**	**123.9**	**114.1**	**118.2**
incl. main budget revenues	85.9	102.0	96.5	101.3	106.2
incl. state-commissioned education	24.9	32.5	33.1	31.4	32.2
Research activities revenues percentage from the main budget revenues	**43.4%**	**41.0%**	**40.0%**	**42.1%**	**41.3%**
Total budget expenditures, mln €	**101.4**	**124.6**	**118.5**	**113.0**	**127.2**
incl. personnel expenditures	43.2%	42.4%	45.9%	49.8%	46.7%

All data as of 31.12.2011.
The number of students does not include exchange students and medical residents.
The first cycle of higher education includes professional higher education, Bachelor's studies, integrated Bachelor's and Master's studies and what was formerly known as diploma studies. Master's studies include the former one-year teacher training.
References to publications are based on the classification scheme of the Estonian Research Information System. The number of study programmes includes programmes in which students were enrolled at the end of the year, and joint study programmes listed include only those in which UT is the coordinator.

STRUCTURE OF THE UNIVERSITY OF TARTU

In 2011, the highest decision-making body of UT was the University Council, consisting of 50 members. Its operations were supported by four standing committees: the Academic Committee, Budget Committee, Research and Development Committee, and Academic Affairs Committee.

Since 1 June 2007, UT has been led by Rector Prof. Alar Karis. The University Board acted as an advisory body with respect to governance. Its members were the Rector, Vice Rectors, Deans of Faculties and the Chairman of the Student Council. The Advisory Board of UT was in operation until 31 December 2011, with the aim of sustaining links between the university and society.

Rector's office as of 31 December 2011

prof Alar Karis
Rector

Martin Hallik
Vice Rector for Academic Affairs

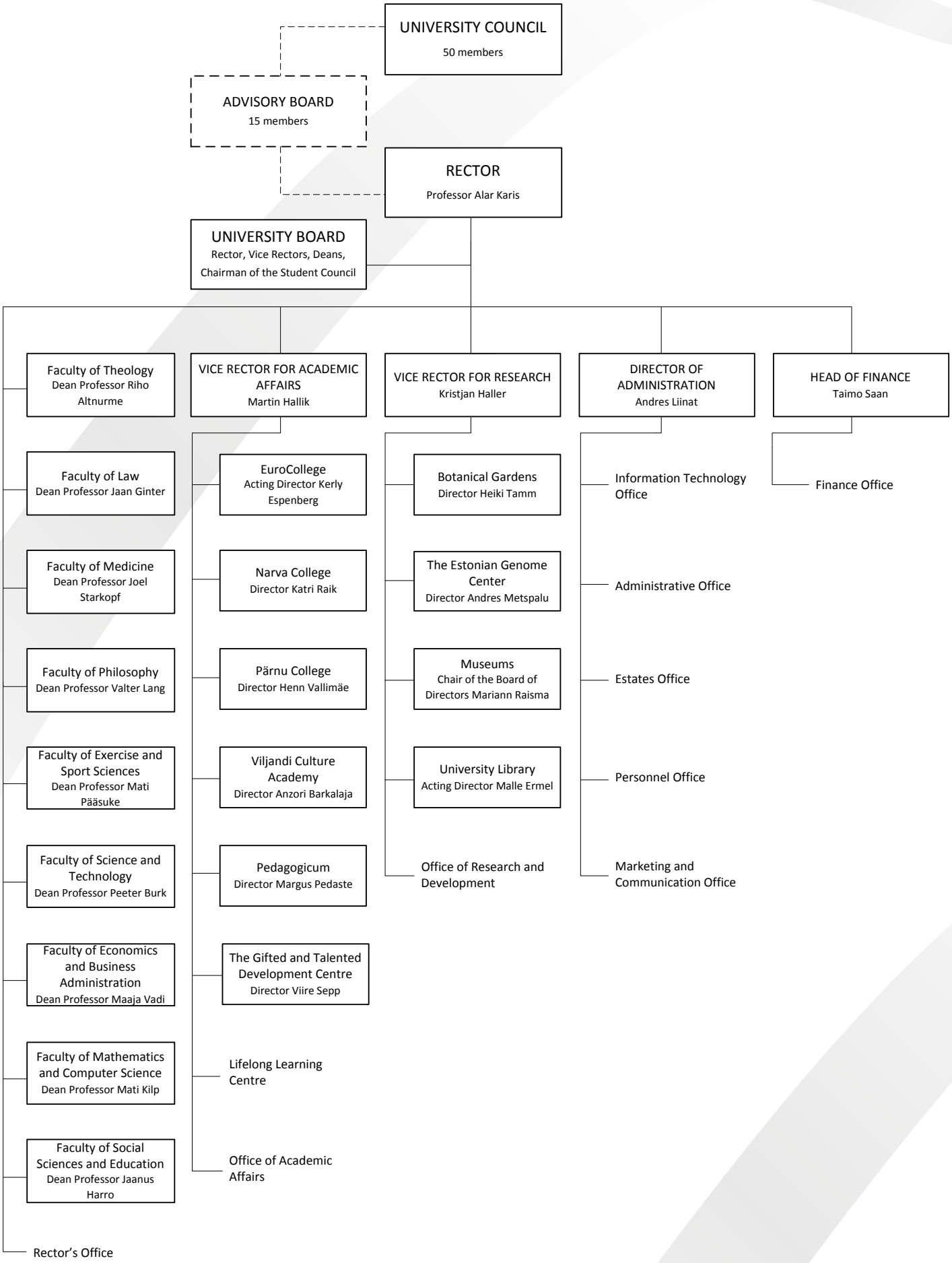
Kristjan Haller
Vice Rector for Research

Andres Liinat
Head of Administration

Taimo Saan
Head of Finance

Ivar-Igor Saarniit
Academic Secretary

UT structure as of 31 December 2011



On 16 February 2011, the Estonian Parliament adopted the University of Tartu Act and amended the Universities Act. These changed the governance structure of UT and set out the responsibilities of UT as Estonia's National University. The changes in the governance scheme include the establishment of two parallel governing boards, the Senate and the Council; these take effect gradually, starting from 1 January 2012, but preparations for the transition began in 2011. The elections for the UT Senate took place on 17-21 October. Sixteen of its 21 members (four representatives from each of four broad areas of teaching and research: *humaniora*, *medicina*, *realia et naturalia*, and *socialia*) were elected by the academic staff, and five student representatives were appointed by the Student Council. The Senate will be chaired by the Rector. The Government of the Republic, acting on a recommendation from the Minister for Education and Research, appointed the new University Council, consisting of 11 members, on 22 December 2011. The University Council and Senate began work on 1 January 2012.

The structure of UT is divided into academic and support departments. At the end of 2011, the academic branch consisted of nine faculties, four colleges and 12 other institutions (including six R&D institutes in the Faculty of Science and Technology). The administrative branch consisted of 10 subunits.

Türi College ceased activity on 29 August 2011, with its students transferred to the Faculty of Science and Technology.

Over the course of the year, the Faculties of Philosophy, Medicine, and Social Sciences and Education, Viljandi Culture Academy and the UT Museums modernised their internal structure. Under the Director of Administration, the functions of the International Relations Office and Communication Office were changed, and the two offices were merged to form the Marketing and Communication Office, which began operations on 1 June 2011. Its purpose is to increase UT's competitiveness and visibility in Estonia and abroad.

Several university bylaws were amended to end the formal organisational functions of the four broad areas of teaching and research. These four areas continue to be the informal basis for teaching and research cooperation between academic units.

Breakdown of faculties and colleges into four areas of teaching and research:

humaniora
Faculty of Theology, Faculty of Philosopy, Viljandi Culture Academy

socialia
Faculty of Law, Faculty of Economics and Business Administration, Faculty of Social Sciences and Education, EuroCollege, Narva College, Pärnu College

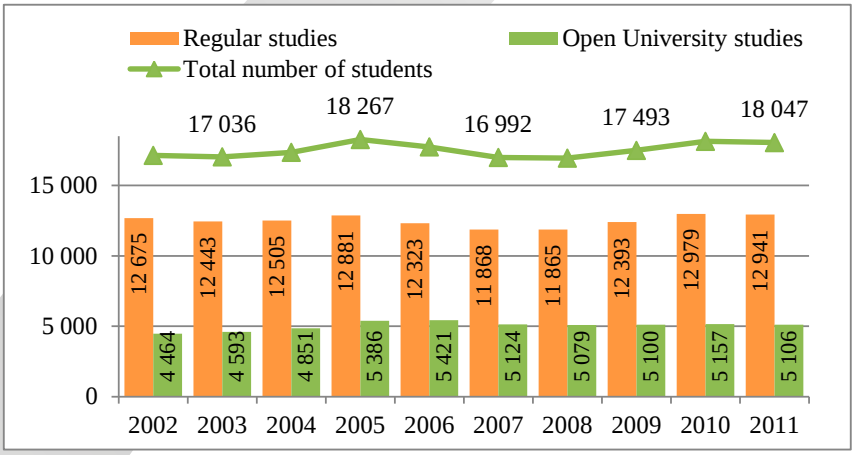
medicina
Faculty of Medicine, Faculty of Exercise and Sport Sciences

realia et naturalia
Faculty of Science and Technology, Faculty of Mathematics and Computer Science, Türi College (until 29.08.2011)

STUDIES

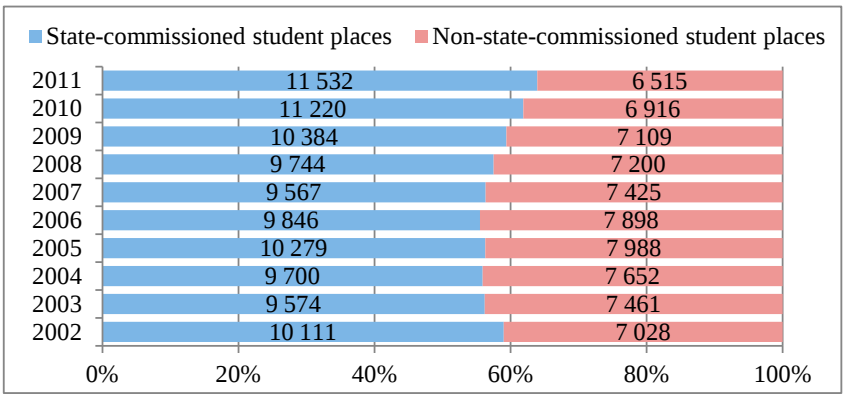
GENERAL DESCRIPTION OF THE STUDENT BODY

As of the end of 2011, 18,047 students were enrolled at UT. Of these, 183 were enrolled in joint study programmes coordinated by UT (54 students), Tallinn University of Technology (122 students) and Tallinn University (7 students).



The number of students attending regular studies, Open University studies and in total, 2002–2011

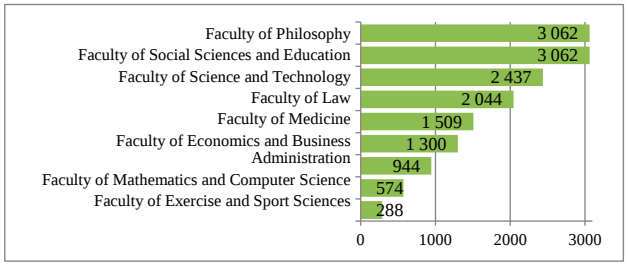
28% of UT's students (5106 persons) attended the Open University in 2011. 36% of all our students (6515 persons) were in state-commissioned student places. In 2006, this figure exceeded 44%. In the academic year 2011/2012, the share of non-state-commissioned student places decreased by 6% and that of state-commissioned student places increased by 3%.



The number of UT students in state-commissioned and non-state-commissioned student places in the period 2002–2011

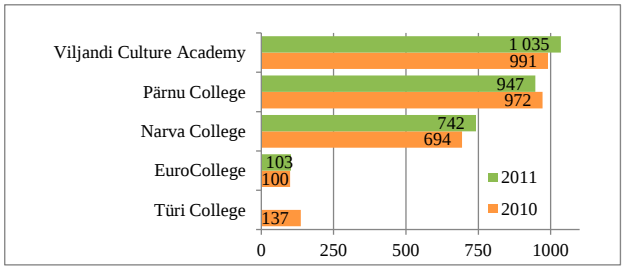
The share of doctoral and master's students has increased over the last five years, exceeding one-third of the whole student body in 2011/2012. Whereas the number of students in the first cycle of higher education, including integrated bachelor's and master's studies, has decreased by 3%, compared to 2010/2011, the numbers of master's and doctoral students have increased by 6% and 4%, respectively.

In the 2011/2012 academic year, UT's nine faculties had 15,220 students. The two faculties with the largest number of students were the Faculty of Philosophy and the Faculty of Social Sciences and Education, with 3062 each, while the two smallest faculties in student numbers, the Faculty of Theology and the Faculty of Exercise and Sport Sciences, had 288 and 574 students, respectively.



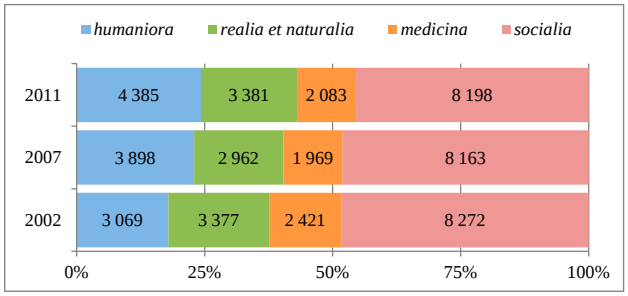
The number of students enrolled in UT faculties, 2011/2012

UT's four colleges had 2827 students (16% of the student body). Their distribution varied: while Viljandi Culture Academy had 1035 students, EuroCollege had only 103. The greatest increase in student numbers was in Narva College (by 7%) and the Faculty of Science and Technology (by 6%, due to the transfer of students from Türi College). The greatest decrease in student numbers occurred in the Faculty of Law (by 6%) and Pärnu College (by 3%).

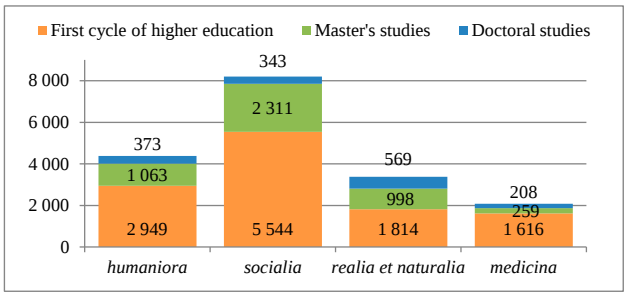


The number of students enrolled in UT colleges, 2010–2011

Breakdown of UT students by areas of teaching and research in 2011/2012: 45% in *socialia*, 24% in *humaniora*, 19% in *realia et naturalia* and 12% in *medicina*.



The number of students in the four areas of teaching and research in 2002, 2007 and 2011



The number of students in the four areas of teaching and research and cycles, 2011/2012

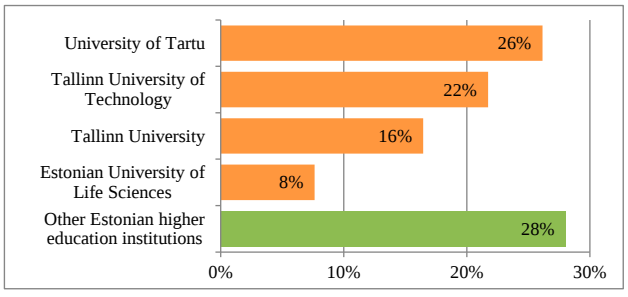
ADMISSION OF STUDENTS

GOAL: UT seeks to attract an international, talented, dedicated and motivated student body

4578 students began their studies at UT in the academic year 2011/2012; this is 735 less than in 2010/2011. Fewer students were admitted due to plans to review our teaching capacity, increase academic requirements and admit student candidates on the basis of their ranking list, not a certain threshold.

Out of all Estonian upper secondary school leavers who entered a university, 26% chose UT

According to the Ministry of Education and Research, 10,080 young people received general secondary education in Estonia in 2010/2011 (ca. 5% less than in the previous academic year). A bit more than 57% of them went to a university in Estonia in 2011/2012 (62% in 2010/2011). Of all upper secondary school graduates who entered a university, 74% chose public universities in Estonia.



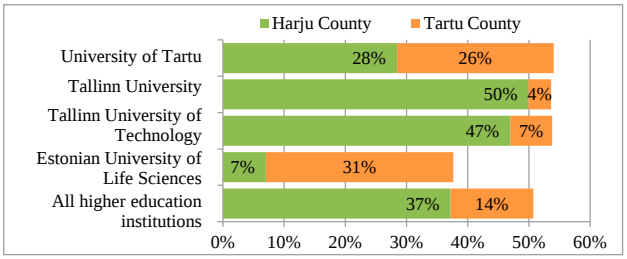
2011/2012 breakdown of new students who had completed general secondary education in the academic year 2010/2011 (Source: Estonian Education Information System EHIS)

Of all Estonian upper secondary school leavers who scored 90 or more points in at least one national examination, 46% chose UT, and 55% of those who scored 100 points in at least one national examination chose UT for their studies.

Schools with the greatest number of 2011 graduates continuing their studies in UT in the academic year 2011/2012:

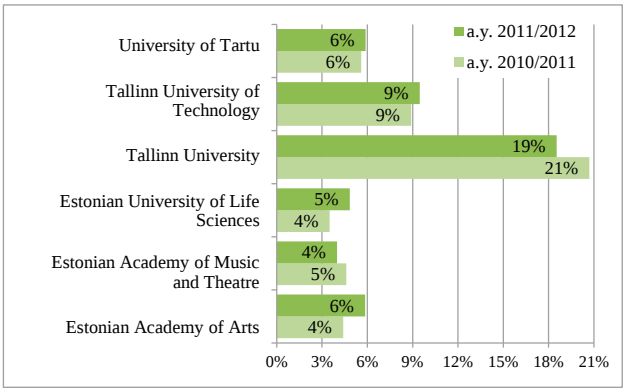
Miina Härma Gymnasium	66%
Hugo Treffner Gymnasium	63%
Tallinn French Lyceum	49%
Tallinn Secondary Science School	47%
Pärnu Sütevaka Private High School of Humanities	42%
Tartu Tamme Gymnasium	41%

UT was the only university that attracted upper-secondary graduates from both Tartu County and Harju County (population register data, November 2011). According to the county-based breakdown of all general secondary school graduates in 2011 who were admitted into the first cycle of higher education, and the county-based breakdown of those admitted to UT, the share of new students from the northern Estonian regions is slightly below the average.



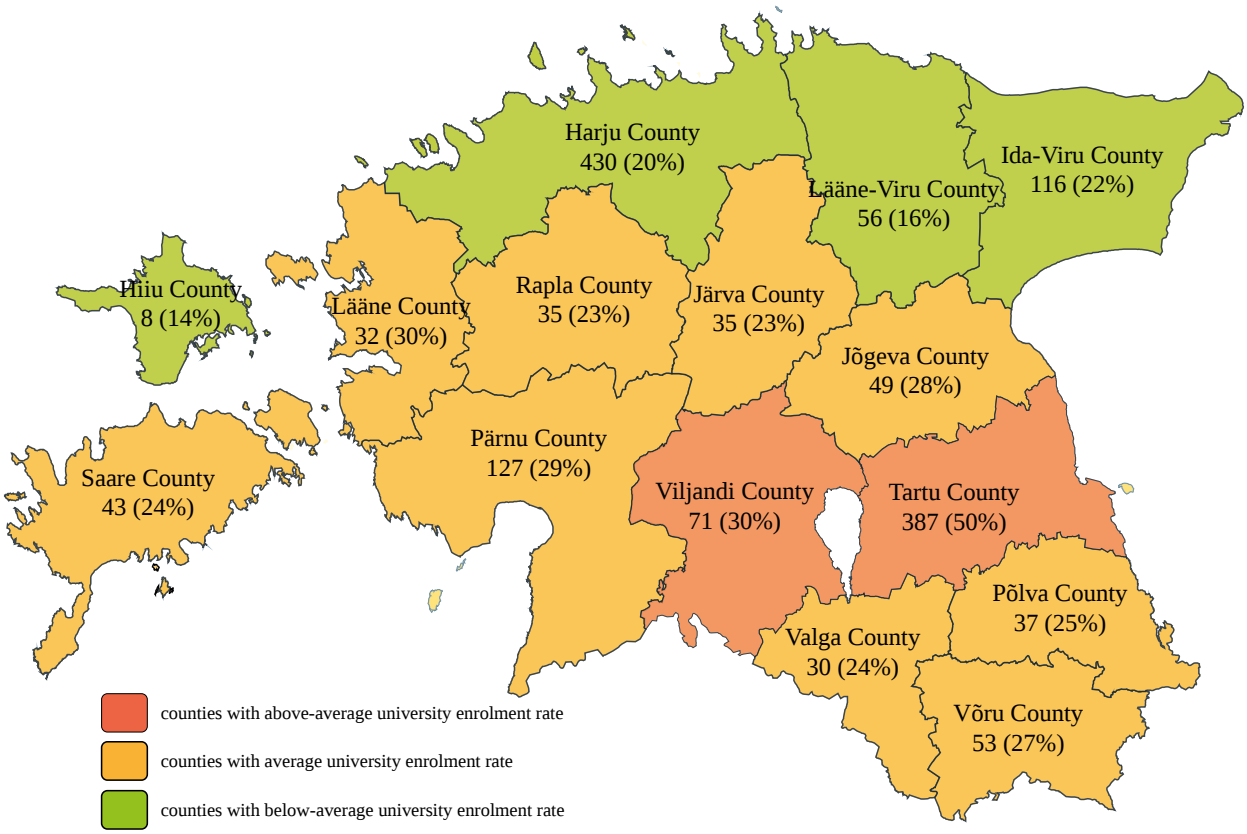
Proportions of upper secondary school graduates of Tartu and Harju Counties among those in the first cycle of higher education, 2011/2012 (Source: EHIS)

Of the young people admitted to the first cycle of higher education in Estonia in 2011/2012, 11% had graduated from an upper secondary school with Russian as the language of instruction. The share of such students in public universities differed greatly, from 4% in the Estonian Academy of Music and Theatre to 19% in Tallinn University of Technology. UT had 6% of such students in the first cycle.



Proportion of graduates from Russian schools in public universities in 2010 and 2011 (Source: EHIS)

Breakdown of upper-secondary graduates admitted to UT in 2011/2012, by place of residence and compared to all graduates; number of students admitted and their share among all school-leavers who continued their studies (Source: EHIS)



129 successful participants in olympiads enrolled in UT in 2011/2012 (a 42% increase). Law, Medicine, Physics, Informatics and Chemistry were their most popular fields of study. Of the best upper-secondary graduates who chose UT in 2011/2012, 433 had been awarded a gold or silver medal for outstanding grades or had the highest grade point average in their year. The most popular subjects among the medallists were Medicine (85 students), Law (34), Biology (23), Economics (20), Special Education (16) and Gene Technology (16). 1083 student candidates took an academic test in 2011. Of these, 39 opted for the respective studies on special conditions, preferring the faculties of Medicine and Law.

Access to the first cycle of higher education was granted to 2864 students in 2011/2012. 2141 students started regular studies, 27% of them in non-state-commissioned student places. 723 students began studies at the Open University, 73% of them in non-state-commissioned student places. Due to the changes in admission requirements, the number of students who were granted access to the first cycle of higher education in 2010/2011 decreased by 686 from the previous year.

In the following study programmes, the student in the ranking list with the lowest entrance exam score of those who were admitted received over 90 points: Law, English Language and Literature, Romance Studies, Scandinavian Languages and Cultures, Entrepreneurship, and Dance Arts. Ten first-year students at UT had received 100 points in their entrance exams. They came from Valga Gymnasium, Jõgeva Gymnasium, Tallinn French Lyceum, Tallinn German Gymnasium, Haapsalu Wiedemann Gymnasium, Pärnu Sütevaka Private High School of Humanities, Tallinn School No. 21, Hugo Treffner Gymnasium and Gustav Adolf Gymnasium.

Every fourth first-year student at UT in regular studies is either a medallist or one of the best performers in an olympiad

The fiercest competition for access to the first cycle of higher education (regular studies) was in the following study programmes:

Study programme / No. of applicants per student place	
Psychology	16.9
Romance Studies (Spanish Language and Literature)	16.7
Entrepreneurship and Project Management	14.6
Physiotherapy	13.5
Business Administration (in English)	12.5
Law	12.4
Scandinavian Languages and Cultures (Danish philology)	11.7
English Language and Literature	10.7
Environmental Management and Planning	10.5

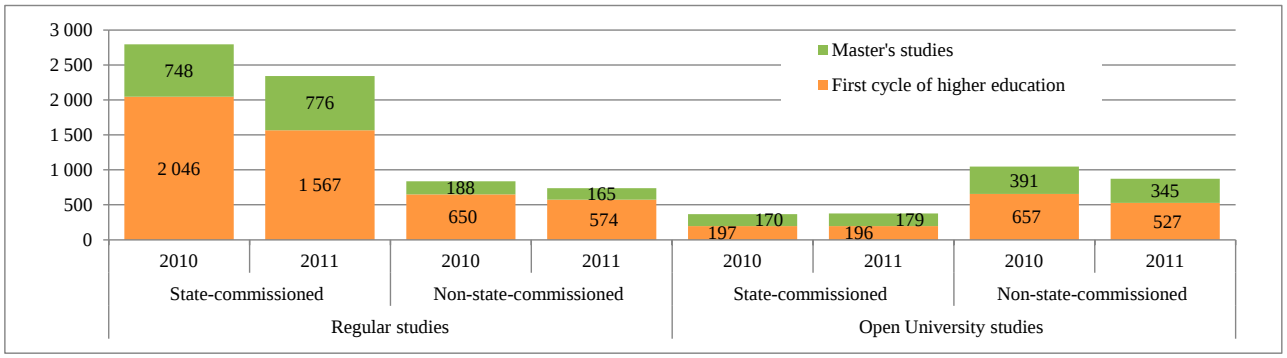
The number of new master's students admitted in the 2011/2012 academic year was 1465. 941 students began regular studies, 18% of them in non-state-commissioned student places. 524 students were admitted to the Open University, 66% of them to non-state-commissioned places. The number of new students in master's programmes in this academic year was similar to that of the previous year; however, the number of state-commissioned student places increased.

Of the new master's students, 77% were UT graduates; 5% had graduated from Tallinn University and 2% from the Estonian University of Life Sciences, Tallinn University of Technology and Tartu Health Care College (each). 40 students who had graduated with honours (*cum laude*) from Estonian universities were admitted to state-commissioned student places on special conditions.

Access to doctoral programmes was requested by 465 students in 2011/2012; the figure is similar to that of the previous academic year. 249 of the applicants were enrolled, 161 of them to state-commissioned student places. 25 of the new doctoral students (10% of all admitted PhD students) were from abroad.

Study programmes in which the minimum score of students admitted to state-commissioned places increased the most from the previous year

Study programme	2010 minimum score	2011 minimum score
Environmental Management and Planning	70.7	86.7
Theology	66.0	78.0
Computer Science	59.3	69.5
Mathematical Statistics	76.3	86.3
Special Education	75.0	84.2
School Music	81.0	90.0

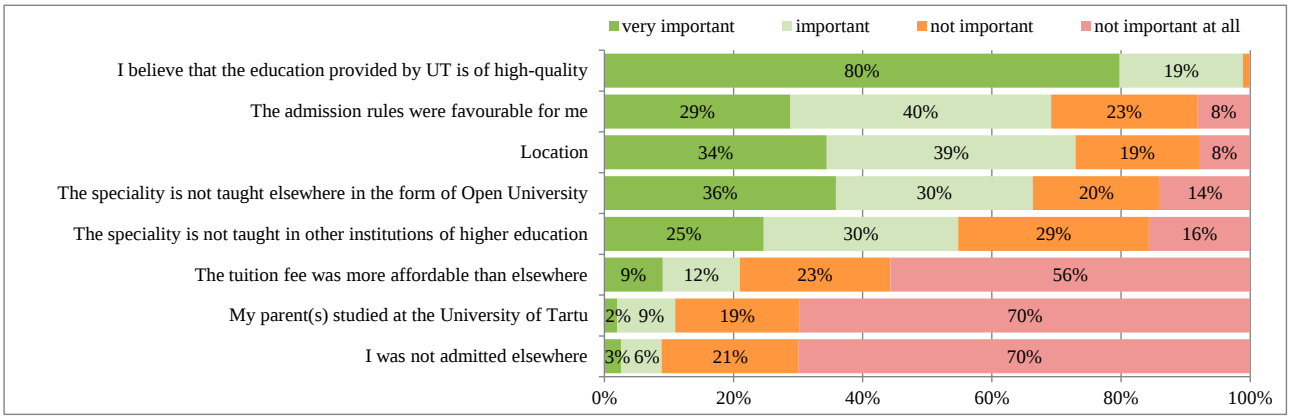


The number of students granted access to the first two cycles of higher education at UT in 2010 and 2011, by source of funding and form of study

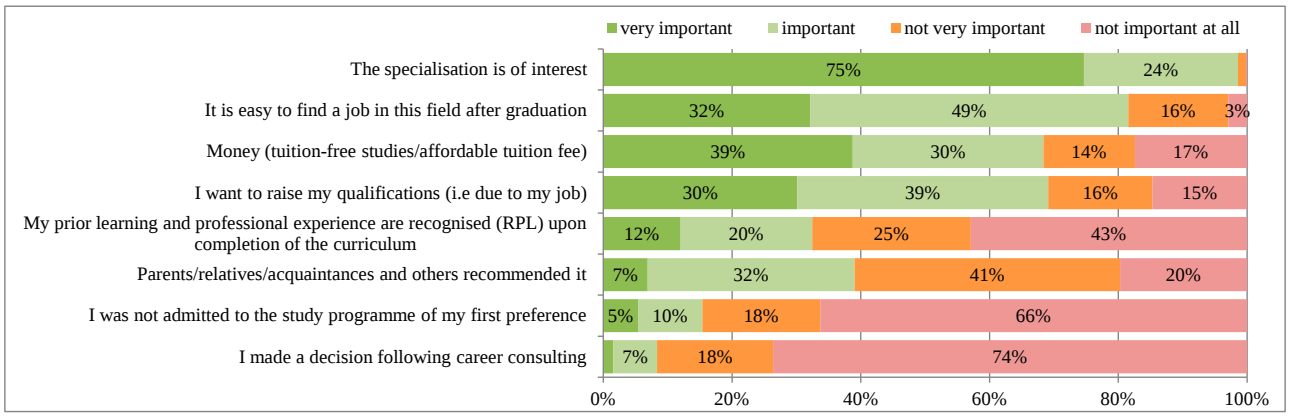
In the autumn of 2011, a feedback survey was conducted for the third time among first-year students of the two first cycles of higher education at UT, with a response rate of 45% (1854 students responded to the survey). Reasons given by the respondents for choosing UT included the quality of education, the location of the university and favourable admission requirements.

