

**Charity registration number 1186192**

**THE PIPA FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2023**

# THE PIPA FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

---

Trustees	L Filho (Chairman) L Vinhaes R Vinhaes
Charity number	1186192
Principal address	7 Daisy Lane London SW6 3DD
Independent examiner	S Coleman ACA Gerald Edelman LLP 73 Cornhill London EC3V 3QQ
Bankers	Cashplus Bank 6th Floor One London Wall London EC2Y 5BB  Itau Private Bank Bleicherweg 30 8002 Zurich

---

# THE PIPA FOUNDATION

## CONTENTS

---

	<b>Page</b>
Trustees' report	1 - 3
Statement of Trustees' responsibilities	4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 13

---

# THE PIPA FOUNDATION

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 5 APRIL 2023*

---

The Trustees present their annual report and financial statements for the period ended 5 April 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The charity's objects are:

- 1) To support Brazilian contemporary artists in the field of visual arts, architecture, literature, music and performing arts;
- 2) To promote exchange between Brazilian and British culture through arts;

The main intention of the Trustees is to provide free unlimited public access to exhibitions of Brazilian Art and Culture to allow the public the opportunity to experience Brazilian culture. From this public benefit will be gained by way of the advancement of the education of individual persons. The goal is to enthuse the public with the exhibits available and encourage further thought and deeper understanding of the subject matter which will prove to be an inspiration to all.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements and performance**

The Art World made its way gradually into a "new normal" in 2022. As tourism bounced back, critical deficits in land and air crews lead to chaotic air travel experiences. TEFAF, arguably the world's most important art fair, happened in 2022 later than its usual schedule in June, having gotten closer to its regular time just this last month of March 2023.

The hunger for art experiences also led to a huge unattended demand, as not only there were big exhibitions backlogs to be addressed, but also bigger than ever demand for the exhibitions going on, even from the permanent collections of prominent museums.

One positive aspect that came out of the whole Art scenario since the onset of the Pandemic, which continues to develop even as face-to-face experiences make a comeback, has been the development of "virtual" appreciation and consumption of Art, ranging from images and short films in Instagram to more curated digital presentations by Institutions.

Taking the above into consideration, and in line with its objectives, the Foundation has made its first relevant disbursement—of US\$50,000 (fifty thousand dollars), Trustees approved—to Instituto PIPA (PIPA Institute) in Brazil, through the celebration of a Donation Agreement with the institution, which in turn, shall use these funds in the fulfillment of its social activities, especially with regards to the execution and production of Prêmio PIPA (PIPA Art Prize); maintenance and continuous development of its websites in Portuguese and English; and to continue to build up its collection in Brazilian contemporary art.

# THE PIPA FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2023

---

The Donation Agreement also provides for the payment of certain expenses by the Foundation, on an ongoing basis, directly related to the Institute's activities, including but not limited to software licenses, website hosting, catalogue distribution costs, etc.

Background:

[PIPA Institute](#) (Instituto PIPA) was established in 2009 to support, help document and to promote the development of Brazilian Contemporary Art.

[PIPA Prize](#) (Prêmio PIPA), the Institute's first initiative which takes place on a yearly basis, has as its mission, the promotion of Brazilian art and artists; the encouragement of domestic contemporary art production; and the promotion and recognition of emerging artists and has flourished into something much larger than just a well recognised Brazilian Contemporary Art Award since then. Its exquisite printed [catalogues](#) produced each year, for example, constitute an important research platform for art collectors, art curators, and gallerists both in Brazil and abroad.

The Prize is overlooked by a very [senior board](#), and comprises dozens of members of its annual [nominating committee](#), and dozens of [participants](#) each year.

Since 2010, over 580 artists have taken part in the Prize. As means of promoting the artists and their work, [profile pages](#) are made available on PIPA's Portuguese and English websites containing information on their biography, art-work, video interviews and relevant content which can make up an important source of research for other artists, curators and scholars of contemporary art in Brazil. The making and displaying of this content works as a showcase for artists to promote their work.

As well as commissioning art-work, PIPA Institute has been increasing its efforts in making acquisitions for its [collection](#), which is made available for loans to other institutions. The selection is made within the group of artists who have participated in at least one edition of the Prize.

