

COMPANY REGISTRATION NUMBER: 04109942
CHARITY REGISTRATION NUMBER: 1085485

The Academy of Ancient Music
Company Limited by Guarantee
Unaudited Financial Statements
For the Year Ended
31 August 2021



The Academy of Ancient Music

Company Limited by Guarantee

Financial Statements

Year Ended 31 August 2021

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The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (incorporating the Directors' Report)

Year Ended 31 August 2021

The Trustees, who are also the Directors for the purposes of company law, present their Report and the unaudited Financial Statements of the charity for the year ended 31 August 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name The Academy of Ancient Music

Charity registration number 1085485

Company registration number 04109942

Trustees

The Trustees who served the charity during the year and those who are currently serving are as follows:

Elise Badoy	3**	Appointed 28 January 2021
Jane Barker CBE		Appointed 13 January 2022
Paul Baumann CBE (Chair from 1 September 2021)	1*	
Hugh Burkitt (Deputy Chair)	2*, 3	
Alan Clark		Appointed 29 April 2021
Elizabeth de Friend	3	
Philip Jones (Chair to 31 August 2021)	3	Resigned 31 August 2021
Graham Nicholson	1, 2	
John Reeve		Resigned 28 January 2021
Terence Sinclair	3	Resigned 28 January 2021
Helen Sprott	1	Appointed 28 January 2021
Madeleine Tattersall	2	
Janet Unwin		Resigned 29 April 2021
Kim Waldock		

1 = member of Audit and Risk Committee as at 31 August 2021

2 = member of Nominations Committee as at 31 August 2021

3 = member of Development Board as at 31 August 2021

* indicates Chair of committee as at 31 August 2021

** indicates Chair of Development Board as at 31 August 2021

Principal and registered office

Cherry Trees Centre
St Matthew's Street
Cambridge
CB1 2LT

Honorary President

Christopher Purvis CBE

Chief Executive

John McMunn

Music Director

Richard Egarr (to 31 August 2021)
Laurence Cummings (from 1 September 2021)

Founder

Christopher Hogwood CBE

Secretary

John McMunn

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year Ended 31 August 2021

REFERENCE AND ADMINISTRATIVE DETAILS *(continued)*

Independent Examiner	Shane Tharby FCA For and on behalf of Streets Chartered Accountants 3 Wellbrook Court Girton Cambridge CB3 0NA
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VISION & MISSION, CHARITY OBJECTIVES AND PUBLIC BENEFIT STATEMENT

Vision

The Academy of Ancient Music aspires to be at the forefront of the global historically-informed performance movement, recognised universally for the quality of our performances and the impact of our scholarship and educational work.

Mission

The Academy of Ancient Music exists to delight and inspire audiences the world over with historically-informed performances of baroque and classical music of the highest quality. We believe that great art is for everyone, regardless of background or means, and we are committed to sharing our work as widely as possible through live performance, recordings and digital media.

Underpinning this mission are three core beliefs:

- Music has a unique ability to unite people through shared experience and common purpose. We believe that our commitment to audiences extends beyond the concert hall, and endeavour to create a sense of community around our work through extra-musical enrichment and engagement, all delivered to the same high standard as our performances.
- We believe in the inherent value of historically-informed performance, not because it is 'authentic' or 'correct', but because of its power to move audiences with performances of striking vitality and immediacy. We value our position as a leader in the field and are committed to furthering the HIP movement through scholarship, discovery, education and training, safeguarding the future of our art for generations to come.
- We acknowledge the need to address historical inequities in the arts and are committed to reflecting the diverse communities in which we work, both onstage and in our audiences. We will continue to strive to make our work as accessible and inclusive as possible while not abandoning our belief in the timeless relevance of our repertoire.

Charity objectives

The objectives of the charity are to advance the education of the public in the art of baroque and early classical music and the allied arts. There have been no changes to the charity's objectives since the last annual report.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (incorporating the Directors' Report) (continued)

Year Ended 31 August 2021

VISION & MISSION, CHARITY OBJECTIVES AND PUBLIC BENEFIT STATEMENT (continued)

Public Benefit Statement

The Trustees regularly review the charity's activities to ensure the highest benefit to the public. The Trustees confirm that they have considered the Charity Commission's general guidance on public benefit in setting the charity's aims and objectives and in planning particular activities.

The charity exists to enrich people's lives with historically informed baroque and classical music performed and recorded to the highest standard, and by nurturing young audiences, artists and aspiring managers.