First-year students at UT consider their education to be of high quality. They chose their study programme on the basis of their interests, affordability of tuition fees and employment perspectives

99% of the students in the first and second cycles of higher education claimed to have chosen their study programme in the field of study that interested them. 81% of students in the first cycle also wanted the field of study to guarantee easy access to the labour market. 71% of master's students mentioned that a master's degree was necessary for finding a suitable job. Students in both these cycles considered it to be important to have access to state-commissioned student places, or that the tuition fee be affordable.



Responses of first-cycle, first-year students in 2011/2012 to the question 'Please assess the relevance of the following factors in starting your studies at UT.'

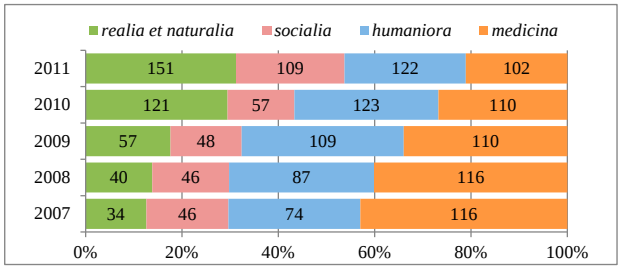


Responses of first-cycle, first-year students in 2011/2012 to the question 'Please assess the relevance of the following factors in choosing your study programme'

INTERNATIONAL STUDENTS AND STUDENT EXCHANGE

At the end of 2011, there were 484 international degree students at UT (2.7% of the student body). The proportion of international students in PhD programmes, master's programmes and the first cycle of higher education was 6.7%, 4.7% and 1.4%, respectively. They came from Finland, Russia, Latvia, Ukraine, the USA and 59 other countries.

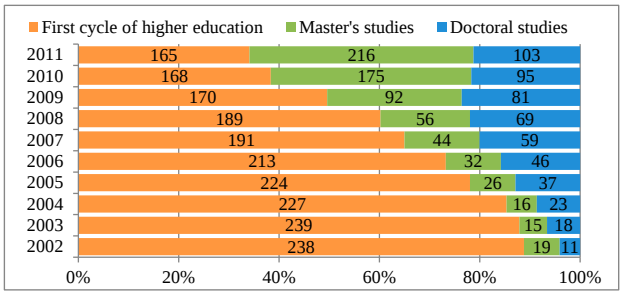
The areas of teaching and research with the highest numbers of international students, all cycles included, were *realia et naturalia* and *humaniora*. In the last five years, the share of international students has increased every year in *realia et naturalia* and decreased slightly in *medicina*. The percentage of international students in *socialia* almost doubled in 2011/2012, compared to the previous academic year.



International students at UT by areas of teaching and research, 2007–2011

The share of bachelor's programmes and professional higher education in programmes offered to international students has been decreasing. The number of international students enrolled in the first cycle of higher education, including integrated bachelor's and master's studies, was 165 (34% of all international students) at the end of 2011.

The number of international students in master's and doctoral programmes was 216 and 103, respectively (24% and 8% more than at the end of 2010). 45% of all international students at UT were master's and 21% doctoral students.



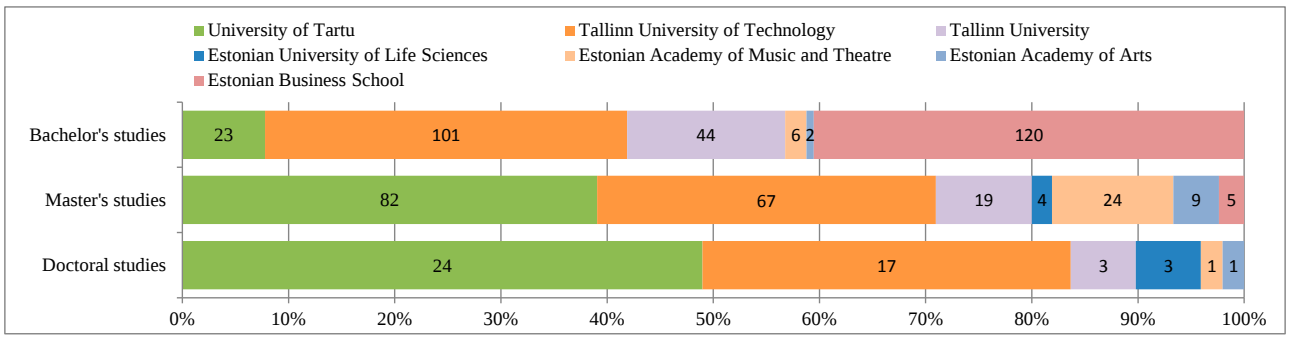
International students at UT, by cycles of higher education, 2002–2011

Every other international doctoral student who began his/her studies in Estonia in 2011/2012 came to UT, and UT was the choice of 40% of the master's students who started their studies in Estonia.

The numbers of international degree students and international exchange students grew 10% and 12% in a year

An overview of international student exchange in the academic year 2010/2011 can be made at the end of 2011. 380 international exchange students were admitted to UT in 2010/2011, which is almost 12% more than in the previous year. Within the EU's student exchange programme Erasmus, 203 exchange students attended UT (a 15% increase). A quarter of the exchange students in the Erasmus Programme came from one of UT's partner universities in Germany.

Students from Poland, Italy and the Netherlands were also very interested in studying at UT. 61 students came to UT on the basis of bilateral agreements: 21 from Russia and 15 from the USA. The DoRa Programme for internationalisation and doctoral studies has been in place with support from the EU structural funds since 2008/2009. It has brought international exchange students to our PhD programmes and supported short-term doctoral studies and research here. A total of 30 students from 22 countries used this opportunity in 2010/2011 (22 students from 16 countries in 2009/2010).



New international students in each cycle in Estonia's universities in the academic year 2011/2012 (Source: EHIS)

According to our data, the number of UT students who went abroad as exchange students was 479 in 2010/2011. Their number increased by 19% (77 people) from the previous academic year. Of the students who studied or received practical training abroad, 284 or 60% used the Erasmus Programme. The number of Erasmus exchange agreements signed by UT's faculties and colleges reached 700 by the end of 2011, which is 50 more than in 2010. The most popular destination countries were Spain (30% of the exchange students), France (13%) and Germany (13%).

150 students applied for a study abroad period on the basis of bilateral agreements, but only 66 were granted due to limited places. Their number increased by almost 18%, compared to 2009/2010. The biggest number of outgoing exchange students went to the USA, Germany and Russia.

In addition to the Erasmus Programme and bilateral cooperation agreements with partner universities, also other programmes were used for study abroad. These were: International Student Exchange Program (ISEP); AEN and MAUI, student exchange programmes of the Utrecht Network; the scholarship programmes of Kristjan Jaak and DoRa; the Nordplus Programme; and intergovernmental partnership agreements. The DoRa programme was the most popular of these, supporting 47 students in studies abroad. The grants from the Kristjan Jaak Scholarship Programme were used by 25 students.

80 exchange students from UT went to other higher educational institutions in Estonia in the academic year 2010/2011. Of these, the most popular ones among our students in the last three years were Tallinn University (50–60%), Tallinn University of Technology and the Estonian University of Life Sciences. UT received 677 exchange students from other Estonian institutions of higher education, mainly from the Estonian Aviation Academy (35%), Estonian University of Life Sciences (31%) and Tallinn University (10%).

DEVELOPMENT OF STUDY PROGRAMMES

GOAL: UT provides education through study programmes that have passed quality assessment; and aims to reduce their fragmentation and develop international study programmes

The number of UT's study programmes has been constantly decreasing. While at the end of 2010, UT had 238 study programmes, by the end of 2011 their number was reduced to only 198. In 2011/2012, students were admitted to 177 study programmes, including six joint programmes.

Transitional evaluation of Estonian higher education institutions was completed in 2011. 77 of UT's study programmes in 14 groups passed the evaluation in 2011. During the period 2009–2011, a total of 22 programme groups of UT were evaluated. 14 of these were evaluated without evaluation visits. As the evaluation took place by cycles of education, a total of 65 evaluation decisions were made regarding UT. In the following six programme groups UT was granted the right to conduct studies for a specified term: languages and culture (professional higher education), arts (bachelor's and master's studies), performing arts (master's studies), teacher training and education science (master's and doctoral studies).

The number and breakdown of study programmes by levels of study, 2011/2012 admission:

Professional higher education	16	9%
Bachelor's studies	45	25%
Integrated bachelor's and master's studies	5	3%
Master's studies	77	44%
Doctoral studies	34	19%
Total	**177**	**100%**

International study programmes and joint programmes, 2011/2012:

Erasmus Mundus joint programmes	Academic unit
International Masters in Economy, State & Society (IMESS)	Faculty of Social Sciences and Education
International Masters in Russian, Central and East European Studies (IMRCEES)	Faculty of Social Sciences and Education
NordSecMob-Master's programme in Security and Mobile Computing	Faculty of Mathematics and Computer Science

Master's programmes taught in English	Academic unit
Baltic Sea Region Studies	Faculty of Social Sciences and Education
Crossmedia Production (joint programme with Tallinn University)	Faculty of Social Sciences and Education
European Union – Russian Studies	EuroCollege
Wellness and Spa Service Design and Management	Pärnu College
Semiotics	Faculty of Philosophy
Design and Development of Virtual Environments	Viljandi Culture Academy
Sound Engineering Arts (joint programme with Tallinn University)	Viljandi Culture Academy
Applied Measurement Science	Faculty of Science and Technology
Materials and Processes of Sustainable Energetics (joint programme with Tallinn University of Technology)	Faculty of Science and Technology
Software Engineering (joint programme with Tallinn University of Technology)	Faculty of Mathematics and Computer Science
Cyber Security (joint programme with Tallinn University of Technology)	Faculty of Mathematics and Computer Science

GOAL: UT supports the development of various teaching and study methods and the daily use of technology in classrooms

The number of online courses at UT increased in 2010. Online courses are mostly used in combination with class work in order to facilitate students' individual work. Fully online courses amounted to 13% of all online courses. In 2011, the university had nine educational technologists who advised our teaching staff in developing and conducting online courses.

9% of all the courses at UT were fully or partially web-based in 2011

According to the Study Information System, in 2011 UT had 850 web-based or partially web-based courses (526 in 2010) with 26,870 participants (12,857 more than in 2010).

At the end of 2011, Moodle, UT's web-based study environment, had 18,902 users (1.8 times as many as a year earlier) and 1475 courses. A new e-learning training course, 'My online course worthy of a quality mark', was developed within the framework of the Primus Programme with the support of EU structural funds in 2011. E-learning training courses were offered within 11 courses, and regular online luncheons on various topics were conducted for teaching staff. The BeSt Programme, an e-learning programme, resulted in 68 new online courses and 115 learning objects in 2011.

The Best Online Course of the Year Award 2011 with a grant was given to **Riina Runnel**, Assistant in Oral and Dental Diseases of the UT Clinic of Stomatology, for an online course entitled 'Propaedeutics in Oral and Dental Diseases'. The competition was organised among higher and vocational education institutions by the Estonian E-Learning Development Centre.

UTTV (UT Television), the video portal of UT, was launched in 2010. At the end of 2011, it contained 229 publicly accessible video lectures. In their administrative work, teaching or research, our academic staff and students can use the online-seminar software that allows for synchronous presentations, audio and video conferences, sharing files in various formats and a feed from their computer monitor, and a common chatroom and whiteboard. 49 members of teaching staff used 67 seminar rooms in 2011, and online-seminar facilities were used for 3147 hours and 18 minutes.

Two issues of e-TÜ, UT's web-based e-learning magazine (http://www.etu.ut.ee/), were published in 2011; it had 891 readers in April and 817 readers in October.

UT's online courses that were awarded a quality mark by the Estonian e-University consortium in 2011, and their authors:

Statistics and Data Processing	Kandela Õun, Pärnu College
Academic Writing	Krista Uibu, Institute of Education
Correct Estonian for Daily Use	Krista Uibu, Institute of Education
Introduction to Special Youth Work	Maria Žuravljova, Narva College
Gerodontology	Riina Runnel, Department of Stomatology
Propaedeutics in Oral and Dental Diseases	Riina Runnel, Department of Stomatology

TEACHING QUALITY AND STUDY SUPPORT

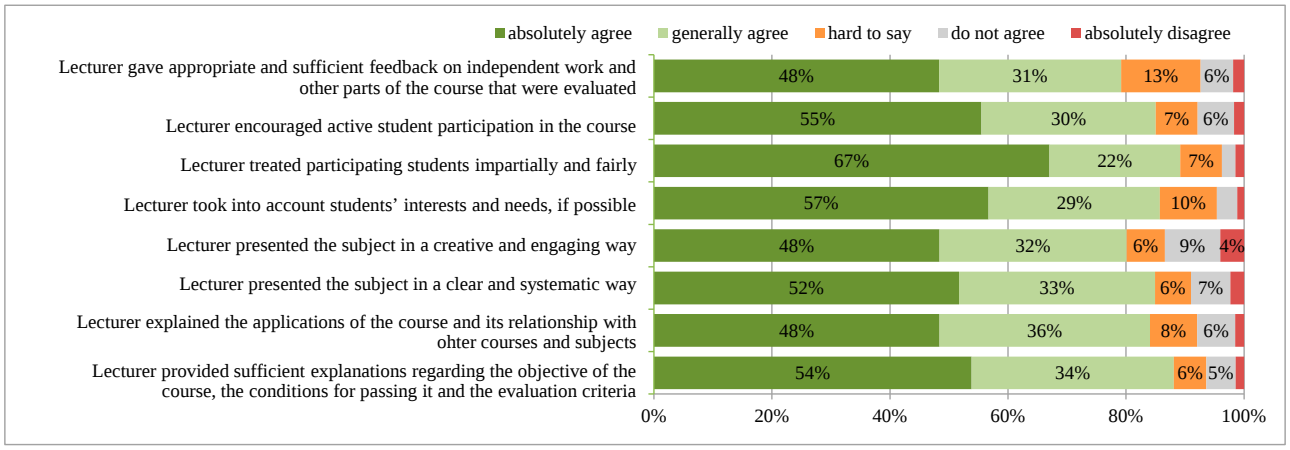
GOAL: UT takes into account the needs and expectations of students to improve study-support services

Each year, students are asked for feedback on the courses and teaching and instruction skills of the teaching staff. The surveys were conducted at the end of each course and were compulsory for all students, except medical residents, exchange students and external students. 102,402 qualifying responses were received from students of the first and second cycles of higher education and 704 from PhD students in 2010/2011. The feedback received covered 2283 teaching staff members.

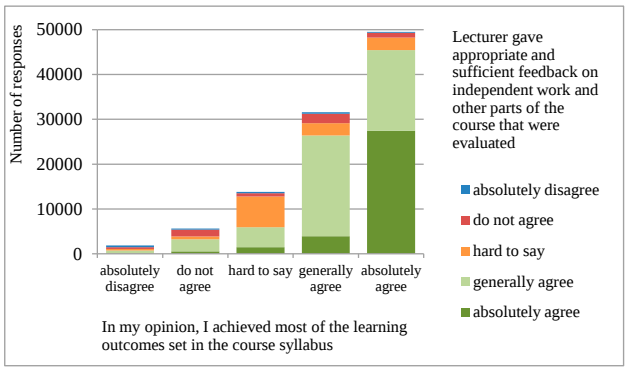
The feedback indicated that the lectures, seminars, practical training courses and web-based activities began and ended on time and that the reference materials required for the courses were accessible. With respect to the teaching staff, students agreed (fully or in general) that the lecturer treated them impartially (89%) and explained the objectives of the course, the requirements to complete it and the grading criteria adequately (88%).

Fewer students (79%) agreed that the lecturer provided clear and exhaustive feedback on individual or other graded work. When considering all aspects of a course and the teaching skills of the lecturer, students graded the courses as follows: A (excellent) – 36%; B (very good) – 34%; and C (good) – 17%.

PhD students agreed most (94–96%) with the statements that all classes took place, the reference materials required for the course were accessible and their instructor facilitated their active participation in classwork. The lowest percentage (85%) of doctoral students agreed (fully or in general) with the statement that their instructor helped and guided them enough in solving research problems. In total, doctoral students graded their courses with A (excellent) in 56% of the cases and B (very good) in 28% of the cases.



UT student feedback to selected questions on teaching and courses in 2010/2011



The link between activities of lecturers and learning of the subject, as seen by respondents in 2010/2011

Each year, based on the student feedback, UT acknowledges the members of teaching staff who excel in teaching. In each of the four areas of teaching and research, the award is given to the lecturer who received the highest grades in the teacher and course evaluation survey of that year, provided that at least 50 questionnaires were received with respect to one or several of their courses in that academic year.

In the academic year 2010/2011, our best teachers were: **Pille Põiklik**, Assistant in English Language and Literature, Faculty of Philosophy (*humaniora*); **Kristel Ruutmets**, Lecturer in Didactics of English, Faculty of Social Sciences and Education (*socialia*); **Koit Herodes**, Senior Lecturer of Analytical Chemistry, Faculty of Science and Technology (*realia et naturalia*); **Mihkel Zilmer**, Professor of Medical Biochemistry, Faculty of Medicine (*medicina*).

Kristel Ruutmets, Lecturer in Didactics of English, is a four-time recipient of the University-Teacher-of-the-Year Award

At the beginning of 2011, students' views and preferences were asked regarding feedback. A pilot survey based on the new, shorter questionnaire on courses was conducted in the summer. At the end of the year, the rector established the new procedures for asking feedback and analysing, publishing and using the results. Once a semester, the councils of faculties and colleges are required to discuss the survey results, and deans and college directors must submit to the Vice Rector for Academic Affairs a report containing an assessment of the feedback and an action plan to eliminate shortcomings.

A total of 126 student tutors contributed to the improvement of teaching in 2011

Student tutors have proven to be necessary. The survey conducted among freshmen in 2011/2012 indicated that 71% of the respondents had acquired the required information on the organisation of studies from tutors. 92% of the students were satisfied with the advice received from tutors. The feedback praised tutors for being active, friendly and helpful and for finding answers to all questions.

126 students acted as tutors in UT in 2011. At a traditional acknowledgement ceremony, 93 new tutors who had completed the tutors' training programme in 2011 were recognised.

In the 2011/2012 academic year, 77 students registered as special needs students: 32 of them were studying on state-commissioned student places, and 13 of the remaining 45 on non-state-commissioned student places with tuition fee waived. Most such students were full-time students (72) in regular studies (43).

The accessibility of UT academic buildings was assessed, and proposals to reduce or eliminate the shortcomings were made in 2009. Due to the preparatory work done, in 2011, structural assistance (from the EU) was received to improve the wheelchair accessibility of 12 academic buildings. Development of support services to special-needs students continued under the Primus Programme with the support of EU structural funds: audio and digital study materials were recorded, support students were trained, and various support services were provided to 18 students. Before the academic year began, a training event on special needs and opportunities to support special-needs students entitled 'Diverse student body: noticing and supporting special-needs students', was conducted for the first time.

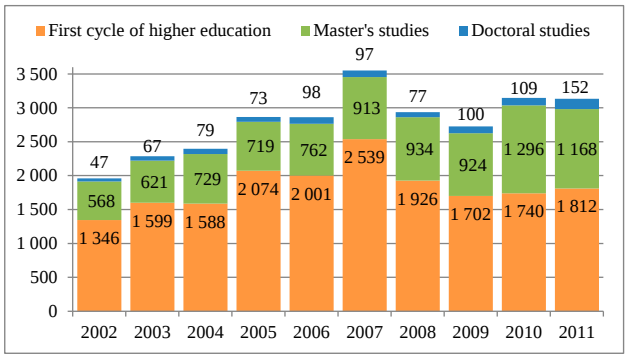
The Spring Student Days 2011 focused on drawing attention to charity work, helping others and being considerate. For the first time, a Day of Senses was organised where people could play floorball and navigate an obstacle course in a wheelchair, study sign language and Braille alphabet, paint with a brush between their toes. The program included specialists' lectures, a thematic round-table discussion and the annual charity concert.

Festive event to acknowledge active student tutors on 14 December 2011 in the assembly hall of the Estonian Ministry of Education and Research

GRADUATION AND CONTINUATION OF STUDIES

GOAL: UT graduates either find a job or continue in our graduate programmes

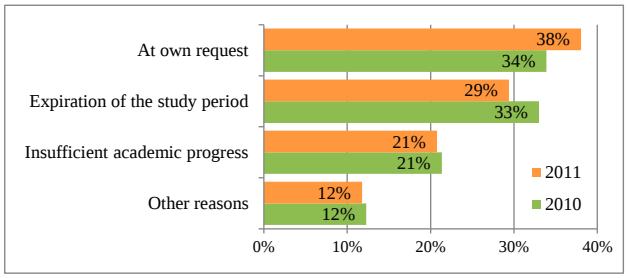
A total of 3132 students graduated from UT in 2011. The breakdown of graduates by the four areas of teaching and research was: 46% in *socialia*, 23% in *humaniora*, 20% in *realia et naturalia* and 11% in *medicina*. The number of *cum laude* graduates in 2011 was 172.



UT graduates by cycles of higher education, 2002–2011

In 2011, the number of students who dropped out was 2360, or 5% less than the year before. The main reason was deletion of a student from the matriculation register at the student's own request (38%).

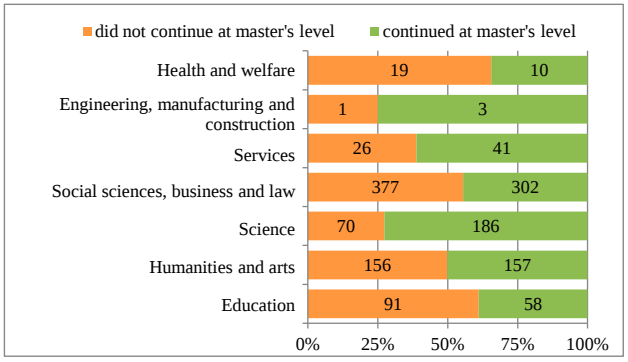
Throughout the years, the most common reasons have included expiration of the study period and insufficient academic progress. The number of students who were deleted from the matriculation register on their own request or because they failed to pay the tuition fee increased from 2010. The number of those whose study period has expired has decreased in the last four years. This is due to changes in the organisation of studies: students can continue their studies during academic leave and receive an extension. In 2011, 41% of drop-outs were deleted from the matriculation register in their first year, 62% of them being in the first cycle of higher education..



Main reasons for deletion from the matriculation register in 2010 and 2011

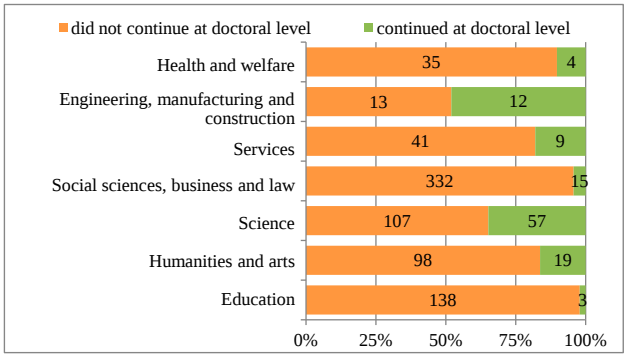
51% of UT graduates in 2010/2011 continued their studies in our master's programmes in 2011/2012. The areas of study where the most graduates continued their studies in our master's programmes were natural and exact sciences (73%) and service (61%).

Every second BA graduate from UT continued his/her studies in one of our master's programmes



2010/2011 graduates of UT bachelor's programmes continuing in one of our master's programmes in 2011/2012

13% of our 2010/2011 graduates of master's programmes continued in our doctoral programmes, the most popular areas being engineering, manufacturing and construction (48%) and natural and exact sciences (35%).



2010/2011 graduates of UT master's programmes continuing in one of our doctoral programmes in 2011/2012

DOCTORAL STUDIES

There were 39% more graduates from doctoral programmes in 2011 than in 2010. For the first time, their number exceeded the state-commissioned number: 149 doctoral students were admitted to state-commissioned places in 2006/2007, the total number of new doctoral students being 216; however, the number of doctoral theses defended at UT in 2011 was 152.

152 new PhD holders – an all-time record – defended their theses at the University of Tartu in 2011

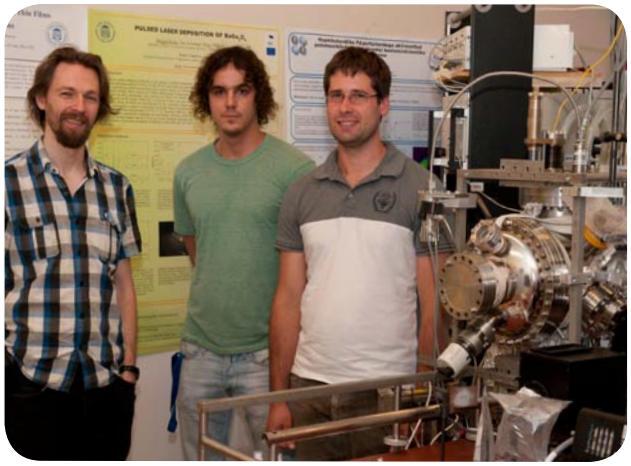
The boost in the number of theses defended was partially due to the fact that the doctoral programmes registered before 1 June 2002 were to be closed on 1 September 2011; that motivated many students to make an extra effort. 92 students defended their theses within such study programmes. 18 doctoral students completed their studies on time, 22 in less than five years and 10 in less than 5.5 years. Within the programme for resuming doctoral studies, 47 students were admitted, and eight of them defended their theses in 2011. The programme was financed by the EU structural funds.

251 doctoral theses were defended in Estonia's public universities in 2011, 68 more than a year earlier. Of these, almost 61% were defended at UT and 24%, at the Tallinn University of Technology.

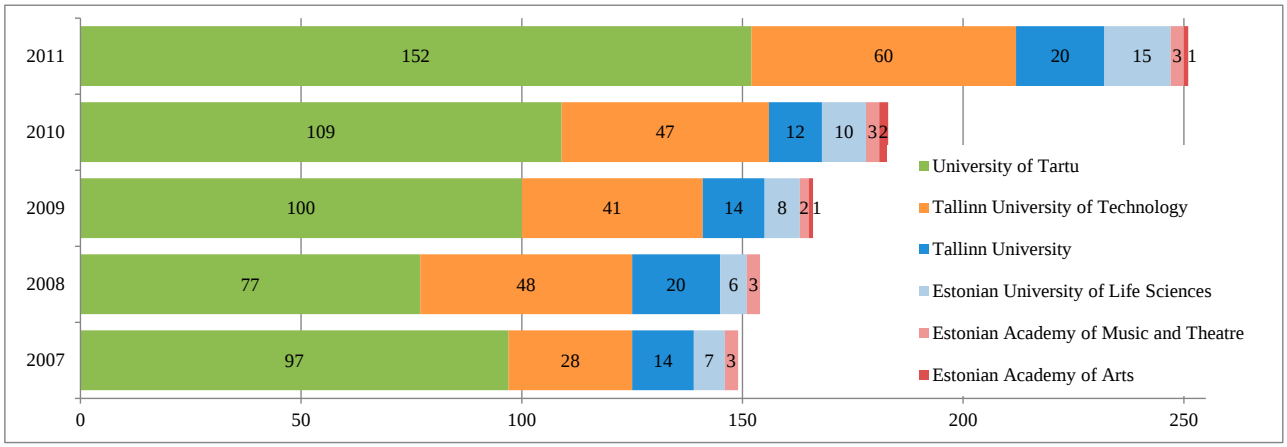
All UT doctoral programmes passed the transitional evaluation in 2011. In just one group of study programmes (teacher training and education science), UT received the right to conduct teaching for a specified, instead of unspecified, period of time.

Programme managers were appointed for each doctoral programme, and the respective periodic evaluation will be conducted as a public meeting of the Periodic Evaluation Committee as of 2011/2012. The amended Statutes of Research Degrees were prepared in 2011 to promote international cooperation and find additional resources for supervision of doctoral students. According to the new statutes, UT can sign joint-supervision contracts, cotutelle agreements, with universities abroad. The thesis defence takes place in front of a joint commission and a diploma from both universities will be awarded.

As of 2011, 13 doctoral schools were operating in Estonia with the support of EU structural funds; eight of the schools were led by UT. UT participates as a partner in a further three doctoral schools: the Graduate School of Culture Studies and Arts (coordinated by the Estonian Academy of Music and Theatre), ICT (Tallinn University of Technology) and Education (Tallinn University).



