

COMPANY REGISTRATION NUMBER 04109942

**THE ACADEMY OF ANCIENT MUSIC
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2016**

Charity Number 1085485



THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

REGISTERED CHARITY NAME The Academy of Ancient Music

CHARITY NUMBER 1085485

COMPANY REGISTRATION NUMBER 04109942

TRUSTEES AS AT 31 AUGUST 2016

Richard Bridges	3
Hugh Burkitt	2*, 3
Richard Egarr	
Matthew Ferrey	
Alistair Hunter	1
Philip Jones	2, 3*
Graham Nicholson	1, 2
John Reeve	1*, 3
Terence Sinclair (chairman)	2, 3
Madeleine Tattersall	3
Janet Unwin	3

1 = member of Audit and Risk committee as at 31 August 2016

2 = member of nominations committee as at 31 August 2016

3 = member of development board as at 31 August 2016

* indicates chairman of committee as at 31 August 2016

HONORARY PRESIDENT

Christopher Purvis

CHIEF EXECUTIVE

Edward Hossack (to March 2017)
Alexander Van Ingen (from April 2017)

MUSIC DIRECTOR

Richard Egarr

FOUNDER

Christopher Hogwood CBE

SECRETARY

John Reeve

REGISTERED OFFICE

11b King's Parade
Cambridge
CB2 1SJ

AUDITOR

Streets Audit LLP
Chartered Accountants
& Statutory Auditor
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

BANKERS

Lloyds Bank Plc
Gonville Place Branch
95 Regent Street
Cambridge
CB2 1BQ

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

CHAIRMAN'S STATEMENT

YEAR ENDED 31 AUGUST 2016

I am pleased to report another strong year for the Academy of Ancient Music, in concert, in digital formats, for our education and outreach projects. At the year-end reserves stood at over £1.4m.

The artistic quality of our work has remained world class, with a number of concerts led by our principals in addition to our Music Director and guest artists. Some of these principal artists were leading our orchestra for the first time. AAM concerts also continued our strategy of presenting unknown and forgotten baroque and classical music. The year opened with a semi-staged performance of Monteverdi's *Il Ritorno d'Ulisse in Patria*, the conclusion of our three year cycle of Monteverdi operas, and concluded with Reinhard Goebel's debut with the orchestra in a programme which included what may arguably have been the English premiere of a sinfonia by WF Bach, part of our commitment to perform lesser known works alongside more familiar repertoire. Concert performances of two of the operas (*Il Ritorno d'Ulisse in Patria* and *L'Incoronazione di Poppea*) were given at the Enescu Festival in Bucharest and in Venice. The orchestra performed across the UK and Europe, and gave the first performance by a UK orchestra at the newly opened Prince Mahidol Hall in Bangkok on a tour of Asia.

Three recordings were made during the course of the year: works by Dario Castello 'Sonatas In Stil Moderno' on the AAM Records label; Bach's St John Passion with the Choir of King's College Cambridge; and a recording with internationally renowned trumpeter Alison Balsom for Warner Classics.

Our partnerships with the Guildhall School of Music and Drama (GSMD), University of Cambridge and Royal Northern College of Music (RNCM) continue to flourish. The year also saw an expansion of our outreach and participation programme across Cambridgeshire, with performances at junior schools across the region in collaboration with the Cambridge Music Hub and Fitzwilliam Museum in Cambridge. We built on the success of last year's Deal Festival of Music and the Arts with a return visit in July with the orchestra's musicians performing side-by-side with students from the GSMD. We approved the establishment of the Hogwood Fellowship, designed to broaden our cultural impact beyond our music making and are delighted that Robert Levin will be the inaugural Fellow.

Financially the year ended in good shape including a great deal of support from individual givers, a pattern almost unique in British music-making. The backbone of our financial strength remains our wonderful family of private donors and supporters — both individuals and trusts. We are very grateful to all. We continue to enjoy public financial assistance through an Arts Council England scheme and are grateful.

I would also like to thank my colleagues on the Board for their energy and diligence. Our Deputy Chairman John Grieves stepped down in March 2016 under the nine year rule and we appointed Hugh Burkitt as Deputy Chairman in addition to his work as Chair of Nominations. Towards the end of the year John passed away. I would like to express the deep appreciation of all involved in the Academy's work for his support and energy over many years.

