

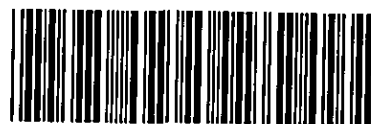
THE ACADEMY OF ANCIENT MUSIC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2006

Charity Number 1085485



Chartered Accountants

WEDNESDAY



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THE ACADEMY OF ANCIENT MUSIC

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2006

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THE ACADEMY OF ANCIENT MUSIC

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

REGISTERED CHARITY NAME The Academy of Ancient Music

CHARITY NUMBER 1085485

COMPANY REGISTRATION NUMBER 4109942

REGISTERED OFFICE 10 Brookside
Cambridge
CB2 1JE

TRUSTEES

Adam Broadbent	1*, 2
John Everett	1, 2, 3*
Judith Goodison	1, 2
Christopher Hogwood CBE	1
Heather Jarman	1
Christopher Purvis CBE (Chairman)	1, 2, 3
Dr Christopher Tadgell	1, 2

GENERAL MANAGER Christopher Lawrence 2*

1 = member of Nominations Committee
2 = member of Development Committee
3 = member of Audit and Risk Committee
* = chair of Committee

SECRETARY Heather Jarman

AUDITOR Whitmarsh Sterland
Chartered Accountants
& Registered Auditors
62 Hills Road
Cambridge
CB2 1LA

BANKERS Lloyds TSB
Gonville Place Branch
95 Regent Street
Cambridge
CB2 1BQ

THE ACADEMY OF ANCIENT MUSIC

CHAIRMAN'S STATEMENT

YEAR ENDED 31 AUGUST 2006

The year ended 31 August 2006 was an important one for the Academy of Ancient Music (AAM). Since founding the AAM in 1973, Christopher Hogwood has been at the very heart of the organisation, not only conducting or directing performances from the keyboard, but also overseeing the artistic direction of the ensemble as a whole, including inviting guest conductors and directors to work with the orchestra. A key part of Christopher's vision for the organisation has been that it will continue to flourish after his active involvement, and therefore the choice of successor as Music Director was an important step for the organisation to take.

In the course of the 2005-06 year the Board deliberated over the issue of succession-planning and was unanimous in inviting Richard Egarr to take over the role of Music Director from the start of the 2006-07 season. Richard brings a wealth of experience to his new role at the AAM, but more than that, he brings an approach to music-making that is winning fans among performers and audience alike. The quality of the appointment means that the AAM's next stage in its artistic development is assured. Furthermore, we are very fortunate that Christopher Hogwood remains very much involved with the AAM, both as a Trustee and as Emeritus Director. In particular we are looking forward to his triptych of Handel operas over the next three years: *Amadigi*, *Flavio* and *Aranna*.

Over the years that I have been associated with the AAM one of the most gratifying aspects for me has been the very high standard of the orchestral playing, and the fact that it continues to improve and develop each year. This does not go unnoticed in the press, where one can often read comments such as *"In the world of period-instrument orchestras, the AAM have a sound and style that is truly distinctive"* (The Independent on Sunday, March 2006), or *"The Academy of Ancient Music have been such a central part of the British early music boom for three decades that it has become too easy to forget how exciting and refreshing they can still be"* (Gramophone, June 2006).

It is never pleasing to report a financial deficit, the loss for the year was £12,116 (1.7% of turnover). The business model of the AAM has been going through a significant transition. In the past almost all our revenue arose from engagements. Over the past few years we have been taking our fortunes more into our own hands, promoting more concerts ourselves and taking more direct control of our artistic destiny. We have therefore assumed responsibility ourselves for more of the fund raising burden that was previously borne solely by the promoters who engaged us. We knew that it would take time to build up financial support and we therefore expected a small loss this year.

Over the last year we have received the highest ever level of support from individual donors who recognise the quality of the orchestra's work. The AAM Society has become a central part of the AAM's development, not only providing financial support, but turning out in large numbers to support our concerts, especially in London and Cambridge. I would like to take this opportunity to express my thanks to these donors and to all other supporters and funders of our work.