Margus Kodu, Martin Järvekülg and Sergei Vlassov are the first materials science students to have defended their doctoral theses in Estonia



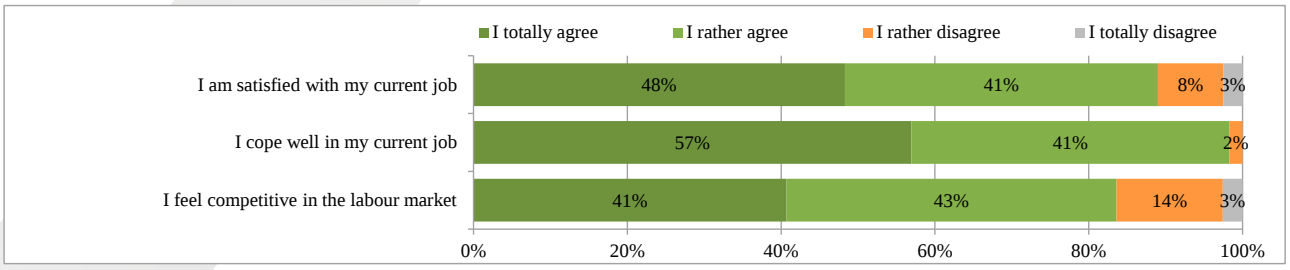
PhD graduates from Estonian public universities, 2007–2011 (Source: EHIS)

ALUMNI FEEDBACK

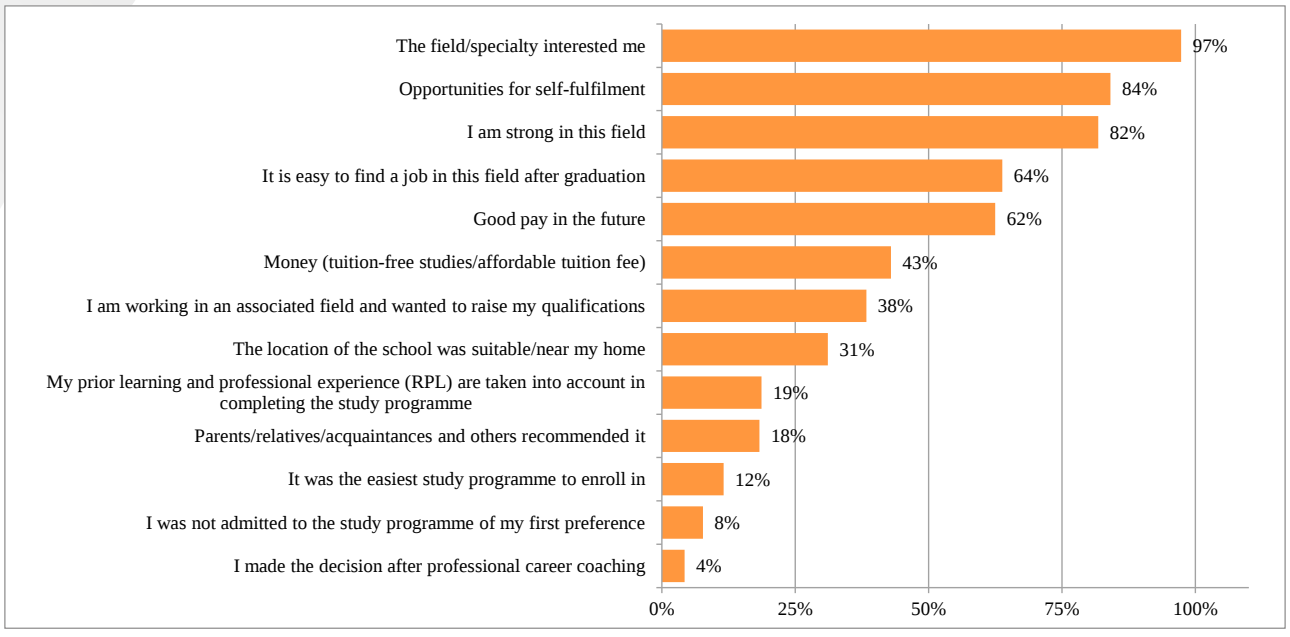
In the autumn of 2011, the UT Centre for Applied Social Sciences (CASS) conducted a survey among UT graduates of 2010. 50% of the 1263 alumni who answered the questionnaire (response rate 42%) reported they were currently working, 14% were studying and 30% both working and studying. Only 1% of the respondents were unemployed.

A year from graduation, 89% of UT graduates reported satisfaction with their jobs

Almost all graduates found that they cope well in their present job, and 84% considered themselves to be competitive on the labour market.



Job satisfaction and coping on the labour market, N=1153



Reasons for choosing a study programme or field of study. Percentage of respondents who considered the reason to be very important or important, N=1263

The reasons given by respondents for choosing a certain field of study included their interest in the subject, an opportunity for self-actualisation and being good at this area. Good salary and job opportunities were important as well. The graduates had a positive opinion of the objectives of the study programmes they completed: 81% of the respondents knew the objectives of the programme and 76% confirmed that the programme met their expectations.

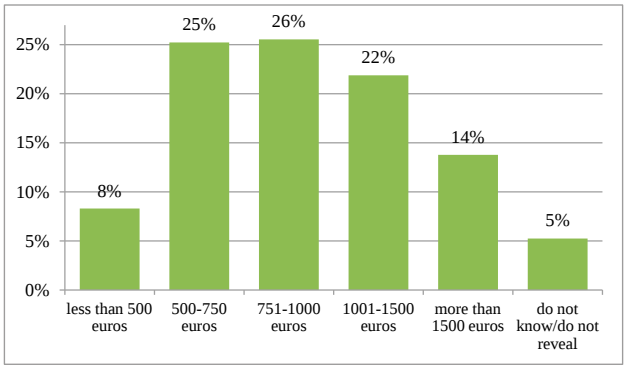
Most of the alumni were happy with their chosen field of study and the university. They were satisfied with the quality of teaching, study programme and organisation of studies as well (76–83%). However, only slightly more than half were happy with the practical training opportunities offered during their studies. The main problem areas highlighted by respondents included receiving little support from the university with respect to studies and a greater need for acquiring transferable skills. The role of UT in teaching such skills was generally considered to be important; the highest points in this area were given to the ability to apply theory in practice and teamwork skills. UT's contribution to the development of ICT skills, foreign language skills, management skills, assertiveness, negotiation skills, entrepreneurship skills and initiative was rated lower. The skills considered to be the most important for their job were time management, oral presentation and writing skills.

70% of the respondents worked during their studies, with half of them having already worked earlier. According to the respondents, working mostly interfered with their studies. The statistics confirmed this as well: two thirds of the students who did not work during their studies managed to complete their studies on time, while only half of those who worked could do the same.

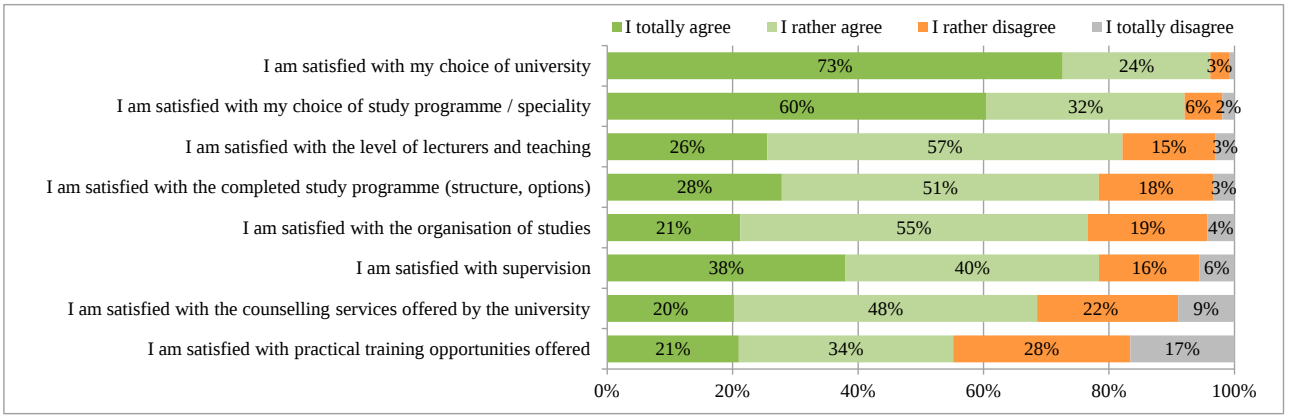
The main reasons given for working during studies were economic factors (38%) and already having a job earlier (27%); the number of alumni who had worked during their studies with professional experience in mind was considerably smaller (13%). The employment held during their studies was usually (four-fifths of the cases) related to students' field of study.

A year from graduation, the average gross salary of UT alumni (€1105 a month) was significantly higher than the national average

Two-thirds of working alumni were employed as managers, professionals or senior officials. As expected, the higher the education cycle completed, the more competitive the graduate was on the labour market. In general, those who had completed a lower cycle of education received a lower salary and worked in less-demanding positions. Furthermore, alumni with a higher cycle completed more often had a job that was related to their field of study.



Breakdown of alumni (percentage of employed respondents, N=951) by gross salary from their main job (FTE)



Satisfaction with study-related aspects, N=1153

TEACHING, DEVELOPMENT AND CREATIVE ACTIVITIES IN THE REGIONS

GOAL: UT promotes Estonia's balanced development by sharing knowledge and skills

UT has set the goal of developing and strengthening its colleges as teaching, development and creative centres. UT's three regional colleges are specialised in different areas of teaching and research. By applying the scientific potential of UT, promoting local cooperation and establishing international contacts, the colleges contribute to improving the socio-economic quality of life in their respective regions.

Entrepreneurship and service design in Pärnu

The teaching and development in UT Pärnu College, which celebrated its 15th anniversary in 2011, focuses on service design, service management and entrepreneurship, especially in the social sector and tourism.

In the academic year 2011/2012, the international study programme on spa-service design attracted 10 international students, from Thailand, South Korea, Cameroon and European countries.

The 50th Annual Congress of EUHOFA surprised participants with its smooth linking of theory and practice: the academic lecture took place in the Tervise Paradiis spa hotel.

Creative industry and Estonian culture in Viljandi

The research and development at UT Viljandi Culture Academy focuses on linking cultural heritage - including manual skills, musical, visual and verbal expression - to modern entrepreneurship and forms of culture.

A rapid prototyping centre was opened at Viljandi Culture Academy in 2011. A 3D printer makes coloured 3D prototypes or product samples from a gypsum-like powder and special glue on the basis of an object that has been scanned into the computer or designed there.

Loomiselugu (Story of Creation), a complete oratorio accompanied by folk-jazz band Paabel, premiered at the XVI Student Song and Dance Festival Gaudeamus, held in Lithuania in summer 2011. It was created specifically for this event by Tauno Aints, alumnus of Viljandi Culture Academy (composer) and Anzori Barkalaja, Director of the Viljandi Culture Academy (author of the lyrics).

Multilingualism and multiculturalism in Narva

The research carried out at UT Narva College focuses especially on the study of multicultural society, education and the city of Narva, and the education focuses on teacher training for multilingual educational institutions. The latter includes formal education acquired within the adult education system, retraining and in-service training.

Narva College has been active in outreach activities, creating free holiday programmes for pupils, excursions, quizzes, drawing and photo competitions, and Native Language and Citizens Day events.

The Parenting Academy started its activities at Narva College in 2011 to help parents who are interested in good parenting and supporting their children's development. This series of events became so popular that it will expand to Sillamäe and Rakvere as well.

For the 12th time, Narva College invited educators of Estonia's multilingual educational institutions to Jõhvi Concert Hall. The pedagogical conference took place on 25 August 2011 and focussed on key educational topics in the country – this year, on national curricula.

Narva College has been celebrating Tatiana Day – the Russian Students' Day at the end of January – for more than ten years. The dark winter's night begins with a torchlight procession, during which one monument or institution is named an honorary student. That night after the mid-term exams, the students wear the blue-and-yellow caps of Narva College and recite the student oath.

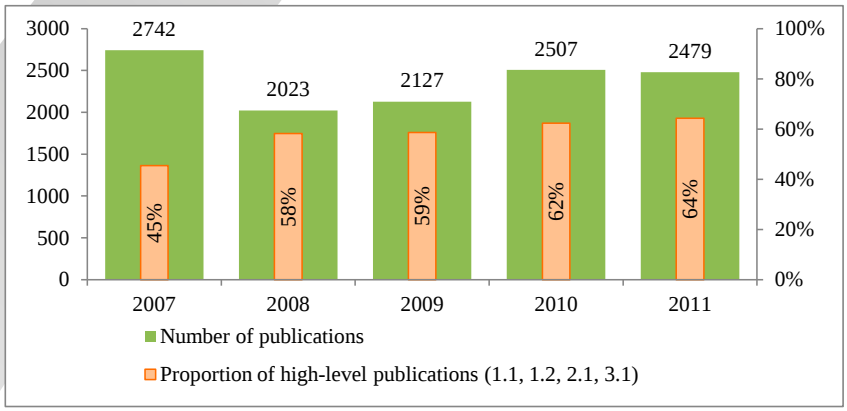
RESEARCH

According to the Thomson Reuters Web of Science database, UT was among the top 1% of the most cited universities and research institutions in the fields of clinical medicine, chemistry, environmental science and ecology, plant and animal sciences and general social science throughout the year, and, in various reporting periods, also in biology and biochemistry, geosciences, materials science and engineering

GOAL: All UT's fields of teaching and research are internationally recognised and the best in Estonia

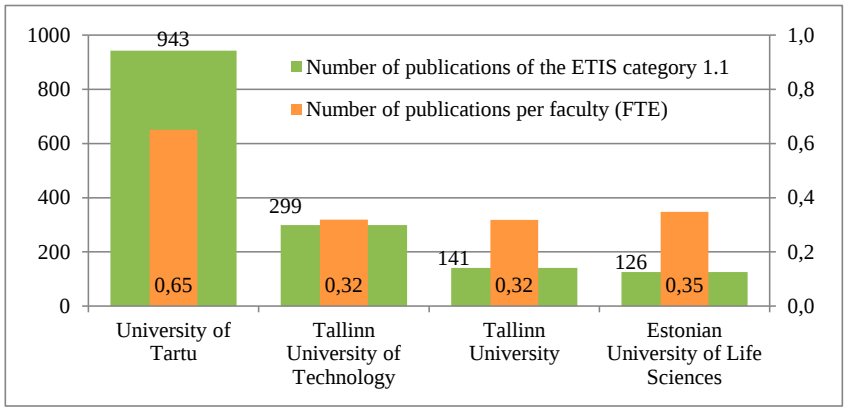
PUBLICATIONS

According to the Estonian Research Information System (ETIS), the academic community of UT produced 2479 publications in 2011 (2507 in 2010), i.e. about 1.7 publications per academic staff member (FTE). The number of high-level publications (categories 1.1, 1.2, 2.1 and 3.1 in ETIS) has increased each year, reaching 64% of all publications in 2011; 952 publications by UT staff members were classified as 1.1 in ETIS.



Publications by members of UT academic staff, 2007–2011

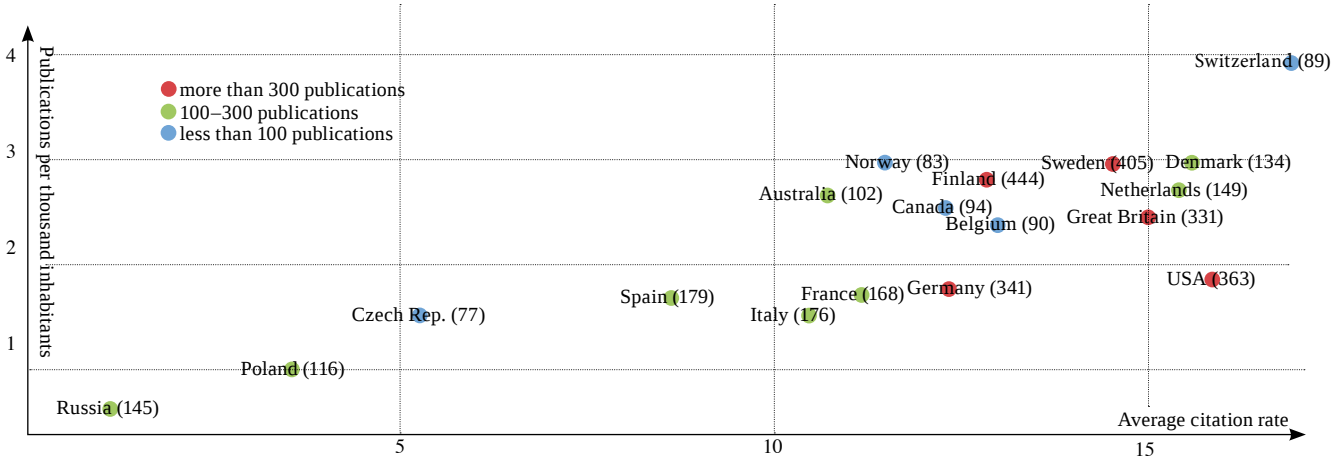
Of all the category 1.1 publications affiliated with the four major public universities in Estonia, those of UT amounted to over half (62%). The number of our category 1.1 publications per academic staff member was also nearly twice that of any other Estonian university.



Category 1.1 publications at the four major public universities in 2010 (Source: Ministry of Education and Research, data on baseline financing of R&D institutions, and personnel offices of the universities)

According to the Thomson Reuters Web of Science, members of UT academic staff co-authored almost 4300 publications in the period 2007-2011. Most of the publications are papers published in scientific journals (78%) and conference proceedings (11%), and conference theses (10%). International co-authors have mainly been based in Finland, Sweden, the USA, Germany and the UK. During this period, more publications were co-authored with the researchers of the University of Helsinki than with those of any other Estonian university. UT researchers have co-authored publications with researchers from 108 countries.

According to the OECD, the number of internationally co-authored articles has increased in recent years, and the broader the cooperation, the higher the average number of citations per article. Articles written without any institutional cooperation (national or international) have a greater likelihood of high impact if the ratio between total number of publications and population number is higher, or if the author works in a larger than average research institution, with greater access to cooperation opportunities.



Distribution of internationally co-authored publications by UT researchers, by state of co-author's affiliation (Source: Thomson Reuters WoS; OECD Science, Technology and Industry Scoreboard 2011)

UT researchers among the world's top 1% of most-cited scientists, according to the Thomson Reuters Essential Science Indicators database (as of 3 January 2012)

	Field	Publications	Citations
Marlon Dumas	Computer Science	40	377
Ülo Langel	Biology & Biochemistry/ Pharmacology & Toxicology	60/24	1211/699
Jaan Liira	Environment/Ecology	28	715
Martin Zobel	Environment/Ecology	35	1038
Meelis Pärtel	Environment/Ecology	32	531
Kaupo Kukli	Materials Science	49	875
Richard Villems	Molecular Biology & Genetics	38	1658
Toomas Kivisild	Molecular Biology & Genetics	42	2472
Risto-Kalervo Näätänen	Neuroscience & Behaviour/ Psychiatry/ Psychology	97/22	2442/669
Jüri Allik	Psychiatry/ Psychology	44	779
Hannes Kollist	Plant & Animal Science	18	606
Urmas Kõljalg	Plant & Animal Science	19	1005
Leho Tedersoo	Plant & Animal Science	16	592
Mikael Brosche	Plant & Animal Science	22	719

RESEARCH AWARDS AND OTHER RECOGNITION

Physicist and academician Vladimir Hižnjakov, UT Professor Emeritus, received a national research award for his long-term significant research and development work. UT researchers received research awards in five areas. National awards in eight research areas are given by the Government of the Republic of Estonia to researchers and research teams for remarkable research results. In addition, two lifetime achievement awards are given for successful, long-term research and development activities.

In the past five years, four UT researchers have received national awards for their fruitful long-term research and development work

Researcher	Field	Title of the award-winning study
Vladimir Hižnjakov		Long-standing significant research and development work
Gennadi Vainikko	Exat Sciences	Series of studies on *Cordial Volterra Integral Equations*
Eduard Maron	Medicine	Series of studies on *Neurobiological Factors Affecting the Emergence and Course of Panic Disorders*
Asko Lõhmus	Agricultural Sciences	Series of studies on *Promoting Ecologically Sustainable Forestry*
Tiit Tammaru	Social Sciences	Series of studies on *Urbanisation, Suburbanisation and Counterurbanisation of Population Groups in Estonia*
Valter Lang	Humanities	Series of studies on *Bronze and Iron Age in Estonia and the Baltic Countries*

For outstanding services in researching, teaching, promoting and using the Estonian language and planning its corpus, the government presents an annual Ferdinand Johann Wiedemann Language Award. In 2011, this award was given to UT Professor Emeritus **Tiit-Rein Viitso** for researching the development of the Estonian language, describing its systems of phonemes and forms and drawing attention to their many options, principled corpus-planning, accurate editing and his charming academic mindset.

The Young Scientist Award of the Cultural Foundation of the President of the Republic is also a high recognition. Established in 2000, it has since been awarded to UT researchers under the age of 35 nine times. In 2011, it was given to **Peeter Laud**, Professor of Cryptography at the UT Institute of Computer Science.

For Women in Science, a prestigious international competition organised each year by L'Oréal and UNESCO, culminates with the presentation of the award to one outstanding female scientist from each continent and announcing three promising talents from each region. The 2011 European and North American award was given to **Triin Vahisalu**, a researcher at the University of Helsinki and UT. In the 13-year history of the competition, this was the first time when a researcher from a Baltic country received the award.

Three UT professors were given the title 'Academician'

The Estonian Academy of Sciences elected seven new members on 7 December 2011. Their number included **Toomas Asser**, Head of the UT Neurology Clinic and Professor of Neurosurgery (Academician in the field of medical science), **Urmas Kõljalg**, Director of the UT Natural History Museum and Professor of Mycology (in the field of biosystematics and ecology), and **Karl Pajusalu**, UT Professor of the History of the Estonian Language and Dialects (in the field of linguistics).

Ülo Mander, UT Professor of Natural Geography and Landscape Ecology, received the prestigious Karl Ernst von Baer medal from the Estonian Academy of Sciences. The medal is the highest recognition to an Estonian scientist with outstanding achievements in life and earth sciences; this bronze medal is only given once every four years.

Andres Kasekamp, UT Professor of Baltic Politics, received the 2011 Baltic Assembly Prize for Science for his comprehensive monograph on the history of the Baltic States (*Balti riikide ajalugu*, 2010). The Baltic Assembly Prize was established in 1994 to promote the development of literature, the arts and science in the Baltic States and recognise outstanding results in these fields.

Geoffrey Alan Ozin, Professor of Nanochemistry at the University of Toronto, was given the annual Albert Einstein World Award of Science in the Assembly Hall of UT. The Leonardo da Vinci World Award of Arts was bestowed upon **Todd Siler**, an American artist, writer and inventor. In addition to its main awards, the World Cultural Council also recognised eminent members of the UT academic community by presenting them with special recognition diplomas. In consideration of their contribution to Estonian education, science and culture, the diplomas were awarded to Professors **Rein Taagepera**, **Urmas Varblane**, **Jüri Talvet**, **Kalle Kasemaa**, **Toomas Asser**, **Richard Villems**, **Jaan Einasto** and **Peeter Saari**, and choir conductor **Vaike Uibopuu**. Rector **Alar Karis** received a special service medal for his contribution to excellence in Estonian higher education.

In 2011, the 28th World Cultural Council award ceremony was held at the University of Tartu, for the first time in the Baltic countries

Every sixth award in the national student research contests, including 13 first prizes, went to students of the University of Tartu

Indrek Saar, a doctoral student of the UT Faculty of Economics, received the research award of the Bank of Estonia for his study 'Optimal alcohol taxation: Simulation results for Estonia'. The aim of the ninth national student-research contest of the Bank of Estonia was to recognise doctoral studies, stimulate research activities in the field of economics and praise outstanding research.

DEVELOPMENT FUND

The UT Development Fund was established in 2009 to support the teaching and research areas capable of becoming centres of international importance and other innovative activities in the university. The Rector announced the first call for proposals in 2010, and in March 2011, the decision was made, based on expert opinions, to provide financing to three projects until 2015: 1.6 million euros to the Centre of EU-Russia Studies, 3.5 million euros to the Centre of Transitional Genomics and 1 million euros to the Centre of Disease Models and Biomedical Imaging.

The Centre for EU-Russia Studies (CEURUS) aims to provide international study programmes and short-term courses as well as research-based knowledge to policy developers to enrich public discussion. CEURUS capitalises on the geographic location of Estonia. Europe has no other academic centre focussed on relations between the EU and Russia. The Centre for Transitional Genomics brings together the expertise of three UT centres of excellence (genomics, computer science and translational medicine) to set up, based on the Estonian Genome Centre, a database on the transmission of genetic material from one generation to the next in order to gain a better understanding of personality and causes for diseases. The Centre for Disease Models, unique in the Nordic region, will provide new opportunities for investigating neurodegenerative diseases and developing medications for these.

CENTRES OF EXCELLENCE

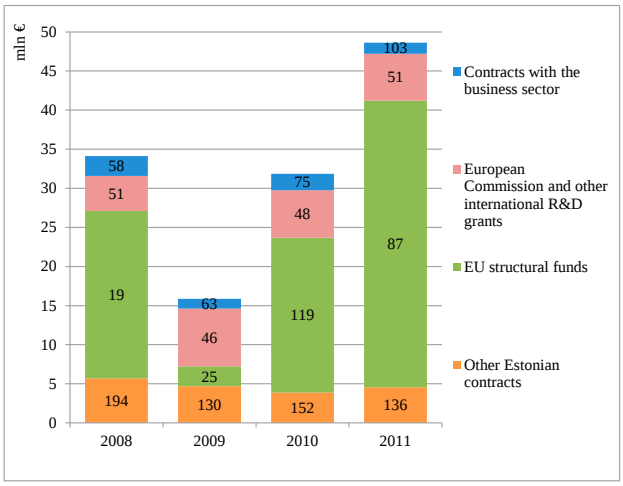
In the period 2007–2013, UT is managing four centres of excellence that received support from EU structural funds in 2008 and two such centres that received support in 2011. In addition, we are partners in another four centres of excellence. The aim of the centres of excellence is to create the necessary preconditions for strengthening the cooperation and competitive ability of Estonian researchers through supporting high-quality research and development.

Centre of Excellence	Head
Centre of Excellence in Biodiversity Research (2008)	Martin Zobel
Centre of Excellence for Translational Medicine (2008)	Eero Vasar
Centre of Excellence in Chemical Biology (2008)	Tanel Tenson
Centre of Excellence in Cultural Theory (2008)	Valter Lang
Centre of Excellence in Mesosystems – Theory and Applications (2011)	Vladimir Hižnjakov
Centre of Excellence in High-technology Materials for Sustainable Development (2011)	Enn Lust
Centre of Excellence in Computer Science (2008)	Tarmo Uustalu (Tallinn University of Technology)
Centre of Excellence in Genomics (2008)	Maido Remm (Estonian Biocentre)
Centre of Excellence in Nonlinear Studies (2011)	Jüri Engelbrecht (Tallinn University of Technology)
Centre of Excellence in Environmental Adaptation ENVIRON (2011)	Ülo Niinemets (Estonian University of Life Sciences)

RESEARCH AND DEVELOPMENT CONTRACTS

The value of R&D contracts, excluding the national R&D financing schemes, increased by almost one-third in 2011, reaching 42 million euros. A total of 377 contracts were signed in 2011; in 2010, the number was 394.

The bulk of the increase in value of R&D contracts is due to the implementation of the R&D and Higher Education measures of the EU structural funds. The Estonian Centre for Genomics, the High-Performance Computing Centre, the National Centre for Translational and Clinical Research, the Estonian e-Repository and Conservation of Collections, Estonian Environmental Observatory and Natural History Archives and Information Network are research infrastructure objects of national importance that received more than half of the structural support given to UT in 2011 (a growth of more than 50% from 2010).



Number and value (EUR million) of UT's R&D contracts (excl. national financing) in 2009–2011

COOPERATION WITH INDUSTRY

GOAL: UT is characterised by a focus on innovation and promotion of research-intensive enterprise

In January, Entrepreneurs' Day was organised for the second time to provide information on training, cooperation and innovation opportunities. In addition to the seminar where practitioners talked about research-intensive business opportunities and possibilities in Estonia, UT's researchers presented their main inventions of the recent years: the robotic mannequin, a cleaning robot, a prototype of a device for diagnosing cataracts, a new radiation detector and a 'great fin' which helps windsurfers to find balance. The events attracted more than 160 participants, among whom there were more beginning entrepreneurs and small-business operators than in the previous year.

In the key industries (biotechnology, nanotechnology and materials technology), UT already has contracts with Estonia's companies. We aim now to develop more extensive cooperation with the chemical and food industries. The cooperation has been funded by various support measures. Of the support mediated by Enterprise Estonia, innovation vouchers are the most popular. These almost doubled the number and value of UT's contracts with industry in 2011.

UT is cooperating with Krimelte OÜ, Estonia's biggest exporter and one of Europe's biggest producers of construction foams, to develop a new, unique type of construction foam that contains no isocyanate

Some examples of innovative cooperation with Estonia's SMEs focussing on exports show the diversity in fields covered: improvement of a salt-aerosol generator (Kokkonen OÜ), development of an innovative camera stabiliser (HotShot Studios OÜ), development of a method for diagnosing breast cancer at a distance (Interspectrum OÜ), development of neuropsychological computer programmes (Cognuse OÜ), and devisal of biometric-ID security systems (Biometry OÜ). UT also cooperates with Estonia's leading architectural companies in energy performance of buildings to provide new energy-efficient design and construction solutions.

UT signed 103 new cooperation agreements with industry in 2011. The total value of the contracts amounted to 1.43 million euros, which is 70% of that of 2010. This is due to the fact that some long-term contracts with competence centres were signed in 2010.

IDEA LAB

At the end of 2011, an Idea Lab was launched at UT to provide supportive environment for students to foster creativity, interdisciplinary mindset, and joyful enthusiasm in initiating or developing interesting and unusual project ideas. Each semester, ten to fifteen teams will be selected to carry out their projects over 11 weeks under the supervision of scientific and business mentors. If necessary, the teams will be given access to UT labs to develop their project. At the end of each semester money prizes will be awarded to the best teams in each field, as well as four special awards.

