

**COMPANY REGISTRATION NUMBER 4109942**

**THE ACADEMY OF ANCIENT MUSIC  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 AUGUST 2010**

**Charity Number 1085485**



# **THE ACADEMY OF ANCIENT MUSIC**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2010**

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# THE ACADEMY OF ANCIENT MUSIC

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

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<b>REGISTERED CHARITY NAME</b>	The Academy of Ancient Music	
<b>CHARITY NUMBER</b>	1085485	
<b>COMPANY REGISTRATION NUMBER</b>	4109942	
<b>TRUSTEES</b>	Adam Broadbent	1*,2
	Kay Brock LVO DL (appointed 12/10/09)	1,2
	John Everett	1,2,3*,4
	Matthew Ferrey	1,2,4
	John Grieves	1,2,3
	Christopher Hogwood CBE	
	Heather Jarman	
	Christopher Purvis CBE (chairman)	1,2*,4
	Dr Christopher Tadgell	2
	Sarah Williams	1,2,3
	1 = member of nominations committee	
	2 = member of development board	
	3 = member of audit and risk committee	
	4 = member of fundraising committee	
	* = chairman of committee	
<b>CHIEF EXECUTIVE</b>	Peter Ansell (to 19 February 2010) Michael Garvey (from 4 May 2010)	
<b>MUSIC DIRECTOR</b>	Richard Egarr	
<b>EMERITUS DIRECTOR</b>	Christopher Hogwood CBE	
<b>SECRETARY</b>	Heather Jarman	
<b>REGISTERED OFFICE</b>	32 Newnham Road Cambridge Cambridgeshire CB3 9EY	
<b>AUDITOR</b>	Streets Audit LLP Chartered Accountants & Statutory Auditor Charter House 62-64 Hills Road Cambridge CB2 1LA	
<b>BANKERS</b>	Lloyds TSB Gonville Place Branch 95 Regent Street Cambridge CB2 1BQ	

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# THE ACADEMY OF ANCIENT MUSIC

## CHAIRMAN'S STATEMENT

YEAR ENDED 31 AUGUST 2010

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The year under review in this Annual Report was not an easy one for the arts. Concert halls and promoters around the world found the level of financial support from governments being cut, and the financial environment placed pressure on the ability of traditional donors to give the same level of support to the arts. But, notwithstanding this environment, the Academy of Ancient Music had another successful year. The orchestra and choir gave 49 concerts and a surplus of £85,835 was achieved.

The artistic standard of the orchestra remained at the highest level. We explored some lesser known repertoire as well as performing well known masterpieces such as Monteverdi's *Vespers*, Haydn's *The Creation* and Handel's *Messiah*. We were particularly pleased with the artistic development of the Choir of the AAM which is now well known as a leading choir in its field.

I would like to thank the trusts and foundations as well as companies that have given support this year, and to express particular appreciation to the many individual donors, members of the AAM Society and others. It is, I suspect, the case that the requirement for a higher level of donated funds to arts organizations such as ours will not be short-lived, we are in the happy position of having a wonderful base of support - but the future will no doubt be challenging.

The arrival in May of Michael Garvey as our new chief executive has encouraged us to revisit our plans for the future. Already we have made organizational changes which will help us to deliver an even better programme of concerts, recordings and educational outreach activity in the lead up to our 40th anniversary season, 2013-14.

Finally I would like to thank all those who dedicate themselves to making the work of the Academy of Ancient Music a success: our trustees, members of our development board, our talented staff, and above all our wonderful musicians.



Christopher Purvis  
2 March 2011

# **THE ACADEMY OF ANCIENT MUSIC**

## **TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 AUGUST 2010**

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The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 August 2010

### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Status and governing instrument**

The Academy of Ancient Music (AAM) is a company limited by guarantee, incorporated on 17th 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 five board meetings, including an awayday at which longer-term issues were discussed. Staff are invited to attend meetings as appropriate.

New trustees are elected by the board on the recommendation of the nominations committee, and confirmation of appointments is undertaken by the members at the subsequent annual general meeting. Prior to joining the board, new trustees have meetings with the chairman, the chairman of the nominations committee, and existing trustees. On appointment they are provided with a detailed induction pack and have meetings with the chief executive and other members of staff. One third of all trustees must retire annually and may offer themselves for re-election.

