

COMPANY REGISTRATION NUMBER: 04109942
CHARITY REGISTRATION NUMBER: 1085485

The Academy of Ancient Music
Company Limited by Guarantee
Financial Statements

31 August 2020



The Academy of Ancient Music

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2020

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The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 August 2020

The Trustees, who are also the Directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2020.

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:

Paul Baumann CBE	1	
Hugh Burkitt (Deputy Chair)	2* 3	
Elizabeth de Friend	3**	
Philip Jones (Chair)	2, 3	
Ashutosh Khandekar		Resigned 24 May 2020
Graham Nicholson	1, 2	
John Reeve	1*	Resigned 28 January 2021
Terence Sinclair	2, 3	Resigned 28 January 2021
Madeleine Tattersall	2, 3	
Janet Unwin		
Kim Waldock		
Helen Sprott		Appointed 28 January 2021
Elise Badoy Dauby		Appointed 28 January 2021

1 = member of Audit and Risk Committee as at 31 August 2020

2 = member of Nominations Committee as at 31 August 2020

3 = member of Development Board as at 31 August 2020

* indicates Chair of committee as at 31 August 2020

** indicates Chair of Development Board as at 31 August 2020

Honorary President Christopher Purvis CBE

Chief Executive Alexander Van Ingen (to 1 September 2020)
John McMunn (from 1 September 2020)

Music Director Richard Egarr

Founder Christopher Hogwood CBE

Secretary Alexander Van Ingen (to 1 September 2020)
John McMunn (from 1 September 2020)

Principal and registered office Cherry Trees Centre
St Matthew's Street
Cambridge
CB1 2LT

The Academy of Ancient Music

Company Limited by Guarantee

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

Year ended 31 August 2020

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor 3 Wellbrook Court Girton Cambridge CB3 0NA
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Bankers	Lloyds Bank plc
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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 organisation overall. During the year there were four Board meetings. The 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. Prior to joining the Board, new Trustees have meetings with the Chair, the Chair of the Nominations Committee, existing Trustees 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 significant risks, assesses their likely impact (probability and magnitude), and makes recommendations to the Board on the best ways of mitigating the risk. It reviews the auditors and, if necessary, recommends changes to the Board for subsequent approval.

The Academy of Ancient Music

Company Limited by Guarantee

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

Year ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Development Board

The Development Board is separate from the Board of Trustees and brings together AAM supporters who are actively engaged in introducing potential donors and raising funds for the charity. Members are appointed for three-year terms of office by the Board of Trustees on the recommendation of the Nominations Committee and Development Board Chair. As at 31 August 2020, the Development Board comprised Elise Badoy Dauby, Hugh Burkitt, Elizabeth de Friend (chair), Andrew Gairdner, Philip Jones, Agneta Lansing, Craig Nakan, Chris Rocker, Terence Sinclair, Fiona Stewart and Madeleine Tattersall.

The Development Board met six times during the year. Development Board members gain an understanding of the orchestra's workings by attending rehearsals as well as concerts, trips 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.

All Trustees and Development Board members give generously to the charity, and by doing so encourage others to do the same.

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 Head of 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 organisation. At the year-end he was supported by 6 additional staff, as well as educational and PR consultants.

OBJECTIVES AND ACTIVITIES

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 2020

OBJECTIVES AND ACTIVITIES (continued)

The Year in Review

The 19-20 season was a tale of two halves.

Between September 2019 and March 2020, the orchestra undertook 26 concerts in 18 different venues, reaching more than 10,000 people directly, and a further 4 million via radio and digital transmission. These performances took the orchestra to London, Cambridge, Bury St Edmunds, Malvern, Oxford, Bath and Leeds in the UK; and internationally to Germany, the Netherlands, Turkey and as far as the United States (Los Angeles and San Francisco). The orchestra recorded three significant newly rediscovered works on AAM Records (*Vallis Missa Regalis*, *Dussek Messe Solemnelle* and *Eccles Semele*) and made third-party recordings with VOCES8 (JS Bach 'Nach dir, Herr, verlanget mich' BWV 150) and soprano Chen Reiss (Beethoven arias). Live-streamed activity was increased significantly on previous years, with a total of 6 concerts broadcast free of charge on Facebook and YouTube to over 600,000 viewers. We strengthened partnerships with the Barbican Centre, University of Cambridge, The Grange Festival, Cambridge Music Festival, the Choir of King's College and Cambridge Handel Opera Company, and continued to work with some of the world's finest solo artists including Viktoria Mullova, Christoph Altstaedt, Thomas Dunford and Mary Bevan.