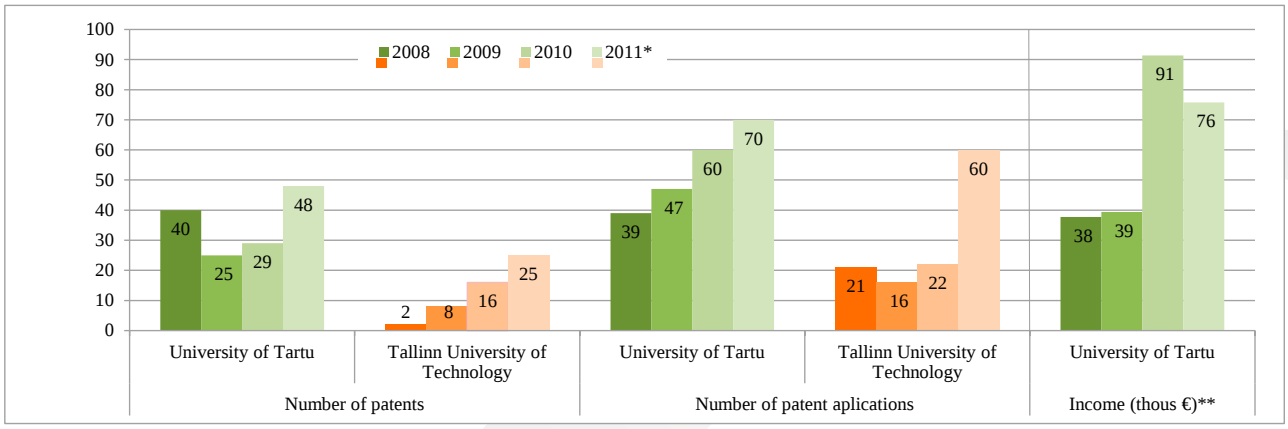
Entrepreneur's Day and a seminar on Research-Intensive Business Opportunities in Estonia took place on 21 January 2011. Priit Priimägi presenting the robotic vacuum cleaner in the inventions workshop.

PATENTS, PATENT APPLICATIONS AND INVENTIONS

By the end of 2011, UT had patents on 48 inventions. Each year, an average of seven patent applications are submitted. Before submittal, the question of whether economic operators would be interested in the invention must be analysed. Thus, the number of invention disclosures exceeds that of the patent applications.

UT's intellectual property has been an important input for many spin-off companies: AS Quattromed, OÜ Müomeetria, AS Regio, OÜ Positium, OÜ Kinasera, KPA Scientific OÜ, technology development centres, and others. More than 10 years of work has resulted in a significant growth in income from commercialisation of intellectual property, which reached 76 000 euros in 2011. Until the end of 2011, this income included only amounts for the use of industrial property, excluding those from copyrights.

A group of UT computer scientists, led by Senior Research Fellow Satish Srirama unveiled Estonia's first home care robot, designed to assist the elderly and patients with heart conditions. The robot enables caregivers to monitor the patient's condition at a distance, which in turn allows patients to continue living independently, in the privacy of their own homes.



*Patents and patent applications of UT and Tallinn University of Technology in the period 2008–2011 (*initial data on 2011) and income from our industrial property rights (** excl. income from copyright licences)*

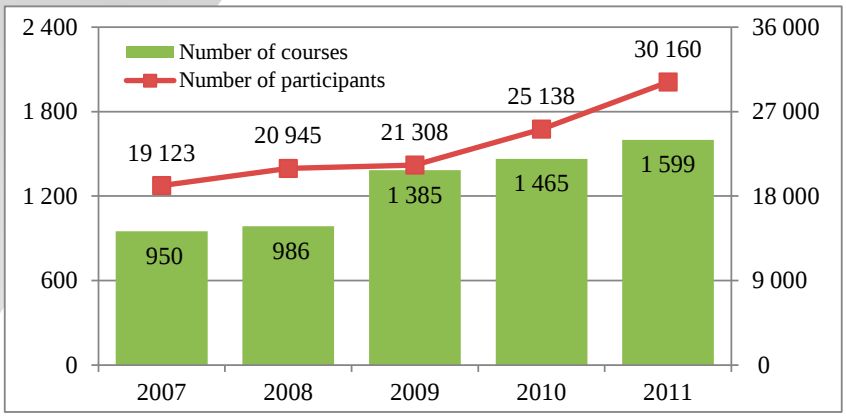
CONTRIBUTION TO SOCIETY

CONTINUING EDUCATION

UT has become the largest provider of continuing education in Estonia

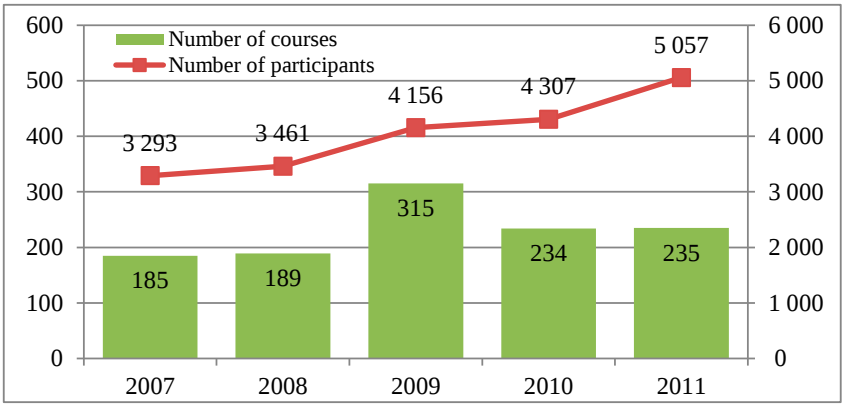
GOAL: UT promotes a mentality of life-long learning by being open to various target groups

In 2011, the number of participants in UT's continuing education courses increased by 20%. More than 30 000 learners participated in nearly 1600 different courses. The income from such courses increased 16%, compared to 2010, reaching 3.36 million euros. Continuing education was also provided with the support of various development projects.



UT continuing education courses and their participants, 2007–2011

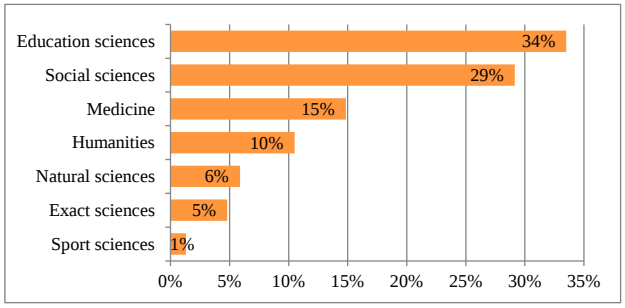
The number of continuing education courses with online support has been constantly increasing. In 2011, more than 5000 learners attended courses either entirely or partially online (17% growth). Almost 2000 of them attended 84 fully web-based courses.



UT continuing education e-courses and their participants, 2007–2011

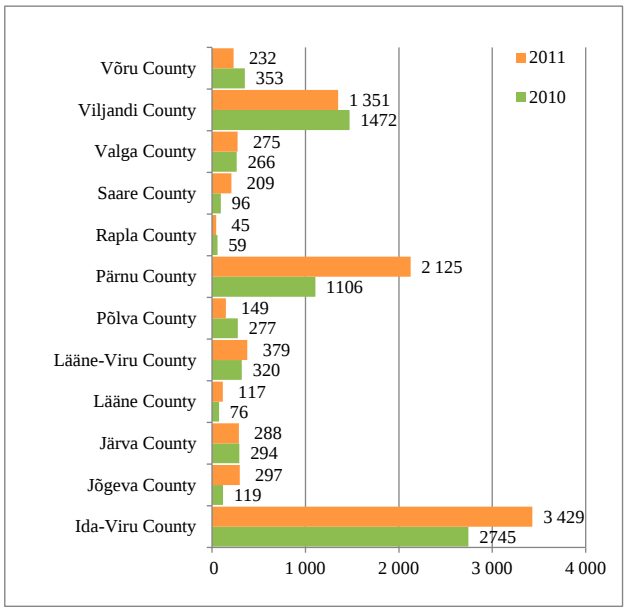
The Faculty of Social Sciences and Education offered the greatest number of training courses, mainly on teaching and psychology. The courses of the Lifelong Learning Centre had the biggest number of participants (5190), followed by those of the Faculty of Social Sciences and Education (4582), Faculty of Medicine (4268) and Narva College (2583).

The most popular courses that took place five or more times in 2011 were: 'Business environment and society of Russia and the states covered by its neighbourhood policy', 'Know thyself: a practical introduction to the psychology of individual differences', 'Conversation management', 'Field observations and collections in nature education', 'Estonian orthography and official documents', 'Mentor training: supervision of beginning teachers and trainees in educational institutions', 'Better legislation and assessment of the impacts of legislative acts', and 'Drawing up memos in the policy-making process'.



Thematic breakdown of UT continuing education courses in 2011

In accordance with the aims of our Strategic Plan, continuing education was successfully provided outside Tartu as well. The participation rate was the highest in Harju, Ida-Viru, Pärnu and Viljandi Counties, i.e. the regions where our colleges or representations are.

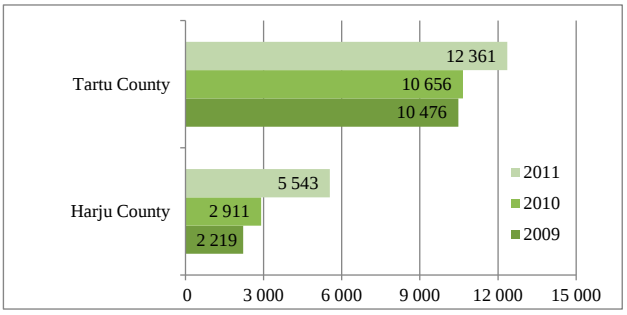


Participants in UT continuing education courses by location (excl. Tartu and Harju Counties, abroad and online and distance courses)

The participation rate of UT continuing education courses increased by 1.9 in Tallinn and Harju County in 2011

A bit over 5500 learners participated in 312 continuing education courses offered by UT in Tallinn and Harju County in 2011.

In Tallinn, the 'UT in Tallinn' programme was continued with free seminars, short-term training courses and lectures. In 2011, the most important partners in Tallinn were Ericsson Eesti AS, OÜ Eesti Energia Jaotusvõrk, AS Eesti Post, the Ministry of Economic Affairs and Communications, the Ministry of Finance and Tallinn City Government. In addition, information on our services and continuing education courses was provided to 53 organisations.



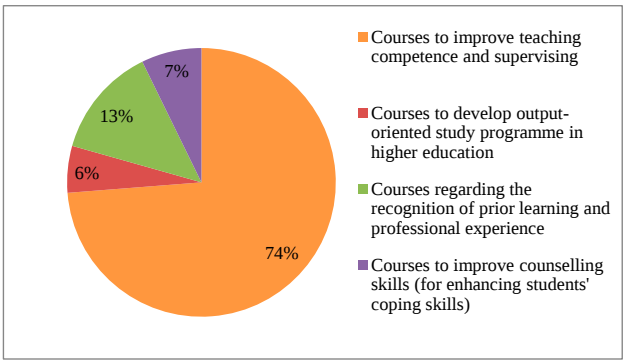
The participation rate in UT continuing education courses in Tartu and Harju counties, 2009–2011

The Primus Programme, financed by the ESF, aims to improve university teaching and provide university teachers with continuing education opportunities. The UT Centre of Excellence in Teaching and Learning was one of the partners of the programme in 2011, coordinating and organising the development of teaching and supervisory skills (in cooperation with Tallinn University).

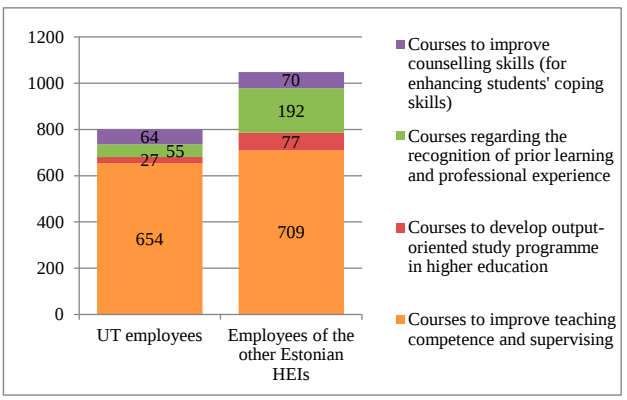
Teachers of Estonia's higher education institutions, teaching doctoral students and specialists involved in active teaching attended UT courses on teaching and supervisory skills 1363 times in 2011: the teaching staff of UT made up 654 of these and those of other higher education institutions in 709 instances. The total number of teachers participating in these courses was 998: 448 from UT and 550 from other higher education institutions of Estonia.

Almost 1000 university teachers, 55% of them from other higher education institutions of Estonia, participated in UT continuing education courses on teaching in 2011

Within the same programme, UT offered continuing education courses to developers of output-oriented study programmes, specialists dealing with recognition of prior learning and professional experience, student advisors and academic affairs specialists, with a participation rate of 485. 70% of the participants were from other higher education institutions of Estonia.



Breakdown of UT continuing education courses for other higher education institutions of Estonia through the Primus Programme in 2011



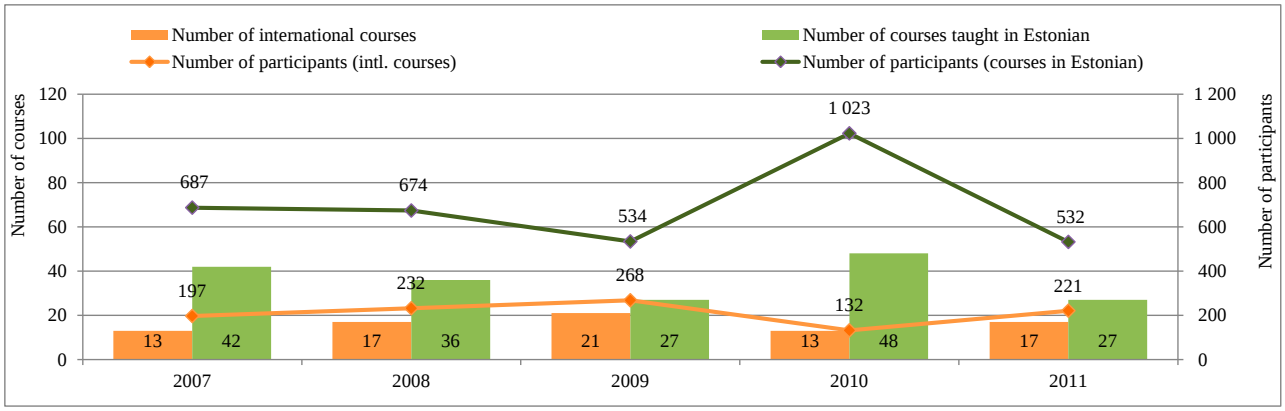
Participation in UT continuing education courses for other higher educational institutions through the Primus Programme in 2011

A three-day international conference "Is teaching art or science?" was held in Tartu from 24-26 January 2011, through a cooperative effort between the state and institutions of higher education, to increase the readiness of Estonian lecturers and professors to develop and reflect on their teaching skills. The best projects in the Primus Programme 2010 were acknowledged at the evening reception. The University of Tartu was selected Best Partner of the Year.

UT Summer University offered 44 courses to 753 participants. In 2011, the aim was to offer fewer courses in Estonian. Furthermore, these were targeted to a more limited target group. Thus, the number of participants dropped, compared to 2010.

In 2011, 27 summer courses in Estonian had 532 participants, mostly from the education sector. The most popular courses were: 'Self-management and relations management at work', 'Summer academy for leisure managers', 'Summer academy for university teachers', 'Grief counselling and grief therapy', 'Supporting the development of children up to three years of age', 'Introduction to Japan' and 'Nutrition, psyche and cultural differences'.

UT Winter University offered 16 courses for 234 participants from Estonia and Finland. In addition to the training courses contributing to professional development, continuing education programmes for a wider audience were established as well to accommodate the growing interest in health, sports, culture and art. The most popular winter courses were: 'Legal translation and interpretation', 'Winter academy for cultural workers', 'Ethics and data protection for officials', 'How narrators depict life and themselves in it', 'Normal eating', 'Gifted students and natural sciences', 'Sports psychology for parents of sporty children', and 'Estonian for Finns'.



UT Summer University courses and participants, 2007–2011

The International Summer University of 2011 was more successful than the year before: its 17 courses had 221 participants from 26 states. For the first time, courses were offered by Pärnu College and Viljandi Culture Academy, their participation rate being 29 and 28, respectively. Estonian as a Foreign Language courses continued to be popular.

In the summer of 2011, UT opened its Summer University programmes to Chinese partner universities

Programmes in social sciences were organised in cooperation with the University of Latvia, Vilnius University, St. Petersburg State University, Kiev-Mohyla Academy and Utrecht University. The studies and excursions took place in Tallinn, Tartu, Pärnu and Saaremaa. The Three-Universities Programme included studies in Tallinn, St. Petersburg State University in Russia and Kiev-Mohyla Academy in Ukraine, a week in each. Students at the International Summer University came from San Diego State University, Shanghai University, Southeast University and the University of Shanghai for Science and Technology.

The UT Seniors' Programme started in Pärnu College in the spring of 2010, expanded to Tartu, and in 2011, to Tallinn and Saaremaa as well. In the first year, there were 925 participants in the programme, but in 2011, their number doubled (1723). The lectures were conducted in cooperation with the respective municipalities in Tartu, Tallinn, Pärnu and Saaremaa.

The oldest participant in the popular UT Seniors' Programme was 97 years old

The UT Seniors' Programme graduation ceremony on 26 May 2011 in the University Assembly Hall

ACTIVITIES OF UT MEMORY INSTITUTIONS

GOAL: UT's memory institutions offer educational, cultural and information services to diverse groups of visitors and participate in R&D and popularisation of science

In 2011, the UT Library had 53,159 registered users, 60% (31,398) of them from UT. The number of external users increased 2.5% from 2010. The main building of the library saw 228,528 visits and lent 823,945 information carriers. There were 4,462,404 online visits, which is about 70% more than the year before. Its collections exceed 3.7 million items. In 2011, our computer network offered access to 113 scientific databases and 20,823 online magazines.

In 2011, the library focussed on the development of its digital collections and online services. The second robotic book-scanner was purchased with the help of the Department of State Information Systems of the Ministry of Economic Affairs and Communications. This increased the availability of electronic textbooks and collections of old books and other materials of scientific and cultural importance. Our DSpace digital archive provided access to millions of articles and full texts from more than 1200 content providers through various search engines (e.g. FirstSearch, Scientific Commons and Base).

The materials in DSpace, the UT digital archive managed by the UT library, were accessed on 3.55 million instances in 2011

The first stage of the Estonian e-Repository and Conservation of Collections Project was included in the Estonian Research Infrastructures Roadmap. Among other activities of the project, a centre for mass deacidification of paper will be established at the UT library. This will be the first of its kind in Estonia and Northern Europe. The technology to be used makes it possible to significantly extend the life of publications on acidic paper.

The Night Library project continued in cooperation with the Student Council. During the exam period, students could use all the special collections, lend materials, use computers, have a snack and enjoy some entertainment. Children could spend time in the Nimmik-Nummik playroom, with babysitting services provided by library staff, Corp! Filiae Patriae (sorority) members and Student Council members.

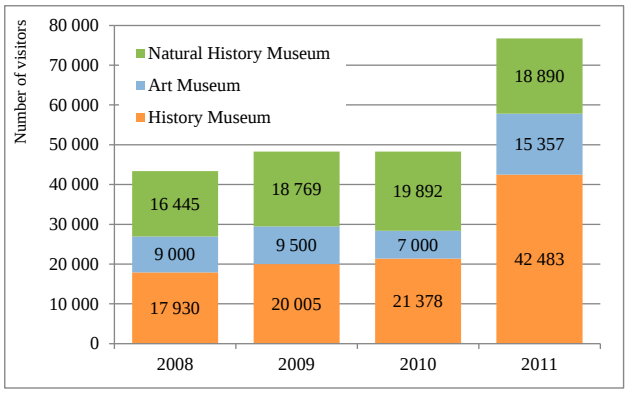
Old Observatory reopened as museum on its bicentennial anniversary

In April 2011, the Old Observatory of Tartu – formerly one of the top astronomy centres in the world – celebrated its 200th anniversary and was reopened as a modern museum after thorough renovations. **Friedrich Georg Wilhelm Struve**, Director of the Observatory at the time, was one of the first to measure the distance between a star and the Solar System (in 1835–1836). In the period 1816–1852, he and **Carl Friedrich Tenner** supervised the measurement of a meridian arc from northern Norway to the Black Sea (the Struve Geodetic Arc), and UT's Old Observatory marks one of the points on the arc. The arc was added to the UNESCO World Heritage List in 2005. The ERDF provided financial support for the renovation work. Support for the celebrations was given by the Ministry of Culture, Tartu City Government, Cultural Endowment of Estonia and the Council of Gambling Tax.

Opening of the museum in the Old Observatory on its 200th anniversary on 27 April 2011

UT museums received 76,730 visits in 2011. This surge in visitor numbers can be attributed to the reopening and new exhibition at the Old Observatory and to various attractive events, exhibitions and programmes promoting science and UT.

The number of visitors to UT museums increased by 1.6 in 2011



Visitors to UT museums, 2008–2011

UT History Museum, including the Old Observatory, the Dome Cathedral and its towers and the Anatomical Theatre, had almost 42,500 visits in 2011. Over 12,200 more people participated in receptions and festive events organised at the museum.

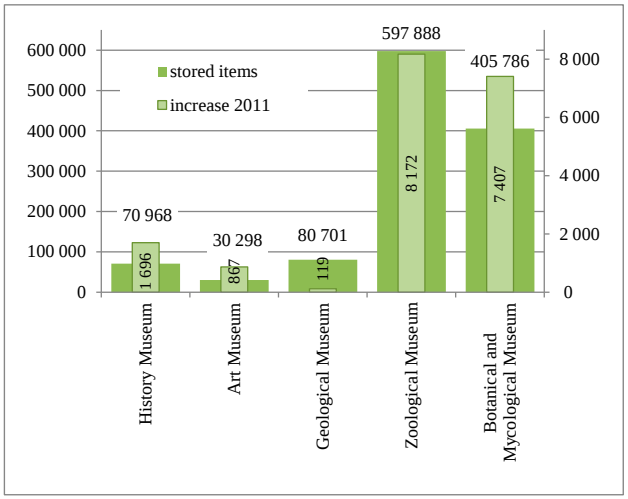
The History Museum had two major exhibitions in 2011: one pertained to archaeology and the other, to the history of the University of Tartu. The exhibition on the Kukruse grave site – the richest in Estonia, from the beginning of the 13th century – was accompanied by lectures, a Hidden Treasures programme for young people and The Dead Are Talking programme for older pupils. An exhibition of student life showed how UT students lived outside of class, from the 17th century to modern days.

The Estonian research infrastructure project Natural History Archives and Information Network (NATARC) was also launched and the development of the related IT applications (PlutoF cloud, Estonian eBiodiversity database) continued. The NATARC was mentioned in the National open access and preservation policies in Europe (2011) by the EU DG for Research and Innovation.

COBWEB – Communicating the Baltic, an international project cofinanced by Central Baltic Interreg IV A Programme, aiming to popularise environmental education, ended in 2011, having contributed to the birth of the FOODWEB Programme, which is a new international environmental information programme of the national institutes of Finland, the University of Latvia and the AHHAA Science Centre. It mainly deals with the environmental problems of the Baltic and the surrounding areas and related food quality issues. COBWEB also helped to launch the BalticDiversity Project of UT, the national museums of Sweden and Finland, the Tallinn University of Technology and the Estonian University of Life Sciences. Its aim is to develop biodiversity information systems.

The UT Natural History Museum, under the aegis of the Estonian Academy of Sciences, gained full membership in the Consortium of European Taxonomic Facilities (CETAF) which unites the biggest natural history museums. The museum also participates in planning the EU flagship initiatives on biosystematics. It had 18,890 visitors, 6769 of them in connection with studies (educational programmes and training courses for pupils and teachers).

Our Art Museum hosted the exhibition Pictures Cut in Wood – Albrecht Dürer and German Woodcutting Art in the 16th Century. On the 540th anniversary of the painter, engraver and printmaker, visitors could see his original masterpieces, works of his contemporaries, and some books with woodcut illustrations. To promote humanities and the art collection of the university, the museum organised a Scientists' Night and a series of Art Wednesdays. This popular series, where specialists discussed various aspects of art in relation to an exhibition piece at the museum, took place once a month. In 2011, the Art Museum had 15,375 visitors and offered guide's services to 274 groups and in five languages.



The size and increase in the collections of UT museums in 2011

Our Botanical Gardens had 16,746 visitors with tickets, and its open-air collections had 113,900 visits. According to the stocktaking data from the autumn of 2010, the gardens had 7,995 species and varieties of plants. In 2011, a 100-square-metre herb garden with 100 species was planted to support teaching and studying and a service contract was signed with the Road Administration to bring back the Large Pink (Dianthus superbus) to a construction site on the Tallinn–Narva–Loo–Maardu section of road No 1.

Smart Botanic Gardens, a joint project of the National Botanic Gardens of Latvia, the UT Botanical Gardens, its society of friends and the Latvian Environmental Development Association, was approved within the Estonia–Latvia Programme and received structural support. The aim of the project is to create an interactive map, topographic maps and a common plant database, and to pool experience of the two botanical gardens to make them more interesting.

PROMOTING SCIENCE

GOAL: The University has close cooperation with secondary-education institutions, offering advanced study opportunities for gifted pupils

We provide information on various fields of study, involve pupils and promote science with increasing visibility. The physics, chemistry and biology programme launched by the Faculty of Science and Technology, the Gifted and Talented Development Centre and the Estonian Physical Society provided empirical knowledge to 600 pupils in 26 schools in 2010/2011 and to almost 1200 pupils in 35 schools in 2011/2012.

The courses of our Gifted and Talented Development Centre had more than 1300 participants from 178 schools. Of its six subject contests, the math competition was the biggest with 13,400 participants from 360 schools. 'From the university to pupils', a section on the webpage of the development centre, had 1000 registered users in 2011.

In addition to the numerous courses, competitions and study sessions, the centre coordinated national olympiads that attracted almost 10 000 pupils. 91 pupils coached at the centre participated in 16 international subject contests, including nine international olympiads, two European olympiads, three Baltic olympiads and two Estonian–Finnish contests. Our pupils won 33 individual and team medals: 5 gold, 7 silver, and 21 bronze medals.

Tartu Hanseatic Days: Measuring the Universe, Toomemägi, 22–24 July 2011

Our museums and botanical gardens were active providers of educational programmes for pupils and teachers. In 2011, an exhibition on astronomy and other related sciences was opened in the Old Observatory and the permanent exhibition of the Natural History Museum and its study environment were brushed up with structural assistance. Our museums, supported by the structural funds and the Environmental Investment Centre, also organised camps, lectures, quizzes, observations, subject nights and courses on astronomy, nature and environment.

GOAL: UT presents research outcomes and research careers attractively to the wider public

The Children's University was launched in Narva in 2007. Later, it was also extended to Tartu and Tallinn. The lectures took place each weekend in Narva, during the autumn break in Tallinn and during the spring break in Tartu. 500 8–12-year-olds attended the lectures in the University Council hall. A trip from Tartu to Narva was organised for them as well.

Children's University: Kaarel Vanamölder, Lecturer of Estonian History, Narva College

Novaator, the science news portal of the University of Tartu, has 60,000 readers each month

The *Novaator* portal provides science news in Estonian to everyone, from pupils to top scientists. It also provides information on the scientific achievements of top and early-career researchers of UT. An additional video portal was created to host a competition of science videos by students and pupils of general education schools. The best videos were also shown on Estonian Television. The competition of popular science articles by PhD students has become a tradition. In 2011, 35 articles were submitted.

CULTURE AND SPORTS ACTIVITIES

GOAL: UT provides supportive conditions for our staff members to participate in cultural activities and recreational and competitive sports

The work of people involved in creative cultural activities is organised and coordinated by MTÜ Tartu Üliõpilasmaja (Tartu Students' Club), whose members are UT and the Estonian University of Life Sciences. In 2011, there were 13 groups in the club, most of them uniting students, employees and alumni of UT.

The UT Chamber Choir celebrated its 40th anniversary with a concert 'Life is just beginning' in the former church of the university

The UT Academic Female Choir and the UT Chamber Choir gave a Christmas concert in the former church building of the university. The two choirs joined forces for this evening only to sing the most beautiful Christmas songs.

On International Music Day, the Cultural Endowment and the Music Council gave annual awards to Estonian musicians. Triin Koch, Chief Conductor of the UT Chamber Choir since 2001 and Chief Conductor of the UT Academic Female Choir since 2005, was given the annual award of the Musical Arts Foundation for her outstanding achievements as a conductor and promoter of choir music. The award for top-quality recording of Estonian music was given to Maido Maadik, an honorary member of the Female Choir since 2005. Triin Koch's interpretations of choir songs have inspired awe at several competitions. She also conducted the girls' choirs at the 11th Youth Song Festival in 2011.

Our Academic Female Choir came first among female choirs at the Tallinn 2011 International Choir Festival and performed in the *Grand Prix* round. Triin Koch was given a special Estonian conductor's award. The Tallinn Choir Festival is the only international choir competition in Estonia. It brought together 35 choirs and 7 vocal ensembles from Estonia, the Czech Republic, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Slovenia, Sweden, Switzerland, Ukraine and the United States.

UT Academic Female Choir once again the best

2011 was a busy year for the **Tartu Academic Male Choir** (TAM): they performed about 30 times. TAM and the Engineers' Male Choir celebrated the 75th birthdays of **Alo Ritsing** and Ants Üleoja, their chief conductors, with a series of anniversary concerts that were held in cooperation with the Estonian National Male Choir in Pärnu, Tartu, Tallinn and Jõhvi.

One of the delightful events of **Tartu University's Folk Art Ensemble** (artistic director: Aveli Asber) was a joint concert show with Dancis dance ensemble of the University of Latvia to celebrate the 65th anniversary of Dancis, one of the best known dance ensembles in Latvia. All the groups of the Folk Art Ensemble, with 140 dancers in total, performed there. The ensemble had eight dance groups in its 66th season: an alumni group, mixed student groups, girls groups and a children's group.

The UT Brass Band Popsid (conductor: Enno Tubli) gained popularity as a unique concert and dance orchestra with a high-quality, interesting repertoire and many performances in 2011. Popsid represented UT and academic members of the National Defence League at various events and performed at several concerts in Estonia and abroad.

At the spring concert of the **UT Symphony Orchestra**, conducted by Lauri Sirp, the academic prelude for a symphony orchestra by Tauno Aints was premiered, and modern film-music was played as well: known soundtracks from 'Gladiator', 'Titanic', 'Pirates of the Caribbean', 'The Lord of the Rings' and 'Nimed marmortahvlil' (Names in Marble).