##### ***Nominations committee***

The nominations committee, chaired by Adam Broadbent, comprises members of the board as indicated on page 1. Its 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 and succession needs of both boards, taking into account their required balance of skills, knowledge and experience.

# THE ACADEMY OF ANCIENT MUSIC

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2010

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### *Fundraising committee*

The fundraising committee comprises members of the board as indicated on page 1, plus Madeleine Tattersall. It is a committee of the board of trustees, and its membership is approved by the board on the recommendation of the nominations committee. It meets at regular intervals, and it has the power to form, when appropriate, working parties onto which other trustees and members of the development board may be co-opted.

Its members work with the executive on the development of the AAM's fundraising strategy, play a leading role in soliciting contributions from individuals, trusts and foundations and corporate sponsors, and have responsibility for taking the lead on specific areas of fundraising as agreed from time to time.

### *Development board*

The development board, chaired by Christopher Purvis, comprises AAM supporters who are actively engaged as ambassadors for the orchestra. Its members are selected by the board of trustees on the recommendation of the nominations committee. Current trustees who serve on the development board are shown on page 1, other members are Delia Broke, Kate Donaghy, Madelaine Gunders, Elizabeth Hartley-Brewer, Annie Norton, Christopher Rocker, Madeleine Tattersall and Alison Wisbeach.

The development board meets twice annually to receive an update on the orchestra's progress from the executive, the Chairman and whenever possible the Music Director, and to share ideas on future fundraising initiatives.

### *Development board members*

- become involved with the orchestra and gain an understanding of its workings by attending development board meetings and rehearsals as well as concerts and AAM Society events,
- act as ambassadors and advocates for the orchestra, introducing potential supporters, audience members and other useful contacts to its work on an ongoing basis,
- serve on working parties established by the fundraising committee to work on specific fundraising projects as appropriate from time to time,
- support the executive fundraising staff in their work as is appropriate from time to time.

All trustees and development board members give generously to the orchestra, and by doing so encourage others to do the same.

### *Risk management*

The audit and risk committee, chaired by John Everett, comprises independent members of the board as indicated on page 1, and is a committee of the board of trustees. It provides oversight of the accounting systems, accounting policies and financial reporting, and makes recommendations to the board on any changes that are required. Working with the executives, it reviews significant risks to the organisation, assesses their likely impact (probability and magnitude) and makes recommendations to the board on the best ways of mitigating the risk. It is also responsible, on behalf of the board, for the appointment and review of the auditors.

The whole board reviews financial performance at each board meeting. The trustees are satisfied that all major risks have been identified and that systems are in place to mitigate those risks.

# THE ACADEMY OF ANCIENT MUSIC

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2010

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### *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 chairman 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, Adam Broadbent similarly reviews the performance of the chairman.

### *Executive staff*

The chief executive is vested with day-to-day responsibility for the running of the orchestra. Peter Ansell left the AAM in February 2010 to become Head of Tours and Projects at the leading classical music agency Intermusica. The orchestra has achieved considerable success under his leadership, and the trustees are grateful for all that he contributed as Chief Executive. In May 2010 his successor, Michael Garvey, joined the AAM from the Orchestra of the Age of Enlightenment, where he had been General Manager.

The concerts & tours manager left the AAM in August 2010 to take up a position in London, and at the year end the executive team comprised six members of staff: a chief executive, a marketing & development manager, an assistant marketing & development manager, an orchestra manager, a part-time finance manager and an administrator, Samantha Fryer, who was appointed as a permanent member of staff in February 2010 having joined the orchestra as an intern.

After the end of the year changes were made in the structure of the executive team to reflect the developing priorities and ambitions of the organisation. The Marketing & Development Manager was appointed as Head of External Relations, the Assistant Marketing & Development Manager became External Relations Manager Communications, and in January 2011 Anne Leone joined the orchestra in the new position of External Relations Manager Development. The position of Administrator was re-titled as Administration Manager, and, as part of efforts to place younger people at the heart of the AAM's work, a new one-year Arts Management traineeship was launched in September 2010 with the intention of giving a recent graduate a thorough grounding in arts management.