The orchestra's management are tasked with ensuring the charity's activities are accessible to all members of the public. Examples of steps taken to ensure broad public accessibility include:

- Encouraging attendance at concert performances by school children, students and young people through discounted tickets;
- Freely accessible video content (via the AAM website and elsewhere online);
- Regular broadcasts of concerts on national radio stations both in the UK and abroad, making our music widely accessible through radio and online;
- Free pre-concert talks which are open to all;
- Free concert programmes, available online, containing detailed notes on the music being performed and short biographies of the principal performers;
- Masterclasses, and orchestral workshops in which music students and AAM professionals play side-by-side.

YEAR IN REVIEW

COVID-19 continued to cause significant disruption to AAM's activities across the 20/21 season, though there were also significant creative opportunities resulting from the challenges of the pandemic. Building upon the orchestra's good work developing digital audiences with free media and live-streaming in the immediate pre-pandemic period, we commissioned, designed and launched *AAM Live*: a proprietary, paywalled live-streaming portal. This new portal allowed us to present three ticketed concerts - both live and on-demand - to a global audience from West Road Concert Hall in Cambridge. These performances, featuring AAM principals, incoming Music Director Laurence Cummings, guest directors Steven Devine and Peter Whelan, and mezzo-soprano Helen Charlston, were viewed by more than 1,150 people live or 'as live', and will reach thousands more in perpetuity as shareable digital content on social media and via the AAM website.

In addition to own-promoted live-streamed programming, the organisation continued to work closely with partners at the Barbican Centre, presenting a seasonal performance of Handel's *Messiah* in December 2020 and Vivaldi's *The Four Seasons* in June 2021 on the Barbican's own *Live from the Barbican* platform. These performances reached digital audiences of 3,000 and 500 respectively; in-person audiences were allowed back in the Hall for the Vivaldi, which sold out at the government mandated maximum capacity of 50% (or c.1,000 audience members). The orchestra also returned to VOCES8's *Live from London* digital festival in March 2021 with a performance of JS Bach's *Mass in B minor*, released on Easter Sunday 2021. Surpassing viewership for AAM's previous festival appearance, this 'as live' on-demand performance reached nearly 5,000 people across individual and season ticket sales, and excerpts from the concert have now been viewed nearly 100,000 times on YouTube.

The Academy of Ancient Music

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Trustees' Annual Report (incorporating the Directors' Report) (continued)

Year Ended 31 August 2021

YEAR IN REVIEW (continued)

As a result of these activities, digital followership for the orchestra grew significantly in the year both online and across social media. On 31 August 2021, AAM had more than 30,000 subscribers on YouTube; 45,000 followers on Facebook; 8,000 followers on Twitter; 3,000 followers on Instagram, and more than 1,000,000 monthly listeners on Spotify, making us the most listened-to ensemble of our kind on that platform.

External, in-person engagements were significantly down on previous years because of government restrictions on live events, but the orchestra nevertheless performed publicly at the Stour Music Festival and the University of York, with the Choir of the Queen's College, Oxford, at the Deal and New Malden festivals, and at Milton Court in London and Iford Manor in Wiltshire. Further, we undertook a significant international tour - to Pollença, Santander and Burgos - in August 2021, our first since 2020 and the first tour to Spain by any UK orchestra since Brexit.

Recordings made across the 20/21 season included *Haze*, a collaboration with the composer Daniel Kidane and guitarist Sean Shibe, as part of the *Barbican Sessions* series; a collection of works for choir and orchestra by Giovanni Bononcini with the Choir of the Queen's College, Oxford for release on Signum Records; and the first of the final five discs of our ongoing Mozart Piano Concerto cycle (featuring K467 and K491), planned for release on AAM Records in the 22/23 season. In addition to these new recordings, two recordings were released on AAM Records across the year: *Dussek's Messe Solemnelle* (BBC Music Magazine Choral Award nominee; Gramophone Classical Music Awards winner) and *Eccles' Semele* (Gramophone Classical Music Awards nominee, produced in association with Cambridge Handel Opera Company and Cambridge Early Music). In recognition of both releases, and of the achievements of outgoing Music Director Richard Egarr, AAM was nominated for *Gramophone Orchestra of the Year 2021*.

Other highlights of the year included a BBC Radio 4 feature on our performance of Vivaldi's *The Four Seasons* at the Barbican as part of the *How to Play* series, the rebroadcast of an earlier performance on Classic FM as part of *Live Music Month* in October 2020, and the broadcast of our recording of Anna Amalia's *Overture to Ervin und Elmire* on BBC Radio 3's *Early Music Show* on International Women's Day.