Tartu Student Theatre opened its 12th season and admitted nine new actors to its ensemble in 2011. 'Christmas at the Ivanovs' by Alexander Vvedensky and 'The High Seas' by Slawomir Mrozhek were performed both in Tartu and Tallinn. The first of these, produced by Kalev Kudu, Art Director of the theatre, was also performed at the Theatre Festival in Valka, the trip being supported by the Culture Department of Tartu.

The 2011 programme of the **Y Gallery** (curator: Kaisa Eiche) presented 81 creative persons. In addition to the traditional Art Month 'Art ist KuKu Nu Ut', meetings with various creative persons and Topofon Literature Nights continued. It showed the works of many known and as-yet-unknown artists and photographers.

The **UT Academic Sports Club** was a member of 19 sports federations, the Estonian Academic Sports Federation and Tartu County Sports Federation. As of the end of the year, it had 1261 members: 372 competitive athletes, 1004 young athletes, and 85 coaches. The number of competitive athletes increased by 23%: three basketball teams became members and many sports-school graduates continued with the club as competitive athletes. Each day, about 350 people are going in for recreational sports at the club.

UT Academic Sports Club once again the best in Estonia

The track and field athletes of the UT Academic Sports Club have become the Champions of Estonia 89 times (all age groups included) and set 12 national records. High jumper **Anna Iljuštšenko** was voted Female Athlete of the Year and coach **Martin Kutman** became Coach of the Year. Anna Iljuštšenko won a bronze medal at the international Summer Universiade in Shenzhen. This was her first medal at a title game.

Grit Šadeiko, a heptathlete and European Champion in the U23 age group, was voted the best junior athlete of the Estonian Athletic Association, and **Anne** and **Taivo Mägi** were named Coaches of the Year of the juniors' group. 400-metre hurdler **Rasmus Mägi**, was the best in the juniors' group and the most successful record-maker.

UT Winter Sports Day in Kääriku, 4 March 2011

UT won the anniversary tournament of the Estonian Academic Sports Federation

Tartu Ülikool/Rock basketball team (named Tartu Ülikool since the autumn of 2011) won the Estonian Cup and silver medals at the 2011 Championships. Our women's basketball team won the silver at the Estonian women's championships last season and Tartu Ülikool/Eeden women's volleyball team was in the third place at the end of the season.

The anniversary tournament of the Estonian Academic Sports Federation brought more than 200 people from higher education institutions to the UT sports building. Employees of the city governments of Tartu and Tallinn, the Ministry of Culture, the Ministry of Education and Research, and Estonian Public Broadcasting participated as well. The events included basketball, volleyball, chess and table tennis, plus a race on indoor rowers.

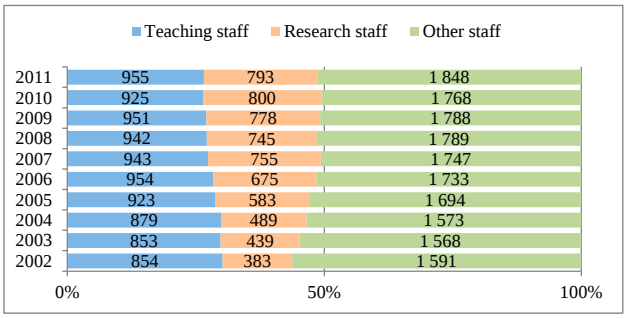
In spring, the second sports afternoon for UT staff and their families took place in Tähtvere recreational park. The participants could participate in running, roller-skating and Nordic-walking tracks and take bicycle training courses for beginners and advanced cyclists. The programme included fun events for children as well, and all participants could check their health indicators. The sports afternoon and two UT staff sports days were organised by the UT Academic Sports Club.

ORGANISATION

EMPLOYEES

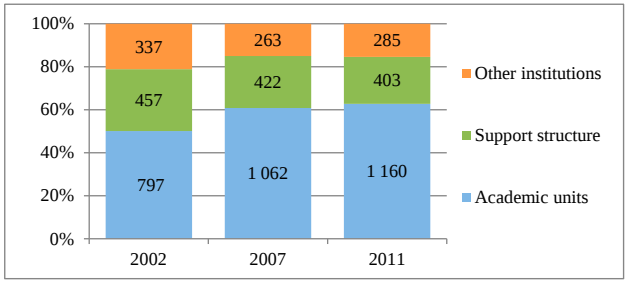
GOAL: UT employs highly qualified, international academic staff

At the end of 2011, UT had 3596 employees, 126 of them from abroad. About 49% of our employees have held an academic job for the last five years. The number of non-academic employees was lowest (less than 1 600) in the period 2002–2004 and grew until 2008. Among other factors, this was due to the increase in the number of EU structural-fund measures and other project-based funding. The number of non-academic employees increased by 80 (slightly more than 4%) in 2011.

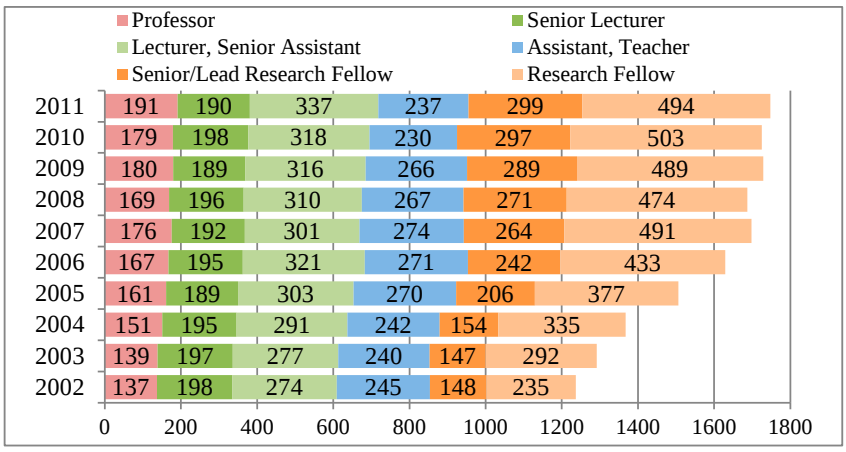


The number of teaching staff, researchers and other employees at UT, 2002–2011

63% of non-academic employees were working in the academic units, 22% in the support structure and 15% in other UT institutions. The number of non-academic employees grew 6% in the academic units, 4% in other university institutions and remained the same in the support structure.



Non-academic positions in the UT structure in 2002, 2007 and 2011



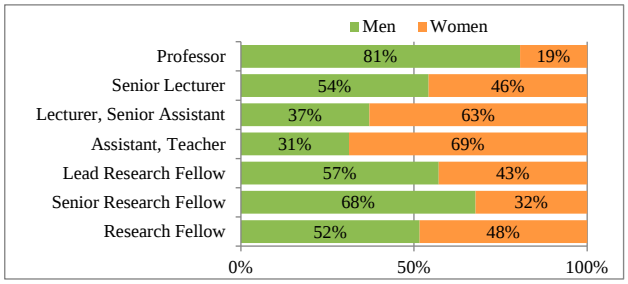
UT employee numbers by positions, 2002–2011

As regards the positions of teaching and research staff, the number of research fellows was the biggest (494) at the end of 2011, its growth being the fastest in the last five years and it being the biggest group of academic employees in absolute numbers.

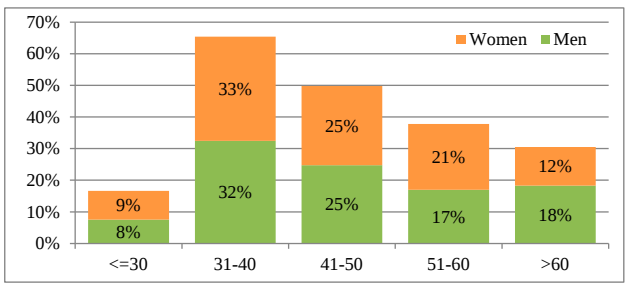
Two out of three UT academic staff members hold the highest university degree

The requirement to have a PhD degree or a corresponding qualification applies to professors, senior lecturers, leading research fellows and senior research fellows of UT, plus lecturers as of 2018. In 2007, only 55% of our academic staff were PhD holders. By 2011, however, the figure increased to 67%, and 74% among full-time academic employees. 83% of all academic staff members and 45% of all UT employees had a degree.

At the end of 2011, 58% of all our employees and 48% of our academic staff were women. The percentage of women is largest in the positions of assistants and teachers (69%) and lecturers and senior assistants (63%). The gender-balance is more even among the positions of research fellows, lead research fellows and senior lecturers. At the end of 2011, the university had 37 female professors (19%), four more than in 2010. When looking at the gender ratio of our academic staff by age groups, the percentage of women is smallest among the employees who are older than 60 years; in other age groups, however, the ratio is more even.



The gender ratio of UT employees by positions in 2011



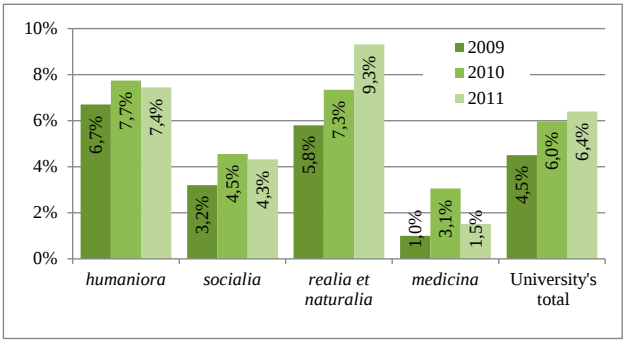
Breakdown of UT employees by gender and age in 2011

The average age of our employees was 44 in 2011. The average age of the academic staff was 46, and 15% of them were older than 60. The average UT research fellow was 39 years old, and the average UT professor was 54 years old.

The average gross monthly salary of our employees was 1,188 euros in 2011, and it increased 3.6% during 2011. As is the case in our labour market as a whole, the salary of the men working at UT was slightly higher than that of the women with similar duties. The gap is mainly due to the fact that women often work in lower positions and lower-paid areas of teaching and research.

Academic staff from abroad form slightly more than 6% of total academic staff

Our staff are internationally diverse. At the end of 2011, the UT had 126 foreign employees from 34 states. 24 first-time contracts were signed with foreign employees in 2011. The number of foreign teachers and researchers increased 9%, compared to 2010 (from 103 to 112), and amounted to a bit more than 6% of all our staff.



International teachers and researchers in UT areas of teaching and research and in total, 2009–2011

Throughout the years, the area of teaching and research where the share of international teachers and researchers is the greatest (6% or more) is *humaniora*, and that where the share has grown the fastest is *realia et naturalia*. 57% (64) of all foreign teachers and researchers were in the area of *realia et naturalia* in 2011. Most (44%) of the foreign academic staff were research fellows, 21 of them were senior research fellows and 17 were professors.

GOAL: UT facilitates the self-development and mobility of our employees and development of support services for international staff

To help international employees and visiting lecturers settle into the new work environment and culture and to ensure their smooth work, they and their family members are given the opportunity to study Estonian. In 2011, 34 foreign teachers and researchers and eight of their family members took courses of Estonian. In addition, foreign employees and their family members were offered a course on Estonia and Estonian culture. This course took place for the second time.

The survey on satisfaction with working conditions showed that UT employees consider their work to be important and interesting and hey are proud to work at the University of Tartu.

At the beginning of the academic year, the international community of the university was invited to the rector's reception and a city tour. *Dorpater Dotzentenabend* club meetings have been organised for foreign researchers and teachers since 2002 with the aim of providing cultural entertainment and communication opportunities for the international community and other staff members of the university.

Almost every 3rd employee of the UT attended an internal training event in 2011

1 061 employees (30%) attended at least one internal training event in 2011. Training events on teaching skills were the most popular among our academic staff, and information seminars attracted the biggest number of non-academic staff members. The university organised several internal training courses primarily targeting the academic staff and heads of academic units (courses on intellectual property and governance). Courses of English were offered to our workers in a more systematic way, providing them with more study opportunities.

The university had 14 teacher mentors who supported 26 beginning university teachers with the help of the Primus Programme. A governance mentoring programme was launched in the autumn of 2011. Within the programme, seven mentor and mentee pairs started cooperation that would last up to a year. The mentors were former vice rectors, deans and other experienced managers.

Surveys covering the whole university were organised for the first time in 2011 to find out how satisfied our employees are with their work environment and how satisfied our managers are with the support units. The questionnaires were sent to all employees with an e-mail address in the ut.ee domain (3 250 people). The response rate was 36% (1 185 people). The questions pertained to satisfaction with governance, work atmosphere, workspace, work conditions, work and remuneration arrangements, information flow and development opportunities. To sum up, our staff were happy with their work: more than 94% of the respondents agreed (fully, in general or more likely) with a statement to that effect. In addition, our staff considered their work to be important (98%) and interesting (98%), and they were proud to be working at UT (94%). Feedback on the work of support units was given by 31 out of 69 managers (45%). The questions pertained to the pertinence of the solutions offered by the support unites, upholding agreements, availability of services, communication skills and meeting the needs of the units. On average, nine out of ten respondents were happy with the work of the units.

In the autumn of 2011, our second Family Day took place. All staff members were expected to bring along their children, spouses, partners, siblings, parents, grandparents and/or other relatives, colleagues or friends. There were tours, workshops and lectures for adults and children in the Philosophicum, Chemicum, botanical gardens and museums.

PARTNERSHIPS AND INTERNATIONALISATION

Of all Baltic universities, UT is now the only one among the top 3% of the world's leading universities

According to the Times Higher Education World University Ranking 2011–2012, UT is placed in the 351–400 bracket. In this annual ranking, only the top 200 universities are individually ranked, with the following 200 are listed in groups. For the first time, the universities that had made significant progress in the last few years and had the potential to become one of the top 200 were named as well. Along with some promising Czech, Polish, Turkish, Iranian and Indian universities, UT is expected to enter the top 200 soon.

International ranking table	Number of universities included	Criteria and indicators	Position of Estonian universities
Times Higher Education World University Rankings (THE)	400 world's best-performing institutions. Top 200 are ranked individually, the rest are grouped.	13 performance indicators, grouped into 5 areas: teaching, research, citations, industry income, international outlook.	THE 2011–2012 edition: UT in the 351–400 group
QS World University Rankings (QS)	Over 2,000 universities are considered, 700 evaluated and the top 400 are ranked individually.	Six indicators are drawn together to form an overall score: academic peer review, employer review, faculty-student ratio, citations per faculty, international faculty, international students.	QS ranking 2011: UT in 501–550 range
Leiden Ranking, Centre for Science and Technology Studies at Leiden University	500 largest universities worldwide in terms of published papers, based on publications in Thomson Reuters' Web of Science database in the period 2005–2009.	Universities are ranked according to scientific performance in two categories: scientific impact indicators (various citation scores of publications) and scientific collaboration indicators for publications.	The threshold for the 2011/2012 edition was 3,200 publications, therefore UT was not included. In 2010, UT ranked 201 in Europe and 396 in the world according to Number of citations per paper
Webometrics Ranking of World Universities	More than 20,000 universities with an independent domain are considered, 12,000 included in the list.	Measures the volume, visibility and impact of the web pages published by universities.	January 2012: University of Tartu – 501 Tallinn University of Technology – 764 Estonian University of Life Sciences – 1486 Tallinn University – 1645

The list of international dignitaries who visited UT in 2011 included H.E. **Bronisław Komorowski**, President of the Republic of Poland, and H.E. **Dalia Grybauskaité**, President of the Republic of Lithuania. In spring, Rector of the University of Latvia **Marcis Auzinš** and Rector of Vilnius University **Benediktas Juodka**, visited UT to discuss further cooperation opportunities with Rector **Alar Karis**. The three rectors signed a joint memorandum listing the common objectives of their universities with respect to research, teaching, internationalisation and marketing. The primary aim of the joint statement was to draw the attention of the government leaders of the three countries to the important role these research universities play in their respective societies.

In August, a high-level delegation from Tongji University, led by Vice President Prof. **Chen Xiaolong** and Prof. **Lou Yongqi**, Executive Vice Director of the Sino-Finnish Centre of Tongji University, visited UT on a fact-finding mission signed an institutional cooperation agreement. Tongji University, which operates under the direct supervision of the Chinese Ministry of Education, has opened eight cooperation centres with universities abroad that develop joint curricula and other joint programmes, and develop business relations between the countries.

On 21 April 2011, Rector of the University of Tartu Alar Karis, Rector of the University of Latvia Marcis Auzin, and Rector of Vilnius University Benediktas Juodka, signed a memorandum listing the common objectives of the three universities

In September, virologist Dr. **Robert Gallo**, one of the discoverers of HIV and one of the first to prove that HIV causes AIDS, delivered a public lecture at UT. Other notable scholars who visited UT and gave public lectures in 2011 included mathematician **Keith Devlin** from Stanford University and **Ronald Inglehart**, one of the world's leading political scientists and the recipient of the 2011 Johan Skytte Prize.

In October, UT hosted an international symposium on language and identity that was the result of cooperation between the Culture, Arts and Humanities task force of the Coimbra Group of Universities and the Graduate School of Linguistics, Semiotics and Philosophy, focussing on the prospects of smaller European linguistic communities in a globalising world and on university language policies. The 15th German-Estonian academic week Academica welcomed the University of Greifswald, UT's partner university in Germany.

DEVELOPMENT ACTIVITIES

GOAL: UT is modernising the management of processes and units

The University of Tartu Act was amended in 2011: UT's responsibilities as Estonia's National University were elaborated and our governance structure was changed as of 2012. Among other responsibilities, the act states that 'In order to preserve and refine the Estonian culture and the Estonian language, the university advances learning in disciplines that investigate Estonia and its people, promotes Estonian-language education, preserves the nation's cultural heritage and offers to the public services related to these activities.' As of 2012, our highest decision-making body will be the Council, consisting of five members from the university and six members from outside. The Senate, consisting of 22 members from among the academic staff and students will be the academic decision-making body responsible for teaching, research and development activities. It will be chaired by the rector. 2011 was the year of preparations for implementing the amendments: elections of the Senate were held, the councillors from the university were appointed and a plan for amending the Statutes of the University of Tartu was drawn up.

Implementation of performance management methods continued in 2011 as well. For the first time, all faculties, colleges and support units set their goals according to a common balanced scorecard methodology.

The University Council adopted marketing principles to link our marketing activities with the expectations and needs of the target groups, thus, moving away from the study-programme, service or structural-unit-based approach. In spring, the first marketing campaign targeting the Russian community in Estonia was organised to increase the share of students who have finished a school where Russian was the language of instruction and to draw attention to the Russian version of our website. Almost 42 000 visits (almost 29 000 first visits) were made to our Russian website in two months.

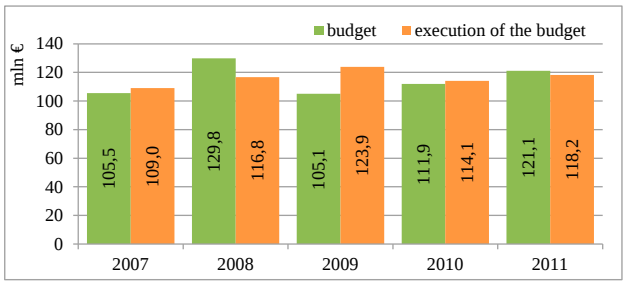
The reputation survey of Estonia's universities conducted by TNS Emor among 15–74-year-olds (1018 respondents) in Estonia confirmed that UT continues to be the best. 72% and 42% of respondents thought that the University of Tartu and Tallinn University of Technology (respectively) were the two most reputable universities in Estonia. Our reputation profile was compiled on the basis of respondents' choices from among a set of adjectives. The most frequent choices were: high-level, academic, international, traditional and prestigious. The latter was used to characterise only us. Our reliability was also above average.

FINANCING ACTIVITIES

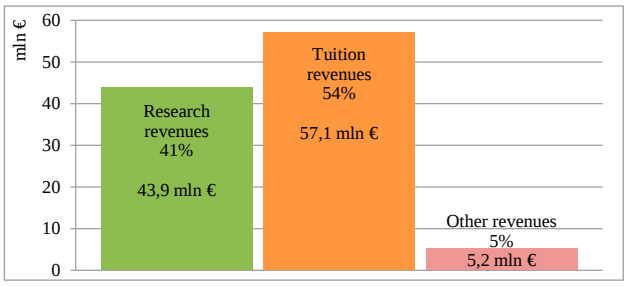
GOAL: UT's financial strategy contributes to achieving our mission, vision and the targets listed in our Strategic Plan

The consolidated group of UT consisted of the university and ten other legal entities, and its total operating costs in the financial year amounted to 127 million euros. OÜ Tartu Tehnoloogiapark, a technology park of UT, was liquidated in 2011.

The University Council approved the 2011 budget of 128.9 million euros. The actual input to the budget amounted to 118.2 million euros, which is 4.1 million more than in 2010. The revenues of UT per academic employee increased 3%, compared to 2010.

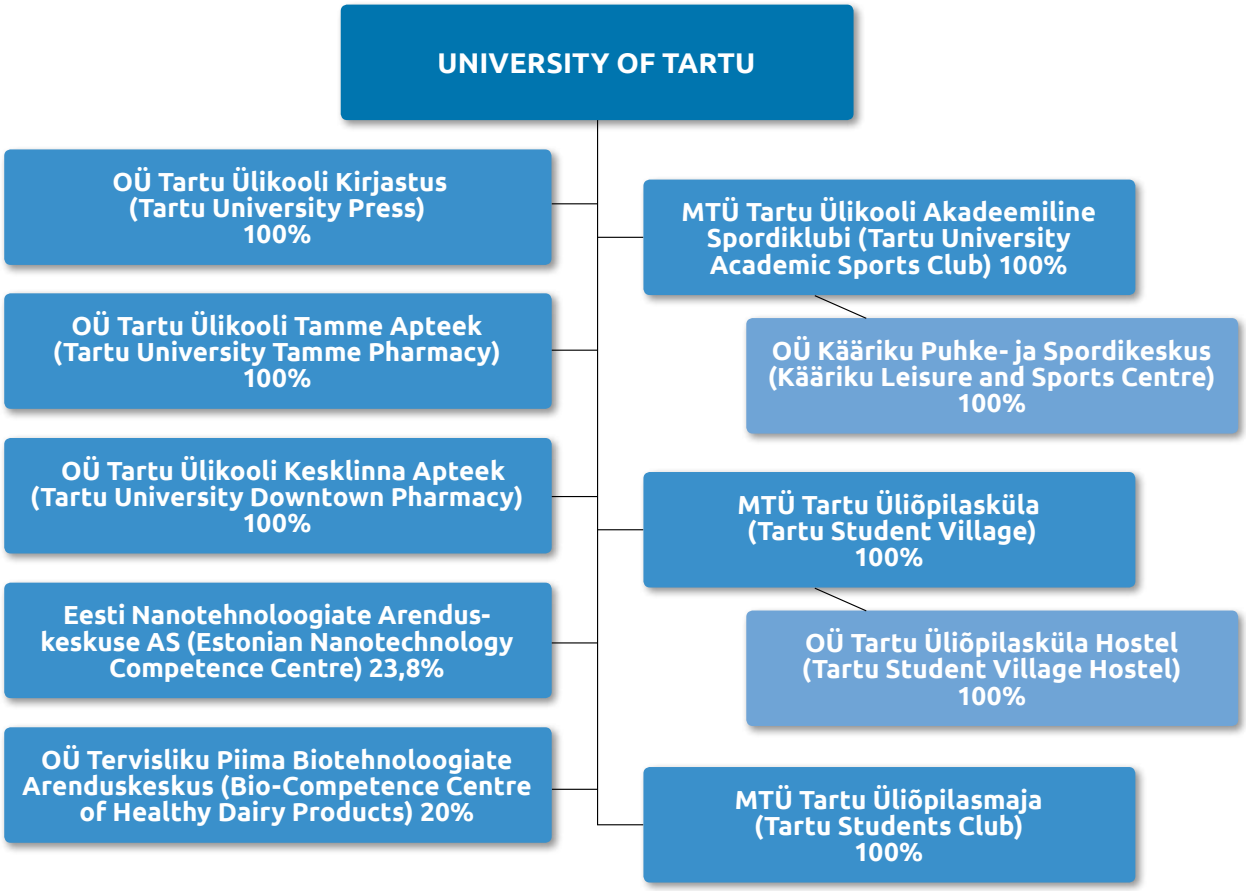


UT budget and execution of the budget (EUR million), 2007–2011



Main budget revenues in 2011

Payments for state-commissioned education amounted to slightly more than 56% of the teaching-related income of UT in 2011. The 0.8-million-euro increase in receipts from state-commissioned education was due to a slight upward adjustment in the baseline cost of a student place and the university's most successful year so far in terms of the number of doctoral theses defended. Estonian people continue to show a high interest in studying at UT: in spite of the difficult economic situation, the tuition receipts have remained stable through the last four years.



KEY FIGURES (CONSOLIDATED)

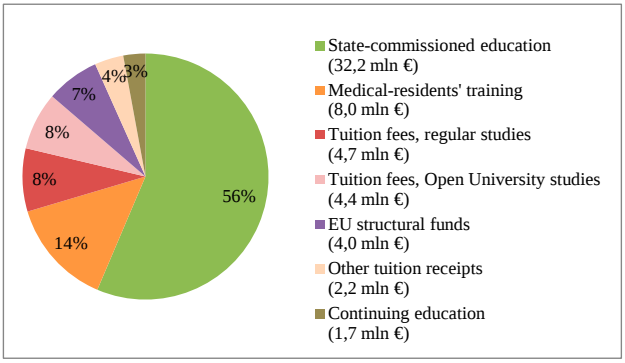
	2007	2008	2009	2010	2011
FINANCIAL FIGURES (euros)					
Operating income	96 819,86	140 043 204	129 836 514	118 098 960	127 016 281
Operating expenses	91 757 954	112 279 984	117 367 351	127 218 304	129 010 250
Financial income and expenses	-300 385	-287 602	57 520	-244 463	-354 567
Result for financial year	4 767 809	27 475 618	12 526 683	-9 438 967	-2 348 536
Balance sheet total	225 294 952	259 781 678	259 142 561	248 026 146	251 068 082
Current assets	26 318 817	33 854 000	31 016 323	34 134 013	35 196 814
Fixed assets	198 976 135	225 934 069	228 132 629	213 892 133	215 871 269
Current liabilities	27 245 536	27 922 999	20 803 242	17 083 933	19 725 480
Non-current liabilities and provisions	15 076 758	20 688 201	14 642 159	16 677 297	19 426 222
Net assets	182 972 659	211 176 869	223 703 552	214 264 916	211 916 380
Loans from banks	18 617 463	22 503 291	20 055 475	18 938 965	22 033 722

FINANCIAL RATIOS					
Operating expenses / operating income	94,8%	80,2%	90,4%	107,7%	101,6%
Loans / operating income	19,2%	16,1%	15,4%	16,0%	17,3%
Current assets / current liabilities	96,6%	121,2%	149,1%	199,8%	178,4%
Fixed assets / balance sheet total	88,3%	86,9%	88,0%	86,2%	86,0%
Loans / balance sheet total	8,3%	8,7%	7,7%	7,6%	8,8%
Net assets / balance sheet total	81,2%	81,3%	86,3%	86,4%	84,4%

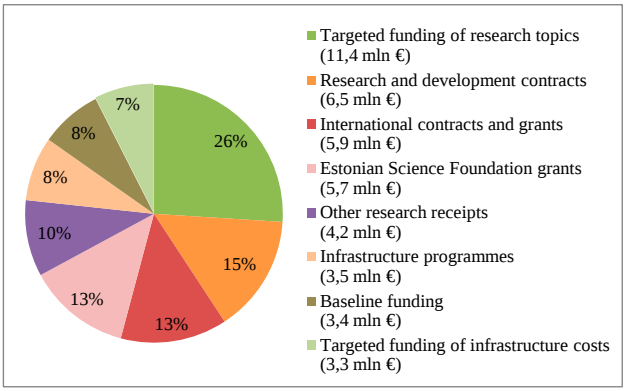
Due to Estonia's conservative fiscal policy, UT receipts of government funding for research (targeted funding of research topics, baseline funding and targeted funding of infrastructure costs) remained at 2010 levels. Structural assistance made up a significant part of the increase in receipts. All in all, we received 13.8 million euros from the structural funds, accounting for almost 12% of total receipts in 2011. Of the research receipts, the structural assistance amounted to more than 21%.

Our expenditure reached 127.2 million euros in 2011. The cash flow was negative by nine million euros. However, this simply reflects the logic of structural assistance: the expenditure must be made first, and it will be reimbursed once the respective report is submitted and scrutinised. Since structural assistance made up a considerable share of our budget, its influence on the general cash flow was significant.

The revenue from R&D activities increased 2.8%, compared to 2010, accounting for slightly more than 41% of our main budget (43.9 million euros). International contracts and grants accounted for almost 13% of our R&D revenues that amounted to 25 093 euros per academic staff member in 2011.

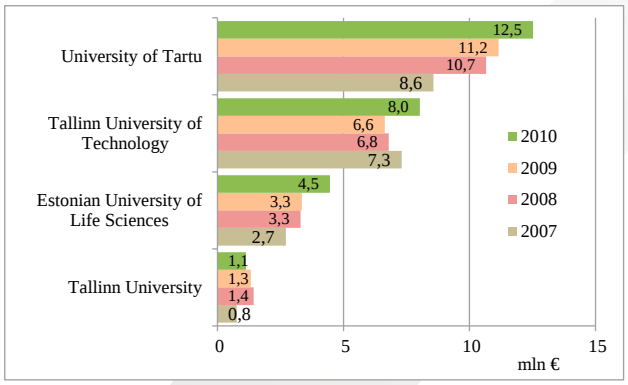


Teaching revenues in our main budget in 2011



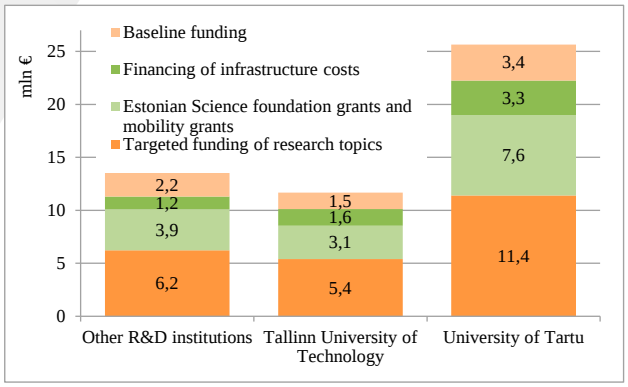
R&D revenues in our main budget in 2011

Baseline funding data indicate that the R&D performance indicators of UT have improved each year.