## 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

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2010

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### ACHIEVEMENTS AND PERFORMANCE

#### Headline artistic achievements

The year ended 31 August 2010 was a busy and successful one for the AAM

- The orchestra reached tens of thousands of people with 49 concerts on three continents,
- A recording of Handel's Trio Sonatas Opp 2 & 5, the final instalment in the AAM's acclaimed cycle of Handel's complete instrumental music Opp 1-7 with Richard Egarr, was released by Harmonia Mundi USA in October 2009 and was subsequently nominated for a Gramophone Award,
- The AAM maintained its longstanding partnerships with international artists including Giuliano Carmignola, Ian Bostridge, the Choir of King's College, Cambridge conducted by Stephen Cleobury and Polyphony conducted by Stephen Layton,
- There was renewed emphasis on lesser-known repertoire from the baroque and classical eras through programmes including 'Baroque in High Definition' (an exploration of baroque music used in film), 'in Stil Moderno' (which focused on the music of Monteverdi and his long-forgotten contemporary Dario Castello), and 'The English School' (which explored four centuries of English music from Christopher Gibbons to Benjamin Britten),
- The global touring programme flourished, with performances in countries including Austria, Belgium, China, France, Libya, The Netherlands, Poland, Portugal, Spain and Turkey,
- The orchestra performed extensively across the UK, with concerts in cities including Birmingham, Manchester, Reading, Buxton, Snape and Norwich

#### *London and Cambridge seasons*

The AAM's provision for the public in its two home communities, London and Cambridge, continues to be at the heart of its work

In London the orchestra gave eight performances. Its series of concerts at Wigmore Hall included a programme of Purcell and Handel arias performed with soprano Carolyn Sampson as part of our celebration of the 350th anniversary of Purcell's birth. We welcomed the return of violinist-director Giuliano Carmignola, who brought his virtuosic playing to a programme of Mendelssohn and Schubert. At Cadogan Hall, we gave a critically-acclaimed performance with counter-tenor Iestyn Davies as part of the BBC Proms, and we celebrated Christmas with a performance of Handel's *Messiah* featuring a superlative cast including Elizabeth Watts, Michael Chance and the Choir of the AAM. At Easter we returned to St John's, Smith Square for a traditional Good Friday performance of JS Bach's St John Passion with Stephen Layton and Polyphony. *The Guardian* hailed the performance as "one of the highlights in London's musical calendar".

The AAM's residency at the University of Cambridge continues to form the foundation of its worldwide activity. Its Cambridge series affords an opportunity to develop new projects in collaboration with Richard Egarr and a range of guest directors and conductors before touring these projects around the globe. The orchestra values in particular its developing relationship with the University's Faculty of Music and its long-standing partnerships with a number of college choirs. During the year it performed on several occasions with the Choir of King's College, and it made its debut performance with the Choir of Clare College at the Spitalfields Music Festival.



# THE ACADEMY OF ANCIENT MUSIC

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2010

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### *UK and international touring*

Enriching the lives of audiences in the UK regions and around the world remains a most important aspect of the AAM's work. In 2009-10 the AAM and Choir of the AAM gave 20 performances on tour internationally, and 18 regional performances within the UK.

Early in the year the AAM undertook a tour of three continents, highlights of which included a performance of Haydn's *Nelson Mass* and music by Christopher Gibbons, Purcell and Handel in Macau, China, and a return to the Roman amphitheatre at Sabratha, Libya for a performance of Purcell's opera *Dido & Aeneas* staged in collaboration with Martin Randall Travel.

We were particularly pleased to tour a number of large-scale classical and early romantic programmes during the course of the year, a key strategic priority as we expand the range of repertoire which the orchestra performs. Highlights included performances of Beethoven's Symphony No 6 and Piano Concerto No 4 in The Netherlands, Mozart's *Requiem* with the Choir of the AAM at Symphony Hall in Birmingham, and Haydn's *Nelson Mass*.

We completed our commemoration of the 200th anniversary of Haydn's death with a second visit under Paul Goodwin to Esterhazy Palace in Austria, where the composer spent most of his working life. The programme included several of the composer's greatest symphonies.

In November 2009 we combined performances with the celebrated soprano Carolyn Sampson in Porto and Lisbon with a particularly successful AAM Society trip. By travelling on tour with the orchestra, our generous donors have the opportunity to develop stronger friendships with the orchestra and its players as well as with fellow AAM Society members. Such trips will take place at least once per year in the future.

