

Internationale Stichting Manifesta

**Herengracht 474
1017 CA AMSTERDAM**

Annual accounts 2018

dubois + co
REGISTERACCOUNTANTS
Amsterdam, 07 JUNI 2019
paraaf voor identificatiedoeleinden:

Internationale Stichting Manifesta

**Herengracht 474
1017 CA AMSTERDAM**

Annual accounts 2018

CONTENTS	Pagina
1. Directors' report	
1.1 Directors' report	3
2. Financial statements	13
2.1 Balance sheet as of 31 December 2018	14
2.2 Statement of income and expenses 2018	16
2.3 Notes to the Financial statements	17
2.4 Notes to the Balance sheet	20
2.5 Notes to the Statement of income and expenses	24
3. Other information	
3.1 Rules concerning appropriation of result	28
3.2 Appropriation of result for the financial year 2017	28
3.3 Auditors' report	29

1. DIRECTORS' REPORT

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INTERNATIONALE STICHTING MANIFESTA
(MANIFESTA FOUNDATION)

DIRECTORS REPORT

2018

Internationale Stichting Manifesta

Supervisory Board

Hendrikje Crebolder
Rob Defares
Hendrik Driessen
Allard Huizing
Teresa Iarocci Mavica
Alexander Rinnooy Kan (Chair)
Gijs van Tuijl

Board / Director

Hedwig Fijen

Registered office

Herengracht 474
1017 CA Amsterdam
020 6721435
office@manifesta.org

Kamer van Koophandel
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RSIN
811130794

ANBI

International Foundation Manifesta is recognised by the Dutch tax authorities as a not-for-profit cultural organisation with ANBI status (Algemeen Nut Beogende Instelling). Dutch tax law stimulates donation to cultural organisations with ANBI status and donations may be tax deductible.

DIRECTORS' REPORT

The Director is pleased to present their report together with the audited financial statements of the foundation for the year ending 31 December 2018.

Governance

Internationale Stichting Manifesta (Manifesta Foundation) is a foundation established under Dutch law governed by its Statutes dated 12-10-1993, as amended by special resolution dated 7-6-1999. Manifesta Foundation was recognised by the Dutch tax authorities as a not-for-profit cultural organisation with ANBI status (Algemeen Nut Beogende Instelling) on 1-1-2012.

Director and Trustees

Manifesta Foundation is governed by a Director. The Director is responsible for the policy plan and management of the organisation.

The Foundation has a Supervisory Board responsible for supervising the policy plan of the Director as well as the general business of the Foundation and its related organisation. The Board offers counsel to the Director.

In 2018 the Supervisory Board met in March, June, September and November. In view of the main initiative of the foundation in 2017 - 2018, namely the organisation of Manifesta 12 Palermo, the meeting of June took place in Palermo at the occasion of the opening of Manifesta 12 Palermo.

Governance Code Cultuur

Manifesta Foundation follows the Governance Code Cultuur of the Netherlands.

AIMS AND OBJECTIVES

The International Foundation Manifesta (Manifesta Foundation) is the initiator and producer of the nomadic biennial called Manifesta, which takes place every two years in a different location in Europe. The principal object of the Foundation is to promote mutual cooperation and communication among different cultural institutions, to initiate and to execute a recurring interdisciplinary manifestation as well as to do everything related or conducive to the foregoing.

With each edition Manifesta researches the most recent artistic, cultural and social developments in and around Europe and promotes their critical appreciation to the widest possible audiences. In its 25 years of existence Manifesta has become one of the most influential biennials in the world.

POLICY

Manifesta Foundation is the initiator and organiser of the Manifesta biennial which takes place every two years in a different city. Every two years a new Host City is selected by the Foundation after a competitive bidding process. The bidding process is open to any European city, region, island or multiple-city candidate.

Manifesta emphasises the importance of embedding the biennial within the local context to ensure the project strengthens the cultural infrastructure and ecology of the host city and leaves a sustainable legacy. To enter the official selection procedure, the prospective host formulates a so-called 'Bid'. The bidding process is meant to give opportunity for extensive dialogue and knowledge exchange between Manifesta and the candidate to produce an exciting, meaningful and feasible biennial for stakeholders and visitors.

The successful candidate to host Manifesta is selected by the Director and Supervisory Board of Manifesta Foundation based on an evaluation of social, political and geographical aspects, financial considerations, infrastructure, institutional stability, local expertise and, of course, the artistic and intellectual context. The selection of the Host City is confirmed in a Protocol between Manifesta Foundation and the Host City which stipulates a signing fee.

Manifesta's principle assets are knowledge, networks and people. The permanent team of biennial professionals of the Foundation guarantees the quality of Manifesta. On the basis of a Hosting Agreement between the Foundation and executive organisation in the host city, the Foundation manages a local team to deliver its objectives and executes a programme of knowledge transfer. For this service the Foundation receives a Service Fee.

In 2018 the Director and her team undertook research to prospective host cities in Austria, Germany, Georgia, Kosovo and Ukraine.