The declaration of a global pandemic in March 2020 had a significant impact on AAM's activities. Between the first lockdown and 31 August 2020, the orchestra was forced to cancel 19 concerts in the UK and internationally, and countless other projects were paused or postponed indefinitely. Our creative learning initiative *AAMplify* managed to reach more than 200 schoolchildren, teachers and music students, but this was down significantly on the previous year (2019: 1,750 total reach) and we were forced to suspend further activities indefinitely once schools were closed in March.

There were nevertheless creative opportunities amidst the disruption. Closure of concert halls and recording studios forced our activities online, and between March and June 2020 we released 12 full-length concerts on YouTube, an initiative branded 'Streaming Sundays'. To date, these performances have received nearly 1.5 million views. From June, we began curating weekly playlists on Spotify highlighting AAM's rich and varied catalogue of recordings. #SpotifySundays featured tracks selected by a series of guests (past and present music directors, principal players, Trustees and staff) and were released with detailed notes and personal reflections on the works included. Through these efforts we increased our Facebook followership by more than 13% to 44,437; grew YouTube subscriptions by 161% to 16,200; and maintained an average of more than 1 million monthly listeners on Spotify, 50% of whom are under the age of 35.

These achievements are cold comfort of course to our talented freelance musicians, who saw their livelihoods decimated in the second half of the year. From the very beginning of the pandemic, AAM has been determined to help musicians and save our world-beating industry from collapse. Efforts to this end have included the launch of a players' fund which has paid more than £36,000 directly to players to date, drawing down reserves to pay fees for all concerts cancelled in the first months of the pandemic, and a series of closed-door projects ranging from in-house 'player days' to an online performance as part of the *Live from London* series promoted by our partners VOCES8. At the time of writing, it appears as if an end to the past year's disruption may be in sight. We nevertheless remain committed to supporting musicians as far as possible, to ensure both the future of our art and the viability of the AAM in the long-term.

The Academy of Ancient Music

Company Limited by Guarantee

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

Year ended 31 August 2020

FINANCIAL REVIEW

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 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 have been substantially reduced by the global pandemic. Total income in the period amounted to £934,135 and expenditure to £1,088,747 and we finished the year to August 2020 with a net deficit of £154,612.

Reserves and investment policy

In view of fluctuations in concert income from year to year and the increased financial risks created by the uncertainties in the immediate post-pandemic period, the Trustees consider it prudent to aim to maintain unrestricted reserves of at least six months' support costs and three months' expenditure on own-promotion concerts. This amounts to approximately £280,000 currently.

The charity plans to maintain its cash holdings at high levels in the immediate future to allow it to respond to volatility in its sector and to ensure its ability to remain in operation for the foreseeable future. When conditions permit, funds held as current asset investments will be moved into longer term investments with the aim of protecting capital from inflationary erosion.

Unrestricted reserves on 31 August 2020 totalled £892,716 (2019: £1,058,578) which includes funds remaining from the legacy received from the orchestra's founder, Christopher Hogwood, 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 £44,300 in restricted funds available for strategic recording projects and live-streaming of future concerts

Fundraising

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

Voluntary income for the year comprising both grants and gifts from individuals stood at £384,813 (2019: £422,852). The charity was grateful to receive several major grants, notably from the John Armitage Charitable Trust, the John Ellerman Foundation, the John R Murray Charitable Trust and the J Paul Getty Jr General Charitable Trust.

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 record the second book of Castello's *Sonate concertate in stil moderno*, planned for 2020-21. From April to June 2020, we ran an extraordinary appeal to support our musicians through the early stages of the COVID-19 crisis. This raised £36,546 in total and provided vital direct financial support for our talented freelance musicians. We would like to thank everyone who contributed to this appeal.

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 vulnerable person, or indeed anyone, 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 2020

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 organisation's management are tasked with ensuring 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 both online and in print at own-promoted concerts, 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.

FUTURE PLANS

Artistic excellence on the concert platform; investment in digital and recorded content; and nurturing the audiences, artists and arts managers of the future all remain central to the charity's work.

