

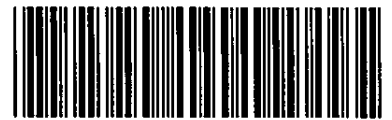
COMPANY REGISTRATION NUMBER 04109942

THE ACADEMY OF ANCIENT MUSIC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2011

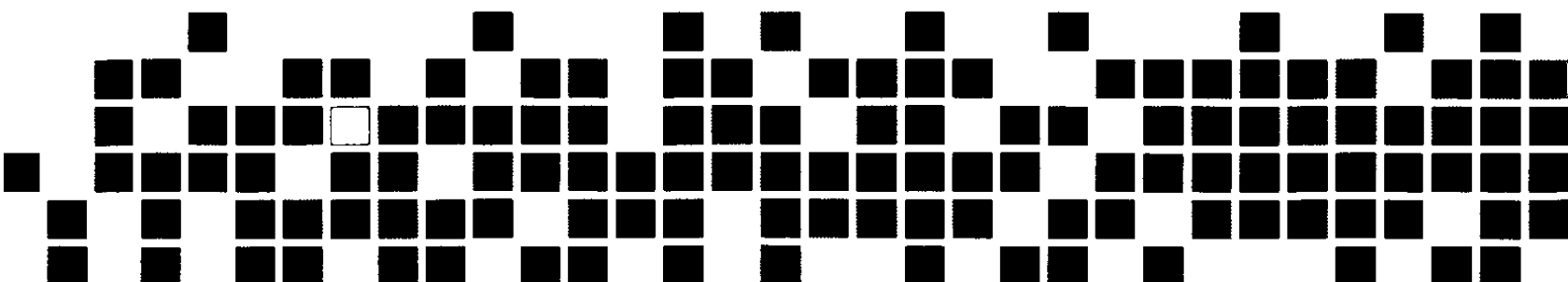
Charity Number 1085485

STREETS
CHARTERED ACCOUNTANTS

THURSDAY



A21 *A15QI6O9* #114
29/03/2012
COMPANIES HOUSE



THE ACADEMY OF ANCIENT MUSIC

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

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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	04109942	
TRUSTEES	Adam Broadbent	1*,2
	Kay Brock LVO DL	1,2
	John Everett	1,2,3*,4
	Matthew Ferrey	1,2,4
	John Grieves	1,2,3
	Christopher Hogwood CBE (to 2 March 2011)	
	Heather Jarman	
	Christopher Purvis CBE (chairman)	1,2,4
	John Reeve (appointed 16 December 2011)	1,2
	Terence Sinclair (appointed 6 December 2011)	2*,4*
	Dr Christopher Tadgell	2
	Sarah Miles Williams (to 24 May 2011)	1,2,3
	James Golob (appointed 2 March 2011)	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	
CHIEF EXECUTIVE	Michael Garvey	
MUSIC DIRECTOR	Richard Egarr	
EMERITUS DIRECTOR	Christopher Hogwood CBE	
SECRETARY	Heather Jarman	
REGISTERED OFFICE	11b King's Parade Cambridge Cambridgeshire CB2 1SJ	
AUDITOR	Streets Audit LLP Chartered Accountants & Statutory Auditor Charter House 62-64 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 2011

The year under review in this Annual Report was a challenging one for many performing arts organisations. The economic situation limited the level of support given by public and private funders alike, and financial pressures facing venues resulted in similar downward pressure on earned income. But notwithstanding these challenges the Academy of Ancient Music had another outstanding year. The orchestra gave 44 concerts and made two new recordings, it launched the *AAMplify* new generation programme to educate and nurture the audiences, artists and arts managers of the future, it secured regular support from Arts Council England for the first time in its history, and a surplus of £18,591 was achieved.