In the summer months the orchestra reached audiences in seven towns and cities around the UK and at the Istanbul Music Festival with *Nature's Verse and Voice*, a programme interspersing Vivaldi's *The Four Seasons* with baroque arias inspired by the forces of nature. The programme was directed by our leader, Pavlo Beznosiuk, and concerts featured sopranos Elin Manahan Thomas, Joanne Lunn and Katherine Manley. After the Manchester performance at Bridgewater Hall, *Citylife* magazine wrote "Pavlo Beznosiuk led the Academy in playing of impeccable baroque style - highly inventive and very entertaining". During the year Beznosiuk also directed a programme contrasting the Pergolesi and Vivaldi settings of the *Stabat Mater* which featured soprano Carolyn Sampson and counter-tenor Daniel Taylor.

### *Recordings and broadcasts*

The AAM's recordings remain a backbone of radio station libraries around the world. It is difficult to avoid this extensive back catalogue when listening to any classical music radio station in either the UK or USA.

In 2009-10 the orchestra released to critical acclaim the final recording in its cycle of Handel's complete instrumental music Opp 1-7 - the Trio Sonatas Opp 2 & 5. *Gramophone* magazine praised "baroque chamber-playing of the very highest order" and described the recording as being "impeccably balanced, like a first-class consort of voices". The recording was nominated in the baroque instrumental music category of the Gramophone Awards, and came a close second.

After the end of the year the AAM and the Choir of the AAM made the world premiere recording of music by Christopher Gibbons which had been discovered in manuscripts at Oxford University by Richard Egarr. The recording is due to be released in mid-2011.

The recording industry environment continues to change rapidly as a result of technological and economic change. Building on work undertaken for the orchestra by the Judge Business School at the University of Cambridge during the course of the year, we will be developing a strategy for the future of our recording programme in the coming months.

# THE ACADEMY OF ANCIENT MUSIC

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2010

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### Organisational achievements

In spite of adverse economic conditions and the handover between chief executives, the orchestra made significant progress towards the delivery of its strategic goals during the course of the year, delivering in full the organisational plans set out in last year's trustees' report

#### Key achievements included

- Enhancing the overall financial strength of the charity by generating a surplus of £85,835,
- Continuing to broaden the scope of the orchestra's concert-giving programme in its home bases, London and Cambridge, through the planning of and investment in an expanded 2010-11 season based around a concert series entitled *The Bach Dynasty*,
- A significant increase in fund-raised income,
- A comprehensive upgrade of the orchestra's basic infrastructure, including its IT systems and telephone network, with generous support from Lady Sainsbury of Turville and an anonymous foundation. The installation of two significant new pieces of software, OPAS (an orchestral management system) and Donor Strategy (a sophisticated fundraising package) has resulted in an immediate improvement in organisational efficiency. They will continue to improve our business processes in the coming years,
- Raising funds to support the redevelopment of the AAM's website and online presence

The AAM successfully managed the handover between chief executives, and the three-month interregnum period before Michael Garvey's arrival

### FINANCIAL REVIEW

The net surplus on the year was £85,835. Total income amounted to £1,184,164, and expenditure to £1,098,329

Income from concert engagements dropped back to 2007-08 levels from £1,273,692 in 2008-09 to £716,462 in 2009-10. This reduction was a direct result of fewer overseas engagements, and is a reflection of the ongoing impact of the worldwide recession. Notwithstanding this reduction in turnover, the AAM maintained a surplus generated on concert-giving at £11,625 (2008-09: £156,683)

Voluntary income of £412,148, partly deferred into 2010-11 therefore showing £322,368 plus £11,000 in these accounts, largely comprised grants from trusts and foundations and support from AAM Society members. The trustees are grateful to all these supporters, without whose generosity the orchestra would be unable to continue to perform. The orchestra was particularly glad to receive a one-off grant of £120,000 from Arts Council England. This funding was given to sustain the organisation through the difficult economic period, and £108,000 had been received by the end of the financial year.

A significant amount of income raised in the current year has been deferred to the subsequent year as it was given specifically to support *The Bach Dynasty*, a major concert series taking place in 2010-11.

### Reserves and investment policy

At the end of the year the company had reserves of £280,494 approximately 26 per cent of annual expenditure. The reserves policy is to build a level of funds in cash on deposit sufficient to provide security against the high degree of volatility in fee income. In the light of the changing environment in public sector support of the arts, not only in the UK but also in other countries in which the AAM performs, the board is now actively taking steps to fund raise for an endowment, the income from which will ultimately provide some of the financial basis and security that in the past has been provided, albeit indirectly through engagements, from the public sector.