The AAM is fortunate to have a Board of committed Trustees who are fully engaged with the aim of maintaining the AAM's position as one of the world's leading period-instrument orchestras. As well as thanking my colleagues on the Board I would also like to acknowledge the tireless work of the staff in our Cambridge office, led by the General Manager Christopher Lawrence. Above all it is our Music Director, the players and our guest directors who make this orchestra what it is. With our current team I know that the AAM will continue to flourish as a leader in its field.

Signed by Christopher Purvis on 15 March 2007



THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2006

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2006

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

The trustees

The trustees who served the charity during the period were as follows

Adam Broadbent
John Everett
Judith Goodison
Christopher Hogwood CBE
Heather Jarman
Christopher Purvis CBE (Chairman)
Dr Christopher Tadgell

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status

The charity is a company limited by guarantee, incorporated on 17th November 2000 (company no 4109942 and charity no 1085485) and governed by a memorandum and articles of association

Background

This is the sixth annual report for The Academy of Ancient Music ('the company'), which was incorporated in 2000. The company was formed to continue the work of the ensemble the Academy of Ancient Music ('AAM'), which was founded by Christopher Hogwood in 1973.

Board and staff

There were no changes in the membership of the Board or the staff during the year. There were four full-time staff positions: General Manager, Deputy General Manager, Orchestra Manager and Administrator.

Risk management

John Everett is chairman of the Audit and Risk Committee. The Board reviews financial performance and business risks at each Board meeting.

OBJECTIVES AND ACTIVITIES

Charity objectives

The objects of the charity are to advance the education of the public in the art of baroque and early classical music and allied arts.

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT (continued)

YEAR ENDED 31 AUGUST 2006

ACHIEVEMENTS AND PERFORMANCE

In the 12 months September 2005 to August 2006, the AAM performed 45 concerts, of which 67% were in the United Kingdom and 33% were abroad, in Austria, Belgium, Italy, Netherlands and the USA. Among the UK concerts seven were in London (including the Barbican, Wigmore Hall and BBC Proms at Cadogan Hall) and seven were in Cambridge. UK touring has been a strength of the AAM in recent years and in 2005-2006 the towns and cities the orchestra visited included Birmingham, Hereford, Norwich, Southampton, Truro, Yeovil and York.

Two concerts were broadcast by BBC Radio 3, and a studio recording was made for National Public Radio in the USA. Three CD recordings were made: Pergolesi's 'Stabat Mater' for the BBC Music Magazine cover disc, Handel's Concerti Grossi Op 3 with Richard Egarr for Harmonia Mundi, and Handel's *Messiah* with Edward Higginbottom and the Choir of New College, Oxford, for Naxos. The AAM also recorded part of the soundtrack to the Alfonso Cuarón film *The Children of Men*.

As well as Richard Egarr (Associate Director) and Paul Goodwin (Associate Conductor), the orchestra was directed/conducted by Pavlo Beznosiuk, Giuliano Carmignola, Stephen Cleobury, Paul Daniel, Federico Guglielmo, Edward Higginbottom and Stephen Layton. Choirs with whom the AAM worked in the course of the year included King's College, Cambridge, New College, Oxford, and Polyphony. In addition to the orchestra's core repertoire of Bach and Handel, two less frequently performed composers the AAM continued to champion were CPE Bach and Telemann, while also exploring works by composers such as Franz Benda, Faccio and Locatelli. The AAM reflected the Mozart anniversary in 2006 in a number of programmes, including violin concertos performed by Giuliano Carmignola, rare choral works with King's College Choir, and almost-forgotten arias with a team of soloists at the Barbican's Mostly Mozart festival. The AAM gave two world premieres, both intended as Mozart companion pieces: *Journey into Light* by Thea Musgrave (an AAM commission, with Carolyn Sampson as the soprano soloist), and *Ave Verum Corpus* by Joby Talbot.

FINANCIAL REVIEW

The net loss for the year was £12,116, made up of a trading loss of £19,185 and an unrealised gain of £7,069 on the revaluation of investments. A loss of this order had been budgeted for the year as being the third year of a transitional period during which the company expects to draw on its financial reserves whilst building up its fundraising capabilities. A committee of the Board focuses on fundraising, sets budgets and meets regularly to review progress. The transition involves the introduction of new directors/conductors and the appointment of a new Music Director, the expansion of the orchestra's repertoire and an increase in the number of UK concerts, particularly those promoted by the company itself.