I would also like to thank the membership of the Development Board for their work, under the chairmanship of Philip Jones. During the year John Everett, our chair of the Audit and Risk Committee stood down under the nine year rule. John Reeve has assumed the leadership of this group. I would like to thank the AAM Council for their guidance and work under Christopher Purvis, our Honorary President.

I would like to congratulate our Music Director, Richard Egarr, and our wonderful musicians for enabling the Academy of Ancient Music to play such a vibrant role in international music making. The standard of our musicmaking is higher than ever and the reputation the orchestra and choir enjoy is testament to their work. I thank Edward Hossack, our CEO and our staff for their dedication.

None of this would be possible without keen concertgoers and I am delighted with the continued enthusiasm for our work in London, Cambridge, on tour and abroad. We look forward very much to the year ahead.

Terence Sinclair
Chairman, Academy of Ancient Music

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2016

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 2016.

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:

Richard Bridges	(resigned 1 November 2016)
Hugh Burkitt	
Richard Egarr	(resigned 31 August 2016)
John Everett	(resigned 16 March 2016)
Matthew Ferrey	
John Grieves	(resigned 16 March 2016)
Alistair Hunter	(appointed 1 January 2016)
Philip Jones	
Graham Nicholson	(appointed 1 January 2016)
John Reeve	
Terence Sinclair	
Madeleine Tattersall	
Janet Unwin	

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and governing instrument

The Academy of Ancient Music (AAM) is a charitable company limited by guarantee, incorporated on 17th November 2000 and governed by a memorandum and articles of association.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

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. Richard Egarr, the orchestra's 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 the 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.

Nominations committee

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

Fundraising committee

The Fundraising Committee 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.

Audit and risk committee

The Audit and Risk Committee is a committee of the Board of Trustees. It provides oversight of the accounting systems, accounting policies and financial reporting, and makes recommendations to the Board on any changes that are required. Working with the executive, 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 for reviewing and approving the orchestra's key performance indicators. It reviews the auditors and — if necessary — recommends changes to the Board for subsequent approval 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.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

Development board

The Development Board brings together AAM supporters who are actively engaged in introducing potential donors and raising funds for the orchestra. As at 31 August 2016, the Development Board comprised Philip Jones (Chairman), Richard Bridges, Delia Broke, Hugh Burkitt, Elizabeth de Friend, Kate Donaghy, Andrew Gairdner, Peter Hullah, Linda Lakhdhir, Roger Mayhew, Annie Norton, John Reeve, Chris Rocker, Terence Sinclair, Madeleine Tattersall and Janet Unwin.

The Development Board meets twice annually to receive an update on the orchestra's progress from the Chief Executive, the Chairman and whenever possible the Music Director, and to offer counsel on future fundraising initiatives. Development Board members also:

- become involved with the orchestra and gain an understanding of its workings by attending rehearsals as well as concerts, trips and AAM Society events;
- act as ambassadors and advocates for the orchestra by introducing potential supporters 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.

Members are appointed for three-year terms of office by the Board of Trustees on the recommendation of the Development Board Chairman.

All Trustees and Development Board members give generously to the orchestra, and by doing so encourage others to do the same. Trustees contributed a total of £35,000 with the remainder of the Development Board giving a further £14,700.

AAM council

The AAM Council, which brings together individuals involved with the AAM as ambassadors, advisers, major donors and Development Board members, as well as former Board members, fully established its role during the year and met in January, to receive an update on the AAM's work. The Council will have regular contact with staff, including a quarterly written update from the Chief Executive or the Chairman, and will seek to expand its membership in the coming year.

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, Deputy Chairman and/or Head of Nominations Committee 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 8 additional staff, an Artistic consultant and a PR consultant. The board is pleased to welcome Alexander, and wishes to thank Edward for his service at the Academy.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

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 year in review

This was another year of achievement, with significant projects including: a tour of Asia during which the orchestra gave the first performance of a UK orchestra in the newly opened Prince Mahidol Hall in Bangkok; tours across the UK and Europe; three recordings, one on the AAM Record label, one with the Choir of King's College Cambridge and one with trumpeter Alison Balsom; and the development of partnerships old and new.

Achievements and highlights

Our constant ambition is to enrich the lives of audiences through our performance and exploration of programmes aimed to include familiar and lesser-known highlights of the baroque and classical repertoire, in concert, through recordings, broadcast, on-line and through our education and outreach programme, AAMplify.