The Trustees are grateful to the orchestra's players, its executive and staff for their loyalty, determination and ongoing creativity in challenging circumstances.

PLANS FOR FUTURE PERIODS

Artistic excellence on the concert platform, investment in digital and recorded content, and nurturing the audiences, artists and arts managers of the future will remain central to the charity's work as COVID restrictions are lifted and our industry returns to more normal modes of operation.

The 21/22 season is the first under our next Music Director, Laurence Cummings, and features a full programme of own-promoted events at the Barbican Centre, London and West Road Concert Hall, Cambridge organised around the theme: *New Worlds*. While domestic engagements and foreign touring opportunities continue to be limited, we are returning to the Chipping Campden International Music Festival, the Cadogan Hall (London), the Sheldonian Theatre (Oxford), King's College (Cambridge), The Apex (Bury St Edmunds), the Bath Bachfest and Snape Maltings over the course of the season. International touring engagements include the orchestra's debut at the Elbphilharmonie (Hamburg), as well as returns to Soli Deo Gloria (Braunschweig) and Musikfest ION (Nuremberg). The orchestra has had to withdraw from planned performances in Moscow and St Petersburg due to the ongoing conflict in Ukraine.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (incorporating the Directors' Report) (continued)

Year Ended 31 August 2021

PLANS FOR FUTURE PERIODS (continued)

The orchestra remains committed to digital content creation, including live-streaming as many of its own-promoted performances as possible. In 21/22, in addition to streaming our season-opening co-production of Haydn's *The Creation* as part of the *Live from the Barbican* series, we are broadcasting all five of our Milton Court promotions via AAM's proprietary streaming portal, *AAM Live*. We also plan to complete the Mozart Piano Concerto cycle begun nearly 30 years ago by our founder Christopher Hogwood and scholar-pianist Robert Levin and restarted after a pause of several years in August 2021. Finally, while plans are not confirmed due to artist availability issues, we hope to record the second book of Dario Castello's *Sonate concertate in stil moderno* with our former Music Director, Richard Egarr.

In April 2021, the Trustees adopted a new strategy for AAMplify, the orchestra's innovative education initiative. After more than a year of COVID disruption, this document reoriented the scheme around developing the audiences, artists and arts managers of the future. As part of this larger strategy, by the end of the 21/22 season we hope to have identified five key institutions amongst current and potential tertiary partners to deliver our work with young artists specifically. We plan to appoint a part-time player facilitator (45 days per annum) to manage and deliver this work, in consultation with the Chief Executive and Head of Planning and Operations, and we hope for these activities to feed into an annual AAMplify orchestral project in future seasons, allowing young professionals the opportunity to perform larger-scale works usually beyond the scope of music colleges and universities side-by-side with our acclaimed professionals.

Looking beyond the immediate future, it is worth noting that the 23/24 season will be AAM's 50th Anniversary. Plans for this significant milestone are still developing but will include the publication of an account of the orchestra's history to date by noted author and former Hogwood Fellow Richard Bratby, the release of the complete Mozart Piano Concerto cycle with Robert Levin, and other programmes and events designed to maximise the artistic opportunities that such occasions offer while strengthening our endowment for future investment. In the meantime, the Trustees look forward to continuing to build upon the excellent creative partnership already begun between the orchestra's players and Music Director Laurence Cummings.

FINANCIAL POLICY AND PERFORMANCE

AAM receives no regular public funding and is entirely reliant on generated income and voluntary giving. We are fortunate to have the benefit of a substantial bequest from our founder, the late Christopher Hogwood, without which our position would be extremely challenging. The financial flexibility provided by this bequest enables us to maintain our level of artistic ambition and our commitment to exceptional artistic quality. Our reserves were initially reduced by the global pandemic but during the year ended 31 August 2021 we benefitted both from government support and high levels of voluntary income, in particular in support of our ongoing Mozart recording project. Total income in the period amounted to £757k (2020: £934k), but with expenditure reduced to £570k (2020: £1,089k) we finished the year to 31 August 2021 with a net surplus of £187k, of which £103k was income received for recordings and productions in 21/22.

Reserves and investment policy

In view of fluctuations in concert income from year to year, exacerbated by the increased financial risks created by the uncertainties in the immediate post-pandemic period, the Trustees consider it prudent to aim to maintain general unrestricted reserves of at least six months' support costs and three months' expenditure on own-promotion concerts. This amounts to a target of at least £300k currently.