Total income was £680,837, comprising trading income of £554,412 (81%) and non-trading income of £126,425 (19%), exactly the same ratio as the previous year. The non-trading income included (i) project funding of £28,903 from Arts Council England's National Lottery-funded Grants for the Arts programme to support UK touring, (ii) £3,100 from the Eastern Orchestral Board to support concerts in Cambridge, (iii) grant income of £14,250 from various trusts and foundations, and (iv) private donations of £77,158 (including Gift Aid) from members of the AAM Society and other donors, a 59% increase on the total for individual donations the previous year. We are grateful for this financial support, without which the orchestra would have been unable to support its varied programme.

Reserves and investment policy

At the end of the year the company had reserves of £121,264. The reserves policy is to retain a level of funds in cash on deposit and to invest a proportion of reserves in bond and equity funds designed for charities, sufficient to provide security against the high degree of volatility in fee income.

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2006

PLANS FOR FUTURE PERIODS

Last year's report stated that the AAM's artistic direction had been strengthened by the appointment in September 2005 of Richard Egarr as Associate Director. One of the challenges facing the AAM had been the identification of a suitable successor to Christopher Hogwood in the main artistic role of Music Director. It had become clear that Richard Egarr possessed the right talents and from the start of the 2006-07 season he assumed the role of Music Director, with Christopher Hogwood taking the title of Emeritus Director.

With Richard Egarr a number of recordings – and associated concerts – are planned with Harmonia Mundi USA, initially focusing on Handel's set of opus-numbered works. The first of these is the Concerti Grossi Op 3 which is due for release in the 2006-07 season, and recordings of the organ concertos Op 4 and Op 7 are due to be recorded in 2006-07, with the remaining opus numbers to be recorded in the 2007-08 season.

This is part of a wider recording strategy to make sure the AAM continues to be represented on disc and on air to the same extent as it has in the past. A particular focus over the three years leading up to 2009 will be the music of Handel, whose anniversary (the 250th of his death) is marked that year, including annual concert performances of Handel operas by Christopher Hogwood (with singers such as Lawrence Zazzo, Simone Kermes, Sandrine Piau and Angelika Kirchschlager) in addition to the Handel concerts and recordings with Richard Egarr.

The AAM's strategy is to perform to the highest standards at leading venues throughout the world. Having grown its UK presence through establishing bases in London and Cambridge and extensive regional touring, the organisation is now focusing on building up its foreign touring to its previous high levels, with the aim of an equal balance of UK and non-UK concerts. In 2006-07 the AAM performs in Germany, The Netherlands (including the Amsterdam Concertgebouw for two concerts), Spain and the USA (including New York's Carnegie Hall), as well as a full complement of concerts in the UK including nine concerts in each of London and Cambridge. Guest directors in the season include Pavlo Beznosiuk, Giuliano Carmignola, Stephen Cleobury, Federico Guglielmo, Edward Higginbottom, Robert Hollingworth and Stephen Layton. In addition to its regular choral collaborators (King's College Cambridge, New College Oxford and Polyphony) the AAM works for the first time with I Fagiolini and with the Choir of Trinity College, Cambridge, with whom a Handel recording will be made for Hyperion. In addition the Choir of the Academy of Ancient Music will become more active under the direction of Richard Egarr.

RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees' Annual Report, the Chairman's statement and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,

- make judgements and estimates that are reasonable and prudent,

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2006

In so far as the trustees are aware

there is no relevant audit information of which the charity'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

AUDITOR

A resolution to re-appoint Whitmarsh Sterland as auditor for the ensuing year will be proposed at the Annual General Meeting

Signed by order of the trustees



Heather Jarman
Company Secretary

15/03/2007

THE ACADEMY OF ANCIENT MUSIC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ACADEMY OF ANCIENT MUSIC

YEAR ENDED 31 AUGUST 2006

We have audited the financial statements of the Academy of Ancient Music for the year ended 31 August 2006 on pages 9 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 11

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE 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) are set out in the Statement of Responsibilities of the Trustees on page 5.

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 are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Trustees' Annual Report is consistent with the financial statements. 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.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding remuneration of the trustees and other transactions is not disclosed.

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.

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 charitable company'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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in the related note to the financial statements.