Under Richard Egarr's artistic leadership the standard of the orchestra remained at the highest level. In London and Cambridge our *Bach Dynasty* concert series provided a fascinating exploration of music by JS Bach and four generations of his lesser-known relatives. We also gave performances of newly-discovered music by South American composers of the baroque and classical eras and gave a rare performance of Mozart's early opera *La Finta Giardiniera*. On tour we performed around the world at leading venues including the Perth Concert Hall in Australia, the National Centre for the Performing Arts in Beijing, the Concertgebouw in Amsterdam and the Théâtre des Champs Élysées in Paris, as well as bringing performances of the highest quality to UK towns and cities ranging from Southampton to Inverness. We made two new CDs — Mozart's *Requiem* with the Choir of King's College, Cambridge and a world premiere recording of music by Christopher Gibbons — and we gave several broadcasts including two *Discovering Music* programmes and an *Early Music Show* on BBC Radio 3.


Under the leadership of our chief executive Michael Garvey we have developed *AAM Tomorrow*, a strategic plan for the period 2012-15. Our new partnership with the Barbican Centre in London, which was announced after the end of the year, is an important step towards the realisation of the plan.

These artistic and organisational successes were only achieved through the higher levels of financial support we received during the year from trusts and foundations, companies and our many individual donors — members of the AAM Society and others — as well as from Arts Council England. I would like to express my gratitude to them all. Over the next four years we shall need to raise £1.5 million on top of the funding we have already secured in order to make our ambitious plans possible, we are in the happy position of having a wonderful base of support, but the future will no doubt be challenging.

Since my last statement we have welcomed three new members to the board of trustees: James Golob, John Reeve and Terence Sinclair. Christopher Hogwood and Sarah Miles Williams have retired from the board. I would like to thank Sarah for the great contribution she has made to our discussions and I am delighted that she remains a member of our development board.

Without Christopher's continuing presence on the board since he handed over the musical direction of the orchestra to Richard Egarr I do not believe that we would have achieved so seamless a transition from the founder-led orchestra which we were ten years ago to the musical institution which we are today. I am most grateful to him for being so generous with his time and guidance. Christopher remains actively involved as our Emeritus Director: we much look forward to continuing to benefit from his advice, and of course to his future performances with the orchestra.

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 CBE
7 March 2012

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2011

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 2011

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. It is a charity.

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 away day at which longer-term issues were discussed. The music director and staff attend meetings as appropriate.

New trustees are co-opted by the board on the recommendation of the nominations committee, and offer themselves for re-election 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, existing trustees and chief executive. On appointment they are provided with a detailed induction pack and have meetings with other members of staff. One third of all trustees must retire annually and may offer themselves for re-election.

During the course of the year James Golob joined the board, John Reeve and Terence Sinclair were appointed after the year end. During the course of the year Christopher Hogwood and Sarah Miles Williams retired as trustees. Both remain actively involved with the orchestra's work, Christopher Hogwood as Emeritus Director and Sarah Miles Williams as a USA-based member of the Development Board. The Trustees are grateful to both for their ongoing commitment to the orchestra.

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.

Fundraising committee

The fundraising committee, chaired by Terence Sinclair, comprises members of the board as indicated on page 1, plus Chris Rocker and 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.

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

Development board

The development board, chaired by Terence Sinclair, 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, Elizabeth Hartley-Brewer, Sarah Miles Williams, Annie Norton, Chris 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,
- 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 reviewing the auditors and – if necessary – for recommending changes at the annual general meeting.

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.

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. At the year-end he was supported by seven additional staff: an orchestra manager, a head of external relations, two external relations managers, a concerts and administration manager, a part-time finance manager and an arts administration trainee. After the year-end a new position of communications officer was created within the external relations department.

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

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.

ACHIEVEMENTS AND PERFORMANCE

The year ended 31 August 2011 was a busy and successful one for the Academy of Ancient Music. The orchestra secured regular Arts Council England funding for the first time in its history, won acclaim for its *Bach Dynasty* concert series in London and Cambridge, toured to world-leading venues ranging from the Théâtre des Champs Élysées in Paris to the Shanghai Concert Hall, recorded two new CDs, launched its *AAMplify* new generation programme to educate and nurture the audiences, artists and arts managers of the future, and adopted *AAM Tomorrow* - a new strategic plan which will provide the framework for its development up to 2015.