The selection of the Host City for Manifesta 14 in 2022 was scheduled to take place in the Board meeting of September. Giving the complex political situation of several the candidate Host Cities for 2022 the Board decided to postpone the selection until Spring 2019 in order to accommodate further research and take advice from the Ministry of Foreign Affairs. In its meeting of March 2019, the Supervisory Board unanimously decided to select Pristina, Kosovo as the Host City of Manifesta 14 in 2022. The Protocol between the Foundation and the City of Pristina confirming the selection was signed on the 3rd of May 2019.

ACTIVITIES

• AMSTERDAM BIENNIAL

Manifesta was invited in 2015 by the City of Amsterdam to explore the possibilities of a new model for a recurring biennial event on the banks of the IJ river and the Noordzeekanaal. The initial feasibility study was presented in 2015, followed by an update in September 18, 2017.

As a result of local elections in March 2018, a new coalition was formed. In July, the new Mayor of Amsterdam, Femke Halsema was sworn in. The City of Amsterdam commissioned Manifesta to conduct further study in order to inform a decision by the new council.

In 2018, Manifesta continued to advocate support for the Amsterdam Biennial, organised research visits by its international team to prospective locations and workshops with education stakeholders. In September, Manifesta shared its experience of working on Manifesta 12 in the city of Palermo for a sold out Pakhuis de Zwijger with a key note by Mayor Leoluca Orlando. This was followed by an expert meeting in November when Winy Maas, partner of MVRDV presented *Le Grand Puzzle*, the urban study conducted by his firm in Marseille, which was commissioned by Manifesta 13. Both events aimed to introduce ideas towards an Amsterdam Biennial to a wider audience in the knowledge that a final decision for the event to take place is pending. A second updated study will be presented in Spring 2019.

The advocacy by the Foundation has ensured that the idea of large-scale event as proposed in the initial study continues to enjoy support with the new Mayor and Council of Aldermen. A decision to underwrite the budget by the City of Amsterdam was however not feasible in the 2018 financial year and is most likely in Autumn 2019.

International Foundation Manifesta through hosting agreements develops the concept and execution of the Manifesta editions in the host cities. Director and Heads of department work closely with a team of local professionals to ensure the unique quality of Manifesta. In 2018 the Foundation was engaged in closing Manifesta 11, organising Manifesta 12 and setting up Manifesta 13. In addition, the foundation worked with Amsterdam based initiatives on a programme of in-house projects to open its historic office on the Herengracht 474 to a wider public.

• MANIFESTA 11 ZURICH

The closure of the Zweigniederlassung Manifesta 11 Zurich was effectuated on 25.02.2019 after an audit of the Swiss tax authorities.

• MANIFESTA 12 PALERMO

Manifesta 12 Palermo opened on the 7th of June and closed on the 4th of November 2018. welcoming 483.712 visits and 206.456 visitors over 145 days.

Titled *The Planetary Garden. Cultivating Coexistence*, Manifesta 12 Palermo was curated by a team of transdisciplinary Creative Mediators: Bregtje van der Haak, Dutch journalist and filmmaker; Andrés Jaque, Spanish architect and researcher; Ippolito Pestellini Laparelli, partner of the Rotterdam-based firm OMA; and Mirjam Varadinis, Swiss curator at Kunsthaus Zurich.

Manifesta 12 Palermo explored coexistence in a world moved by invisible networks, transnational private interests, algorithmic intelligence, environmental crisis and ever-

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increasing inequalities. It looked at this world through the unique lens of Palermo – a city at the crossroads of three continents in the heart of the Mediterranean. Palermo was an ideal place to investigate the challenges of our time, and to experiment with traces of possible futures. For over two years, Manifesta 12 has co-inhabited the entire city and used Palermo as a relational space and platform to test new forms of politics and interventions. It acted as a catalyser and collaborated closely with a network of Palermitan partners to realize projects with a lasting impact.

Manifesta 12 Palermo took place in 20 iconic buildings, palazzos, gardens and churches, many of which have been reopened after years of abandonment. Along with the main programme, Manifesta 12 Palermo presented a rich programme of Collateral Events with more than 70 projects, a new programme called 5x5x5 which aimed to develop long-term professional relations and networks between Palermo cultural communities and Manifesta's diverse network of artists, galleries and academic institutions. In addition, 50 free film screenings attracted 3,500 people at Teatro Garibaldi, in the neighbourhood Zen2, and during the summer at Arena La Sirenetta, Monticello.

Manifesta 12 Palermo has reached the highly successful attendance of 483.712 visits. This figure represents the number of times visitors have entered any of the Manifesta venues, including Collateral Events and 5x5x5 projects. The number of unique visits of the biennial is estimated around 206.456 visitors. 67% of Manifesta 12 Visitors came from Italy, 19% from European Countries and 14% from the rest of the world.

Further audiences were reached through five publications: a pre-biennial research study *Palermo Atlas* commissioned by Manifesta12 from the architecture firm OMA and published by Humboldt Books; the Manifesta 12 Guidebook, published by Domus; the Manifesta 12 Collateral Events Guidebook; the Manifesta 12 Reader and the publication *The Chronic* by South African collective Chimurenga. In total, 5.185 publications were sold.