At the time of writing, the world continues to be gripped by the COVID-19 pandemic; however, green shoots are beginning to appear. AAM will continue to employ stringent mitigation measures and to solicit emergency support from Arts Council England (we received £68,761 in the second round of the government's Cultural Recovery Fund in early 2021), private funding bodies and individual donors to ensure its viability going forward. But we are also committed to creating opportunities - for musicians and audiences alike - wherever possible. To this end, we plan an ambitious body of live-streamed work over the course of the 20-21 season, both as own-promotions, and in collaboration with partners at the Barbican Centre, London and elsewhere. Further, we hope to take advantage of COVID disruption to pursue major studio recording projects including the second book of Dario Castello's *Sonate concertante in stil moderno*, and the completion of the Mozart Piano Concerto cycle begun nearly 30 years ago by our founder Christopher Hogwood and scholar-pianist Robert Levin.

John McMunn was appointed as Chief Executive of AAM from September 2020, succeeding Alexander Van Ingen. The process to appoint a successor to Richard Egarr as Music Director from the 21-22 season concluded in August 2020 with a series of player days in which the final short-listed candidates were invited to work with the orchestra over sessions comprising both baroque and classical repertoire. Shortly after these sessions, Laurence Cummings was selected to be AAM's next Music Director, and his appointment was announced in November. For all the challenges of the 19-20 season, not to mention remaining uncertainty around COVID and Brexit, AAM looks confidently to the future and an eventual return to normality under this renewed leadership.

The Academy of Ancient Music

Company Limited by Guarantee

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

Year ended 31 August 2020

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees, who are also Directors for the purposes of company law, 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).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

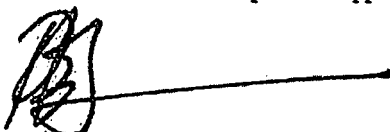
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 29/4/21 and signed on behalf of the Board of Trustees by:



Philip Jones
Chair

The Academy of Ancient Music

Company Limited by Guarantee

Independent Auditors' Report to the Members of The Academy of Ancient Music

Year ended 31 August 2020

Opinion

We have audited the financial statements of The Academy of Ancient Music (the 'charity') for the year ended 31 August 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Academy of Ancient Music

Company Limited by Guarantee

Independent Auditors' Report to the Members of The Academy of Ancient Music (continued)

Year ended 31 August 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Academy of Ancient Music

Company Limited by Guarantee

Independent Auditors' Report to the Members of The Academy of Ancient Music *(continued)*

Year ended 31 August 2020

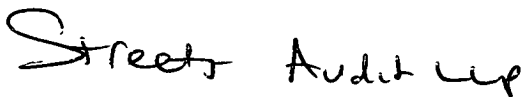
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Streets Audit LLP
Chartered accountants & statutory auditor
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

13 May 2021

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

Year ended 31 August 2020

		Unrestricted funds £	2020 Restricted funds £	Total funds £	2019 (restated) Total funds £
	Note				
Income and endowments					
Donations and legacies	5	291,267	93,546	384,813	422,852
Charitable activities	6	546,039	—	546,039	891,835
Investment income	7	3,283	—	3,283	6,866
Total income		<u>840,589</u>	<u>93,546</u>	<u>934,135</u>	<u>1,321,553</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	94,510	—	94,510	120,554
Expenditure on charitable activities	9,10	911,941	82,296	994,237	1,262,638
Total expenditure		<u>1,006,451</u>	<u>82,296</u>	<u>1,088,747</u>	<u>1,383,192</u>
Net expenditure and net movement in funds		<u>(165,862)</u>	<u>11,250</u>	<u>(154,612)</u>	<u>(61,639)</u>
Reconciliation of funds					
Total funds brought forward		1,058,578	33,050	1,091,628	1,153,267
Total funds carried forward		<u>892,716</u>	<u>44,300</u>	<u>937,016</u>	<u>1,091,628</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 24 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Financial Position

31 August 2020

		2020		2019 (restated)	
	Note	£	£	£	£
Current assets					
Debtors	15	200,697		260,869	
Investments	16	567,856		764,660	
Cash at bank and in hand		225,138		197,048	
		<u>993,691</u>		<u>1,222,577</u>	
Creditors: amounts falling due within one year	17	<u>56,675</u>		<u>130,949</u>	
Net current assets			<u>937,016</u>		<u>1,091,628</u>
Total assets less current liabilities			<u>937,016</u>		<u>1,091,628</u>
Net assets			<u>937,016</u>		<u>1,091,628</u>
Funds of the charity					
Restricted funds			44,300		33,050
Unrestricted funds			892,716		1,058,578
Total charity funds	19		<u>937,016</u>		<u>1,091,628</u>