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 it gave ten performances, appearing at Wigmore Hall, Cadogan Hall, the Barbican Centre and Christ Church, Spitalfields. Its residency at the University of Cambridge continued with seven performances: the orchestra values its close relationship with the University's Faculty of Music and its long-standing partnerships with the leading college choirs.

Central to the London and Cambridge seasons was *The Bach Dynasty*, a major series of ten concerts exploring the music of JS Bach and four generations of his lesser-known relatives. A performance of music by JS Bach's sons starring cellist Steven Isserlis inspired Matthew Parris of *The Times* to write 'my ears were opened at the Wigmore Hall in London last week by the AAM - and the director and harpsichordist Richard Egarr unblocked my mind to how beautiful a harpsichord can sound'. Other highlights included Easter performances of JS Bach's St John Passion with the Choir of King's College, Cambridge, a performance of music by Heinrich, Johann Christoph and Johann Michael Bach with the Choir of the AAM, and a Christmas performance of JS Bach's *Magnificat*.

The season also included a performance of Mozart's early opera *La Finta Giardiniera* under Richard Egarr's direction with Rosemary Joshua as Sandrina, as well as the acclaimed Canadian conductor Bernard Labadie's AAM debut, and concerts directed by Rodolfo Richter of music by South American composers which included the first performances in modern times of several works.

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 2010-11 the AAM gave 17 performances on tour internationally. Highlights included Monteverdi's *Vespers* with the Choir of King's College, Cambridge at the Concertgebouw in Amsterdam, a tour of China and Australia, and an eight-concert Far Eastern tour with soprano Sumi Jo which included performances at the Seoul Arts Center, the National Concert Hall in Taipei and the National Centre for the Performing Arts in Beijing. After a performance of Haydn's *The Creation* at the Perth Festival, *The Australian* reported 'From the representation of chaos to the creation of living creatures and, finally, the union of Adam and Eve, Richard Egarr ensured the orchestra reflected Haydn's musical scene painting with Technicolor brilliance. This was a performance of extreme contrasts, dramatically charged and highly characterised from start to finish'. Around 40 members of the AAM Society accompanied the orchestra on tour internationally during the course of the year, travelling to Amsterdam in October and to China in May.

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

Through its UK regional touring programme the orchestra reached audiences in Bath, Beverley, Birmingham, Glasgow, Inverness, Manchester, Southampton, Tetbury and Worcester with programmes ranging from Handel's *Dixit Dominus* to JS Bach's Brandenburg Concertos. Reporting on the Glasgow performance, *The Herald* wrote 'the Academy of Ancient Music [is] a band that, for nearly 40 years, through live performance and more than 250 recordings, has consistently breached the walls of ignorance, prejudice and misinformation to establish a benchmark of veracity and authority in getting composers' music played as it was intended to be played free of accretions, stripped of varnish, and as straight and true as an arrow'.

Recordings and broadcasts

The AAM's recordings remain a backbone of radio station libraries around the world.

In November 2010 the AAM and the Choir of the AAM made the world premiere recording of music by Christopher Gibbons which had been discovered by Richard Egarr in manuscripts at the Bodleian Library and at Christ Church, Oxford. This is the first recording featuring the Choir of the AAM, which was established by Richard Egarr in 2007. In June 2011 the orchestra made a recording of Mozart's *Requiem* with Stephen Cleobury, the Choir of King's College, Cambridge, and soloists including Christine Rice and James Gilchrist. Both CDs are due to be released in the coming months.

The orchestra gave several broadcasts during the year. Highlights included two BBC Radio 3 *Discovering Music* programmes with Sara Mohr-Pietsch and an *Early Music Show* with Catherine Bott.

AAMplify new generation programme

The *AAMplify* new generation programme was launched at the beginning of the year to educate and nurture the audiences, artists and arts managers of the future. The programme has three strands.

AAMplify audiences is a membership scheme which gives young people aged under 26 access to AAM concerts in London and Cambridge with subsidised £3 tickets. Membership is free, and by the end of the year around 500 young people had joined.