More than 20.000 individuals participated in the Education programme, working with 72 local associations and 34 public schools in Palermo. Manifesta 12 special 'Gardeners' conducted 822 guided tours, welcoming schools and social groups without charge, reaching 8.925 participants. Particularly relevant in terms of legacy are the projects *Un Sacco di Palermo* and *The Manifesta 12 Education Hub*. The pedagogical kit *Un Sacco di Palermo* helps teachers of primary and secondary schools to introduce the sensitive topic of the city's recent urban development. It was co-designed with local urbanists, schools' students, M12 artists, the University of Palermo and Ecomuseo "Mare Memoria Viva". Teachers from 35 Palermo schools were professionally trained to use the kit.

The *Manifesta 12 Education Hub* was a mobile educational platform settled in a bus provided by transport company AMAT and transformed by the students of the University and Academy of Fine Arts. The project reached more than 3,500 people in 16 different neighborhoods of Palermo, conducting weekly workshops and community events in collaboration with more than 40 local associations and 10 schools. Mayor of Palermo of Leoluca Orlando declared that the creative, itinerant platform will stay at the disposal of local associations to be used in mobile educational projects.

Over 1500 articles were published on *The Planetary Garden*, rising to 2200 including articles published on Collateral and 5x5x5 projects. M12 social media reached 15.092 new Page Likes on Facebook, 22.000 new followers on Instagram, and over 15.000 new subscribers to the M12 newsletter.

At the close of M12 Palermo, Teatro Garibaldi hosted a roundtable discussion to reflect collectively on the impact of M12 on Palermo, and what it could mean for its future. Speakers were Leoluca Orlando, Mayor of Palermo, Andrea Cusumano, Councillor of

Internationale Stichting Manifesta

Culture of Palermo, Hedwig Fijen, Director, the M12 Creative Mediators, the Manifesta team, and many local professionals and collaborators.

From Zen to Romagnolo, Manifesta 12 has been special for many citizens of Palermo who have felt involved in the process of construction of a renewed local community. A process that has shown that art can be the instrument of social development and growth. Beyond the numbers, however flattering, what really matters is that Manifesta in Palermo has been made in collaboration with thousands of citizens, students, teachers and social workers, and this cultural legacy will remain for the years to come. But there is also another, more material legacy, represented by some of the projects of Manifesta, such as the garden in Zen 2, that crystallise the blossoming of a new way of living together.

Leoluca Orlando, Mayor of Palermo

• **MANIFESTA 13 MARSEILLE**

The artistic content of Manifesta 13 Marseille is determined by two parallel processes.

In the first process, a pre-biennial Marseille study was commissioned to understand the city from an urban, social, historical, political, literary, cinematographic, ecological, topological, anthropological and philosophical point of view. The study was commissioned from the world-renowned architectural firm MVRDV Rotterdam, led by its partner Winy Maas. The selection of Winy Maas was announced at a press conference on August 31, 2018.

MVRDV is a Rotterdam based international urban and architectural office which works globally on contemporary architectural and urban issues. The approach is characterized by a collaborative research-based design approach emphasizing sustainable solutions. In Marseille, MVRDV will work closely with students from Aix-Marseille University and The Why Factory, a research institute for the future city, founded by Winy Maas in 2008 at TU Delft. The pre-biennial research will be an investigation tool for the next Creative Mediators team and an instrument for the citizens of Marseille to co-create and synergize with the biennial in an early stage.

In the second process, an interdisciplinary Creative Mediator (or team) is appointed to conceptualise a Program of urban, architectural and artistic interventions based on this brief, the Urban Study by MVRDV and the research by Manifesta 13, culminating in a programme of minimum 100 days in 2020.

In September, the Selection Committee unanimously confirmed the selection of ifa Gallery Director, Alya Sebti; VAC Foundation Senior Chief Curator, Katerina Chuchalina; Director of Research at Het Nieuwe Instituut, Marina Otero Verzier; and Director of ICA London, Stefan Kalmår. Manifesta 13 Marseille will be open from 7 June until 1 November 2020 and takes place in various locations throughout the city.

The Program will identify key critical positions, partners, venues, focus points, future visions, models, methodologies and strategies to create a narrative for the biennial and a blueprint to see the world to come through the specific topics of Marseille.

The Program shall include exhibitions, architectural and urban studies, film, theatre, literature, music interventions, and all related interdisciplinary activities such as workshops, networking activities, electronic presentations, performances, projects in public spaces, etc.

Internationale Stichting Manifesta

The second phase starts in 2019 with an architectural intervention by MVRDV and an inclusive investigation how to involve local communities and associations in the two-year process of developing the biennial.

Pre-biennial Urban Research Study

Between September and December 2018, MVRDV conducted field research producing concrete data in the form of texts, stories, images and statistics identifying sites, communities, topics and possible trends.

From 8 to 13 November, Winy Maas and The Why Factory brought together 80 students and professors from TU Delft University, the National School of Architecture of Marseille and the School of Art and Design Marseille-Mediterranean, for the workshop "Marseille Moment".

During the workshop, the students made 1000 snapshots of Marseille, illustrated 1000 ideas in pictures and models, and produced a 1/1000 collective scale model of the city.

A video of the The Why Factory workshop "T?F Workshop. Manifesta 13 Marseille" is available on youtube.