# THE ACADEMY OF ANCIENT MUSIC

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2010

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### PUBLIC BENEFIT

In reviewing objectives, developing strategies and undertaking activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit including specifically the Commission's guidance on the advancement of education and the advancement of the arts, culture, heritage or science

### PLANS FOR FUTURE PERIODS

#### Artistic plans

##### *London and Cambridge seasons*

The orchestra will continue to look upon its home cities, London and Cambridge, as the places where it develops projects before touring them around the UK and across the globe. The 2010-11 season focuses on *The Bach Dynasty*, a series of concerts that delve into the music not just of JS Bach but also of other members of his extraordinary family. Much of this repertoire is undeservedly unknown and *The Bach Dynasty* will showcase a wealth of repertoire which is unfamiliar and yet wonderfully rich and exciting.

*The Bach Dynasty* is interspersed with forays into other repertoire. Our co-leader Rodolfo Richter directs the AAM and acclaimed Colombian soprano Juanita Lascarro in a programme which uncovers the parallels between European baroque music and South American music of the same period. Canadian period instrument specialist Bernard Labadie and soprano Karina Gauvin explore music by Handel. AAM Music Director Richard Egarr makes his Barbican Centre debut with the AAM in a performance of Mozart's first mature opera, *La Finta Giardiniera*, with a superb cast including Rosemary Joshua, Klara Ek, Elizabeth Watts, James Gilchrist and Andrew Kennedy.

##### *UK and international touring*

The AAM's strong heritage of touring continues to the farthest parts of the world as well as the farthest reaches of the UK in the 2010-11 season, with at least 27 touring performances in cities including Amsterdam, Madrid, Munich, Glasgow, Shanghai, Perth Australia, Seoul, Taipei, Beijing, Singapore, Paris and Gdansk.

We are particularly delighted to be invited to give two performances at the Perth International Festival in Australia in February 2011. Our performance there of Haydn's *The Creation* will be a collaboration between AAM and the Perth St George's Cathedral Consort Choir.

Equally important will be our eight-concert tour of South East Asia in May 2011. The Korean superstar soprano Sumi Jo joins us to give a recital programme of Handel, Purcell and Vivaldi in some of the most prestigious venues in the region, including Beijing's iconic new National Centre for the Performing Arts.

We are pleased that UK touring remains an exciting part of our activity and we make return visits to towns and cities around the United Kingdom, including Birmingham, Glasgow, Inverness, Southampton, Tetbury and Worcester (for the Three Choirs Festival).

##### *Recordings and broadcasts*

A recording with Harmonia Mundi of Christopher Gibbons' vocal and instrumental music was made in November 2010 and is expected to be released by Harmonia Mundi USA in mid-2011. Performances planned for broadcast on BBC Radio 3 include a discovering music day on JS Bach's complete Brandenburg Concertos, which was recorded with a live audience in Southampton in October 2010.

# THE ACADEMY OF ANCIENT MUSIC

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2010

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### **Educational, outreach and access work**

At the beginning of the 2010-11 season the AAM launched *AAMplify*, its first-ever ongoing educational, outreach and access programme. *AAMplify* seeks initially to position the next generation of audience members, musicians and arts managers more closely at the heart of the orchestra's work. The scheme has three strands:

- *AAMplify* audiences, giving young people aged under 26 access to AAM concerts in London and Cambridge for just £3,
- *AAMplify* artists, an educational programme for young period instrument players which is being delivered initially in partnership with the University of Cambridge,
- *AAMplify* Arts Management Trainees, a funded year-long vocational training programme, based in the AAM office, giving a recent graduate a thorough grounding in the world of classical music management through practical experience and a number of the Association of British Orchestras' professional development courses

### **Organisational plans**

The Academy of Ancient Music last revised its business plan early in 2009. The plan has guided the development of the orchestra over the last two years and has enabled us to achieve considerable success. But in that time the external environment within the classical music industry, the recording industry and the charitable sector more generally has continued to change rapidly, and the AAM itself has developed, not least through the appointment of a new chief executive. After the end of the financial year Michael Garvey therefore began to work on the next revision of the business plan in collaboration with a number of trustees and with the executive staff. The plan will be presented to the board for approval during the course of the year.