AAMplify artists develops talented young period instrument performers through orchestral masterclasses which enable students to sit side by side with AAM professionals. A pilot workshop at the University of Cambridge, which also included coaching from cellist Steven Isserlis, was hailed as 'the best experience of my musical life' by one participant. An independent evaluation from educational expert Lesley-Anne Lewis concluded:

When asked to identify the best features of the day, more than one student player said 'everything' without a doubt the workshop gave a taste of the AAM's potential to contribute to the education of young period-instrument players at the start of their careers. In hindsight, the given aims of the day, which included giving 'the most promising young musicians the chance to gain invaluable musical insight by playing side-by-side with the finest professionals', and providing 'an increased understanding for the students of the life a professional period instrument orchestra and musician', simply seemed understated.

AAMplify arts management traineeships are offered to aspiring arts professionals at the AAM's Cambridge-based offices. During the course of the year two trainees benefitted from the programme. It is intended that the traineeship will be developed further in future years.

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

Organisational achievements

During the course of the year it was announced that from April 2012 the AAM is to receive regular public funding from Arts Council England for the first time in its history. This funding, worth £522,000 between 2012 and 2015, will enable the orchestra to develop several aspects of its work, building on the strength of its existing network of generous private donors and supporters.

In April 2011 the AAM unveiled its new online presence at www.aam.co.uk. The website includes a number of innovative features, including an *AAMplayer* which allows users to stream highlights from the AAM's discography while browsing the site, and an archive of resources including documentary videos, concert programmes, blog entries and articles on early music. Between 1 April and 31 August, just under a million tracks were played through the *AAMplayer*.

In June 2011 Rebecca Driver Media Relations was retained to build the AAM's profile in the press.

FINANCIAL REVIEW

The net surplus on the year was £18,591. Total income amounted to £1,078,414, and expenditure to £1,059,823. Income from concert engagements dropped for a third consecutive year, from £716,462 in 2009-10 to £565,790 in 2010-11. This reduction is a reflection of the continuing impact of the worldwide recession upon concert halls and other promoting organisations.

Fundraising

Voluntary income of £577,352 - partly deferred into future years and therefore showing £360,119 plus £3,000 in these accounts - comprised grants from trusts and foundations, gifts from individual donors, corporate sponsorship and public funding. A significant amount of income raised in the current year has been deferred as it was given specifically for activities taking place in future years.

During the year, the generosity of the orchestra's supporters was highlighted in a major *Financial Times* feature on arts philanthropy. Claire Wrathall wrote 'Earlier this year the virtuosic Japanese-American violinist Shunské Sato made his London debut. Ordinarily you might expect an artist of his calibre to perform at, say, the Barbican or Festival Hall. April's concert, however, took place in the elegant and expansive drawing rooms of Sir Vernon Ellis' London home before an invited audience of 100 or so friends, philanthropists and figures from the music world. For the Academy of Ancient Music, the orchestra in whose aid the event had been organised, it was a platform from which to launch its 2011-12 season of concerts and to raise funds towards underwriting it.'

The trustees are most grateful to AAM supporters for their generosity, without which the orchestra's current work and future plans would not be possible.

Reserves and investment policy

The trustees operate a reserves policy which aims to keep a minimum cash balance of an average 3 months' expenditure readily available. Cash flow is monitored monthly to ensure that these levels are maintained. In the event of cash reserves dropping below this level, the organisation will work to redress the balance of costs and reserves as quickly as possible.

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.

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

PLANS FOR FUTURE PERIODS

AAM Tomorrow: strategic plan 2012-15

During the course of the year a new strategic plan entitled *AAM Tomorrow* was adopted by the board. Providing a framework for the AAM's development in the period to 2015, the plan identifies five key priorities:

- developing still further the orchestra's artistic excellence,
- giving people access to its live concerts in spite of the financial pressures facing concert venues, in particular by developing a London residency at a single venue,
- keeping baroque and classical music alive for a mass global audience in spite of the challenging record industry environment by exploring the possibility of launching an own record label and harnessing digital technology,
- educating and nurturing the audiences, artists and arts managers of the future by developing still further the *AAMplify* new generation programme,
- developing the AAM even further as a first-class organisation capable of achieving its ambitious vision

Barbican Association

After the year end it was announced that the AAM will become Associate Ensemble at the Barbican Centre in London from 2012. This partnership with one of the world's leading arts centres is a development of particular strategic importance to the orchestra. It will make possible a range of outstanding artistic initiatives, and it will also allow the orchestra to develop a coherent offering for London audiences based at a single venue for the first time in its history.