• **IN-HOUSE PROJECTS**

Every 6 months, a different contemporary art gallery from Amsterdam is invited to curate a site-specific show that links to current topics and reflects the history of the Manifesta offices located in a historic 17th-century canal house on the Herengracht 474. In 2018 Manifesta hosted:

- *Nothing is Permanent*, curated by Galerie Fons Welters, focusses on changes and transitions between various stages, definitions, and places and included work by Olga Balema, Juliette Blightman, Job Koelewijn, Femmy Otten, Maria Roosen, Berend Strik, Jennifer Tee, and Evelyn Taocheng Wang.
- Grimm curated an exhibition with artists from the gallery program who have all studied at one of the (post-graduate) academies in Amsterdam, such as the Rijksakademie, De Ateliers and the Gerrit Rietveld Academie. With work by Bas Jan Ader, Adriano Amaral, Alex Dordoy, Ger van Elk, Claudia Martínez Garay, Saskia Noor van Imhoff, Dana Lixenberg, William Monk, Michael Raedecker and Alex van Warmerdam

STAFF

In 2018 on average Manifesta Foundation employed 5 employees, converted to full-time equivalents.

FINANCES

- **BUDGET AND ANNUAL ACCOUNTS 2018**
- **Budget 2018**

Internationale Stichting Manifesta

The budget of 2018 stated in the annual accounts was contingent upon the decision of the City of Amsterdam regarding the development of the Amsterdam Biennial and the designation of a Host City for Manifesta 14 in 2022. Until such decision is taken the Board considered the budget provisional.

Following the local election result in Amsterdam in March 2018, a new coalition was formed, and a new Mayor was sworn in July 2018. As a result, the decision for financial support to the Amsterdam Biennial has been postponed until Autumn 2019. Despite the continued support of the City of Amsterdam for further work during the financial year, the delay of the decision of the Council to support the Amsterdam Biennial did result in a reduced capacity to attract other funders in the short term.

The agreement between Manifesta Foundation and the Host City to host Manifesta is laid down in a Protocol. For the transfer of the project, Manifesta receives a Transfer Fee. The Transfer Fee is a non-refundable fee paid by the Host City to the Foundation for the transfer of the project. As such it is unrelated to the actual implementation of the project.

The selection of the Host City for Manifesta 14 in 2022 was scheduled to take place in the Board meeting of September. Giving the complex political situation of several the candidate Host Cities for 2022 the Board decided to postpone the selection until Spring 2019 in order to accommodate further research and take advice from the Ministry of Foreign Affairs. The financial impact of the delay in the payment of the Transfer Fee on the result and equity position of the Foundation was assessed by the Financial committee and resolved by means of a subordinated loan for € 350,000 offered by Supervisory Board member, Rob Defares through Hartwig Houdstermaatschappij B.V.

Access to Manifesta brand, resources, networks and professional support by the Manifesta team are subject to a separate Hosting Agreement. The Hosting Agreement is agreed between Manifesta Foundation and a third party, an independent foundation set up jointly by the Host City and Manifesta Foundation for the execution of the project. The Hosting Agreement defines the operational objectives for the development, monitoring and execution of the biennial, for which Manifesta Foundation charges the independent Foundation a Service Fee. The Service Fee is based on a scope of services provided by the core team of Manifesta staff.

In 2018 the main income was received through Service Fees of Manifesta 12 Palermo (€ 230,757) and Manifesta 13 Marseille (€ 150,000). € 200,000 was received from the City of Amsterdam towards a further study of the Amsterdam Biennial. A total of € 109,860 was received in donations.

M11 Zurich owed 59,743k from the M11 service fee which was recognized as income by IFM in 2016 and carried on the balance sheet. In the closing procedure the tax authorities ruled that M11 may not deduct all VAT. The appeal by M11Zurich was unsuccessful. As a consequence, IFM will write off this debt as uncollectable in the accounts. The Zweigniederlassung Foundation M11 Zurich has been closed.

During the approval of the Annual Accounts 2017 the Board reserved an amount towards the Budget 2018 of € 115,000. Not taking the reservation into account the foundation reached a result of - € 247,377 against a projected result of + € 631,157. The additional € 131,934 has been booked against the General reserves. With the appropriation of this result on 31 December 2018 and including the subordinated loan the Guaranteed Equity stood at € 246,199.

The large discrepancy between the projected result and the realised result is primarily due to the postponed selection of the Host city for Manifesta 14. In addition, the Service Fee of Manifesta 12 Palermo was reduced in negotiation with the Board of FM12 Palermo.

Internationale Stichting Manifesta

and Donations were lower than expected as patrons elected to directly support Manifesta 12 rather than the Manifesta Foundation. As a result, the strategy to attract and retain patrons will be redefined. Cost reduction was achieved by delaying the engagement of additional support staff.

Because of the incidental nature of the postponement of the selection of the Host City, the Board is confident that the negative result does not affect the business fundamentals of the foundation.