THE ACADEMY OF ANCIENT MUSIC

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

YEAR ENDED 31 AUGUST 2006

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 charitable company's affairs as at 31 August 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Trustees' Annual Report is consistent with the financial statements



WHITMARSH STERLAND
Chartered Accountants
& Registered Auditors
62 Hills Road
Cambridge
CB2 1LA

16/4/2007

THE ACADEMY OF ANCIENT MUSIC

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

YEAR ENDED 31 AUGUST 2006

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	2	80,408	43,003	123,411	146,413
Investment income	3	3,014	—	3,014	4,955
Incoming resources from charitable activities	4	554,412	—	554,412	676,730
TOTAL INCOMING RESOURCES		637,834	43,003	680,837	828,098
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		(138)	—	(138)	(1,388)
Charitable activities	5	(648,279)	(43,003)	(691,282)	(855,386)
Governance costs	6	(8,602)	—	(8,602)	(8,365)
TOTAL RESOURCES EXPENDED		(657,019)	(43,003)	(700,022)	(865,139)
NET EXPENDITURE FOR THE YEAR	7	(19,185)	—	(19,185)	(37,041)
OTHER RECOGNISED GAINS AND LOSSES					
Gains on revaluation of investment assets		7,069	—	7,069	9,532
NET MOVEMENT IN FUNDS		(12,116)	—	(12,116)	(27,509)
RECONCILIATION OF FUNDS					
Total funds brought forward		133,380	—	133,380	160,889
TOTAL FUNDS CARRIED FORWARD		121,264	—	121,264	133,380

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 page 9 form part of these financial statements

THE ACADEMY OF ANCIENT MUSIC

BALANCE SHEET

31 AUGUST 2006

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible assets	9		632		1,987
Investments	10		66,785		59,716
			<u>67,417</u>		<u>61,703</u>
CURRENT ASSETS					
Debtors	11	16,367		23,968	
Cash at bank and in hand		<u>109,373</u>		<u>105,102</u>	
		125,740		129,070	
CREDITORS: Amounts falling due within one year	12	<u>(71,893)</u>		<u>(57,393)</u>	
NET CURRENT ASSETS			53,847		71,677
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>121,264</u>		<u>133,380</u>
NET ASSETS			<u>121,264</u>		<u>133,380</u>
FUNDS					
Restricted funds	13		—		—
Unrestricted funds	14		121,264		133,380
TOTAL FUNDS			<u>121,264</u>		<u>133,380</u>

These financial statements were approved by the members of the board on the 15/03/2007 and are signed on their behalf by



Christopher Purvis (Chairman)

The notes on pages 11 to 15 form part of these financial statements.

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2006

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, 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 1985

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 period, 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

Fixed assets are recorded at cost at the time of acquisition

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. The Statement of Financial Activities includes a gain arising on revaluation

Investment income

Investment income is recognised in the accounts when it is received

Fixed assets

Fixed assets are recorded at cost at the time of acquisition

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

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2006

2 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Donations				
The AAM Society and other donors	77,158	—	77,158	45,424
Grants				
Arts Council England - Touring	—	28,903	28,903	44,789
Eastern Orchestral Board	—	3,100	3,100	5,700
John Ellerman Foundation	—	—	—	25,000
Foyle Foundation	—	—	—	20,000
The Cohen Foundation	—	8,000	8,000	—
Other	3,250	3,000	6,250	5,500
	<u>80,408</u>	<u>43,003</u>	<u>123,411</u>	<u>146,413</u>

3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Bank interest receivable	<u>3,014</u>	<u>3,014</u>	<u>4,955</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2006 £	Total Funds 2005 £
CD sales and royalties	9,668	9,668	19,849
Engagements	431,976	431,976	524,633
Own promotions	73,876	73,876	106,404
Miscellaneous concert income	1,202	1,202	3,219
Recordings	37,690	37,690	22,625
	<u>554,412</u>	<u>554,412</u>	<u>676,730</u>

5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Advancement of baroque and early classical music	484,151	43,003	527,154	702,736
Support costs	164,128	—	164,128	152,650
	<u>648,279</u>	<u>43,003</u>	<u>691,282</u>	<u>855,386</u>