Alongside this process, the AAM's other principal organisational objectives for the 2010-11 financial year are

- To continue to weather the economic storm,
- To develop and invest in a systematic approach to artistic planning and to ensuring that the highest possible artistic standards are delivered by the orchestra,
- To develop *AAMplify* as a programme which is both relevant and appropriate for the beneficiaries and for the AAM,
- To develop a strategy for the future of our recording programme,
- To maintain the level of fundraised income that was achieved in the 2009-10 season by making substantial applications to trusts and foundations, and by working to increase the amount given by individuals and the AAM Society,
- To increase the capacity of the external relations team,
- To deliver successfully the upgrade of the AAM's web presence,
- To strengthen partnerships with our circle of agents so that these partners can work effectively to deliver an appropriate number of touring concerts each season

### **RESPONSIBILITIES OF THE TRUSTEES**

The trustees (who are also the directors of the Academy of Ancient Music for the purposes of company law) are responsible for preparing the Trustees' Annual Report, the Chairman's statement and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

# THE ACADEMY OF ANCIENT MUSIC

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2010

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

make judgements and 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,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company 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 auditor is 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 auditor is aware of that information

### AUDITOR

Streets Audit LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by order of the trustees



Heather Jarman  
Charity Secretary

2/3/11

# **THE ACADEMY OF ANCIENT MUSIC**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ACADEMY OF ANCIENT MUSIC**

**YEAR ENDED 31 AUGUST 2010**

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We have audited the financial statements of The Academy of Ancient Music for the year ended 31 August 2010 on pages 14 to 22, which have been prepared on the basis of the accounting policies set out on pages 16 to 17

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

The responsibilities of the trustees (who also act as directors of The Academy of Ancient Music for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities of the Trustees on pages 10 to 11.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with those financial statements, if the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with these accounting records and returns, or if we have not received all the information and explanations we require for our audit. The information given in the Trustees' Report includes that specific information presented in the Chairman's statement that is cross referred from the Business Review section of the Trustees' Report.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Annual Report and the Chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

# THE ACADEMY OF ANCIENT MUSIC

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ACADEMY OF ANCIENT MUSIC *(continued)*

YEAR ENDED 31 AUGUST 2010

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### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 August 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- the financial statements have been prepared in accordance with the Companies Act 2006



MR DAVID MARTIN (Senior Statutory Auditor)  
For and on behalf of  
STREETS AUDIT LLP  
Chartered Accountants & Statutory Auditor

Charter House  
62-64 Hills Road  
Cambridge  
CB2 1LA

14/3/2011

# THE ACADEMY OF ANCIENT MUSIC

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 AUGUST 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds					
Voluntary income	2	235,898	86,470	322,368	161,370
Activities for generating funds	3	11,000	–	11,000	–
Investment income	4	57	–	57	1,030
Incoming resources from charitable activities	5	850,739	–	850,739	1,404,805
Other incoming resources	6	–	–	–	75
<b>TOTAL INCOMING RESOURCES</b>		<b>1,097,694</b>	<b>86,470</b>	<b>1,184,164</b>	<b>1,567,280</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds					
Costs of generating voluntary income		(8,742)	–	(8,742)	(17,282)
Charitable activities	7	(1,044,904)	(32,156)	(1,077,060)	(1,445,665)
Governance costs	8	(12,527)	–	(12,527)	(11,998)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(1,066,173)</b>	<b>(32,156)</b>	<b>(1,098,329)</b>	<b>(1,474,945)</b>
<b>NET INCOMING RESOURCES FOR THE YEAR/NET INCOME FOR THE YEAR</b>	9	<b>31,521</b>	<b>54,314</b>	<b>85,835</b>	<b>92,335</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<b>180,659</b>	<b>14,000</b>	<b>194,659</b>	<b>102,324</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>212,180</b>	<b>68,314</b>	<b>280,494</b>	<b>194,659</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

The notes on pages 16 to 22 form part of these financial statements



# THE ACADEMY OF ANCIENT MUSIC

## BALANCE SHEET

31 AUGUST 2010

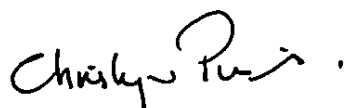
	Note	£	2010 £	2009 £
<b>FIXED ASSETS</b>				
Tangible assets	11		8,829	4,616
<b>CURRENT ASSETS</b>				
Stocks	12	12,327		17,404
Debtors	13	93,923		116,490
Cash at bank and in hand		315,753		180,758
		<u>422,003</u>		<u>314,652</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(150,338)</u>	<u>(124,609)</u>	
<b>NET CURRENT ASSETS</b>			271,665	190,043
<b>NET ASSETS</b>			<u>280,494</u>	<u>194,659</u>
<b>FUNDS</b>				
Restricted income funds	16		68,314	14,000
Unrestricted income funds	17		212,180	180,659
<b>TOTAL FUNDS</b>			<u>280,494</u>	<u>194,659</u>

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act. However it is required to have a statutory audit under the Charities Act 1993.