Revenues from national and international R&D grants to the R&D institutions of the four public universities in Estonia, their revenues from contracts pertaining directly to their R&D activities and revenues from licences and patents (EUR million), 2007–2010 (Source: baseline funding data of the Ministry of Education and Research)

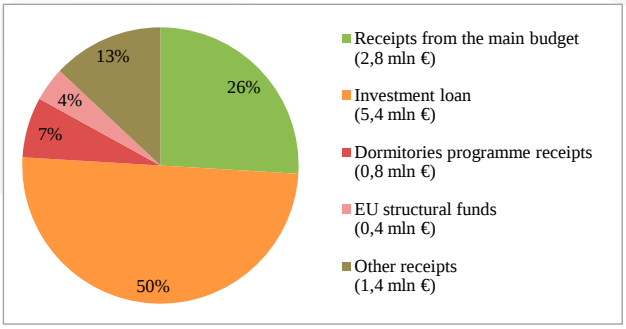
Estonia's R&D institutions were given public research finances in the amount of 52.1 million euros in 2011. 50% of that amount went to UT. Tallinn University of Technology received the second largest amount of public financing (almost 23%).



Resources (EUR million) allocated to UT and other R&D institutions in 2011. (Source: Ministry of Education and Research)

GOAL: UT has developed an attractive study, work and creative environment for supporting its core activities

Contributions to our capital budget amounted to 7.9 million euros (excl. transfers from the main budget), i.e. more than a million less than in 2010. Our infrastructure development and purchasing of research equipment receive considerable support from the structural funds.



Contributions to our capital budget in 2011

2011 saw full renovation of two important academic buildings: those of the Faculty of Philosophy at Jakobi 2 and of the Faculty of Social Sciences and Education at Lossi 36. The total area renovated was 12 698 m^2, and the renovation was financed with loans and receipts from our core activities. The construction of the new academic building of Narva College, designing a physics building and a translational medicine centre and preparations for their construction continued as well. These projects will be financed mostly from structural assistance. In the past five years, we have invested more than 70 million euros into our buildings.

Our faculties and colleges were using 43 academic buildings and rental premises with a total area of 164 751 m^2 at the end of 2011.

We transferred eight immovables (at Baeri 6, Lätte 4, a residency on Lake Pühajärv and 5 apartments) and surrendered possession of two immovables (at Veski 6 and the academic building of Türi College at Viljandi mnt 13b). At the end of 2011, we owned 77 immovables with a total area of 204.5 ha in 10 urban areas and possessed 281 500 m^2 in 108 buildings. We also owned 16 buildings that are architectural or historical monuments.

Opening of the academic building of the Faculty of Philosophy at Jakobi 2 on 23 September 2011

Receipts and expenditure (thousand euros)

RECEIPTS	2008	2009	2010	2011
1. Tuition receipts				
1.1. Government-funded provision of higher education	32 471,2	33 129,2	31 369,1	32 175,8
1.2. Non-distance tuition fees	4 386,2	4 821,1	4 851,7	4 743,5
1.3. UT open university tuition fees	4 258,7	4 391,9	4 389,1	4 363,2
1.4. Continuing education fees	1 764,7	1 410,9	1 367,4	1 654,0
1.5. Fees for medical residents' training	7 748,2	7 212,6	7 778,8	7 997,9
1.6. Assistance from EU structural funds	3 290,4	1 372,3	2 150,5	4 002,8
1.7. Other tuition receipts	2 366,5	2 080,7	2 756,6	2 161,6
Total tuition receipts	**56 286,0**	**54 418,7**	**54 663,2**	**57 098,8**
2. Research receipts				
2.1. Targeted funding of research themes	12 056,2	11 573,9	11 247,2	11 405,6
2.2. Grants from Estonian Science Foundation	4 981,7	5 076,8	5 095,8	5 688,1
2.3. Research and development contracts	5 686,5	5 109,5	5 825,6	6 476,3
2.4. International contracts and grants	5 356,8	5 460,1	6 158,7	5 871,8
2.5. Targeted funding of infrastructure expenditure	3 528,3	3 304,9	3 242,5	3 282,4
2.6. Baseline funding	3 815,0	3 716,1	3 414,1	3 402,0
2.7. Other research receipts	6 424,6	4 346,5	7 692,1	7 738,0
Total research receipts	**41 849,0**	**38 587,9**	**42 675,9**	**43 864,2**
3. Other receipts				
3.1. Student allowance funds	5 075,9	2 315,4	2 207,5	2 462,9
3.2. Investment loan	5 752,0	0,0	4 320,0	5 400,0
3.3. EU's structural funds for infrastructure investments	61,4	18 620,6	1 778,0	359,8
3.4. Other receipts	7 728,8	9 961,5	8 487,5	8 991,6
Total other receipts	**18 618,0**	**30 897,5**	**16 792,9**	**17 214,2**
TOTAL RECEIPTS	**116 753,1**	**123 904,2**	**114 132,0**	**118 177,3**

EXPENDITURE	2008	2009	2010	2011
1. Research areas				
1.1. Humaniora	9 973,1	10 517,2	10 906,7	12 442,9
1.2. Medicina	20 389,0	21 355,6	23 193,7	22 734,3
1.3. Realia et naturalia	31 904,2	33 407,0	36 593,0	40 112,8
1.4. Socialia	14 212,6	13 574,3	13 621,6	15 447,4
Total for research areas	**76 479,0**	**78 854,2**	**84 315,1**	**90 737,3**
2. University institutions	5 479,9	5 900,2	5 880,8	6 245,6
3. Administrative and support structure	8 576,9	9 415,7	8 999,4	9 456,0
4. Members' fees	1 085,6	1 122,1	1 066,8	1 212,4
5. Investments in construction projects	23 495,5	16 360,8	5 504,4	11 666,6
6. Loan repayments	1 947,8	1 641,8	2 275,4	2 251,6
7. Student allowances	4 906,1	2 597,0	2 474,2	2 378,1
8. Other expenditures	2 653,2	2 581,1	2 473,2	3 205,8
TOTAL EXPENDITURES	**124 624,0**	**118 473,0**	**112 989,4**	**127 153,4**

Comment: The principles of drawing up and executing UT budget have been established by the budgeting rules and regulations approved by the University of Tartu Academic Council. Since they differ from those used in accounting, the data cannot be compared.

UNIVERSITY OF TARTU

CONSOLIDATED FINANCIAL STATEMENTS 2011

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (In thousands of euros)	**Note**	**31 December 2011**	**31 December 2010**
Current assets			
Cash and cash equivalents	2	10,093	19,949
Other current financial assets		1,500	0
Receivables and prepayments			
Trade receivables	3	1,978	1,779
Prepaid and recoverable taxes	4	204	360
Other receivables	5	61	106
Government grants receivable	6	20,125	10,838
Prepayments for services	7	691	573
Total receivables and prepayments		23,059	13,656
Inventories	8	545	529
Total current assets		**35,197**	**34,134**
Non-current assets			
Non-current financial assets			
Investments in associates	9	61	46
Other non-current financial assets		14	15
Total non-current financial assets		75	61
Investment property	10	1,902	2,218
Property and equipment	11		
Land		2,252	2,276
Buildings and structures		179,303	178,809
Equipment and vehicles		15,624	13,639
Library collections		7,218	6,502
Other equipment and fixtures		1,525	1,852
Assets under construction		5,307	5,513
Prepayments for property and equipment		61	442
Total property and equipment		211,290	209,033
Intangible assets	12	2,604	2,580
Total non-current assets		**215,871**	**213,892**
TOTAL ASSETS		**251,068**	**248,026**

The notes on pages 59 to 94 are an integral part of these consolidated financial statements.

LIABILITIES AND NET ASSETS (In thousands of euros)	**Note**	**31 December 2011**	**31 December 2010**
Liabilities			
Current liabilities			
Loans and borrowings			
Security deposit liabilities		131	133
Finance lease liabilities	13	21	8
Current portion of long-term loans	14	2,620	2,276
Total loans and borrowings		2,772	2,417
Derivative financial instruments		148	108
Trade payables		3,750	2,540
Taxes payable	4	2,895	2,607
Accrued expenses			
Payables to employees	15	2,217	1,901
Other accrued expenses	16	1,587	996
Total accrued expenses		3,804	2,897
Deferred income	17	6,356	6,515
Total current liabilities		**19,725**	**17,084**
Non-current liabilities			
Finance lease liabilities	13	13	15
Bank loans	14	19,414	16,663
Total non-current liabilities		**19,427**	**16,678**
Total liabilities		**39,152**	**33,762**
Net assets			
Capital of the University		144,182	144,182
Accumulated surpluses		70,082	79,521
Deficit for the year		-2,348	-9,439
Total net assets		**211,916**	**214,264**
TOTAL LIABILITIES AND NET ASSETS		**251,068**	**248,026**

The notes on pages 59 to 94 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

(In thousands of euros)	Note	2011	2010
Revenue			
Revenue from operating activities	18	22,477	22,859
State budget transfers for teaching activities	19	41,128	40,044
State budget transfers for research activities	20	19,813	19,589
Grants related to assets	21	9,370	6,874
Grants related to income	22	32,653	26,715
Other income	23	1,575	2,018
Total revenue		**127,016**	**118,099**
Expenses			
Goods, materials and services used	24	-11,039	-11,393
Operating expenses	25	-31,335	-26,766
Scholarships		-7,008	-6,059
Personnel expenses	26	-61,533	-58,125
Depreciation, amortisation and impairment losses	27	-16,536	-23,549
Other expenses	28	-1,558	-1,326
Total expenses		**-129,009**	**-127,218**
Deficit on operating activities		**-1,993**	**-9,119**
Finance income and costs			
Loss on sale of a subsidiary		0	-8
Share of profit of associates		15	19
Interest income		94	208
Interest expense		-465	-465
Net foreign exchange gain		0	1
Other finance income		1	0
Net finance costs		**-355**	**-245**
Deficit before income tax		**-2,348**	**-9,364**
Income tax expense		0	-75
Deficit for the year		**-2,348**	**-9,439**

The notes on pages 59 to 94 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of euros)	Note	2011	2010
Cash flows from operating activities			
Deficit on operating activities		-1,993	-9,119
Adjustments for			
Depreciation, amortisation and impairment losses	27	16,536	23,549
Recognition of assets under construction as an expense	11	68	157
Other non-monetary transactions with non-current assets		19	-47
Gain on sale of non-current assets	23	-455	-739
Non-monetary grants related to assets	11	0	-101
Change in receivables and prepayments		-9,416	-3,023
Change in inventories	8	-16	310
Change in payables		1,067	-756
Interest paid		-462	-457
Income tax paid		0	-75
Net cash from operating activities		**5,348**	**9,699**
Cash flows from investing activities			
Proceeds from sale of investment property	10	174	0
Acquisition of property and equipment	11, 13	-7,250	-6,618
Proceeds from sale of property and equipment		766	849
Paid for assets under construction		-9,499	-1,315
Prepayments for property and equipment	11	-843	-863
Acquisition of intangible assets	12	-157	-453
Prepayments for intangible assets	12	-66	-41
Proceeds from sale of a subsidiary		0	32
Recovery of a non-current receivable		2	0
Acquisition of other financial assets		-1,500	0
Interest received		107	373
Net cash used in investing activities		**-18,266**	**-8,036**
Cash flows from financing activities			
Proceeds from loans received	14	5,400	4,320
Repayment of loans		-2,305	-5,407
Payment of finance lease liabilities	13	-33	-5
Net cash from/used in financing activities		**3,062**	**-1,092**
Net cash flow		**-9,856**	**571**
Cash and cash equivalents at beginning of year	**2**	**19,949**	**19,377**
Decrease/increase in cash and cash equivalents		-9,856	571
Effect of movements in exchange rates		0	1
Cash and cash equivalents at end of year	**2**	**10,093**	**19,949**

The notes on pages 59 to 94 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
Balance at 31 December 2009	**144,182**	**66,995**	**12,526**	**223,703**
Transfer of surplus to accumulated surpluses	0	12,526	-12,526	0
Deficit for the year	0	0	-9,439	-9,439
Balance at 31 December 2010	**144,182**	**79,521**	**-9,439**	**214,264**
Transfer of deficit to accumulated surpluses	0	-9,439	9,439	0
Deficit for the year	0	0	-2,348	-2,348
Balance at 31 December 2011	**144,182**	**70,082**	**-2,348**	**211,916**

The notes on pages 59 to 94 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Significant accounting policies

The consolidated financial statements of the University of Tartu as at and for the year ended 31 December 2011 have been prepared in accordance with accounting principles generally accepted in the Republic of Estonia (the Estonian GAAP). The principal requirements of the Estonian GAAP are provided in the Estonian Accounting Act and the guidelines issued by the Estonian Accounting Standards Board. The University of Tartu also observes General Rules for State Accounting, which are based on the Estonian GAAP.

The consolidated financial statements have been prepared on a historical cost basis except where described otherwise in these accounting policies.

The consolidated financial statements for 2011 have been prepared on the assumption that the University of Tartu and its consolidation group are going concerns. The financial year began on 1 January 2011 and ended on 31 December 2011. The financial statements are presented in euros. All amounts are in thousands of euros, rounded to the nearest thousand.

The consolidated statement of financial performance has been prepared based on format 1 in annex 2 to the Accounting Act. Because of the specific nature of the activity of the University of Tartu as a legal person governed by public law, certain account titles in the statements of financial performance and net assets as well as the structure of the statements have been modified.

The consolidated financial statements for the year ended 31 December 2011 comprise the financial information of the University of Tartu (the parent), its subsidiaries OÜ Tartu Ülikooli Kirjastus, OÜ Tartu Ülikooli Tamme Apteek, OÜ Tartu Ülikooli Kesklinna Apteek, OÜ Tartu Tehnoloogiapark, OÜ Kääriku Puhke- ja Spordikeskus, OÜ Tartu Üliõpilasküla Hostel, MTÜ Tartu Üliõpilasküla, MTÜ Tartu Üliõpilasmaja and MTÜ Tartu Ülikooli Akadeemiline Spordiklubi, and its associates Eesti Nanotehnoloogiate Arenduskeskuse AS and OÜ Tervisliku Piima Biotehnoloogiate Arenduskeskus. All subsidiaries, which are business entities, are wholly owned by the University of Tartu. The University of Tartu has a 20-50% interest in the associates (see note 9) and control (over 50% of voting power) over all subsidiaries that are non-profit associations. Accordingly, non-profit associations are fully consolidated. All subsidiaries and associates operate in Estonia.

In 2010, the University of Tartu sold its 100% stake in the subsidiary OÜ Tartu Ülikooli Raamatupood. The financial statements of the subsidiary have been included in the consolidated financial statements for 2010 until the date of sale, i.e. 31 August 2010. In 2010, the University started the liquidation of the subsidiary OÜ Tartu Tehnoloogiapark. The final balance sheet of OÜ Tartu Tehnoloogiapark (under liquidation) was prepared as at 18 October 2010 and the liquidation proceedings were completed in March 2011.

A. Changes in presentation of information

On 1 January 2011 the Republic of Estonia joined the euro-zone and adopted as its national currency the euro, which replaced the Estonian kroon. Accordingly, as from 1 January 2011 the functional currency of the University of Tartu is the euro. The change in functional currency has been recognised prospectively. The parent and the subsidiaries and the associates translated their accounting balances as at 1 January 2011 into euros using the exchange rate of 15.6466 kroons per 1 euro.

The consolidated financial statements for 2011 are presented in euros. Comparative prior period data has been translated from Estonian kroons to euros using the official exchange rate of the switchover of 15.6466 kroons per 1 euro. Since the Estonian kroon was previously pegged to the euro at the same exchange rate, the translation did not give rise to any exchange differences.

B. Preparation of consolidated financial statements

B1. Basis of consolidation

In preparing the consolidated financial statements, the financial statements of the University of Tartu and all the subsidiaries under its control are combined line by line.

Intra-group balances and intra-group transactions and resulting unrealised profits are eliminated in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions 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.

B2. Subsidiaries

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

Acquisitions of subsidiaries are accounted for by applying the purchase method (except for business combinations involving entities under common control that are accounted for using the modified purchase method). Under the purchase method, the acquired subsidiary's assets, liabilities and contingent liabilities (i.e. the net assets acquired) are recognised at their fair values and any difference between the cost of the business combination and the fair value of the net assets acquired is recognised as positive or negative goodwill.

From the date of acquisition, the group's interest in an acquired entity's assets, liabilities and contingent liabilities and any goodwill acquired is recognised in the consolidated statement of financial position and the group's interest in the acquired entity's revenues and expenses is recognised in the consolidated statement of financial performance. Positive goodwill is recognised as an intangible asset in the consolidated statement of financial position.

When a subsidiary is sold during the reporting period, its revenues and expenses are included in the consolidated statement of financial performance until the date of sale. The difference between the sales price and the carrying amount of the subsidiary's net assets (including goodwill) as at the date of sale is recognised as a gain/loss on the sale of the subsidiary. If part of a subsidiary is sold and the group's interest in the entity decreases below 50% (the group loses control) but the group does not lose all influence, consolidation of the entity is discontinued as of the date of sale and the group's remaining interest in the entity's assets, liabilities and goodwill is accounted for as an investment in an associate, an investment in a joint venture or other financial asset. The remaining carrying amount of an investment at the date it ceases to be a subsidiary is regarded as its cost thereafter.

B3. Associates

Associates are entities over which the University of Tartu has significant influence but not control. Significant influence is presumed to exist when the group holds, directly or indirectly, 20-50% of the voting power of an entity.

When the group has significant influence (generally 20-50% of voting power) in a foundation or non-profit association, no investment or financial asset is recognised in the statement of financial position. Contributions to the capital of such an entity are recognised as an expense (support provided).

In the consolidated statement of financial position, 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 adjusted in subsequent periods for the investor's share of changes in the investee's equity (both changes in the investee's profit or loss and other items of equity), for the elimination of any difference identified in the purchase price allocation between the net fair value and the carrying amount of the investee's assets, liabilities and contingent liabilities, and for depreciation. Unrealised profits on transactions between the investor and the associate are eliminated to the extent of the investor's interest in the investee. Unrealised losses are also eliminated unless they result from impairment. If the group's share of losses of an associate exceeds the carrying amount of the investment in the associate, the carrying amount of the investment is reduced to zero and such non-current receivables that in substance form part of the investment are written down. Recognition of further losses is discontinued. If the group has incurred legal or constructive obligations on behalf of the associate, both the liability and loss under the equity method are recognised in the consolidated financial statements. Other receivables from the associate are measured based on their recoverability.

The interest acquired in an associate's assets and liabilities and any goodwill acquired on the business combination is recognised in the consolidated statement of financial position in the net amount within *Investments in associates*.

At each reporting date the group assesses if 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 policy L. *Impairment of assets*.

Investments in subsidiaries and associates that meet the criteria for non-current assets held for sale (i.e. their sale within the next 12 months is highly probable), are accounted for as follows:
(a) the assets and liabilities of such subsidiaries are presented in the consolidated statement of financial position on separate lines *Non-current assets held for sale* and *Liabilities related to non-current assets held for sale* respectively (measured at the lower of their carrying amount and fair value less costs to sell);
(b) investments in such associates are presented in the consolidated statement of financial position on a separate line *Non-current assets held for sale* and they are measured at the lower of their carrying amount and fair value less costs to sell.

B4. Interests in foundations and non-profit associations

The group's interests in entities under control and significant influence (including foundations and non-profit associations) are accounted for as follows:
(a) when a group entity has control over a foundation or a non-profit association (generally over 50% of voting power), the interest is accounted for as a wholly-held investment;
(b) when the group has significant influence over a foundation or a non-profit association (generally 20-50% of voting power), no investment or financial asset is recognised in the consolidated statement of financial position (contributions to the investee's capital are accounted for as expenses from support provided).

The existence of control and significant influence over non-corporate entities is determined considering, among other factors, whether the assets of the entity will transfer to the group when the entity is liquidated.

The University is involved in the activities of ten foundations through the councils of the foundations to which it has appointed its representative(s). The University is a founding member in the following foundations:
1) Tartu University Hospital Foundation
2) Science Centre AHHAA Foundation
3) Estonian Information Technology Foundation
4) Tartu Science Park Foundation
5) University of Tartu Foundation
6) Estonian Agrenska Foundation
7) Saaremaa University Centre Foundation
8) Viljandi County Creative Incubators Foundation
9) Iuridicum Foundation
10) Centre for Strategic Initiatives Foundation.

The group's interest in larger foundations (the net assets of the foundation and the group's representation):

(In thousands of euros)	Foundation				
	Tartu University Hospital Foundation	Science Centre AHHAA Foundation	Estonian Information Technology Foundation	Tartu Science Park Foundation	University of Tartu Foundation
Net assets					
As at 31 December 2010	81,887	7,829	5,448	4,124	2,187
As at 31 December 2011	83,144	10,391	5,496	4,542	2,481
Representation of the University of Tartu					
In the council	3 members of 8	2 members of 6	1 member of 5	3 members of 10	X
On the board of trustees	X	X	X	X	1 member of 7

B5. Other financial assets – shares and other equity instruments

Other current and non-current financial assets consisting of shares and other equity instruments whose fair value cannot be measured reliably are measured at cost less any impairment losses.

The University of Tartu has equity interests in two companies:
1) Reproduktiivmeditsiini TAK AS – ownership interest 7.69%
2) Tarkvara Tehnoloogia Arenduskeskus AS – ownership interest 2%

B6. Parent entity's unconsolidated financial statements presented in the notes to the consolidated financial statements

In conformity with the Estonian Accounting Act, the notes to the consolidated financial statements have to include the separate unconsolidated primary financial statements of the group's parent (the consolidating entity): the statements of financial position, financial performance and cash flows and the statement of changes in net assets. The parent entity's unconsolidated financial statements are prepared using the same accounting policies as those applied on the preparation of the consolidated financial statements except that in the unconsolidated financial statements investments in subsidiaries and associates are measured at cost less any impairment losses.

C. Financial assets

The group has the following financial assets: cash and cash equivalents (see also accounting policy D), trade receivables (see also accounting policy E), other receivables and other current and non-current financial assets (other investments). Purchases and sales of financial assets are recognised using trade date accounting, i.e. at the date the group commits itself to purchase or sell an asset.

Cash and cash equivalents, trade receivables and other receivables (accrued income, loans granted and other current and non-current receivables) except for items acquired for resale are measured at their amortised cost. As a rule, the amortised cost of a current receivable is equal to its nominal value (less any repayments and possible impairments). Therefore, current receivables are stated at the amount that is expected to be recoverable.

Current and non-current investments in shares and other equity instruments (except for investments in subsidiaries and associates that are accounted for using the consolidation and the equity method respectively) are measured at their fair value if the latter can be measured reliably. Shares and other equity instruments whose fair value cannot be determined reliably are measured at cost (less any impairment losses when the recoverable amount of the asset has decreased below its carrying amount).

Other current financial assets comprise a non-cancellable term deposit whose maturity date is after 12 months of the reporting date.

Other non-current financial assets (other investments in securities and non-current receivables) comprise investments in securities (shares, debt securities, debentures, fund units, etc) that will probably not be sold within the next 12 months (except for investments in subsidiaries and associates).

At each reporting date the group assesses whether there is any evidence that financial assets may be impaired. If there is such evidence, financial assets are written down as follows:
(a) a financial asset measured at amortised cost (such as a receivable) is written down to the present value of its estimated future cash flows (discounted at the asset's original effective interest rate);
(b) a financial asset measured at cost (such as a share or other equity instrument whose fair value cannot be measured reliably) is written down to the present value of its estimated future cash flows (discounted at the current market rate of return for a similar financial asset).

An impairment loss is recognised as an expense in the statement of financial performance.

Reversals impairment losses:
(a) If the value of a financial asset measured at amortised cost that has been written down in a previous period increases, the previously recognised impairment loss is reversed, resulting in the carrying amount of the asset to be the lower of (1) the present value of the asset's estimated future cash flows and (2) the amortised cost of the asset that would have been measured had the impairment loss not been recognised. Reversals of impairment losses are recognised in the statement of financial performance.
(b) Impairment losses recognised for financial assets measured at cost because their fair value cannot be measured reliably are not reversed.

D. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current accounts, term deposits with a maturity of up to three months, liquid units in the banks' money market funds and card payments made but not yet received.

In the 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.

E. Trade receivables

Trade receivables comprise receivables arising in the ordinary course of the group's operations excluding receivables from subsidiaries and associates. Trade receivables are measured at their amortised cost, i.e. at their original cost less any reduction for impairment.

In the statement of financial position, receivables are carried in the amount that is expected to be recoverable. The recoverability of receivables is assessed on an individual basis: the recoverability of each invoice is reviewed separately. In estimating the recoverability of receivables, the group takes into account both the information available at the reporting date and the information that may affect the recoverability of receivables that becomes available by the date the financial statements are authorised fort issue. A receivable is written down if there is objective evidence indicating that the receivable will not be settled in accordance with the originally agreed settlement terms. Evidence that a receivable may be impaired includes the debtor's bankruptcy or significant financial difficulty and non-adherence to settlement terms.

Impaired (doubtful) receivables are recognised as an expense. Impaired receivables are carried in the trade receivables ledger until they are collected or considered irrecoverable and written off the statement of financial position.

When it becomes apparent that a receivable cannot be expected to be collected, the item is considered irrecoverable and is written off the statement of financial position. A receivable is considered irrecoverable when the group has no means for collecting it (the debtor has been liquidated or has gone bankrupt and the assets in the bankrupt's estate are not sufficient for settling the debt, etc) or when the costs of collecting the receivable would exceed estimated income from the recovery of the receivable.

When a receivable that has been classified as impaired (doubtful) or irrecoverable is collected, the previously recognised impairment expense is reduced in the period in which the item is recovered.

F. Inventories

Inventories are assets held for sale in the ordinary course of the group's activity; in the process of production for such sale; in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories encompass not only goods purchased for resale, materials, work in progress and finished goods but also equipment and properties held for resale and the costs of services.

Finished goods and work in progress are measured at their cost of conversion, which comprises all direct and indirect costs of production incurred in bringing the inventories to their present location and condition.

Goods and materials are initially recognised at cost. The cost of goods and materials comprises their purchase price and transport, handling and other costs directly attributable to their acquisition.

In accordance with General Rules for State Accounting, non-recoverable duties and taxes paid on the acquisition of inventories are recognised as an expense.

The cost of inventories is assigned using the FIFO formula. In the statement of financial position, inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

G. 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 but does not use in its operating activity. Buildings and premises that are used by group entities are recognised as items of property and equipment.

An investment property is measured initially at its cost that includes any directly attributable transaction charges (e.g. notary's fees, stamp duties, fees for legal and advisory services, and other expenditures without which the transaction would probably not have occurred). After initial recognition, an investment property is measured using the cost model, i.e. at cost less any accumulated depreciation and any impairment losses.

Depreciation is charged using the straight-line method. Each item of 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. The depreciation rates of the group's investment properties range from 2-20% per year.

Subsequent costs on an item of investment property are added to the carrying amount of the property if it is probable that future economic benefits associated with item will flow to the group and the costs can be measured reliably. Current maintenance and repair costs 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 item of 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 statement of financial performance in *Other income* and *Other expenses* respectively.

When the purpose of use of an investment property is changed, the property is reclassified. From the date of transfer, the asset is accounted for using the accounting policies applied to the class of assets it is transferred to.

H. Property and equipment

Property and equipment are assets that the group uses for meeting its statutory responsibilities, rendering services or for administrative purposes, which it expects to use for a period exceeding one year, and whose cost amounts to at least 2,000 euros. As an exception, land, books acquired for the library collections (see accounting policy I), assets belonging to museum collections (museum exhibits) and assets belonging to and in the possession of the University of Tartu that have been entered in the national register of cultural property are recognised as items of property and equipment regardless of cost.

Assets acquired for museum collections are recognised as items of property and equipment in an aggregated set (in the total amount). Accounts in unit and item terms are kept in the museums' information systems. Items of cultural property 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 and equipment when their cost exceeds the threshold for recognising tangible items as items of property and equipment and they are depreciated over their estimated useful lives.

Assets whose useful lives exceed a year but cost is less than 2,000 euros are recognised as an expense on implementation. Expensed items of immaterial value whose cost extends from 640 to 1,999.99 euros are accounted for off the statement of financial position.

Items of property and equipment are initially recognised at cost. The cost of an item of property and equipment comprises its 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 manner intended by the group. In accordance with General Rules for State Accounting, non-recoverable duties and taxes and borrowing costs are not capitalised as part of the cost of an item of property and equipment. In the statement of financial position, property and equipment is carried at cost less any accumulated depreciation and any impairment losses. Assets acquired with finance leases are accounted for similarly to assets that have been purchased.

Subsequent costs on an item of property and equipment are capitalised if it is probable that future economic benefits associated with item will flow to the group and the costs can be measured reliably. Current repair and maintenance costs are expensed as incurred.

Depreciation is charged using the straight-line method. Each item of property and equipment is assigned a depreciation rate that corresponds to its useful life. In the case of an asset with significant residual value only the depreciable amount (cost less residual value) is charged to expenses over the estimated 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 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.

The group assigns classes of property and equipment the following annual depreciation rates:

- Land 0%
- Buildings and structures 2-30%
- Equipment and vehicles 15-50%
- Library collections 0%
- Other items of property and equipment 2-35%

Assets with an unlimited useful life (land, assets entered in the national register of cultural property, assets belonging to museum collections, books belonging to the library collections, publications and data media) are not depreciated.

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 manner intended by management. Depreciation of an asset ceases when the asset is fully depreciated, derecognised or classified as held for sale. Depreciation rates and methods and residual values are reviewed at each reporting date.