The charity maintained its cash holdings at high levels in the period to allow it to respond to volatility in the sector. Since the year-end, funds held as current asset investments have been moved into longer-term investments under a strict ethical mandate, with the aim of protecting capital from inflationary erosion.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (incorporating the Directors' Report) *(continued)*

Year Ended 31 August 2021

FINANCIAL POLICY AND PERFORMANCE *(continued)*

Reserves and investment policy *(continued)*

Unrestricted reserves on 31 August 2021 totalled £982k, including general reserves of £357k and £625k remaining from the legacy described above, which the Trustees have designated as a special fund to be used to support activities which would not otherwise be possible. In addition, we have £141K in restricted funds available for strategic recording projects and future concerts.

Fundraising

The charity undertakes fundraising from individuals, trusts/foundations and statutory sources, led by the Head of Development, Liz Brinson, with support from the Development and Events Manager, Alice Pusey.

Voluntary income for the year comprising both grants and gifts from individuals stood at £431,000. The orchestra was grateful to receive several major grants, notably from Cockayne - Grants for the Arts, the John Armitage Charitable Trust, the John Ellerman Foundation, the John R Murray Charitable Trust and the J Paul Getty Jr General Charitable Trust. In addition, AAM was grateful to receive £48,133 in funding from the government-funded Culture Recovery Fund, distributed through Arts Council England. This income, the first of two instalments, is shown within our accounts under Charitable Activities and funded our concert-giving and live-streaming programme in spring 2021.

We continued to benefit from the support of our loyal family of donors - Academy members, Associates and Friends - who make largely unrestricted gifts, without which we could not deliver our work. Further, we received additional donations to complete our recordings of Mozart's Piano Concertos, featuring pianist and notable Mozart scholar, Robert Levin. We also ran a match-funding campaign as part of The Big Give Christmas Challenge in December 2020 to raise funds for our programme of concerts and live-streaming. We would like to thank everyone who has made a gift to any of our campaigns in the past year.

No third-party fundraisers were used to raise funds during the financial year. Fundraising was undertaken via telephone, e-mail, direct mail and events, in line with the Code of Fundraising Practice set by the Fundraising Regulator, with which the charity is registered. We are committed to ensuring that no-one, and especially no vulnerable person, feels subject to unreasonable intrusion of privacy or persistent or undue pressure to donate. No complaints were received about our fundraising during the financial year.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year Ended 31 August 2021

STRATEGY AND BUSINESS PLAN

Taking advantage of decreased levels of activity and new executive leadership, AAM undertook a significant strategic review of its operations over the year. This resulted in a new business plan (adopted by the Trustees in October 2021) clarifying the mission and vision of the organisation and articulating key strategic objectives for the 21/22 season through to the 50th Anniversary season in 23/24. These objectives include:

- Increasing the volume of and fees associated with external engagements;
- Regularly delivering a breakeven year-end position before extraordinary projects;
- Investing an appropriate proportion of free reserves to maximise return;
- Increasing the proportion of fundraised income from individual giving;
- Maintaining trust and foundation support and increasing statutory/corporate support;
- Cultivating donor support from outside the UK (with a particular focus on the USA);
- Establishing a clear dominant artistic force (Laurence Cummings) and consolidating a reputation for excellence under his leadership;
- Building on our reputation for distinctiveness in programming and presentation, and for discovery, with a focus on English music, on AAM Records;
- Maximising revenue from AAM Records releases and digital content;
- Better realising the latent potential of digital followership for profile growth and increasing conversion to ticket sales;
- Ensuring the value of existing strategic partnerships and exploring possible new partnerships;
- Nurturing the next generation of audiences, artists and arts managers;
- Increasing diversity across operations and ensuring our work is as accessible, inclusive and equitable as possible;
- Ensuring all operations are delivered in as sustainable a manner as possible.

As reflected in the third core belief of AAM's new mission statement (above), we plan to place particular emphasis on diversity, equity and inclusion going forward and will adopt a DEI policy in 21/22, setting clear targets for representation across the composers we perform, the artists with whom we work, and the staff and Trustees who manage our operations. Despite the obvious and real constraints on AAM's ability to effect immediate and lasting change in this area, we are nevertheless committed to doing all we can to make historical performance as accessible and inclusive as possible.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (incorporating the Directors' Report) *(continued)*

Year Ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and governing instrument

The Academy of Ancient Music (AAM) is a charitable company limited by guarantee, incorporated on 17 November 2000 and governed by a Memorandum and Articles of Association.