The trustees acknowledge their responsibilities for

- (i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements were approved by the members of the board on the 2/3/2011 and are signed on their behalf by



Christopher Purvis CBE (Chairman)

Company Registration Number 4109942

The notes on pages 16 to 22 form part of these financial statements.

# **THE ACADEMY OF ANCIENT MUSIC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2010**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006

#### **Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

#### **Grants, donations and gifts**

These comprise amounts receivable during the year, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the precondition is met

#### **Charitable trading activities**

This relates to income receivable from concerts, recordings, CD sales and royalties in the year

#### **Fundraising costs**

Fundraising costs include the direct costs of fundraising and other related publicity costs

#### **Fixed assets**

All fixed assets are initially recorded at cost. Assets costing over £1,000 and having an expected life greater than one year are capitalised

#### **Depreciation**

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

Office equipment - 25% straight line

#### **Investments**

Investments are stated at market value at the balance sheet date

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

# THE ACADEMY OF ANCIENT MUSIC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2010

### 1. ACCOUNTING POLICIES *(continued)*

#### Investment income

Investment income is recognised in the accounts when it is received

#### Recording production costs

Recording production costs are carried forward as a prepayment at the lower of cost (net of donations) and estimated net realisable value, until the recording is released at which point the CDs become stock

#### Taxation

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

#### Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at year end exchange rates  
Exchange differences are included in the Statement of Financial Activities

### 2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
<b>Donations</b>				
The AAM Society and other donors	114,398	64,000	178,398	117,370
<b>Grants</b>				
The Fidelity UK Foundation	—	20,000	20,000	—
John Ellerman Foundation	—	—	—	20,000
Anthony Travis Trust	—	2,000	2,000	—
Newby Trust	5,000	—	5,000	5,000
Goldsmiths Company Charities	—	—	—	4,000
The Idlewild Trust	—	—	—	2,000
Michael Marks Charitable Trust	—	—	—	10,000
Esmee Fairbairn Foundation	6,000	—	6,000	—
Arts Council Sustain grant	108,000	—	108,000	3,000
Camb City Council grant	—	470	470	—
Orchestras Live grant	2,500	—	2,500	—
	<u>235,898</u>	<u>86,470</u>	<u>322,368</u>	<u>161,370</u>

### 3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Sponsorships	<u>11,000</u>	<u>11,000</u>	<u>—</u>

# THE ACADEMY OF ANCIENT MUSIC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2010

### 4. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£
Bank interest receivable	<u>57</u>	<u>57</u>	<u>1,030</u>

### 5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£
CD sales and royalties	24,990	24,990	39,674
Engagements	716,462	716,462	1,273,692
Own promotions	109,287	109,287	91,388
Miscellaneous concert income	—	—	51
	<u>850,739</u>	<u>850,739</u>	<u>1,404,805</u>

### 6. OTHER INCOMING RESOURCES

	Total Funds 2010	Total Funds 2009
	£	£
PAYE online filing incentive	<u>—</u>	<u>75</u>

### 7. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£	£
Advancement of baroque and classical music	814,523	4,000	818,523	1,186,715
Support costs	230,381	28,156	258,537	258,950
	<u>1,044,904</u>	<u>32,156</u>	<u>1,077,060</u>	<u>1,445,665</u>

### 8. GOVERNANCE COSTS

	Unrestricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£
Accountancy fees	7,380	7,380	6,173
Audit fees	5,000	5,000	2,250
Legal fees	147	147	3,575
	<u>12,527</u>	<u>12,527</u>	<u>11,998</u>