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2006

6. GOVERNANCE COSTS

	Unrestricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£
Accountancy fees	6,047	6,047	6,325
Audit fees	2,000	2,000	1,750
Legal fees	555	555	290
	<u>8,602</u>	<u>8,602</u>	<u>8,365</u>

7 NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging

	2006	2005
	£	£
Depreciation	1,355	2,050
Auditors' remuneration		
- audit of the financial statements	2,000	1,750
Exchange (gains)/losses	<u>1,563</u>	<u>1,721</u>

8. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2006	2005
	£	£
Wages and salaries	133,123	126,674
Social security costs	<u>14,501</u>	<u>13,805</u>
	<u>147,624</u>	<u>140,479</u>

No remuneration was paid to the directors during the year. Fees paid to directors for their professional services are disclosed in note 16.

Particulars of employees:

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

	2006	2005
	No	No
Management	1	1
Administration	1	1
Direct charitable	2	2
	<u>4</u>	<u>4</u>

No employee received emoluments of more than £60,000 during the year (2005 - Nil)

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2006

9 TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 September 2005 and 31 August 2006	<u>8,201</u>
DEPRECIATION	
At 1 September 2005	6,214
Charge for the year	<u>1,355</u>
At 31 August 2006	<u>7,569</u>
NET BOOK VALUE	
At 31 August 2006	<u>632</u>
At 31 August 2005	<u>1,987</u>

10. INVESTMENTS

Movement in market value

	2006 £	2005 £
Market value at 1 September 2005	59,716	50,184
Net gains on revaluations in the year ended 31 August 2006	<u>7,069</u>	<u>9,532</u>
Market value at 31 August 2006	<u>66,785</u>	<u>59,716</u>

Analysis of investments at 31 August 2006 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Other investments				
Listed UK investments	<u>66,785</u>	<u>-</u>	<u>66,785</u>	<u>59,716</u>

11. DEBTORS

	2006 £	2005 £
Prepaid ABO subscription	993	973
Prepaid insurance	527	1,191
Project expenses paid in advance	3,434	19,181
Recording costs carried forward	11,339	-
Other	<u>74</u>	<u>2,623</u>
	<u>16,367</u>	<u>23,968</u>

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2006

12 CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Trade creditors	1,506	10,549
VAT	11,384	13,188
PAYE	4,256	4,080
With-holding tax	—	3,696
Musician's pay	21,886	—
Other creditors	—	457
Concert tickets sold in advance	3,371	3,808
Grants and donations received in advance	23,100	12,691
Accountancy and audit accrual	5,025	4,063
Other accruals	1,365	4,861
	<u>71,893</u>	<u>57,393</u>

13 RESTRICTED FUNDS

	Movement in resources:		Balance at
	Incoming	Outgoing	31 Aug 2006
	£	£	£
Arts Council England	28,903	(28,903)	—
Eastern Orchestral Board	3,100	(3,100)	—
The Cohen Foundation	8,000	(8,000)	—
PRS Foundation	2,000	(2,000)	—
Britten Pears Foundation	1,000	(1,000)	—
	<u>43,003</u>	<u>(43,003)</u>	<u>—</u>

The income from Arts Council England was from its 'Grants for National Touring' scheme, and was to support various concerts throughout the UK. The income from the Eastern Orchestral Board was to support four concerts in Cambridge. The grants from the Cohen, PRS and Britten Pears foundations were to support the commissioning of a new work from the composer Thea Musgrave, including a contribution towards associated performance costs.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Investments	Net current assets	Total
	£	£	£	£
Unrestricted Income Funds	632	66,785	53,847	121,264
Total Funds	<u>632</u>	<u>66,785</u>	<u>53,847</u>	<u>121,264</u>

15 APB ETHICAL STANDARDS

In common with many other businesses of its size and nature, the charity uses its auditors to assist with the preparation of its financial statements. They also assist with its bookkeeping, management accounts and payroll.

16. TRANSACTIONS WITH THE TRUSTEES

During the year, the charity has bought conducting services from Christopher Hogwood to the value of £nil (2005 £7,500) and consultancy services from Heather Jarman to the value of £578 (2005 £1,260). In addition, Christopher Hogwood has been reimbursed for providing accommodation and services in the sum of £7,329 (2005 £7,000). All transactions have been conducted on a normal commercial basis.