Organisational structure

Board of Trustees

The activities of the AAM are ultimately controlled by the Board of Trustees, which meets at regular intervals to provide strategic direction and to monitor the work of the executive and the orchestra. During the year there were four Board meetings. The orchestra's Chief Executive, Music Director and player representatives have standing invitations to Board meetings. Other staff members attend meetings as appropriate.

New Trustees are appointed by the Board on the recommendation of the Nominations Committee. Trustees are normally expected to serve for a maximum of nine years and their continued membership of the Board is reviewed every three years from the date of appointment. Prior to joining the Board, new Trustees have meetings with the Chair, the Chair and members of the Nominations Committee, and the Chief Executive.

Nominations Committee

The Nominations Committee is a committee of the Board of Trustees whose role is to ensure that procedures are in place for the nomination and selection of members of the Board of Trustees and Development Board; it has regard for the size, composition, diversity and succession needs of both Boards, taking into account their required balance of skills, knowledge and experience.

Audit and Risk Committee

The Audit and Risk Committee is a committee of the Board of Trustees. It provides oversight of the accounting systems, accounting policies, financial reporting and internal controls of the organisation and it makes recommendations to the Board on any changes that are required. Working with the Executive, it reviews the budgets, forecasts, management accounts and the annual accounts and recommends them to the Board for approval. The Committee also has responsibility for oversight of risk management within the organisation. Working with the Executive it reviews significant risks, assesses their impact (probability and magnitude), and makes recommendations to the Board on the best ways of managing and mitigating risk. It reviews the work of the auditors or independent examiner and, if necessary, recommends changes to the Board for subsequent approval.

The most significant risks to the charity across the year were identified to relate to reduced income (ticketed, voluntary and via engagement fees) resulting from COVID disruption. The Committee judged mitigations in place to be sufficient to manage the current situation, but will continue to monitor the charity's position with regard to these and other risks going forward.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (incorporating the Directors' Report) (continued)

Year Ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Development Board

The Development Board has an advisory and support function in relation to fundraising and is not a committee of the Board of Trustees. It brings together AAM supporters who are actively engaged in introducing potential donors and raising funds for the orchestra. Members are appointed for three-year terms of office by the Development Board Chair. As at 31 August 2021, the Development Board comprised Elise Badoy (chair), Hugh Burkitt, Elizabeth de Friend, Andrew Gairdner, Philip Jones, Agneta Lansing, Terence Sinclair and Fiona Stewart.

The Development Board met four times during the year. Development Board members gain an understanding of the orchestra's workings by attending rehearsals as well as concerts and supporter events; act as ambassadors and advocates for the orchestra by introducing potential supporters to its work; serve on working parties established by the Development Board to work on specific fundraising projects as appropriate from time to time; and support the executive fundraising staff in their work.

AAM Council

The AAM Council brings together individuals involved with the AAM as ambassadors, advisers and major donors. The Council meets annually to receive an update on the AAM's work, and additionally as required.

Appraisal of the Boards and Committees

The Board reviews its own performance on an annual basis. The Trustees and the Chief Executive assess how the Board functions as a whole, and, where appropriate, make changes. There is a similar review of the Development Board and committees. The respective Chair reviews the performance of each member of the Board and Development Board, assessing their contribution and the possible further development of their skills. Following discussions with other Board members, the Deputy Chair and/or Chair of the Nominations Committee similarly reviews the performance of the Chair of the Board.


Executive staff

The Chief Executive is vested with day-to-day responsibility for the running of the orchestra. At the year-end he was supported by 5 additional staff, as well as external freelance marketing and PR consultants.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Trustees' Annual Report was approved on 19.5.22 and signed on behalf of the Board of Trustees by:



Paul Baumann CBE
Chair

The Academy of Ancient Music

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Academy of Ancient Music

Year Ended 31 August 2021

I report to the trustees on my examination of the financial statements of The Academy of Ancient Music ('the charity') for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

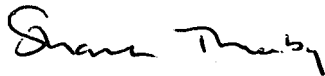
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 accounts to be reached.