- **Budget 2019**

The five main activities of the foundation in the next year include:

- a) Ongoing support to Foundation Manifesta 12 Palermo and Manifesta 13 Marseille as per the Hosting Agreements.
- b) Further advocacy toward an Amsterdam Biennial commissioned by the City of Amsterdam.
- c) The selection of the Manifesta 14 host city for 2022.
- d) The setting up of the Manifesta 14 foundation and start-up programme.
- e) The selection of the Manifesta 15 host city for 2024.
- f) The redefinition of the Manifesta patrons and loyalty programme and study of long-term support towards Manifesta expansion to eastern Europe.
- g) Acquisition of long-term EU funding.

Budget 2019

Income	€ 984,000
Direct costs	0
	<hr/>
Gross margin	984,000
Operating expenses	967,196
	<hr/>
Operating result	16,804
Financial expenses	6,808
	<hr/>
Provisional result	€ 9,996

- **General reserves**

The policy of the board is to appropriate the result to disposable equity. The foundation ended the year 2018 with an Guaranteed equity position of € 246,199.

For the budget 2019 the Board allocated € 0 towards a special-purpose reserve.

Amsterdam, May 8, 2019

Hedwig Fijen
Board / Director Manifesta Foundation

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2. FINANCIAL STATEMENTS

Internationale Stichting Manifesta

2.1 Balance sheet as of 31 December 2018

(After result appropriation)

ASSETS	31 December 2018		31 December 2017	
	€	€	€	€
Fixed assets				
<i>Tangible fixed assets</i>				
Software platform	6.282		8.115	
Equipment	1.999		2.611	
		8.281		10.726
Current assets				
<i>Receivables</i>				
Trade receivables	51.037		59.743	
Taxes and premiums social insurance	14.548		9.990	
Other receivables	154.520		439.952	
Other prepayments and accrued income	13.070		7.403	
		233.175		517.088
<i>Cash and cash equivalents</i>				
		354.199		2.228
Total assets		595.655		530.042

Internationale Stichting Manifesta

2.1 Balance sheet as of 31 December 2018

(After result appropriation)

LIABILITIES	31 December 2018		31 December 2017	
	€	€	€	€
Equity				
Disposable equity				
General reserves	-103.801		28.576	
Special purpose reserves	-		115.000	
		103.801-		143.576
Long term liabilities				
Subordinated loans	350.000		-	
		350.000		-
Guaranteed equity				
		246.199		143.576
Current liabilities				
Accounts payable	85.600		106.428	
Taxes and premiums social insurance	13.339		14.957	
Private loans	-		150.000	
Accrued liabilities	250.517		115.081	
		349.456		386.466
Total liabilities				
		595.655		530.042

Internationale Stichting Manifesta

2.2 Statement of income and expenses 2018

	2018	Budget 2018	2017
	€	€	€
Service Fees	322.319	1.177.500	514.000
Manifesta Projects	1.044.123	425.400	-
Donations	109.860	165.000	42.500
Other Income	256.349	400.000	150.000
Total income	<u>1.732.651</u>	<u>2.167.900</u>	<u>706.500</u>
Wages and salaries	356.651	353.097	345.969
Social insurances	52.981	45.000	43.372
Pension charges	37.762	37.800	30.118
Other personnel costs	16.210	15.000	13.439
Depreciation tangible fixed assets	2.446	-	1.504
Other operating expenses	1.509.358	1.083.146	550.154
Total operating costs	<u>1.975.408</u>	<u>1.534.043</u>	<u>984.556</u>
Operating result	<u>-242.757</u>	<u>633.857</u>	<u>-278.056</u>
Interest and similar expenditure	-4.620	-2.700	-3.835
Total financial income and expenditure	<u>-4.620</u>	<u>-2.700</u>	<u>-3.835</u>
Result	<u><u>-247.377</u></u>	<u><u>631.157</u></u>	<u><u>-281.891</u></u>
Appropriation of result:			
General reserve	-132.377	631.157	-31.091
Special purpose reserve	-115.000	-	-250.800
	<u>-247.377</u>	<u>631.157</u>	<u>-281.891</u>

2.3 Notes to the Financial statements

General

The financial statements have been prepared in accordance with accounting policies generally accepted in the Netherlands, also based on the Guideline for Annual Reporting RJ C1 "Small organisations – not-for-profit":

Organization

Internationale Stichting Manifesta, with its registered office in Amsterdam, is registered with the Chamber of Commerce under file number 41158120.

Activities

The activities of Internationale Stichting Manifesta, with its registered office in Amsterdam, consist mainly of:

- Organisation and facilitation of art exhibitions and cultural programmes.

Of which the most important take place every two years in another European city.

The actual activities are carried out from the Herengracht 474 in Amsterdam.

Proposal for the appropriation of the result for the financial year 2018

For the processing of the balance for the 2018 financial year, reference is made to the statement of income and expenditure.

Subsequent events

In its meeting of March 2019, the Supervisory Board unanimously decided to select Pristina, Kosovo as the Host City of Manifesta 14 in 2022. The Protocol between the Foundation and the City of Pristina confirming the selection was signed on the 3rd of May 2019.