Instituto PIPA also sponsors and produces the annual edition of [PIPA Online Art Prize](#), which grants international access to minority artists such as Brazilian Indigenous artists that live far away from main art centers.

The Institute makes cash donations to the four shortlisted artists in the PIPA Prize edition and to the two winners of its online version. Over the years, the Institute has also been acquiring artworks from the nominated artists.

The Institute also produces an annual exhibition featuring the works of the shortlisted artists for the award. Since 2021, these exhibitions have grown to also include the work from the Institute's own collection. Previous exhibitions have taken place in the Museum of Modern Art in Rio de Janeiro (MAM/RJ), Villa Aymoré and at Paço Imperial in Rio de Janeiro.

The Institute produces and distributes thousands of printed bi-lingual (Portuguese and English) catalogues every year, with dedicated pages to each participant artist, pictures from each year's exhibitions, informative texts and articles written by prestigious art critics, and each year's statistics. These catalogues are also available for download in PDF format (<https://www.pipaprize.com/pipa-2022-all-editions/>).

Prêmio PIPA has over 190.000 followers on Facebook and more than 28,000 on Instagram while its website receives thousands of visitors each month.

The factors detailed above have contributed to the re-evaluation of the Foundation's anticipated projects, specifically in regards to holding exhibitions in the UK, due to good exhibiting spaces being scarce and in high demand.

As part of the alternatives being considered by the Foundation, the Trustees are exploring the set up of a sponsorship program of art residencies for Brazilian artists in London, in conjunction with established UK Charities to widen the Foundation's scope.

The Foundation continues to build its financial reserves. The Trustees are in the processing of finalising a grant policy which takes account of the new circumstances described above, discussing how to establish a disbursement guideline to be implemented towards its charitable objectives.

# THE PIPA FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2023**

---

### Financial review

I am happy to report that the charity is in a very stable financial position with the net income for the year being £82,433 (2022: £805,862). The main reason for this is the acquisition of shares in Investidor Profissional Gestão de Recursos Ltda - best known by its trademark IP Capital Partners. IPCP is Brazil's most traditional independent investment manager and has long been involved in supporting Brazilian contemporary art. The charity acquired its shares at par value via the Trustee Roberto Vinhaes, who was one of the company's founding partners. This investment not only gives the charity a stable and secure financial base but should provide a reliable income stream for the foreseeable future.

Income in the year was £115,832 (2022: £440,037) predominantly arising from income from the IPCP investment described above.

Expenditure in the year was £45,700 (2022: £4,268). Of this sum £40,815 related to direct charitable expenditure and £4,885 related to support costs.

As set out above the charity is now in a very stable financial position. The Trustees are reviewing their plans for the future including the creation of a suitable reserves policy to take into account the anticipated commitments of the charity. Reserves held at 5 April 2023 were £514,378 as represented by net current assets.

### Structure, governance and management

The charity was established by a constitution dated 6 November 2019 and was formed as a Charitable Incorporated Organisation.

The Trustees who served during the year and up to the date of signature of the financial statements were:

L Filho  
L Vinhaes  
R Vinhaes

The Trustees meet regularly in order to discuss the ongoing administrative and other issues arising and then implement the decisions made themselves. Thus there are no employees of the charity.

The Trustees' report was approved by the Board of Trustees.



Trustee  
Dated

1 February 2024

# THE PIPA FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

***FOR THE YEAR ENDED 5 APRIL 2023***

---

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE PIPA FOUNDATION

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PIPA FOUNDATION

---

I report to the Trustees on my examination of the financial statements of The PIPA Foundation (the charity) for the year ended 5 April 2023.