Shane Tharby FCA
Independent Examiner

For and on behalf of
Streets Chartered Accountants
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

23 May 2022

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Financial Activities
(including Income and Expenditure account)

Year Ended 31 August 2021

		Unrestricted funds	2021 Restricted funds	Total funds	2020 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	269,581	161,433	431,014	384,813
Charitable activities	6	277,208	48,133	325,341	546,039
Investment income	7	300	—	300	3,283
Total income		<u>547,089</u>	<u>209,566</u>	<u>756,655</u>	<u>934,135</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	89,675	—	89,675	94,510
Expenditure on charitable activities	9,10	373,150	107,288	480,438	994,237
Total expenditure		<u>462,825</u>	<u>107,288</u>	<u>570,113</u>	<u>1,088,747</u>
Net income/(expenditure)		<u>84,264</u>	<u>102,278</u>	<u>186,542</u>	<u>(154,612)</u>
Transfers between funds		5,000	(5,000)	—	—
Net movement in funds		<u>89,264</u>	<u>97,278</u>	<u>186,542</u>	<u>(154,612)</u>
Reconciliation of funds					
Total funds brought forward		892,716	44,300	937,016	1,091,628
Total funds carried forward		<u>981,980</u>	<u>141,578</u>	<u>1,123,558</u>	<u>937,016</u>

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

The notes on pages 14 to 25 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Financial Position

31 August 2021

	Note	2021 £	2020 £
Current assets			
Debtors	16	214,447	200,697
Investments	17	568,155	567,856
Cash at bank and in hand		443,121	225,138
		<u>1,225,723</u>	<u>993,691</u>
Creditors: amounts falling due within one year	18	<u>102,165</u>	<u>56,675</u>
Net current assets		<u>1,123,558</u>	<u>937,016</u>
Total assets less current liabilities		<u>1,123,558</u>	<u>937,016</u>
Net assets		<u>1,123,558</u>	<u>937,016</u>
Funds of the charity			
Restricted funds		141,578	44,300
Unrestricted funds		<u>981,980</u>	<u>892,716</u>
Total charity funds	20	<u>1,123,558</u>	<u>937,016</u>

For the year ending 31 August 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 19.5.22 and are signed on behalf of the board by:

Paul Baumann CBE
Chair

The notes on pages 14 to 25 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Cash Flows

Year Ended 31 August 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net income/(expenditure)	186,542	(154,612)
<i>Adjustments for:</i>		
Other interest receivable and similar income	(300)	(3,283)
Bank charges from investing activities	–	88
<i>Changes in:</i>		
Trade and other debtors	(13,750)	60,172
Trade and other creditors	45,490	(74,274)
Cash generated from operations	217,982	(171,909)
Interest received	300	22
Net cash from/(used in) operating activities	218,282	(171,887)
Cash flows from investing activities		
Deposits into money market deposit investments	(299)	–
Deposits taken out of the money market deposit investments	–	200,065
Bank charges from money market deposit investment transactions	–	(88)
Net cash (used in)/from investing activities	(299)	199,977
Net increase in cash and cash equivalents	217,983	28,090
Cash and cash equivalents at beginning of year	225,138	197,048
Cash and cash equivalents at end of year	443,121	225,138

The notes on pages 14 to 25 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 August 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Cherry Trees Centre, St Matthew's Street, Cambridge, CB1 2LT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Charities SORP (FRS 102) Second Edition 'The 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)', the Charities Act 2011 and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no significant judgements that management has made in the process of applying the entity's accounting policies with no consequent significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charitable objectives of the charity. The trustees may identify certain unrestricted funds as designated funds where they intend to use them for particular future projects or activities.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31 August 2021

3. Accounting policies (continued)

Fund accounting (continued)

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Income from grants and fundraising efforts, where related to performance and specific deliverables, are accounted for as and when the charity fulfils these commitments.

Legacy income is recognised after grant of probate, the executors have established there are sufficient assets in the estate to pay the legacy and any conditions attached to the legacy are under the control of the charity or have been met.

Investment income is included when receivable.

Income from charitable activities is accounted for when earned and relates to income from concerts, education projects and recordings.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events and non-charitable trading activities.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource.

Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due.

Cash equivalents are short term, highly liquid investments, usually up to 30 day notice interest bearing savings accounts.

Company Limited by Guarantee

Year Ended 31 August 2021

Current asset investments

The investments are held as short term, highly liquid investments to protect capital against the significant volatility of stock markets world wide. Since the year end, some of the funds have been moved into income generating investments with the aim of protecting capital from the erosion of inflation.

Tangible assets with an individual value over £1,500 are capitalised, initially recorded at cost, and depreciated.

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Foreign exchange

Financial instruments

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31 August 2021

3. Accounting policies (continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Taxation

No provision has been made for corporation tax or deferred tax as the company is a registered charity and is therefore exempt.