BALANCE SHEET VALUATION POLICIES

General

Valuation of assets and liabilities and determination of the result take place under the historical cost convention. Unless mentioned otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Tangible fixed assets

The tangible fixed assets are valued at acquisition price or manufacturing costs, less the accumulated depreciation and any impairments. The depreciation is based on the expected useful life and is calculated on the basis of a fixed percentage of the acquisition price or manufacturing costs, taking into account any residual value. Depreciation is applied as from the moment the asset is put to use.

Receivables

Upon initial recognition the receivables are recorded at the fair value and subsequently valued at the amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Cash at bank and in hand

Cash at bank and in hand is valued at nominal value and, insofar as not stated otherwise, is at the free disposal of the foundation. Cash at bank and in hand relate to immediately due and payable with drawal claims against credit institutions and cash resources.

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Amsterdam, 07 JUNI 2019
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2.3 Notes to the Financial statements

Equity

Disposable equity

The disposable equity is that part of the equity capital that the authorized bodies can dispose of without restrictions through legal or statutory provisions for the purpose for which the foundation was established.

Long term liabilities

The negative equity position is offset by a subordinated loan of € 350,000.

The subordinated loan is unsecured and no collateral and or any preference for payments towards this loan has been provided.

The loan may only be repaid after all creditors have been paid.

The loan accrues interest of 4% per annum payable at the repayment of the facility.

Current liabilities

The current liabilities relate to debts with a term of less than one year. These are recognized at fair value on initial recognition.

Rights and obligations not included in the balance sheet

The rights and obligations not included in the balance sheet are valued at nominal value, unless stated otherwise.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is determined as the difference between the realizable value of the services rendered and the costs and other expenses over the year. The proceeds from transactions are accounted for in the year in which they were realized.

Income

Income means the amounts for the goods or services delivered during the year after deduction of discounts and such and of taxes levied on the turnover, as well as income from donations, subsidies, sponsorship contributions and other receipts.

Revenue from services is recognized in proportion to the extent to which the services have been provided. The cost of these services is allocated to the same period.

Income from Host City Transfer Fee is reported in the year of signing of the Protocol Agreement, or equivalent of this contract.

Operating costs

Costs are attributed to the financial year to which they relate. Profits are accounted for in the year in which goods have been provided or services have been performed. Losses are assumed in the year in which these are foreseeable.

Employee benefits

Wages, salaries and social security contributions are processed on the basis of the employment conditions in the statement of income and expenses insofar as they are owed to employees.

2.3 Notes to the Financial statements

Pension charges

The pension schemes applicable to staff are financed by contributions to the pension provider. The premium due is recognized as an expense in the statement of income and expenditure. At the balance sheet date there were no pension claims and no obligations in addition to the payment of the premium owed to the pension provider each year.

Depreciation

The depreciations are calculated by means of fixed percentages of the purchase value, based on the expected economic life. Book profits and losses on the sale of the fixed assets are included in the depreciations.

Financial income and expenditure

The financial income and expenditure consists of interest earned and paid on granted and received loans.

2.4 Notes to the Balance sheet

ASSETS

FIXED ASSETS

Tangible fixed assets

A summary of the movements of tangible fixed assets is given below:

	Software Platform €	Equipment €
Acquisition value	9.167	3.063
Accumulated amortisations	-1.052	-452
Book value as of 1 January 2018	<u>8.115</u>	<u>2.611</u>
Amortisations	-1.833	-612
Movements 2018	<u>-1.833</u>	<u>-612</u>
Acquisition value	9.167	3.063
Accumulated amortisations	-2.885	-1.064
Book value as of 31 december 2018	<u>6.282</u>	<u>1.999</u>

Amortisation percentages:

Software Platform

20 %

Equipment

20 %

CURRENT ASSETS

Receivables

	31-12-2018 €	31-12-2017 €
Trade receivables		
Debtors	<u>51.037</u>	<u>59.743</u>

A provision for doubtful accounts is not considered to be necessary.

Taxes and premiums social insurance

Value added tax	11.482	9.267
Foreign value added tax	3.066	723
	<u>14.548</u>	<u>9.990</u>

2.4 Notes to the Balance sheet

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
Other receivables		
Transfer fee Manifesta 12	55.312	182.000
Transfer fee Manifesta 13	-	150.000
Other receivables and prepayments	75.740	60.000
Prepayments FM12 Palermo	9.042	29.465
Prepayments AM13 Marseille	14.426	18.487
	<u>154.520</u>	<u>439.952</u>
Other prepayments and accrued income		
Prepayments	500	7.403
Prepaid travelling expenses for third parties	710	-
Sick Pay insurance receivables	11.860	-
	<u>13.070</u>	<u>7.403</u>
Cash and cash equivalents		
Current account bank	353.953	2.228
PayPal	200	-
Liquid assets	46	-
	<u>354.199</u>	<u>2.228</u>

2.4 Notes to the Balance sheet

LIABILITIES

EQUITY

Disposable equity

	2018	2017
	€	€
General reserves		
Value as of 1 January	28.576	174.667
Appropriation result financial year	-132.377	-31.091
Allocation to Special purpose reserve	-	-115.000
Value as of 31 December	<u>-103.801</u>	<u>28.576</u>

Special-purpose reserves

Special purpose reserve	<u>-</u>	<u>115.000</u>
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Special purpose reserve