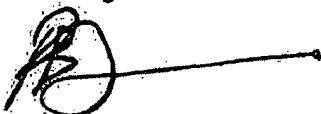
For the year ending 31 August 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 29/4/21 and are signed on behalf of the board by:



Philip Jones
Chair

The notes on pages 14 to 24 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2020

	2020	2019 (restated)
	£	£
Cash flows from operating activities		
Net expenditure	(154,612)	(61,639)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	–	1,089
Other interest receivable and similar income	(3,283)	(6,866)
Accrued income	(6,775)	–
Bank charges from investing activities	88	387
<i>Changes in:</i>		
Trade and other debtors	60,172	(10,430)
Trade and other creditors	(67,499)	(78,835)
Cash generated from operations	(171,909)	(156,294)
Interest received	22	348
Net cash used in operating activities	(171,887)	(155,946)
Cash flows from investing activities		
Deposits into money market deposit investments	–	(310,000)
Deposits taken out of the money market deposit investments	200,065	510,039
Bank charges from money market deposit investment transactions	(88)	(387)
Net cash from investing activities	199,977	199,652
Net increase in cash and cash equivalents	28,090	43,706
Cash and cash equivalents at beginning of year	197,048	153,342
Cash and cash equivalents at end of year	225,138	197,048

The notes on pages 14 to 24 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2020

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 and that have the most 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 2020

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Year ended 31 August 2020

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

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2020

5. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Individual donors, including AAM Society members	200,017	57,046	257,063
Legacies	–	–	–
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>
	Unrestricted Funds	Restricted Funds	Total Funds 2019 (restated)
	£	£	£
Individual donors, including AAM Society members	206,111	–	206,111
Legacies	18,491	–	18,491
Grants from charitable trusts and other bodies	66,000	132,250	198,250
	<u>290,602</u>	<u>132,250</u>	<u>422,852</u>

6. Charitable activities

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019 (restated)
	£	£	£	£
Concert income	370,931	370,931	755,119	755,119
CD sales and royalties	89,790	89,790	44,614	44,614
Miscellaneous income	5,565	5,565	7,102	7,102
OTR relief	79,753	79,753	85,000	85,000
	<u>546,039</u>	<u>546,039</u>	<u>891,835</u>	<u>891,835</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2020

7. Investment income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019 (restated)
	£	£	£	£
Bank interest receivable	<u>3,283</u>	<u>3,283</u>	<u>6,866</u>	<u>6,866</u>

8. Expenditure on raising funds

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019 (restated)
	£	£	£	£
Costs of raising donations, grants and legacies	<u>94,510</u>	<u>94,510</u>	<u>120,554</u>	<u>120,554</u>

9. Expenditure on charitable activities by fund type

	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>

	Unrestricted Funds	Restricted Funds	Total Funds 2019 (restated)
	£	£	£
Direct costs	829,861	118,000	947,861
Support costs	314,777	—	314,777
	<u>1,144,638</u>	<u>118,000</u>	<u>1,262,638</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total Funds 2020	Total Funds 2019 (restated)
	£	£	£	£
Direct costs	645,103	333,778	978,881	1,256,960
Governance costs	—	15,356	15,356	5,678
	<u>645,103</u>	<u>349,134</u>	<u>994,237</u>	<u>1,262,638</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

11. Analysis of support costs

	Allocated to cost of raising funds £	Allocated to charitable activities £	Total 2020 £
Staff/consultant costs and related expenses	57,535	267,784	325,319
Premises	27,957	71,071	99,028
Other costs	3,997	10,279	14,276
	<u>89,489</u>	<u>349,134</u>	<u>438,623</u>
	Allocated to cost of raising funds £	Allocated to charitable activities £	Total 2019 (restated) £
Staff/consultant costs and related expenses	84,322	262,142	346,464
Premises	18,676	48,024	66,700
Other costs	1,794	4,612	6,406
	<u>104,792</u>	<u>314,778</u>	<u>419,570</u>

12. Staff costs

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

	2020 £	2019 (restated) £
Wages and salaries	241,313	247,127
Social security costs	20,138	22,040
Employer contributions to pension plans	4,896	7,065
	<u>266,347</u>	<u>276,232</u>

The average head count of employees during the year was 8 (2019: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 (restated) No.
Management	1	2
Administration	2	3
Direct charitable	3	2
	<u>6</u>	<u>7</u>

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

	2020 No.	2019 (restated) No.
£80,000 to £89,999	<u>1</u>	<u>1</u>

13. Trustee remuneration and expenses

No trustees received any remuneration or expenses in relation to her or his services as a trustee (2019: £Nil).