### **Responsibilities and basis of report**

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

S Coleman ACA  
Gerald Edelman LLP  
73 Cornhill  
London  
EC3V 3QQ

Dated: 1 February 2024



# THE PIPA FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 5 APRIL 2023**

	Notes	2023 £	2022 £
<b><u>Income from:</u></b>			
Donations and legacies	<b>3</b>	17	15
Investments	<b>4</b>	115,851	440,022
<b>Total income</b>		115,868	440,037
<b><u>Expenditure on:</u></b>			
Charitable activities	<b>5</b>	45,700	4,268
<b>Net income before investment returns</b>		70,168	435,769
Net gains on investments	<b>10</b>	44,709	370,093
<b>Net income for the year</b>		114,877	805,862
Fund balances at 6 April 2022		810,734	4,872
<b>Fund balances at 5 April 2023</b>		925,611	810,734

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# THE PIPA FOUNDATION

## BALANCE SHEET

AS AT 5 APRIL 2023

	Notes	£	2023 £	2022 £	£
<b>Fixed assets</b>					
Investments	11		411,234		373,990
<b>Current assets</b>					
Cash at bank and in hand		522,177		439,744	
<b>Creditors: amounts falling due within one year</b>	12	(7,800)		(3,000)	
<b>Net current assets</b>			514,377		436,744
<b>Net assets</b>			925,611		810,734
<b>Income funds</b>					
Unrestricted funds			925,611		810,734

The financial statements were approved by the Trustees on 1 February 2024

  
L. Filho  
Trustee

# THE PIPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 5 APRIL 2023**

---

### **1 Accounting policies**

#### **Charity information**

The PIPA Foundation is a Charitable Incorporated Organisation. The registered office is 7 Daisy Lane, London SW6 3DD.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Investment income is recognised on the date of payment.

# THE PIPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2023

---

#### 1 Accounting policies

(Continued)

##### 1.5 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All resources expended are accounted for on an accruals basis and the irrecoverable element of VAT is included in the expense to which it relates.

Charitable expenditure includes direct charitable expenditure in furtherance of the charity's aims and objectives and support costs incurred. Support costs include governance costs represented by audit costs and other professional fees incurred in connection with the meeting of the charity's constitutional and statutory obligations.

##### 1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# THE PIPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2023

#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.9 Taxation

As a registered charity the Foundation is exempt from taxation on its activities which fall within the scope of part 10 ITA 2007 and section 256 of the Taxation of Chargeable Gains Act 1992.

#### 1.10 Foreign exchange

Transactions denominated in foreign currency are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in other recognised gains and losses in the Statement of Financial Activities.

#### 1.11 APB Ethical Standard relevant circumstances

In common with many entities of our size we use our independent examiners to assist with preparation of the financial statements.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Donations and legacies

	2023 £	2022 £
Donations and gifts	17	15

#### 4 Investments

	2023 £	2022 £
Income from unlisted investments	112,349	440,022
Interest receivable	3,502	-
	115,851	440,022

# THE PIPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

### 5 Charitable activities

	2023 £	2022 £
Grant funding of activities (see note 6)	40,815	-
Support costs (see note 7)	4,885	4,268
	<u>45,700</u>	<u>4,268</u>

### 6 Grants payable

	2023 £
Grants to institutions: Pipa Instituto	40,815
-	<u>-</u>

### 7 Support costs

	2023 £	2022 £
Bank charges	85	68
Independent examination fees	3,000	3,000
Accountancy	1,800	1,800
	<u>4,885</u>	<u>4,868</u>

### 8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period. No expenses were paid to the Trustees in the year.

### 9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than £60,000.

# THE PIPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2023**

---

**10 Net gains/(losses) on investments**

	<b>2023</b>	2022
	<b>£</b>	£
Revaluation of investments	37,244	366,852
Gain/(loss) on sale of investments	16,245	-
Foreign exchange gains	(8,780)	3,241
	<u>44,709</u>	<u>370,093</u>

# THE PIPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

---

### 11 Fixed asset investments

	<b>Total £</b>
<b>Cost or valuation</b>	
At 6 April 2022	373,990
Valuation changes	37,244
	<hr/>
At 5 April 2023	411,234
	<hr/>
<b>Carrying amount</b>	
At 05 April 2023	411,234
	<hr/>
At 05 April 2022	373,990
	<hr/>

### 12 Creditors: amounts falling due within one year

	<b>2023 £</b>	<b>2022 £</b>
Accruals and deferred income	7,800	3,000
	<hr/>	<hr/>

### 13 Related party transactions

The charity holds an interest in a non UK private company in the year known as IPCP (see Trustees Report for further details). The Trustee Mr R Vinhaes is a shareholder of this company and holds a substantial interest. The details of this investment are disclosed in note 10. Income arose on this investment in the year in the sum of £112,350.