Value as of 1 January	115.000	250.800
Appropriation result financial year	-115.000	-250.800
Allocation from General reserves	-	115.000
Value as of 31 December	<u>-</u>	<u>115.000</u>

Fixed capital

	31-12-2018	31-12-2017
	€	€
Subordinated loans		
Subordinated loan	<u>350.000</u>	<u>-</u>

	2018	2017
	€	€
<i>Subordinated loan</i>		
Value as of 1 January	-	-
Movement	350.000	-
Value as of 31 December	<u>350.000</u>	<u>-</u>

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Amsterdam, 07 JUNI 2019
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2.4 Notes to the Balance sheet

CURRENT LIABILITIES

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
Trade payables		
Creditors	<u>85.600</u>	<u>106.428</u>
Taxes and premiums social insurance		
Wage taxes	<u>13.339</u>	<u>14.957</u>
Private loans		
Short term Loan <1 year	<u>-</u>	<u>150.000</u>
Accrued liabilities		
Received Ahead	199.150	36.926
Consulting to pay	18.740	-
Holiday allowance reservation	16.330	16.630
Audit fees reservation	10.000	10.000
Inhouse projects to pay	3.150	-
Net wages	1.687	-
Interest to pay	1.460	2.335
Gross Salaries, to be paid	-	10.000
Freelancers	-	19.500
Book production still to pay	-	19.690
	<u>250.517</u>	<u>115.081</u>

Rights and commitments not reflected in the balance sheet.

Contigent liabilities and other financial obligations

Lease obligations

The foundation has concluded a lease contract for the lease of the property at the Herengracht 474 in Amsterdam. The rental obligation amounts to € 36,000 per year. The rental obligation runs to and includes 31 december 2020.

2.5 Notes to the Statement of income and expenses

	2018	Budget 2018	2017
	€	€	€
Income			
Sales - Manifesta editions	686	-	-
Host City Transfer Fee	-	726.000	-
Host City Service Fees	321.633	451.500	514.000
	<u>322.319</u>	<u>1.177.500</u>	<u>514.000</u>
Restricted funding			
Manifesta Projects	<u>1.044.123</u>	<u>425.400</u>	<u>-</u>
Income from development			
Donations	<u>109.860</u>	<u>165.000</u>	<u>42.500</u>
Other income			
Other revenue	<u>256.349</u>	<u>400.000</u>	<u>150.000</u>
Wages and salaries			
Gross wages and salaries	321.549	353.097	321.562
Holiday bonus liability	29.745	-	24.407
30% ruling	27.257	-	-
	<u>378.551</u>	<u>353.097</u>	<u>345.969</u>
Received benefits on sick pay	-21.900	-	-
	<u>356.651</u>	<u>353.097</u>	<u>345.969</u>
In 2018, on average 5 employees were employed, converted to full-time equivalent.			
Social insurances			
Social security	<u>52.981</u>	<u>45.000</u>	<u>43.372</u>
Pension charges			
Pension charges staff	<u>37.762</u>	<u>37.800</u>	<u>30.118</u>
Other personnel costs			
Travelling expenses	784	-	-
Interns / trainee program	650	2.500	1.210
Salary administration	1.814	3.000	3.180
Sick pay insurance	12.196	8.500	8.014
Arbo services	763	1.000	645
Other personnel costs	3	-	390
	<u>16.210</u>	<u>15.000</u>	<u>13.439</u>

2.5 Notes to the Statement of income and expenses

	2018	Budget 2018	2017
	€	€	€
Depreciation tangible fixed assets			
Software Platform	1.833	-	1.052
Equipment	613	-	452
	<u>2.446</u>	<u>-</u>	<u>1.504</u>
Other operating expenses			
Housing costs	43.775	54.800	39.351
Project costs	1.410.049	933.846	459.008
Other costs	790	5.000	3.621
Office costs	33.760	32.500	27.786
General costs	20.984	57.000	20.388
	<u>1.509.358</u>	<u>1.083.146</u>	<u>550.154</u>
<i>Housing costs</i>			
Rent and archive costs	41.494	51.200	39.106
Cleaning	2.281	3.600	245
	<u>43.775</u>	<u>54.800</u>	<u>39.351</u>
<i>Project costs</i>			
Consultancy	305.790	418.946	369.868
Representation costs	7.476	5.000	8.887
Candidate cities expenses	1.599	3.000	1.925
Inhouse projects	8.818	10.000	18.162
Talk with Us	-	-	1.720
Manifesta Projects	1.049.633	425.400	910
Grand Tour	-350	-	7.165
IT Management	225	4.500	105
Development	1.010	10.000	1.000
Travelling expenses	17.994	30.000	31.769
Communication	12.260	20.000	4.888
Board meetings	5.594	7.000	12.609
	<u>1.410.049</u>	<u>933.846</u>	<u>459.008</u>