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

14. Tangible fixed assets

	Office Equipment £
Cost	
At 1 September 2019 (as restated)	10,564
Disposals	(6,264)
At 31 August 2020	4,300
Depreciation	
At 1 September 2019 (as restated)	10,564
Disposals	(6,264)
At 31 August 2020	4,300
Carrying amount	
At 31 August 2020	-
At 31 August 2019 (as restated)	-

15. Debtors

	2020 £	2019 (restated) £
Trade debtors	-	90,548
Prepayments and accrued income	91,345	115,185
Other debtors	109,352	55,136
	200,697	260,869

16. Investments

	2020 £	2019 (restated) £
Short term bank deposits above 30 days notice	567,856	764,660

17. Creditors: amounts falling due within one year

	2020 £	2019 (restated) £
Trade creditors	14,249	47,722
Accruals and deferred income	34,049	53,028
Social security and other taxes	6,218	25,880
Other creditors	2,159	4,319
	56,675	130,949

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

17. Creditors: amounts falling due within one year *(continued)*

Accruals and deferred income includes £nil (2019: £36,229) of income for expenditure in the 2020-2021 concert season (2019: 2019-20 concert season).

18. 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 £4,896 (2019: £7,065).

19. Analysis of charitable funds

Unrestricted funds

	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>

	At 1 September 2018 £	Income £	Expenditure £	Transfers £	At 31 August 2019 £
Designated funds	764,552	–	–	(50,000)	714,552
Unrestricted funds	369,915	1,189,303	(1,265,192)	50,000	344,026
	<u>1,134,467</u>	<u>1,189,303</u>	<u>(1,265,192)</u>	<u>–</u>	<u>1,058,578</u>

The Trustees have designated the legacy received from Christopher Hogwood as a fund to be used to the orchestra in engaging in performances, recordings and other projects which would not otherwise be possible. During the year £45,000 was released in support of the world premiere performance and recording of JL Dussek's *Messe Solemnelle*. 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 2020

19. Analysis of charitable funds (continued)

Restricted funds

	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	20,500	—	—	39,300
Musicians' Support Fund	—	36,546	(36,546)	—	—
	<u>33,050</u>	<u>93,546</u>	<u>(82,296)</u>	<u>—</u>	<u>44,300</u>

	At 1 September 2018 £	Income £	Expenditure £	Transfers £	At 31 August 2019 £
Specific Grants and Donations	—	132,250	(118,000)	—	14,250
Strategic Recording Fund	18,800	—	—	—	18,800
Musicians' Support Fund	—	—	—	—	—
	<u>18,800</u>	<u>132,250</u>	<u>(118,000)</u>	<u>—</u>	<u>33,050</u>

There were a number of specific grants and donations received in the year which were all individually less than £30,000.

The Strategic Recording Fund includes donations for future recording projects.

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

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2020

20. Analysis of net assets between funds

	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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Current assets	1,189,527	33,050	1,222,577
Creditors less than 1 year	(130,949)	–	(130,949)
Net assets	1,058,578	33,050	1,091,628

21. Prior year adjustments

During the year the charity has reviewed the accounting policy on the treatment of short term deposits and has changed the policy on treating deposit accounts with a notice period of more than 30 days as current asset investments rather than cash and cash equivalents. The previous policy was to treat short term deposits with a notice period of up to 90 days notice as cash equivalents.

This has resulted in £764,660 of short term deposits treated as cash at bank and in hand last year being treated as current assets investments. This has also resulted in an amendment in the statement of cash flows. The change in accounting policy has no impact on the Statement of Financial Activities and no overall amendment to the balance sheet value in 2019.

22. Analysis of changes in net debt

	At 1 Sep 2019 £	Cash flows £	At 31 Aug 2020 £
Cash at bank and in hand	197,048	28,090	225,138
Current asset investments	764,660	(196,804)	567,856
	961,708	(168,714)	792,994

23. Operating lease and other financial commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than 1 year	–	21,878

In addition the charity had other financial commitments of £9,000 (2019: £nil) due for payment within 12 months of the balance sheet date.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

24. Related parties

Donations received without conditions from related parties, including trustees, in the year totalled £30,430 (2019: £28,715).