When the recoverable amount of an item of property and equipment (i.e. the higher of its fair value less costs to sell and value in use) is less than its carrying amount, the carrying amount of the item is written down to its recoverable amount (see also accounting policy L).

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

I. Library collections

Under section 41 subsection 2 of General Rules for State Accounting, public libraries whose core activity is storage and lending of books may recognise the books as items of property and equipment regardless of cost. In line with the requirements of General Rules for State Accounting, the group's statement of financial position includes the books acquired for the university library collections since January 2004. Books, publications and other data media acquired for library collections are recognised as items of property and equipment in an aggregated set (in the total amount). Accounts in unit and item terms are kept in the library's information system. The following books of the library collections are recognised in the consolidated statement of financial position:

(a) books, publications and other data media that University of Tartu has acquired since 2004;
(b) books, publications and other data media received from other libraries by means of exchange (measured at their cost in the library's exchange collection);
(c) data media paid for by the ELNET consortium that has been acquired for the University of Tartu (recognised in revenue as non-monetary grants related to assets).

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

(a) books, publications and other data media acquired before 2004;
(b) books, publications and other data media received as donations;
(c) legal deposit copies sent to the university library by Estonian publishing houses.

The books, publications and other data media recognised in the statement of financial position are not depreciated. A book is expensed in full when it is retired from use or it becomes apparent that it has been lost.

J. Intangible assets

Intangible assets are assets without physical substance that are expected to be used for more than one year and have a cost that exceeds the threshold for recognising items as non-current assets. Intangible assets (software, rights of use and other intangible assets) are recognised in the 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 and the cost of the asset can be measured reliably. An acquired 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 accumulated impairment losses.

The group's intangible assets comprise the biological material and health records database of the Estonian Genome Centre, an institution of the University of Tartu, software and other intangible assets.

Intangible assets are classified into assets with finite useful lives and assets with indefinite useful lives. An intangible asset with an indefinite useful life (goodwill acquired in a business combination) is not amortised. Instead, it is tested for impairment by comparing its recoverable amount with its carrying amount at each reporting date. When the recoverable amount of an intangible asset with an indefinite useful life is less than its carrying amount, the carrying amount of the asset is written down to its recoverable amount. At 31 December 2011 and at 31 December 2010, the group had no intangible assets with an indefinite useful life.

An intangible asset with a finite useful life is amortised on a straight-line basis over its estimated useful life. Amortisation rates and methods are reviewed at each reporting date. Annual amortisation rates are as follows:

- Biological material and health records database 3.33%
- Software 20-50%
- Other intangible assets 3.33-50%

An intangible asset with a finite useful life is tested for impairment whenever there is an indication that the intangible asset may be impaired (see also accounting policy L).

K. Non-current assets held for sale

Items of property and equipment and intangible assets are classified as non-current assets held for sale when it is highly probable that they will be sold within the next 12 months, management has launched an active programme for their sale and they are being marketed at a price that is reasonable in relation to their fair value.

Non-current assets held for sale are presented within current assets in the consolidated statement of financial position and their depreciation or amortisation is discontinued as of the date of reclassification. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

L. Impairment of assets

The group assesses at the end of each reporting period whether there is any indication that an item of property and equipment that has an unlimited useful life (land, assets entered in the national register of cultural property, assets belonging to museum collections and books, publications and data media belonging to the library collections) or a depreciable or amortisable asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset and compares it with the asset's carrying amount.

An impairment loss is recognised in an amount by which the carrying amount of an asset 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 inflows. 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 may have increased (except for goodwill whose impairment losses are not reversed). If an impairment test indicates that the recoverable amount of an asset of 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 statement of financial performance by reducing expenses from impairment losses.

M. Deferred income

Deferred income comprises tuition fees received for the next financial year, grants received in advance under research and development contracts and other deferred income received in the reporting year but not recognised in the revenue for the reporting year.

Out of the tuition fees paid for the autumn term of the 2011/2012 academic year, 80% have been included in the revenue for 2011. The remaining 20% has been recognised as deferred income and will be taken to revenue in 2012.

At the end of the reporting period, revenue and expenses from designated-purpose grants are reviewed and recognised in accordance with the accrual accounting and matching principles (see also accounting policy R). When a grant has been received but has not yet been used, it is recognised as deferred income.

N. Finance and operating leases

A finance lease is a lease that transfers all significant risks and rewards of ownership to the lessee. An operating lease is a lease other than a finance lease.

The group as a lessee

As a lessee, the group recognises finance leases as assets and liabilities in the 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 in *Interest expense* in the statement of financial performance. The finance lease liability (net of the finance charge) is classified into the current and non-current portions. Assets acquired with 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 in the statement of financial performance in *Depreciation, amortisation and impairment losses*.

In the case of operating leases, lease payments are recognised as an expense on an accrual basis over the lease term. Assets used under operating leases are not recognised in the lessee's statement of financial position.

The group as a lessor

Assets leased out under operating leases are presented in the group's statement of financial position according to the nature of the asset, i.e. similarly to other assets. The assets are depreciated using a depreciation policy that is 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.

O. Financial liabilities

A financial liability is measured initially at its cost, which includes any transaction costs that are directly attributable to the acquisition of the financial liability. After initial recognition, a financial liability is measured at its amortised cost using the effective interest rate method. Derivative financial instruments are measured at their fair value. Derivative financial instruments whose fair value is negative are recognised as financial liabilities.

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

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 of the financial liability for at least 12 months after the reporting date. A loan liability that is due to be settled within 12 months after the reporting date is classified as current unless the group expects and has the discretion to refinance or roll over the liability for at least 12 months after the reporting date. When the group expects to refinance or reschedule loan repayments on a long-term basis but at the reporting date there is no certainty as to whether the intention can be realised, the loan is classified as current even if an agreement to refinance or reschedule payments is completed after the reporting date and before the financial statements are authorised for issue. Liabilities which become payable on demand 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.

P. Derivative financial instruments

When a derivative financial instrument is recognised initially, it is measured at its fair value at the date of signature of the underlying contract. After initial recognition, derivatives are re-measured to fair value at each reporting date. Gains and losses on changes in the fair value of derivative financial instruments are recognised as income and expenses respectively in the statement of financial performance in the period in which they arise.

Q. Provisions and contingent liabilities

Provisions are recognised for present obligations of uncertain timing or amount that have arisen as a result of past events.

Other possible or present obligations whose realisation is not probable or amount cannot be measured sufficiently reliably but which may transform into obligations under certain circumstances are disclosed in the notes to the financial statements as contingent liabilities.

R. Government grants

Government grants are accounted for in accordance with General Rules for State Accounting and Estonian Accounting Standards Board Guideline RTJ 12, using the gross method.

A government grant is recognised when cash is transferred or received or at the date of accrual. Grants are recognised in revenue and expenses using the accrual accounting principle. When the provider (donor) or intermediary of a grant has set the condition that a payment application and/or expense documents have to be submitted, the date recorded in the payment application as the date of incurrence of expenses or acquisition of the asset (in the case of incurrence of expenses or performance of work that may be capitalised, the date of completion of the work) is regarded as the date of receipt or intermediation of the grant. Government grants are classified into domestic and foreign grants which are further classified into grants related to income and grants related to assets. In revenue and expense accounts, distinction is made between provision and intermediation of grants.

When a grant has been received but some of its conditions have not yet been complied with, or when the provider or intermediary of a grant or co-financing has made a prepayment to the University of Tartu, the amount received is recognised as deferred income.

Grants related to income

Grants related to income are recognised as income over the periods necessary to match them with the costs which they are intended to compensate. Grants related to income are recognised as revenue when there is assurance that the grant will be received, the University of Tartu complies with the conditions attaching to the grant and the costs that the grant is intended to compensate have been incurred.

Grants related to assets

The main condition for grants related to assets is that the University of Tartu as the grant recipient has to purchase, build or otherwise acquire a certain non-current asset. The University of Tartu recognises grants related to assets as revenue in the period in which the non-current asset is acquired.

Non-designated grants

Non-designated grants are grants provided without a designated purpose and special conditions, which the University of Tartu as the recipient may use at its discretion. Non-designated grants are recognised as revenue as of the date of receipt.

S. Foreign currency transactions and financial assets and liabilities denominated in foreign currency

All currencies other than the group's functional currency, the euro (until 31 December 2010 the Estonian kroon), are regarded as foreign currencies. A transaction in foreign currency is recorded by applying the official exchange rate of the European Central Bank quoted at the date of the transaction (until 31 December 2010 the exchange rate of the Bank of Estonia). At the reporting date, monetary assets and liabilities denominated in foreign currency (receivables and loans to be settled in cash) are retranslated into the functional currency using the exchange rates of the European Central Bank (until 31 December 2010 the exchange rates of the Bank of Estonia) ruling at that date. Exchange gains and losses arising on translation are recognised in the statement of financial performance in the period in which they arise. Non-monetary assets and liabilities denominated in foreign currency that are not measured at fair value are not retranslated at the reporting date but are continuously measured by applying the exchange rate of the European Central Bank (until 31 December 2010 the exchange rate of the Bank of Estonia) quoted at the date of the transaction.

T. Revenue and expenses

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 by the group. Revenue is recognised only when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the group, the significant risks and rewards of ownership have been transferred to the buyer, the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from the rendering of services is recognised as the service is rendered or, if the service is rendered over an extended period, using the percentage of completion method. Under the latter, the revenue and outcome of the provision of a service are recognised in proportion to and in the same periods as associated expenses.

Revenue from teaching activities comprises tuition fees collected and to be collected from day-time students, open university students, participants in further training programmes, etc. Revenue is recognised in the same academic term during which the service was rendered. When part of the tuition fee transfers to the next financial year, it is recognised in the statement of financial position within *Deferred income*.

Revenue from the sale of goods comprises revenue from the sale of goods produced or created for sale by the group itself as well as revenue from the sale of goods purchased for resale.

Revenue from rental and lease activities comprises lease and rental payments received from legal persons and individuals who lease or rent premises from the group, income from intermediation of ancillary lease or rental costs, and rental payments received from students who live in hostels.

Revenue from research and development contracts comprises revenue from both domestic and international R&D contracts. The contracts may be both current and non-current. At the reporting date, revenue has to be recognised in the correct period and matched with the costs incurred as required by the matching principle.

Revenue from other services comprises revenue from education and training services provided to legal persons, revenue from organising seminars and conferences and revenue from the sale of other products (books, publications, plants, etc) and services (copying, laboratory services, etc).

State budget transfers for teaching activities comprise allocations and support payments received from the Ministry of Education and Research and other public sector institutions.

State budget transfers for teaching activities comprise: allocations for state-funded higher education (state-funded study places); funding for medical residents; the investment component of state-funded higher education; allocations for the remuneration of professors emeritus; funding for the Gifted and Talented Development Centre; funding for EuroCollege; funding for special education in the field of natural sciences; funding for organising disbursement of study allowances, etc.

State budget transfers for research activities comprise: government grants for research topics; base financing for research institutions; financing for research institutions' infrastructure expenses; funding for national programmes; state budget funding for scientific and research information for the library, etc.

Grants are transfers of resources provided for a designated purpose. Grants are provided for the acquisition of non-current assets and for covering operating expenses. Revenue from grants is recognised on an accrual basis when the grant has been received (see accounting policy R).

Other income comprises net gain on sale of inventories and non-current assets, contractual penalty payments received, membership fees, non-designated funding from residents and non-residents, marketing services provided by pharmacies, donations from legal persons and individuals, etc.

Finance income comprises income on financial assets. Finance income on investments in subsidiaries consists of gain on the sale of subsidiaries. Finance income on investments in associates comprises gain on the sale of investments in associates and the group's share of profits of associates.

Interest income is recognised when it is probable that economic benefits associated with the transaction will flow to the group and the amount of the income can be measured reliably. Interest income is recognised using the effective interest rate method except where collection is uncertain. In the latter case, interest income is recognised on a cash basis.

U. Events after the reporting period

The consolidated financial statements reflect all significant events affecting the valuation of assets and liabilities that became evident between the reporting date and the date on which the financial statements were authorised for issue but are related to the reporting or prior periods. Subsequent events that are indicative of conditions that arose after the reporting date but which will have a significant effect on the result of the next financial year are disclosed in the notes to the consolidated financial statements.

Note 2. Cash and cash equivalents

(In thousands of euros)	31 December 2011	31 December 2010
Cash on hand	39	29
Current accounts and overnight deposits	6,580	11,286
Term deposits with a short maturity	3,469	8,619
Card payments made but not yet received	5	15
Total	**10,093**	**19,949**

In 2011, interest income on current accounts and term deposits with a short maturity amounted to 94 thousand euros (2010: 207 thousand euros). Interest rates for deposits and current accounts ranged from 0.08-2.25% per year (2010: 0.96-6.30%).

Note 3. Trade receivables

(In thousands of euros)	31 December 2011	31 December 2010
Trade receivables	2,060	1,833
Allowance for impairment	-82	-54
Total	**1,978**	**1,779**

Movements in the impairment allowance:

(In thousands of euros)	2011	2010
Impairment allowance at beginning g of year	**-54**	**-117**
Recovery of receivables considered impaired in prior years	25	19
Items considered impaired during the year	-59	-30
Items considered irrecoverable during the year	6	74
Impairment allowance at end of year	**-82**	**-54**

Note 4. Prepaid taxes and taxes payable

(In thousands of euros)	31 December 2011	31 December 2010
Prepaid taxes		
Prepayment	204	360
Total	**204**	**360**
Taxes payable		
Social security tax	1,530	1,442
Personal income tax	831	784
Value added tax	281	158
Unemployment insurance contributions	176	167
Funded pension contributions	51	36
Corporate income tax	26	20
Total	**2,895**	**2,607**

Note 5. Other receivables

(In thousands of euros)	31 December 2011	31 December 2010
Grants and co-financing reclaimed from partners	31	31
Advances to staff authorised to conduct transactions	18	18
Interest receivable	7	23
Security deposits receivable	2	21
Miscellaneous receivables	3	13
Total	**61**	**106**

Note 6. Government grants receivable

(In thousands of euros)	31 December 2011	31 December 2010
In the project for the construction of the academic building of Narva College (Archimedes Foundation)	3,363	462
In projects of the measure for modernising research apparatus and equipment (Archimedes Foundation)	3,216	844
In centres of excellence projects (Archimedes Foundation)	2,100	1,200
In projects of the European Territorial Cooperation Objective programme	1,841	799
In projects of the measure for modernising small-scale research infrastructure (Archimedes Foundation)	1,676	2,202
In projects of programmes funded by the European Social Fund (Archimedes Foundation)	1,659	1,430
Programme Mobilitas	*683*	*579*
Programme Primus	*332*	*279*
Programme Dora	*301*	*182*
Programme Eduko	*201*	*218*
Programme BeSt	*142*	*172*
In doctoral schools	1,347	689
In projects funded by the Enterprise Estonia Foundation	1,008	1,116
In projects funded by the European Fisheries Fund (Agricultural Registers and Information Board)	685	0
In projects of the measure for supporting the development of energy technology R&D (Archimedes Foundation)	600	0
In projects of the sub-measure for modernising research infrastructure of national priority (Archimedes Foundation)	400	0
In projects of the sub-measure for cooperation of universities and enterprises (Archimedes Foundation)	337	139
In projects of the 7th EC Framework Programme	291	170
In international support projects	281	215
In CO_2 investment projects (Ministry of Finance)	238	0
In projects funded by the Foundation for Lifelong Learning Development (INNOVE Foundation)	186	94
In biomedical research projects supported by MTÜ Wellcome Trust	176	158
In projects funded by the Environmental Investment Centre	159	150
In projects of the 6th EC Framework Programme	150	277
In projects of the Norwegian/EEA financial mechanisms	140	661
In projects of the program for monitoring research and innovation policy (Archimedes Foundation)	114	0
In projects of the sub-measure for popularisation of science “Teeme” (Archimedes Foundation)	54	0
In other projects funded by Archimedes Foundation	40	70
In the project for developing the Centre of Translational Medicine (Archimedes Foundation)	24	113
Other	40	49
Total	**20,125**	**10,838**

Note 7. Prepayments for services

(In thousands of euros)	31 December 2011	31 December 2010
Subscriptions to teaching and study publications and periodicals	363	377
Prepayments related to teaching and research activities	177	80
Prepaid work-related travel expenses	73	73
Prepaid participation and membership fees	30	3
Prepayments to employees	27	21
Other prepayments	21	19
Total	**691**	**573**

Note 8. Inventories

(In thousands of euros)	31 December 2011	31 December 2010
Materials	10	6
Finished goods	22	13
Goods purchased for resale	308	317
Prepayments to suppliers	205	193
Total	**545**	**529**

In the reporting period, the group wrote down inventories whose net realisable value had decreased below cost and expensed unusable inventories as follows:

(In thousands of euros)	2011	2010
Finished goods	38	27
Goods purchased for resale	12	2
Total	**50**	**29**

Note 9. Investments in associates

(In thousands of euros)	OÜ Tervisliku Piima Biotehnoloogiate Arenduskeskus	Eesti Nano-tehnoloogiate Arenduskeskuse AS	Total
Carrying amount at 31 December 2009	**18**	**9**	**27**
Cost at 31 December 2009	*1*	*7*	*8*
University of Tartu share of profit for 2010	8	11	19
Carrying amount at 31 December 2010	**26**	**20**	**46**
Cost at 31 December 2010	*1*	*7*	*8*
University of Tartu share of profit/loss for 2011	19	-4	15
Carrying amount at 31 December 2011	**45**	**16**	**61**
Cost at 31 December 2011	*1*	*7*	*8*
Interest of University of Tartu			
As at 31 December 2010	*20%*	*23.80%*	
As at 31 December 2011	*20%*	*23.80%*	

Both associates operate in Estonia. Neither associate is listed on a stock exchange.

OÜ Tervisliku Piima Biotehnoloogiate Arenduskeskus ended the financial year with a profit of 95 thousand euros, which increased the year-end value of the investment of the University of Tartu by 19 thousand euros.

Eesti Nanotehnoloogiate Arenduskeskuse AS ended the reporting year with a loss of 19 thousand euros, which reduced the value of the investment of the University of Tartu by 4 thousand euros.

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

(In thousands of euros)	OÜ Tervisliku Piima Biotehnoloogiate Arenduskeskus	Eesti Nanotehnoloogiate Arenduskeskuse AS	Total
As at 31 December 2010			
Share capital	6	27	33
Statutory capital reserve	1	3	4
Retained earnings	84	7	91
Profit for the year	42	45	87
Total equity	**133**	**82**	**215**
Share of University of Tartu	**26**	**20**	**46**
Interest of University of Tartu	*20%*	*23.80%*	
As at 31 December 2011			
Share capital	6	29	35
Statutory capital reserve	1	3	4
Retained earnings	126	50	176
Profit/loss for the year	95	-16	79
Total equity	**228**	**66**	**294**
Share of University of Tartu	**45**	**16**	**61**
Interest of University of Tartu	*20%*	*23.80%*	

In 2011 the associates' share capital was converted into euros. Conversion of the amounts from Estonian kroons into euros and rounding the new amounts had no effect on the rights carried by the shares and the ratio of the par value of a share to share capital. On the conversion of the share capital of OÜ Tervisliku Piima Biotehnoloogiate Arenduskeskus from kroons into euros, the entity's share capital decreased by 0.39 thousand euros, which was transferred to retained earnings. On the conversion of the share capital of Eesti Nanotehnoloogiate Arenduskeskuse AS from kroons into euros, the entity's share capital was increased through a bonus issue by 2.57 thousand euros using retained earnings.

Note 10. Investment property

(In thousands of euros)	Riia 191	Ülikooli 20	Apartments	Total
Cost				
As at 31 December 2009	**94**	**1,953**	**513**	**2,560**
Rental income for 2010	*0*	*26*	*9*	35
Property management expenses for 2010	*0*	*39*	*14*	53
Of which expenses re-invoiced to tenants	*0*	*38*	*14*	52
As at 31 December 2010	**94**	**1,953**	**513**	**2,560**
Disposals	0	0	-258	-258
Rental income for 2011	*0*	*26*	*7*	33
Property management expenses for 2011	*0*	*24*	*10*	34
Of which expenses re-invoiced to tenants	*0*	*18*	*9*	27
As at 31 December 2011	**94**	**1,953**	**255**	**2,302**
Depreciation				
As at 31 December 2009	**0**	**146**	**109**	**255**
Depreciation for the year (note 27)	0	48	39	87
As at 31 December 2010	**0**	**194**	**148**	**342**
Depreciation for the year (note 27)	0	49	33	82
Disposals	0	0	-24	-24
As at 31 December 2011	**0**	**243**	**157**	**400**
Carrying amount				
As at 31 December 2009	**94**	**1,807**	**404**	**2,305**
As at 31 December 2010	**94**	**1,759**	**365**	**2,218**
As at 31 December 2011	**94**	**1,710**	**98**	**1,902**

Note 11. Property and equipment

(In thousands of euros)	Land	Buildings and structures	Equipment and vehicles	Library collections	Other items of property and equipment	Assets under construction	Prepayments for property and equipment	Total
Cost								
As at 31 December 2009	**2,376**	**221,146**	**38,429**	**5,891**	**5,083**	**4,413**	**77**	**277,415**
Additions	1	7	5,866	701	43	1,476	863	8,957
Non-monetary additions	5	92	4	0	0	0	0	101
Transfers	0	160	557	0	0	-219	-498	0
Transfers to non-current assets held for sale	-34	-2	0	0	0	0	0	-36
Recognition as an expense	0	0	0	0	0	-157	0	-157
Disposals	-72	-90	-4,209	-90	-714	0	0	-5,175
Disposals through disposal of a subsidiary	0	0	0	0	-13	0	0	-13
As at 31 December 2010	**2,276**	**221,313**	**40,647**	**6,502**	**4,399**	**5,513**	**442**	**281,092**
Additions	0	31	6,476	754	33	10,711	843	18,848
Transfers	0	10,577	1,390	0	105	-10,849	-1,223	0
Recognition as an expense	0	0	0	0	-18	-68	-1	-87
Disposals	-24	-5,269	-447	-38	-36	0	0	-5,814
As at 31 December 2011	**2,252**	**226,652**	**48,066**	**7,218**	**4,483**	**5,307**	**61**	**294,039**
Depreciation								
As at 31 December 2009	**0**	**24,960**	**26,224**	**0**	**2,675**	**0**	**0**	**53,859**
Depreciation for the year (note 27)	0	7,693	4,979	0	593	0	0	13,265
Write-down (note 27)	0	9,857	0	0	0	0	0	9,857
Disposals	0	-6	-4,195	0	-710	0	0	-4,911
Disposals through disposal of a subsidiary	0	0	0	0	-11	0	0	-11
As at 31 December 2010	**0**	**42,504**	**27,008**	**0**	**2,547**	**0**	**0**	**72,059**
Depreciation for the year (note 27)	0	6,870	5,854	0	446	0	0	13,170
Disposals	0	-2,025	-420	0	-35	0	0	-2,480
As at 31 December 2011	**0**	**47,349**	**32,442**	**0**	**2,958**	**0**	**0**	**82,749**
Carrying amount								
As at 31 December 2009	**2,376**	**196,186**	**12,205**	**5,891**	**2,408**	**4,413**	**77**	**223,556**
As at 31 December 2010	**2,276**	**178,809**	**13,639**	**6,502**	**1,852**	**5,513**	**442**	**209,033**
As at 31 December 2011	**2,252**	**179,303**	**15,624**	**7,218**	**1,525**	**5,307**	**61**	**211,290**

Note 12. Intangible assets

(In thousands of euros)	Biological material and health records database	Software	Other intangible assets	Prepayments for intangible assets	Total
Cost					
As at 31 December 2009	**2,205**	**336**	**65**	**0**	**2,606**
Additions	299	129	25	41	494
Transfers	0	41	0	-41	0
Disposals through disposal of a subsidiary	0	-4	0	0	-4
As at 31 December 2010	**2,504**	**502**	**90**	**0**	**3,096**
Additions	41	116	0	66	223
Transfers	0	56	10	-66	0
Disposals	0	-70	0	0	-70
As at 31 December 2011	**2,545**	**604**	**100**	**0**	**3,249**
Amortisation					
As at 31 December 2009	**134**	**204**	**26**	**0**	**364**
Amortisation for the year (note 27)	81	59	14	0	154
Disposals through disposal of a subsidiary	0	-2	0	0	-2
As at 31 December 2010	**215**	**261**	**40**	**0**	**516**
Amortisation for the year (note 27)	83	91	25	0	199
Disposals	0	-70	0	0	-70
As at 31 December 2011	**298**	**282**	**65**	**0**	**645**
Carrying amount					
As at 31 December 2009	**2,071**	**132**	**39**	**0**	**2,242**
As at 31 December 2010	**2,289**	**241**	**50**	**0**	**2,580**
As at 31 December 2011	**2,247**	**322**	**35**	**0**	**2,604**

As at 31 December 2011, the biological material and health records database included 51,843 samples, which comprised the gene donors' biological material (chromosomal DNA, white blood cells and blood plasma) and a description of their state of health (their health, health behaviour and environment). As at 31 December 2010, the database included 51,515 samples.

Note 13. Finance and operating leases

Finance leases – the group as a lessee

(In thousands of euros)	Equipment and vehicles
As at 31 December 2010	
Cost as at 31 December 2010	**52**
Accumulated depreciation as at 31 December 2010	-29
Of which depreciation for 2010	*-8*
Carrying amount as at 31 December 2010	**23**
Principal payments made in 2010	5
Interest payments made in 2010	2
As at 31 December 2011	
Cost as at 31 December 2011	**96**
Accumulated depreciation as at 31 December 2011	-45
Of which depreciation for 2011	*-16*
Carrying amount as at 31 December 2011	**51**
Principal payments made in 2011	33
Interest payments made in 2011	1
Finance lease liabilities as at 31 December 2010	**23**
Finance lease liabilities as at 31 December 2011	**34**
Payable within 1 year	21
Payable between 1 and 5 years	13
Interest rates	0-5.97%
Maturity date	2015

At the beginning of the reporting year, the group had two effective finance lease contracts: one on a commercial vehicle, Volkswagen Multivan Comfortline, leased by MTÜ Tartu Üliõpilasmaja and the other on a commercial vehicle, Ford Mondeo, leased by MTÜ Tartu Üliõpilasküla. During the year, the number of contracts increased as the University of Tartu acquired a digital copying-printing press Xerox 700 (with a cost of 44 thousand euros) with a finance lease. The contract on the commercial vehicle Ford Mondeo, leased by MTÜ Tartu Üliõpilasküla, expired in 2011.

Operating leases – the group as a lessor

(In thousands of euros)	Buildings and structures	
	31 December 2011	31 December 2010
Operating lease income for the reporting year	328	288
Rentals receivable within 1 year	247	258
Rentals receivable between 1 and 5 years	762	810
Rentals receivable in more than 5 years	284	393
Cost of assets leased out	**8,269**	**7,003**
Carrying amount of assets leased out	**5,346**	**4,633**

The figures on operating lease income include rental income earned on both investment property and items of property and equipment. Information on the carrying amounts of investment properties that have been leased out is provided in note 10.

Where part of a non-current asset (a property) has been leased out under the terms of an operating lease, the cost and carrying amount of the asset are determined based on the proportion of the asset that has been leased out.

Operating leases – the group as a lessee

(In thousands of euros)	Buildings and structures	Equipment and vehicles
As at 31 December 2010		
Operating lease payments made in 2010	498	21
Payable within 1 year	305	5
Payable between 1 and 5 years	304	6
As at 31 December 2011		
Operating lease payments made in 2011	490	19
Payable within 1 year	155	17
Payable between 1 and 5 years	229	28

Note 14. Bank loans and assets pledged as collateral

The group uses bank loans for making long-term investments and financing the construction and renovation of buildings. Loan agreements (1) - (3), (5), (6) and (9) are linked to 6 month Euribor. Loan agreement (4) is linked to 1 month Euribor. Agreements (7) and (8) are linked to 3 month Euribor.

In the tables below, loan (1) has been taken by OÜ Tartu Üliõpilasküla Hostel and loans (2) – (9) have been taken by the University of Tartu.

In 2011 the University of Tartu took Tartu took a loan of 5.40 million euros from Pohjola Bank Plc to finance the construction work at Lossi 36 (in the city of Tartu). Other group entities did not take new loans in 2011. In 2011, loan (9), which had been taken by the University of Tartu, was repaid.