2.5 Notes to the Statement of income and expenses

	2018	Budget 2018	2017
	€	€	€
<i>Other costs</i>			
Website costs	790	5.000	3.621
	<u>790</u>	<u>5.000</u>	<u>3.621</u>
<i>Office costs</i>			
Office supplies	7.589	12.000	9.945
Printing & Stationery	591	-	649
Postage	6.507	-	2.368
Hardware and Equipment	1.890	4.500	1.054
Telephone & Internet	6.574	6.000	4.904
Subscriptions	-248	-	417
Online Services and Software	9.947	10.000	7.347
Repairs and Maintenance equipment	910	-	1.102
	<u>33.760</u>	<u>32.500</u>	<u>27.786</u>
<i>General costs</i>			
Accounting costs	6.000	6.000	6.000
Audit fees	10.000	10.000	10.000
Legal expenses	1.696	4.000	2.225
Consultancy	1.500	-	360
Insurance	1.737	3.000	1.737
Unforeseen	-	30.000	-
General expenses	-	-	66
Unforeseen	51	4.000	-
	<u>20.984</u>	<u>57.000</u>	<u>20.388</u>

Financial income and expenditure

Interest and similar expenditure

Interest on Loan Hartwig	3.613	-	2.335
Bank Fees	990	2.700	854
Intrest and costs Tax Authorities	-	-	577
Currency Gains/ Losses	17	-	69
	<u>4.620</u>	<u>2.700</u>	<u>3.835</u>

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3. OTHER INFORMATION

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paraaf voor identificatiedoeleinden:

3. Other information

3.1 Rules concerning appropriation of result

The allocation of the result is determined by the Board and the Supervisory Board.

3.2 Appropriation of result for the financial year 2017

The Annual accounts 2017 were adopted in the Supervisory Board meeting of 7 June 2018. The Supervisory Board has adopted the allocation of the result according to the proposal made.

INDEPENDENT AUDITOR'S REPORT

To: the Board of Internationale Stichting Manifesta in Amsterdam,
the Netherlands.

A. Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of Internationale Stichting Manifesta based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Internationale Stichting Manifesta as at 31 December 2018 and of its result for 2018 in accordance with the Guidelines for annual reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the statement of income and expenses for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

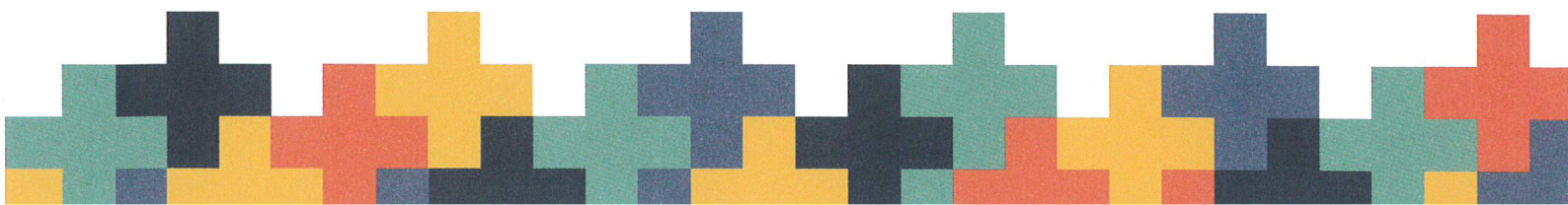
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Internationale Stichting Manifesta in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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KvK nummer 34374865



B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the Board's report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the Board's report, in accordance with the Guidelines for annual reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the association's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless management either intends to dissolve the association or to cease operations, or has no realistic alternative but to do so.

The Board should disclose events and circumstances that may cast significant doubt on the association's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

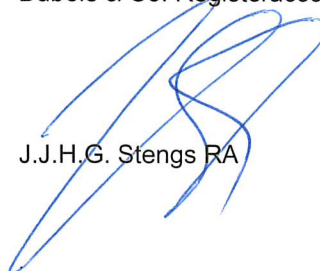
- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive committee;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an association to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 7 June 2019

Dubois & Co. Registeraccountants

J.J.H.G. Stengs RA



INDEPENDENT AUDITOR'S REPORT

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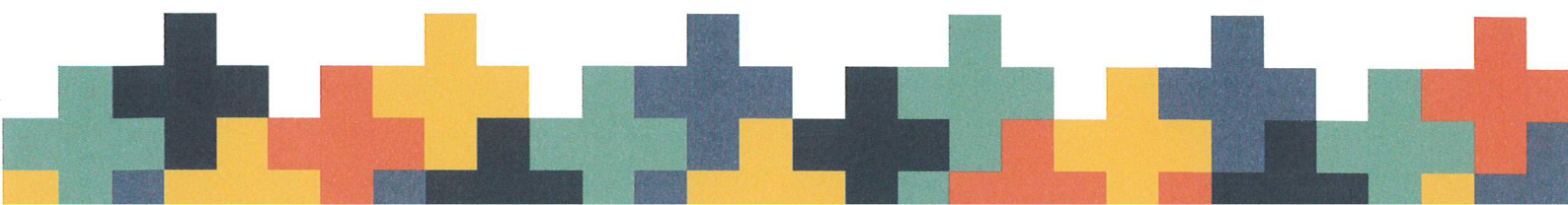
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

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We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the Board's report, in accordance with the Guidelines for annual reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board.

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Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

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- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
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Amsterdam, 7 June 2019

Dubois & Co. Registeraccountants

Signed on original:
J.J.H.G. Stengs RA