4. Limited by guarantee

The company is limited by guarantee and each member's liability is restricted to £1.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Individual donors, including AAM Society members	169,581	121,933	291,514
Grants			
Grants from charitable trusts and other bodies	100,000	39,500	139,500
	<u>269,581</u>	<u>161,433</u>	<u>431,014</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Individual donors, including AAM Society members	200,017	57,046	257,063
Grants			
Grants from charitable trusts and other bodies	91,250	36,500	127,750
	<u>291,267</u>	<u>93,546</u>	<u>384,813</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31 August 2021

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Concert income	130,425	—	130,425
CD sales and royalties	60,111	—	60,111
Miscellaneous income	1,680	48,133	49,813
OTR relief	57,662	—	57,662
Coronavirus job retention scheme	27,330	—	27,330
	<u>277,208</u>	<u>48,133</u>	<u>325,341</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Concert income	370,931	—	370,931
CD sales and royalties	89,790	—	89,790
Miscellaneous income	5,565	—	5,565
OTR relief	79,753	—	79,753
Coronavirus job retention scheme	—	—	—
	<u>546,039</u>	<u>—</u>	<u>546,039</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>300</u>	<u>300</u>	<u>3,283</u>	<u>3,283</u>

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Costs of raising donations, grants and legacies	<u>89,675</u>	<u>89,675</u>	<u>94,510</u>	<u>94,510</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31 August 2021

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Direct costs	309,723	104,365	414,088
Support costs	63,427	2,923	66,350
	<u>373,150</u>	<u>107,288</u>	<u>480,438</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Direct costs	562,807	82,296	645,103
Support costs	349,134	—	349,134
	<u>911,941</u>	<u>82,296</u>	<u>994,237</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Direct costs	414,088	59,696	473,784	978,881
Governance costs	—	6,654	6,654	15,356
	<u>414,088</u>	<u>66,350</u>	<u>480,438</u>	<u>994,237</u>

11. Analysis of support costs

	Allocated to cost of raising funds £	Allocated to charitable activities £	Total 2021 £	Total 2020 £
Staff costs	87,583	36,706	124,289	325,319
Premises	—	7,019	7,019	99,028
Other costs	2,092	22,625	24,717	14,276
	<u>89,675</u>	<u>66,350</u>	<u>156,025</u>	<u>438,623</u>

12. Independent examination fees

Fees payable to the independent examiner for the independent examination of the financial statements in the current year is £3,100.

In the previous year the financial statements were subject to an audit and the fees payable to the auditor were £5,100.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31 August 2021

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	222,334	241,313
Social security costs	18,579	20,138
Employer contributions to pension plans	2,188	4,896
	<u>243,101</u>	<u>266,347</u>

The average head count of employees during the year was 7 (2020: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Management	1	1
Administration	3	2
Direct charitable	3	3
	<u>7</u>	<u>6</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2021	2020
	No.	No.
£70,000 to £79,999	1	—
£80,000 to £89,999	—	1
	<u>1</u>	<u>1</u>

14. Trustee remuneration and expenses

No trustees received any remuneration in relation to her or his services as a trustee (2020: £Nil).

No trustees were reimbursed expenses during the year (2020: £Nil).

15. Tangible fixed assets

	Office Equipment £
Cost	
At 1 September 2020 and 31 August 2021	<u>4,300</u>
Depreciation	
At 1 September 2020 and 31 August 2021	<u>4,300</u>
Carrying amount	
At 31 August 2021	<u>—</u>
At 31 August 2020	<u>—</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 August 2021

16. Debtors

	2021	2020
	£	£
Trade debtors	62,633	—
Prepayments and accrued income	76,875	91,345
Other debtors	74,939	109,352
	<u>214,447</u>	<u>200,697</u>

17. Investments

	2021	2020
	£	£
Short term bank deposits above 30 days notice	<u>568,155</u>	<u>567,856</u>

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	68,152	14,249
Accruals and deferred income	25,239	34,049
Social security and other taxes	7,481	6,218
Other creditors	1,293	2,159
	<u>102,165</u>	<u>56,675</u>

Accruals and deferred income includes £3,718 (2020: £nil) of income for expenditure in the 2021-2022 concert season (2020: 2020-21 concert season).

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,188 (2020: £4,896).