(In thousands of euros)	Balance at 31 December 2011	*Repayable*			Maturity date	Interest rate*
		Within 12 months	*Between 1 and 5 years*	*In over 5 years*		
Swedbank (1)	136	*20*	*116*	*0*	26 Mar 2013	Eur6+0.82%
SEB (2)	388	*274*	*114*	*0*	1 Jun 2013	Eur6+0.98%
SEB (3)	758	*217*	*541*	*0*	1 Jun 2015	Eur6+0.55%
Nordea Pank (4)	3,906	*710*	*2,840*	*356*	14 Jun 2017	Eur1+0.13%
Nordea Pank (5)	4,473	*639*	*2,556*	*1,278*	29 Dec 2018	Eur6+1.00%
SEB (6)	2,693	*310*	*1,315*	*1,068*	3 Nov 2019	Eur6+0.49%
Pohjola (7)	4,280	*400*	*1,920*	*1,960*	28 Dec 2020	Eur3+0.80%
Pohjola (8)	5,400	*50*	*2,400*	*2,950*	8 Dec 2021	Eur3+0.96%
Total	**22,034**	**2,620**	**11,802**	**7,612**		

(In thousands of euros)	Balance at 31 December 2010	*Repayable*			Maturity date	Interest rate*
		Within 12 months	*Between 1 and 5 years*	*In over 5 years*		
Swedbank (1)	189	*18*	*171*	*0*	26 Mar 2013	Eur6+0.82%
SEB (2)	662	*274*	*388*	*0*	1 Jun 2013	Eur6+0.98%
SEB (3)	974	*217*	*757*	*0*	1 Jun 2015	Eur6+0.55%
Nordea Pank (4)	4,616	*710*	*2,840*	*1,066*	14 Jun 2017	Eur1+0.13%
Nordea Pank (5)	5,113	*640*	*2,556*	*1,917*	29 Dec 2018	Eur6+1.00%
SEB (6)	3,000	*312*	*1,285*	*1,403*	3 Nov 2019	Eur6+0.49%
Pohjola (7)	4,320	*40*	*1,920*	*2,360*	28 Dec 2020	Eur3+0.80%
SEB (9)	65	*65*	*0*	*0*	19 Jun 2011	Eur6+1.80%
Total	**18,939**	**2,276**	**9,917**	**6,746**		

** The contractual interest rates of all loans are equal to their effective interest rates.*

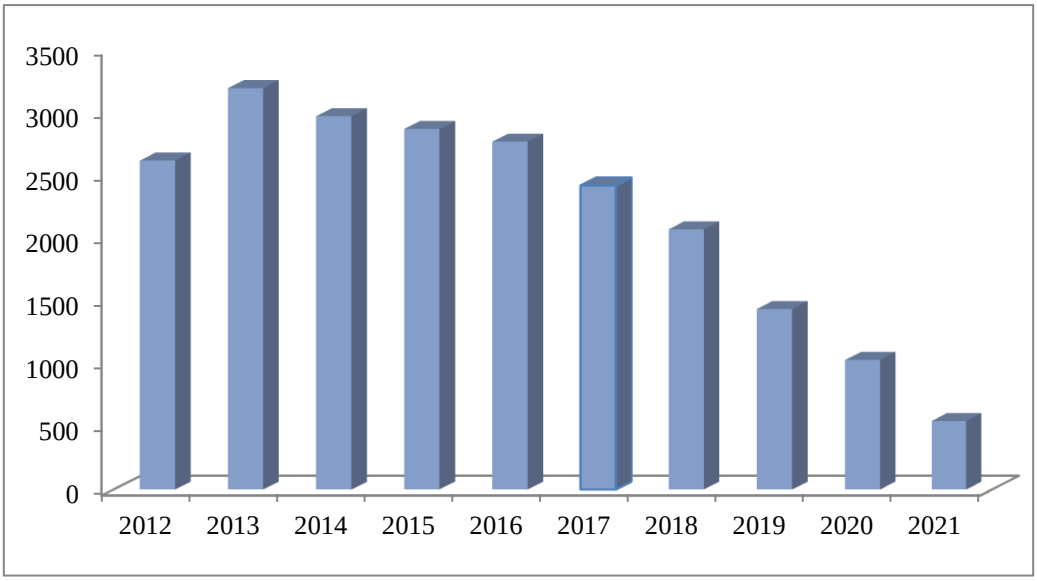
Loan (1) taken from Swedbank AS is secured with mortgages of apartments at Ujula 2-9, Ujula 2-17, Ujula 2-24 and Ujula 2-32 (in the city of Tartu). The total value of the mortgages is 0.33 million euros. At 31 December 2011, the total carrying amount of the apartments was 0.19 million euros (31 December 2010: 0.20 million euros).

Loans (2), (3), (6) and (9) taken from SEB Pank AS are secured with a mortgage of an immovable property with three buildings located at Ülikooli 16, Jakobi 2 and Lossi 3 (in the city of Tartu). The mortgage amounts to 4.79 million euros and the group may be submitted collateral claims of 0.48 million euros. At 31 December 2011, the carrying amount of the property was 12.18 million euros (31 December 2010: 11.52 million euros).

Loan (7) from Pohjola Bank Plc is secured with a mortgage of a property with a building at Raatuse 22 (in the city of Tartu). The mortgage amounts to 4.32 million euros. At 31 December 2011, the carrying amount of the property was 4.77 million euros (31 December 2010: 4.88 million euros).

Loan (8) from Pohjola Bank Plc is secured with a mortgage of a property with a building at Lossi 36 (in the city of Tartu), which was renovated in 2011. The mortgage amounts to 5.94 million euros. At 31 December 2011, the carrying amount of the property was 6.48 million euros (31 December 2010: 3.26 million euros).

Repayments of loan principal by year (in thousands of euros)



Note 15. Payables to employees

(In thousands of euros)	31 December 2011	31 December 2010
Vacation pay liabilities	2,163	1,858
Payables for office and similar expenses	22	19
Payables for work-related travel expenses	17	17
Other payables to employees	15	7
Total	**2,217**	**1,901**

Note 16. Other accrued expenses

(In thousands of euros)	31 December 2011	31 December 2010
Intermediation of grants and co-financing	1,005	517
State-provided study allowances	341	256
Designated scholarships	198	158
Other accruals	43	65
Total	**1,587**	**996**

Note 17. Deferred income

(In thousands of euros)	31 December 2011	31 December 2010
Prepaid government grants and co-financing	5,438	5,519
Prepaid tuition fees	914	991
Other deferred income	4	5
Total	**6,356**	**6,515**

Prepaid grants and co-financing received under research and development contracts by provider:

(In thousands of euros)	31 December 2011	31 December 2010
Grant and co-financing prepayments from Estonian residents		
Archimedes Foundation	1,094	1,178
Estonian Science Foundation	1,004	890
Ministry of Education and Research	376	471
Environmental Investment Centre	58	31
Ministry of Defence	46	16
Integration and Migration Foundation	39	28
Estonian Patent Office	30	0
Estonian Information Technology Foundation	25	21
Tiger Leap Foundation	25	15
Ministry of Foreign Affairs	24	21
Ministry of Justice	0	74
Ministry of Social Affairs	0	15
Enterprise Estonia Foundation	0	4
Other Estonian residents	52	14
Grant and co-financing prepayments from non-residents		
7th EC Framework Programme	1,807	1,691
6th EC Framework Programme	0	12
Other foreign residents	858	1,038
Total	**5,438**	**5,519**

Note 18. Revenue from operating activities

(In thousands of euros)	2011	2010
Teaching activities	10,757	11,027
Rental and lease activities	3,850	3,580
Research and development contracts	3,052	3,062
Sale of goods	2,878	3,422
Other services	1,940	1,768
Total	**22,477**	**22,859**

Revenue from operating activities by geographical area:

(In thousands of euros)	2011	2010
Estonia	22,077	22,724
Other EU member states	313	132
Other countries	87	3
Total	**22,477**	**22,859**

Note 19. State budget transfers for teaching activities

(In thousands of euros)	2011	2010
Allocations for state-funded higher education	32,187	31,358
Funding for medical residents	7,986	7,766
Allocations for the remuneration professors emeritus	361	359
Funding for the Gifted and Talented Development Centre	303	273
Funding for special education in the field of natural sciences	157	155
Funding for EuroCollege	108	108
Funding for organising disbursement of study allowances	26	25
Total	**41,128**	**40,044**

Note 20. State budget transfers for research activities

(In thousands of euros)	2011	2010
Government grants for research topics	11,406	11,247
Base financing for research institutions	3,402	3,414
Financing for research institutions' infrastructure expenses	3,282	3,243
Funding for national programmes	904	860
State budget funding for scientific and research information for the library	819	825
Total	**19,813**	**19,589**

Note 21. Grants related to assets

(In thousands of euros)	2011	2010
Acquisition of assets in projects of the measure for modernising research apparatus and equipment (Archimedes Foundation)	3,277	2,376
Construction of the academic building of Narva College (Archimedes Foundation)	2,375	454
Acquisition of assets in projects of the measure for modernising small-scale research infrastructure (Archimedes Foundation)	1,976	2,581
Acquisition of assets in projects of the measure for supporting the development of energy technology R&D (Archimedes Foundation)	367	0
Acquisition of assets in projects of the European Territorial Cooperation Objective programme	318	8
CO_2 investment projects (Ministry of Finance)	275	0
Acquisition of assets in projects of funded by the European Fisheries Fund (Agricultural Registers and Information Board)	207	0
Acquisition of research equipment for centres of excellence (Archimedes Foundation)	198	154
Acquisition of assets in projects of the sub-measure for modernising research infrastructure of national priority (Archimedes Foundation)	79	0
Renovation of the Old Observatory (Enterprise Estonia Foundation)	70	325
Acquisition of a robotic scanner for the library (Estonian Information Systems Authority)	68	0
Hostel programme (City of Tartu)	37	73
Acquisition of assets in projects of the 7th EC Framework Programme	23	428
Development of the Centre of Translational Medicine (Archimedes Foundation)	20	92
Acquisition of research equipment in projects funded by the Enterprise Estonia Foundation	0	161
Immovable property at Õpetaja 12 (foreign grant)	0	92
Other grants related to assets (domestic)	62	116
Other grants related to assets (foreign)	18	14
Total	**9,370**	**6,874**

Note 22. Grants related to income

(In thousands of euros)	2011	2010
Domestic grants for covering operating expenses	**11,482**	**10,616**
Including		
Grants from the Estonian Science Foundation	4,780	4,749
Grants from Archimedes Foundation	2,412	2,117
Grants from the Ministry of Education and Research	2,117	2,061
Foreign grants for covering operating expenses	**21,171**	**16,099**
Including		
Intermediated grants from Archimedes Foundation	9,284	6,617
Grants from the EU and its institutions	2,961	2,781
Intermediated grants from the Estonian Science Foundation	1,231	1,066
Intermediated grants from the Estonian Biocentre	1,092	128
Total	**32,653**	**26,715**

In 2011, the University of Tartu as a recipient and intermediary of grants reduced grant revenue by 59 thousand euros (consisting of 20 thousand euros of domestic grant revenue and 39 thousand euros of foreign grant revenue) because of reclamations received.

In 2010, the University of Tartu reduced grant revenue by 47 thousand euros (consisting of 20 thousand euros of domestic grant revenue and 27 thousand euros of foreign grant revenue).

Note 23. Other income

(In thousands of euros)	2011	2010
Donations from individuals and legal persons	515	31
Net gain on sale of non-current assets	455	739
Non-designated funding from non-residents	248	143
Marketing services provided by pharmacies	118	125
Non-designated funding from Estonian residents	86	85
Membership fees	50	153
Contractual penalty payments received	18	639
Miscellaneous income	85	103
Total	**1,575**	**2,018**

Note 24. Goods, materials and services used

(In thousands of euros)	2011	2010
Services purchased	8,504	8,261
Goods purchased	2,499	3,097
Materials purchased	36	35
Total	**11,039**	**11,393**

Note 25. Operating expenses

(In thousands of euros)	2011	2010
Costs of teaching and research activities	8,682	6,502
Value added tax	6,558	4,659
Work-related travel expenses	2,635	2,449
Cost of office expenses and fixtures and fittings	1,572	1,253
Electricity costs	1,504	1,367
Utilities and maintenance costs (except heating and electricity)	1,408	1,599
Heating costs	1,317	1,462
Office equipment maintenance and software expenses	1,108	1,096
Repair costs	981	980
Transport costs	930	779
Rental and lease expenses	789	735
Costs of assets of immaterial value	738	670
Professional publications expenses	524	610
Costs of research apparatus and equipment maintenance and supplies	445	425
Advertising expenses	381	310
Communications and postal expenses	307	367
Miscellaneous operating expenses	1,456	1,503
Total	**31,335**	**26,766**

Note 26. Personnel expenses

(In thousands of euros)	2011	2010
Salaries	45,914	43,330
Social security charges	15,619	14,795
Total	**61,533**	**58,125**
Average number of staff per year converted to the full-time equivalent	*3,134*	*3,097*

Remuneration provided to members of the councils and supervisory and management boards of group entities:

(In thousands of euros)	2011	2010
University of Tartu	1,634	1,598
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	109	83
MTÜ Tartu Üliõpilasmaja	32	32
MTÜ Tartu Üliõpilasküla	30	30
OÜ Tartu Ülikooli Kirjastus	26	27
OÜ Tartu Ülikooli Kesklinna Apteek	20	20
OÜ Tartu Üliõpilasküla Hostel	9	5
OÜ Tartu Ülikooli Tamme Apteek	6	8
OÜ Kääriku Puhke- ja Spordikeskus	0	19
OÜ Tartu Tehnoloogiapark	0	10
OÜ Tartu Ülikooli Raamatupood	0	5
Total	**1,866**	**1,837**

The group has no obligation to provide termination benefits to members of the executive and higher management of the University of Tartu (the rector, vice rectors, deans, heads of functions and directors of academic and research institutions)

Subsidiaries' management board members are entitled to termination benefits as provided in their service contracts. Members of the executive and higher management are eligible to termination benefits only if termination proceedings are instigated by the entity. When a board member is recalled without just cause, he or she is entitled to termination benefits of up to his or her six-fold monthly service fee. Related expense will be recognised on an accrual basis. When a board member steps down or is recalled with just cause, no termination benefits will be paid. At the end of 2011, contingent termination benefits payable to members of group entities' executive and higher management totalled 94 thousand euros (2010: 92 thousand euros).

Note 27. Depreciation, amortisation and impairment losses

(In thousands of euros)	2011	2010
Depreciation of property and equipment (note 11)	13,170	13,265
Loss on write-off of property and equipment	3,047	96
Amortisation of intangible assets (note 12)	199	154
Depreciation of investment property (note 10)	82	87
Write-off of items in library collections (note 11)	38	90
Impairment losses (note 11)	0	9,857
Total	**16,536**	**23,549**

Losses on the write-off of property and equipment recognised in 2011 comprise losses of 2.43 million euros incurred on the write-off of components replaced on the renovation of university buildings at Jakobi 2 (in the city of Tartu), Jakobi 5 (in the city of Tartu), and Lossi 40 (in the city of Tartu); losses of 0.55 million euros incurred on the termination of the lease of the hostel of the University of Tartu Türi College at Mehaanika 1 (in the town of Türi) and the transfer of its academic building at Viljandi 13b (in the town of Türi) in connection with discontinuance of operations; losses of 0.05 million euros incurred in connection with the termination of the usufruct on the building at Veski 6 (in the city of Tartu) and losses of 0.02 million euros incurred on the write-off of other items of property and equipment.

In 2010, losses on the write-off of property and equipment comprised losses of 0.06 million euros incurred on the write off of the components replaced on the renovation of a university building at Poe 8 (in the city of Tartu) and a loss of 0.03 million euros incurred on the termination of the right of superficies at Raatuse 22 (in the city of Tartu) and Viljandi 21 (in the city of Viljandi).

In 2011 no non-current assets were written down. In 2010 group wrote down its non-current assets at Riia street 142 (in the city of Tartu) and at Tähe street 4 (in the city of Tartu) by 2.86 million euros and 7.00 million euros respectively. The group is planning to build a new Physics Building and does not intend to use the old buildings in its operating activity. Therefore, the buildings were written down to their recoverable amounts. The write-downs were performed based on value in use by applying an 11% discount rate.

Note 28. Other expenses

(In thousands of euros)	2011	2010
Entertainment expenses	791	648
Fringe benefits	467	369
Membership fees	121	128
Miscellaneous expenses	179	181
Total	**1,558**	**1,326**

Note 29. Related party disclosures

For the purposes of these consolidated financial statements, related parties include:
(a) the group's associates;
(b) non-profit associations in which the University of Tartu is a member but which are not part of its consolidation group;
(c) foundations in which the University of Tartu is a founder;
(d) members of the executive and higher management (the rector, vice rectors, deans, heads of functions and directors of academic and research institutions) and economic entities connected with them;
(e) close family members of, and economic entities controlled or significantly influenced by, members of the executive and higher management;
(f) members of the subsidiaries' management and supervisory boards and economic entities controlled or significantly influenced by them.

(In thousands of euros)	Sales		Purchases	
	2011	2010	2011	2010
Associates	564	700	166	295
Non-profit associations	8	4	195	99
Associations and societies	19	25	12	12
Foundations	299	351	3,637	3,661
Companies	127	242	247	264
Total	**1,017**	**1,322**	**4,257**	**4,331**

(In thousands of euros)	Receivables		Prepayments	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Associates	72	58	0	0
Non-profit associations	1	0	74	0
Associations and societies	1	0	0	0
Foundations	26	15	0	0
Companies	38	34	0	0
Total	**138**	**107**	**74**	**0**

(In thousands of euros)	Payables	
	31 December 2011	31 December 2010
Associates	0	31
Non-profit associations	1	0
Foundations	314	268
Companies	1	5
Total	**316**	**304**

Transactions with related parties consist of purchases and sales of goods and services. No receivables from related parties were written down in 2011 or in 2010.

For information on the remuneration of the executive and higher management, please refer to note 26.

Note 30. Contingent liabilities

Potential liabilities from a tax audit

The tax administrator may audit the group's tax accounting within six years after the deadline for the submission of a tax return. On the detection of a misstatement or omission, the tax administrator 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 administrator to determine significant additional tax to be paid by the group.

Mortgages

The group has mortgaged two properties to Swedbank: Vanemuise 46 (in the city of Tartu) and Pepleri 14 (in the city of Tartu). The mortgage on Vanemuise 46 amounts to 1.60 million euros and associated collateral claims may total 0.16 million euros. The mortgage on Pepleri 14 amounts to 0.32 million euros and associated collateral claims may total 0.03 million euros. The group has mortgaged one property to SEB Pank AS: Nooruse 1 (in the city of Tartu). The mortgage amounts to 4.79 million euros. At the end of 2011, the above mortgages did not secure any effective contractual commitments of the University of Tartu.

Other contingent liabilities

Based on an agreement on the termination of the contract of the right of superficies, the contract of the right of superficies, and agreement no 4831/2009 on the creation of the right of pre-emption, the contract of the right of superficies on the property located at Riia street 23b in the city of Tartu, entered into by the University of Tartu and Citrina Foundation UK Limited on 27 May 1998, was terminated, a new right of superficies was created for the benefit of the administrator of state assets, the Ministry of Education and Research, for a term of 50 years and it was decided that the buildings would remain in the ownership of the University of Tartu. In conformity with the agreement, the University of Tartu undertook to sing a no-charge rental agreement with the Estonian Biocentre for a term of at least 50 years on the premises of the research building at Riia street 23b in the city of Tartu, as outlined in the building plans attached to the agreement. The Estonian Biocentre will pay the utilities charges and other management expenses arising from the part of the building placed at its disposal. If the University of Tartu does not meet the said obligation, Citrina Foundation UK Limited may charge a contractual penalty of 1.02 million euros.

Note 31. Assets accounted for off the statement of financial position

In 2011, assets with a cost of 640 euros to 1,999 euros were accounted for off the statement of financial position. At the year-end, the total cost of such assets was 9.79 million euros (31 December 2010: 9.38 million euros).

The books of the library of the University of Tartu are accounted for in detail in the library information system ESTER. At 31 December 2011, the estimated total value of the library's collections was 30.58 million euros (31 December 2010: 28.28 million euros) of which 7.22 million euros (31 December 2010: 6.50 million euros) was recognised in the statement of financial position (see note 11).

At 31 December 2011, the collection of the Botanical Garden of the University of Tartu included 7,995 taxonomic units (species and varieties) of trees, bushes and other plants (31 December 2010: 7,086 units).

Detailed accounts of the items stored at the collections of the museums of the University of Tartu are kept at the museums. As from 2011, assets included in the museum collections are recognised in the statement of financial position in an aggregated set. At the year-end, the aggregate value of the museum collections was 0.01 million euros. Altogether, at the reporting date the museums had 1,186,748 stored items (31 December 2010: 1,169,077 stored items): the History Museum had 72,022 stored items (31 December 2010: 70,968), the Art Museum had 30,298 stored items (31 December 2010: 29,432), the Natural History Museum had 1,084,375 stored items (31 December 2010: 1,068,677), the library had 30 stored items (31 December 2010: 0) and the faculty of medicine had 23 stored items (31 December 2010: 0).

Note 32. Events after the reporting date

In accordance with agreement no 716 on the creation of usufruct and a real right contract signed between the University of Tartu and the Tehvandi Sports Centre Foundation on 22 March 2012, a fixed-term usufruct of 50 years as from 1 April 2012 was created on the Kääriku property for the benefit of the Tehvandi Sports Centre Foundation.

In accordance with an agreement signed on 27 July 2003 between MTÜ Tartu Ülikooli Akadeemiline Spordiklubi and OÜ Kääriku Puhke- ja Spordikeskus, entered into on the basis of an agreement signed on 12 February 2003 between the University of Tartu and MTÜ Tartu Ülikooli Akadeemiline Spordiklubi, OÜ Kääriku Puhke- ja Spordikeskus acted as the operator of the leisure and sports centre located on the Kääriku property. OÜ Kääriku Puhke- ja Spordikeskus discontinued its business as the operator of the leisure and sports centre located on the Kääriku property on 31 March 2012 and from 1 April 2012 the business was taken over by the Tehvandi Sports Centre Foundation (SA Tehvandi Spordikeskus). According to plan, the liquidation of OÜ Kääriku Puhke- ja Spordikeskus will commence in 2012.

Note 33. Unconsolidated financial statements of the University of Tartu

UNIVERSITY OF TARTU statement of financial position (unconsolidated)

ASSETS (In thousands of euros)	**31 December 2011**	**31 December 2010**
Current assets		
Cash and cash equivalents	8,904	18,779
Other current financial assets	1,500	0
Receivables and prepayments		
Trade receivables	1,643	1,441
Receivables from subsidiaries	83	90
Prepayments to subsidiaries	11	13
Prepaid and recoverable taxes	190	330
Other receivables	51	80
Government grants receivable	20,125	10,837
Prepayments for services	676	563
Total receivables and prepayments	22,779	13,354
Inventories	319	292
Total current assets	**33,502**	**32,425**
Non-current assets		
Non-current financial assets		
Investments in subsidiaries	61	130
Investments in associates	8	8
Other non-current financial assets	14	15
Total non-current financial assets	83	153
Investment property	1,902	2,218
Property and equipment		
Land	2,252	2,276
Buildings and structures	179,002	178,531
Equipment and vehicles	15,482	13,527
Library collections	7,218	6,502
Other equipment and fixtures	1,484	1,829
Assets under construction	5,307	5,513
Prepayments for property and equipment	61	386
Total property and equipment	210,806	208,564
Intangible assets	2,593	2,556
Total non-current assets	**215,384**	**213,491**
TOTAL ASSETS	**248,886**	**245,916**

LIABILITIES AND NET ASSETS (In thousands of euros)	**31 December 2011**	**31 December 2010**
Liabilities		
Current liabilities		
Loans and borrowings		
Security deposit liabilities	9	6
Finance lease liabilities	6	0
Current portion of long-term loans	2,600	2,258
Total loans and borrowings	2,615	2,264
Derivative financial instruments	148	108
Trade payables	3,160	1,759
Payables to subsidiaries	19	18
Taxes payable	2,803	2,508
Accrued expenses		
Payables to employees	2,132	1,824
Other accrued expenses	1,571	964
Total accrued expenses	3,703	2,788
Deferred income	6,340	6,507
Total current liabilities	**18,788**	**15,952**
Non-current liabilities		
Finance lease liabilities	13	0
Bank loans	19,298	16,492
Total non-current liabilities	**19,311**	**16,492**
Total liabilities	**38,099**	**32,444**
Net assets		
Capital of the University	144,182	144,182
Accumulated surpluses	69,290	78,194
Deficit for the year	-2,685	-8,904
Total net assets	**210,787**	**213,472**
TOTAL LIABILITIES AND NET ASSETS	**248,886**	**245,916**

UNIVERSITY OF TARTU statement of financial performance (unconsolidated)

(In thousands of euros)	2011	2010
Revenue		
Revenue from operating activities	16,935	16,738
State budget transfers for teaching activities	41,128	40,044
State budget transfers for research activities	19,813	19,589
Grants related to assets	9,370	6,874
Grants related to income	31,953	26,267
Other income	1,341	1,946
Total revenue	**120,540**	**111,458**
Expenses		
Goods, materials and services used	-7,233	-6,998
Operating expenses	-30,530	-25,782
Scholarships	-6,221	-5,230
Personnel expenses	-59,710	-56,147
Depreciation, amortisation and impairment losses	-16,417	-23,490
Other expenses	-2,743	-2,388
Total expenses	**-122,854**	**-120,035**
Deficit on operating activities	**-2,314**	**-8,577**
Finance income and costs		
Finance income and expenses on investments in subsidiaries	0	-120
Interest income	87	190
Interest expense	-459	-398
Other finance income	1	1
Net finance costs	**-371**	**-327**
Deficit for the year	**-2,685**	**-8,904**

UNIVERSITY OF TARTU statement of cash flows (unconsolidated)

(In thousands of euros)	2011	2010
Cash flows from operating activities		
Deficit on operating activities	-2,314	-8,577
Adjustments for		
Depreciation, amortisation and impairment losses	16,417	23,490
Recognition of assets under construction as an expense	68	157
Other non-monetary transactions with non-current assets	19	-15
Gain on sale of non-current assets	-441	-739
Non-monetary grants related to assets	0	-101
Change in receivables and prepayments	-9,442	-3,130
Change in inventories	-27	66
Change in payables	1,270	-490
Interest paid	-456	-390
Net cash from operating activities	**5,094**	**10,271**
Cash flows from investing activities		
Acquisition of investment property	0	-303
Proceeds from sale of investment property	174	0
Acquisition of property and equipment	-7,153	-9,984
Proceeds from sale of property and equipment	740	849
Paid for assets under construction	-9,484	-1,316
Prepayments for property and equipment	-822	-807
Acquisition of intangible assets	-157	-428
Prepayments for intangible assets	-66	-41
Proceeds from sale of a subsidiary	0	32
Repayment of shares on liquidation of a subsidiary	70	0
Recovery of a long-term financial asset from a subsidiary	0	5
Recovery of a non-current receivable	2	0
Acquisition of other financial assets	-1,500	0
Interest received	104	354
Dividends received	0	283
Net cash used in investing activities	**-18,092**	**-11,356**
Cash flows from financing activities		
Proceeds from loans received	5,400	4,320
Repayment of loans	-2,251	-2,275
Payment of finance lease principal	-26	0
Net cash from financing activities	**3,123**	**2,045**
Net cash flow	**-9,875**	**960**
Cash and cash equivalents at beginning of year	**18,779**	**17,819**
Decrease/increase in cash and cash equivalents	-9,875	960
Cash and cash equivalents at end of year	**8,904**	**18,779**

UNIVERSITY OF TARTU statement of changes in net assets (unconsolidated)

(In thousands of euros)	Capital of the University	Accumulated surpluses	Surplus/deficit for the year	Total
Balance at 31 December 2009	**144,182**	**65,654**	**12,540**	**222,376**
Transfer of surplus to accumulated surpluses	0	12,540	-12,540	0
Deficit for the year	0	0	-8,904	-8,904
Balance at 31 December 2010	**144,182**	**78,194**	**-8,904**	**213,472**
Transfer of deficit to accumulated surpluses	0	-8,904	8,904	0
Deficit for the year	0	0	-2,685	-2,685
Balance at 31 December 2011	**144,182**	**69,290**	**-2,685**	**210,787**

UNIVERSITY OF TARTU adjusted unconsolidated net assets

(In thousands of euros)	31 December 2011	31 December 2010
Unconsolidated net assets of the University of Tartu	210,787	213,472
Less: carrying amount of interests in subsidiaries and associates	-68	-138
Plus: value of interests in subsidiaries and associates under the equity method	1,197	930
Total	**211,916**	**214,264**

pwc

SÕLTUMATU VANDEAUDIITORI ARUANNE

Tartu Ülikooli nõukogule

Oleme auditeerinud kaasnevat Tartu Ülikooli ja selle tütarettevõtete konsolideeritud raamatupidamise aastaaruannet, mis sisaldab konsolideeritud bilanssi seisuga 31. detsember 2011, konsolideeritud tulemiaruannet, netovara muutuste aruannet ja rahavoogude aruannet eeltoodud kuupäeval lõppenud majandusaasta kohta, aastaaruande koostamisel kasutatud oluliste arvestuspõhimõtete kokkuvõtet ning muud selgitavat informatsiooni.

Rektori kohustused konsolideeritud raamatupidamise aastaaruande osas

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

Vandeaudiitori kohustus

Meie kohustuseks on avaldada auditi põhjal arvamus konsolideeritud raamatupidamise aastaaruande kohta. Viisime auditi läbi kooskõlas rahvusvaheliste auditeerimisstandarditega. Need standardid nõuavad, et me oleme vastavuses eetikanõuetega ning et me planeerime ja viime auditi läbi omandamaks põhjendatud kindlustunnet, et konsolideeritud raamatupidamise aastaaruanne ei sisalda olulisi väärkajastamisi.

Audit hõlmab konsolideeritud raamatupidamise aastaaruandes esitatud arvnäitajate ja avalikustatud informatsiooni kohta auditi tõendusmaterjali kogumiseks vajalike protseduuride läbiviimist. Nende protseduuride hulk ja sisu sõltuvad audiitori otsustustest, sealhulgas hinnangust riskidele, et konsolideeritud raamatupidamise aastaaruanne võib sisaldada pettustest või vigadest tulenevaid olulisi väärkajastamisi. Asjakohaste auditi protseduuride kavandamiseks võtab audiitor nende riskihinnangute tegemisel arvesse konsolideeritud raamatupidamise aastaaruande koostamiseks ning õigeks ja õiglaseks esitamiseks juurutatud sisekontrollisüsteemi, kuid mitte selleks, et avaldada arvamust sisekontrolli tulemuslikkuse kohta. Audit hõlmab ka kasutatud arvestuspõhimõtete asjakohasuse, juhtkonna poolt tehtud raamatupidamislike hinnangute põhjendatuse ja konsolideeritud raamatupidamise aastaaruande üldise esituslaadi hindamist.

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

Arvamus

Meie arvates kajastab konsolideeritud raamatupidamise aastaaruanne olulises osas õigesti ja õiglaselt Tartu Ülikooli ja selle tütarettevõtete finantsseisundit seisuga 31. detsember 2011 ning nende sellel kuupäeval lõppenud majandusaasta finantstulemust ja rahavoogusid kooskõlas Eesti hea raamatupidamistavaga.

AS PricewaterhouseCoopers

Tiit Raimla
Vandeaudiitor, litsents nr 287

Janno Hermanson
Vandeaudiitor, litsents nr 570

4. mai 2012

Signatures to annual report 2011

The annual report for of the University of Tartu for the year ended 31 December 2011 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 Rector of the University of Tartu has reviewed the annual report and has approved it for presentation to the Council of the University.

_____
Alar Karis
Rector, professor

_____
Taimo Saan
Head of Finance

_____
Signe Võsoberg-Pastik
Chief Accountant