Artistic plans

The central theme of the orchestra's 2011-12 season is *Musical Revolutions*, a series of ten concerts exploring the genesis of the symphony, the concerto, the cantata and the French baroque and romantic styles. As part of this project, a recording entitled *Birth of the Symphony* was made. The season includes AAM debuts from a number of outstanding young artists, including violinists Alina Ibragimova and Shunské Sato and directors Jonathan Cohen and Mahan Esfahani. Other projects include soprano Sumi Jo's first London appearance for five years, and performances of Handel's *Messiah* and JS Bach's St Matthew Passion.

In summer 2012 the AAM will play a leading role in Her Majesty the Queen's diamond jubilee celebrations, playing Handel's *Water Music* and *Music for the Royal Fireworks* on a herald barge as part of a flotilla of a thousand boats which will sail down the River Thames in central London on 3 June. This performance is expected to reach a television audience of hundreds of millions of people, and will launch a major European tour of Handel's royal music which will reach major concert halls across the continent.

The development of the *AAMplify* artists programme is continuing with workshops at two partner institutions, the University of Cambridge and the Guildhall School of Music & Drama.

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 regulations.

THE ACADEMY OF ANCIENT MUSIC

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

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). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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 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,

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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. They 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

7/3/12

THE ACADEMY OF ANCIENT MUSIC

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

YEAR ENDED 31 AUGUST 2011

We have audited the financial statements of the Academy of Ancient Music for the year ended 31 August 2011 on pages 12 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Trustees' Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 auditor 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at year ended 31 August 2011 and of its incoming resources and application of resources for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE ACADEMY OF ANCIENT MUSIC

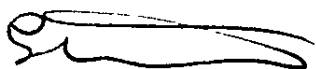
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ACADEMY OF ANCIENT MUSIC *(continued)*

YEAR ENDED 31 AUGUST 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements, or
- the charitable company has not kept adequate accounting records, 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



STREETS AUDIT LLP
Chartered Accountants & Statutory Auditor

Charter House
62-64 Hills Road
Cambridge
CB2 1LA

20/12/2012

THE ACADEMY OF ANCIENT MUSIC

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

YEAR ENDED 31 AUGUST 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	2	254,869	105,250	360,119	322,368
Activities for generating funds	3	–	3,000	3,000	11,000
Investment income	4	57	–	57	57
Incoming resources from charitable activities	5	715,238	–	715,238	850,739
TOTAL INCOMING RESOURCES		970,164	108,250	1,078,414	1,184,164
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		(24,970)	–	(24,970)	(8,742)
Charitable activities	6	(882,679)	(149,025)	(1,031,704)	(1,084,440)
Governance costs	7	(3,149)	–	(3,149)	(5,147)
TOTAL RESOURCES EXPENDED		(910,798)	(149,025)	(1,059,823)	(1,098,329)
NET INCOMING RESOURCES FOR THE YEAR/NET INCOME FOR THE YEAR	8	59,366	(40,775)	18,591	85,835
RECONCILIATION OF FUNDS					
Total funds brought forward		212,180	68,314	280,494	194,659
TOTAL FUNDS CARRIED FORWARD		271,546	27,539	299,085	280,494

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 14 to 20 form part of these financial statements.