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31 August 2021

20. Analysis of charitable funds

Unrestricted funds

	At 1 September 2020	Income	Expenditure	Transfers	At 31 August 2021
	£	£	£	£	£
Designated funds	624,552	–	–	–	624,552
Unrestricted funds	268,164	547,089	(462,825)	5,000	357,428
	<u>892,716</u>	<u>547,089</u>	<u>(462,825)</u>	<u>5,000</u>	<u>981,980</u>

	At 1 September 2019	Income	Expenditure	Transfers	At 31 August 2020
	£	£	£	£	£
Designated funds	714,552	–	–	(90,000)	624,552
Unrestricted funds	344,026	840,589	(1,006,451)	90,000	268,164
	<u>1,058,578</u>	<u>840,589</u>	<u>(1,006,451)</u>	<u>–</u>	<u>892,716</u>

The Trustees have designated the legacy received from Christopher Hogwood as a fund to be used by the orchestra in engaging in performances, recordings and other projects which would not otherwise be possible. During the previous year £45,000 was released in support of the world premiere performance and recording of JL Dussek's *Messe Solennelle*. A further £45,000 was released for extraordinary COVID-19 reliefs for musicians including cancellation fees and other payments.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31 August 2021

20. Analysis of charitable funds (continued)

Restricted funds

	At 1 September 2020 £	Income £	Expenditure £	Transfers £	At 31 August 2021 £
Specific Grants and Donations	5,000	—	—	(5,000)	—
Strategic Recording Fund	18,800	—	—	—	18,800
Musicians' Support Fund	—	—	—	—	—
Castello	20,500	—	—	—	20,500
The Creation	—	34,500	—	—	34,500
ACE Cultural Recovery II	—	48,133	(48,133)	—	—
Mozart Piano Concertos	—	102,752	(34,974)	—	67,778
Big Give Fit for the Future	—	24,181	(24,181)	—	—
	<u>44,300</u>	<u>209,566</u>	<u>(107,288)</u>	<u>(5,000)</u>	<u>141,578</u>

	At 1 September 2019 £	Income £	Expenditure £	Transfers £	At 31 August 2020 £
Specific Grants and Donations	14,250	36,500	(45,750)	—	5,000
Strategic Recording Fund	18,800	—	—	—	18,800
Musicians' Support Fund	—	36,546	(36,546)	—	—
Castello	—	20,500	—	—	20,500
The Creation	—	—	—	—	—
ACE Cultural Recovery II	—	—	—	—	—
Mozart Piano Concertos	—	—	—	—	—
Big Give Fit for the Future	—	—	—	—	—
	<u>33,050</u>	<u>93,546</u>	<u>(82,296)</u>	<u>—</u>	<u>44,300</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31 August 2021

20. Analysis of charitable funds (continued)

There were several specific grants and donations received in the previous year which were all individually less than £30,000. The £5,000 balance on this fund as at 1 September 2020 was a grant to support live-streaming of concerts in the 2020/21 season.

The Strategic Recording Fund includes donations for future recording projects received in previous years.

The Musicians' Support Fund ran from 1 April 2020 and 10 June 2020 as a discrete campaign during the first COVID-19 lockdown period. Funds raised were paid directly to players.

Castello denotes funds for a recording of Castello's *Sonate concertate in stil moderno, libro secondo*.

The Creation denotes funds to support a performance and live-stream of Haydn's *The Creation* in September 2021.

ACE Culture Recovery II denotes funding from Arts Council England, as part of DCMS's Culture Recovery initiatives, to fund work to build our live-streaming audience.

Mozart Piano Concertos denotes funds for a major project to record five discs of works for keyboard and orchestra by WA Mozart.

Big Give Fit for the Future denotes funds raised in support of concert performances and live-streams in the 20/21 season.

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Current assets	1,084,145	141,578	1,225,723
Creditors less than 1 year	(102,165)	—	(102,165)
Net assets	981,980	141,578	1,123,558

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Current assets	949,391	44,300	993,691
Creditors less than 1 year	(56,675)	—	(56,675)
Net assets	892,716	44,300	937,016

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31 August 2021

22. Analysis of changes in net debt

	At 1 Sep 2020	Cash flows	At 31 Aug 2021
	£	£	£
Cash at bank and in hand	225,138	217,983	443,121
Current asset investments	567,856	299	568,155
	<u>792,994</u>	<u>218,282</u>	<u>1,011,276</u>

23. Other financial commitments

The charity had other financial commitments of £nil (2020: £9,000) due for payment within 12 months of the balance sheet date.

24. Related parties

Donations received without conditions from related parties, including trustees, in the year totalled £41,153 (2020: £30,430). There were no other related party transactions.