# THE ACADEMY OF ANCIENT MUSIC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2010

### 9. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging/(crediting)

	2010	2009
	£	£
Depreciation	1,983	1,212
Auditors' remuneration		
- audit of the financial statements	5,000	2,250
Operating lease costs		
- Land and buildings	9,000	9,000
- Plant and machinery	1,000	-
Exchange (gains)/losses	<u>3,859</u>	<u>(2,221)</u>

### 10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2010	2009
	£	£
Wages and salaries	146,291	164,525
Social security costs	14,801	15,178
	<u>161,092</u>	<u>179,703</u>

No remuneration was paid to the trustees during the year Fees paid to trustees for their professional services are disclosed in note 19

#### Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2010	2009
	No	No
Management	1	1
Administration	1	1
Direct charitable	3	3
	<u>5</u>	<u>5</u>

No employee received remuneration of more than £60,000 during the year (2009 - Nil)

# THE ACADEMY OF ANCIENT MUSIC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2010

### 11. TANGIBLE FIXED ASSETS

	Office equipment £
<b>COST</b>	
At 1 September 2009	11,514
Additions	6,196
Disposals	(5,045)
<b>At 31 August 2010</b>	<b>12,665</b>
<b>DEPRECIATION</b>	
At 1 September 2009	6,898
Charge for the year	1,983
On disposals	(5,045)
<b>At 31 August 2010</b>	<b>3,836</b>
<b>NET BOOK VALUE</b>	
<b>At 31 August 2010</b>	<b>8,829</b>
At 31 August 2009	4,616

### 12. STOCKS

	2010 £	2009 £
Stock	12,327	17,404

### 13. DEBTORS

	2010 £	2009 £
Trade debtors	57,785	82,867
Other debtors	36,138	33,623
	<b>93,923</b>	<b>116,490</b>

### 14. CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Trade creditors	5,349	20,590
Taxation and social security	11,628	4,742
Other creditors	24,923	21,741
Accruals and deferred income	108,438	77,536
	<b>150,338</b>	<b>124,609</b>

Deferred income includes £78,780 of voluntary income raised during 2009-10 for expenditure in the 2010-11 concert season

# THE ACADEMY OF ANCIENT MUSIC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2010

### 15. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2010 the charity had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 2 to 5 years	9,000	1,000	-	-
After more than 5 years	-	-	9,000	-
	<u>9,000</u>	<u>1,000</u>	<u>9,000</u>	<u>-</u>

### 16. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2009 £	Incoming resources £	Outgoing resources £	Balance at 31 Aug 2010 £
The AAM Society donors	-	64,000	(6,640)	57,360
The Fidelity UK Foundation	-	20,000	(19,046)	954
Anthony Travis Trust	-	2,000	(2,000)	-
Recordings	10,000	-	-	10,000
Cambridge City Council grant	-	470	(470)	-
Goldsmiths Company	-	-	-	-
Charities	4,000	-	(4,000)	-
	<u>14,000</u>	<u>86,470</u>	<u>(32,156)</u>	<u>68,314</u>

The recording income above relates to income received as a result of the Academy of Ancient Music's Recording Club. Monies were donated by Michael Marks to cover expenses incurred when recording music and producing CDs.

The income from Goldsmiths Company Charities was to support a series of concerts in London.

The income from the various donations and grants during the year were received to cover expenses for an IT upgrade.

### 17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2009 £	Incoming resources £	Outgoing resources £	Balance at 31 Aug 2010 £
General Funds	<u>180,659</u>	<u>1,097,694</u>	<u>(1,066,173)</u>	<u>212,180</u>

# THE ACADEMY OF ANCIENT MUSIC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2010

### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
<b>Restricted Income Funds:</b>			
The AAM Society donors	5,421	51,939	57,360
The Fidelity UK Foundation	–	954	954
Recordings	–	10,000	10,000
	<u>5,421</u>	<u>62,893</u>	<u>68,314</u>
<b>Unrestricted Income Funds</b>	<u>3,408</u>	<u>208,772</u>	<u>212,180</u>
<b>Total Funds</b>	<u>8,829</u>	<u>271,665</u>	<u>280,494</u>

### 19. TRANSACTIONS WITH THE TRUSTEES

During the year, the charity has bought conducting services from Christopher Hogwood to the value of £nil (2009 £16,000) and consultancy services from Heather Jarman to the value of £357 (2009 £488). In addition, Christopher Hogwood has been reimbursed for providing accommodation and services in the sum of £nil (2009 £1,791). All transactions have been conducted on a normal commercial basis.