THE ACADEMY OF ANCIENT MUSIC

BALANCE SHEET

31 AUGUST 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	10		5,393		8,829
CURRENT ASSETS					
Stocks	11	12,652		12,327	
Debtors	12	78,523		93,923	
Cash at bank and in hand		487,082		315,753	
		<u>578,257</u>		<u>422,003</u>	
CREDITORS: Amounts falling due within one year	13	<u>(251,232)</u>		<u>(150,338)</u>	
NET CURRENT ASSETS			327,025		271,665
TOTAL ASSETS LESS CURRENT LIABILITIES			332,418		280,494
CREDITORS: Amounts falling due after more than one year	14		(33,333)		—
NET ASSETS			299,085		280,494
FUNDS					
Restricted income funds	16		27,539		68,314
Unrestricted income funds	17		271,546		212,180
TOTAL FUNDS			299,085		280,494

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 7/3/12 and are signed on their behalf by



Christopher Purvis CBE (Chairman)

Company Registration Number 04109942

The notes on pages 14 to 20 form part of these financial statements.

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

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 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

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

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 2011

1. ACCOUNTING POLICIES *(continued)*

Investment income

Investment income is recognised in the accounts when it is received

Recordings

Income generated from the proceeds of AAM recording sales (excluding royalties) will be designated for expenditure on future AAM recordings rather than taken as general income

Recording production costs are treated as expenditure in the period in which they are incurred

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

Reserves

The AAM operates a reserves policy which aims to keep a minimum cash balance of 3 months operating costs readily available. Cash flow is monitored monthly to ensure that these levels are maintained. In the event of cash reserves dropping below this level, the organisation will work to reduce costs so as to redress the balance of costs and reserves

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Donations				
AAM Society and other donors	137,450	40,780	178,230	178,398
Grants				
Fidelity UK Foundation	—	—	—	20,000
Amberstone Trust	6,895	—	6,895	—
Anthony Travis Trust	—	—	—	2,000
Newby Trust	5,000	8,500	13,500	5,000
Sir Siegmund Warburg's Voluntary Settlement	33,334	—	33,334	—
Dunard Fund	—	25,000	25,000	—
CHK Charities Ltd	—	20,000	20,000	—
K T Wong Foundation	—	9,970	9,970	—
Esmee Fairbairn Foundation	—	—	—	6,000
Constance Travis Trust	2,000	—	2,000	—
J Paul Getty Jr Charitable Trust	33,334	—	33,334	—
Arts Council Sustain grant	12,000	—	12,000	108,000
Cambridge City Council grant	—	—	—	470
Orchestras Live grant	—	—	—	2,500
ABO grant	—	1,000	1,000	—
Ellerman Foundation	5,000	—	5,000	—
Other income				
Recordings	19,856	—	19,856	—
	<u>254,869</u>	<u>105,250</u>	<u>360,119</u>	<u>322,368</u>

3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Sponsorships	<u>3,000</u>	<u>3,000</u>	<u>11,000</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Bank interest receivable	<u>57</u>	<u>57</u>	<u>57</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
CD sales and royalties	14,282	14,282	24,990
Engagements	565,790	565,790	716,462
Own promotions	135,166	135,166	109,287
	<u>715,238</u>	<u>715,238</u>	<u>850,739</u>

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Advancement of baroque and classical music	622,511	133,152	755,663	818,523
Support costs	260,168	15,873	276,041	265,917
	<u>882,679</u>	<u>149,025</u>	<u>1,031,704</u>	<u>1,084,440</u>

7. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Audit fees	3,149	3,149	5,000
Legal fees	-	-	147
	<u>3,149</u>	<u>3,149</u>	<u>5,147</u>

8. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging/(crediting)

	2011 £	2010 £
Depreciation	3,436	1,983
Auditors' remuneration		
- audit of the financial statements	3,149	5,000
Operating lease costs		
- Land and buildings	9,000	9,000
- Plant and machinery	1,000	1,000
Exchange (gains)/losses	<u>(2,286)</u>	<u>3,859</u>

9. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2011 £	2010 £
Wages and salaries	167,802	146,291
Social security costs	16,623	14,801
	<u>184,425</u>	<u>161,092</u>

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

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

9. STAFF COSTS AND EMOLUMENTS *(continued)*

Particulars of employees:

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

	2011 No	2010 No
Management	1	1
Administration	1	1
Direct charitable	4	3
	<u>6</u>	<u>5</u>

No employee received remuneration of more than £60,000 during the year (2010 - Nil)

10. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 September 2010 and 31 August 2011	<u>12,665</u>
DEPRECIATION	
At 1 September 2010	3,836
Charge for the year	3,436
At 31 August 2011	<u>7,272</u>
NET BOOK VALUE	
At 31 August 2011	<u>5,393</u>
At 31 August 2010	<u>8,829</u>

11. STOCKS

	2011 £	2010 £
Stock	<u>12,652</u>	<u>12,327</u>

12. DEBTORS

	2011 £	2010 £
Trade debtors	47,900	57,785
Other debtors	30,623	36,138
	<u>78,523</u>	<u>93,923</u>

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

13. CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	9,590	5,349
Taxation and social security	18,139	11,628
Other creditors	11,922	26,577
Accruals and deferred income	211,581	106,784
	<u>251,232</u>	<u>150,338</u>

Accruals and deferred income includes £180,900 (2010 £78,780) of voluntary income raised during 2010-11 for expenditure in the 2011-12 concert season

14. CREDITORS: Amounts falling due after more than one year

	2011	2010
	£	£
Accruals and deferred income	<u>33,333</u>	<u>—</u>

Accruals and deferred income includes £33,333 of voluntary income raised during 2010-11 for expenditure in the 2012-13 concert season

15. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2011 the charity had annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 2 to 5 years	<u>9,000</u>	<u>1,000</u>	<u>9,000</u>	<u>1,000</u>

16. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2010	Incoming resources	Outgoing resources	Balance at 31 Aug 2011
	£	£	£	£
ABO Grant	—	1,000	(1,000)	—
CHK Charities Ltd	—	20,000	(20,000)	—
Dunard Fund	—	25,000	(25,000)	—
K T Wong Foundation	—	9,970	(9,970)	—
Individual Donors	57,360	40,780	(76,649)	21,491
Fidelity UK Foundation	954	—	(954)	—
Michael Marks Charitable Trust	10,000	—	(10,000)	—
Corporate sponsorship	—	3,000	(3,000)	—
Newby Trust	—	8,500	(2,452)	6,048
	<u>68,314</u>	<u>108,250</u>	<u>(149,025)</u>	<u>27,539</u>

THE ACADEMY OF ANCIENT MUSIC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

16. RESTRICTED INCOME FUNDS *(continued)*

ABO grant relates to income received to cover the cost of travel to an ISPA conference held in America, attended by the CEO

Grants from Dunard Fund and CHK Charities Ltd were for a series of concerts performed by the AAM

K T Wong Foundation contributed towards the cost of concerts performed in China

Newby Trust provided a grant towards the *AAMplify* artists programme

Of the income received from Individuals Donors £40,780 was expensed in support of the Bach Dynasty series of concerts and £35,869 was to cover expenses for an IT upgrade

The income from Fidelity UK Foundation funded IT software

Michael Marks Charitable Trust supported a recording of music by Christopher Gibbons

The £3,000 corporate sponsorship relates to income received in relation to the concerts held in Cambridge in January 2011

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2010 £	Incoming resources £	Outgoing resources £	Balance at 31 Aug 2011 £
General Funds	<u>212,180</u>	<u>970,164</u>	<u>(910,798)</u>	<u>271,546</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted Income Funds:			
Individual Donors	3,871	17,620	21,491
Newby Trust	–	6,048	6,048
	<u>3,871</u>	<u>23,668</u>	<u>27,539</u>
Unrestricted Income Funds	<u>1,522</u>	<u>270,024</u>	<u>271,546</u>
Total Funds	<u>5,393</u>	<u>293,692</u>	<u>299,085</u>

19. TRANSACTIONS WITH THE TRUSTEES

During the year, the charity has bought consultancy services from Heather Jarman to the value of £155 (2010 £357) and £120 (2010 £nil) was owed to her at the year end Christopher Hogwood has been reimbursed for providing services in the sum of £80 (2010 £nil) All transactions have been conducted on a normal commercial basis

Christopher Purvis is also a trustee of J Paul Getty Jr General Charitable Trust and of Sir Siegmund Warburg's Voluntary Settlement from which The Academy of Ancient Music received income of £100,000 from each during the year