We continue to develop the success of our London concerts as Associate Ensemble at the Barbican Centre. The season began with another great collaboration with the Barbican with the conclusion of our three-year cycle of Monteverdi operas, *Il ritorno d'Ulisse in patria* directed by Richard Egarr with a line-up of some of the finest soloists and specialists in this repertoire including Barbara Kozelj, Elizabeth Watts and Alexander Oliver, with Ian Bostridge in the lead role. The same cast travelled for a concert performance at the Enescu Festival in Bucharest performed alongside Monteverdi's opera *L'incoronazione di Poppea* featuring Sarah Connolly, Louise Alder and Iestyn Davies. Later in the season, the orchestra gave another concert performance of *Il coronazione di Poppea* in Venice under the direction of Robert Howarth with a similar top-notch line-up of soloists including Mhairi Lawson, Daniela Lehner and Iestyn Davies. Other highlights during the London and Cambridge season included Reinhard Goebel's debut with the orchestra in a programme with soprano Lucy Crowe; a performance of Bach's *Christmas Oratorio* in full directed by Richard Egarr with soloists Elizabeth Watts, Barbara Kozelj, James Gilchrist and Ashley Riches.

Audience development

Overall attendance in London and Cambridge surpassed 8,400 with a very pleasing number of our audience in Cambridge continuing to subscribe each year. We are developing an increasingly loyal audience for our concerts at Milton Court Concert Hall. Overall attendance was lower than the previous year principally as a result of one fewer concert performed in the Main Hall at the Barbican.

As Associate Ensemble at the Barbican Centre we collaborated with the Barbican and its other Resident and Associate orchestras in the first 'Sound Unbound' weekend festival, with performances across the Barbican campus to an audience of over 3,000. The event was considered to be a big success and is being repeated in April 2017.

AAM Records, broadcast and digital activity

The orchestra made one further recording on the AAM Records label, the first book of *Sonatas Il Stil Moderno* by Dario Castello released at the end of 2016. We also made a live recording Bach's *St John Passion* with the Choir of King's College Cambridge, due to be released in 2017, and a recording with international renowned trumpeter Alison Balsom for Warner Classics. We have maintained our profile through regular broadcasts on BBC Radio 3, with significant growth in our digital activity: our following on Facebook grew by 60% from c.18,000 to c.28,500 with an increased level of output on YouTube.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

AAMplify

Our AAMplify education and outreach programme goes from strength to strength. The year saw another opportunity for students from the Guildhall School of Music and Drama to perform 'side-by-side' with our musicians in concert at the Deal Festival. We are also developing a very creative and productive collaboration with Collegium Musicum in Cambridge.

One of the strengths in our collaborations with the Guildhall School of Music and Drama, Royal Northern College of Music and University of Cambridge is increasingly working with students from across the families of instruments – keyboard, strings, woodwind and brass.

The year saw a significant increase in our outreach and participation programme specifically in Cambridge and Cambridgeshire: a collaboration with the Fitzwilliam Museum in Cambridge on a project with students from Soham Village College as part of their Shakespeare Bronze Arts Award in Shakespeare's anniversary year; and a series of projects in five primary and junior schools across Cambridgeshire in collaboration with the Cambridge Music Hub.

Over and above the performance activities of the AAMplify programme itself, subsidised tickets are made available to audience members under the age of twenty-six or full-time students of any age as part of the overall AAMplify programme.

FINANCIAL REVIEW

The net result for the year was a deficit of £91,298. Total income amounted to £1,144,873 and expenditure to £1,236,171.

Fundraising

Voluntary income for the year, comprising grants from trusts and foundations, gifts from individual donors, and public funding, stood at £502,394.

The orchestra was grateful to receive a number of major gifts and grants from private funders during the course of the year, notably from the Dunard Fund, Sir Siegmund Warburg's Voluntary Settlement, J Paul Getty Jnr Charitable Trust, Garfield Weston Foundation, Geoffrey C. Hughes Charitable Trust and Backstage Trust.

Funds were received during the course of the year from the Arts Council England's Grants for the Arts for a UK tour.

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

Reserves and investment policy

In view of fluctuations in concert income from year to year, the trustees consider it prudent to aim to maintain unrestricted reserves equivalent to six months' support costs and three months' expenditure on own-promotion concerts. This amounts to approximately £320,000 currently.

Total unrestricted reserves at 31 August 2016 were £1,405,969, but this includes £1,064,552 from the legacy received from the orchestra's founder, Christopher Hogwood, which the trustees have designated to be used to support activities which would not otherwise be possible. General unrestricted funds at 31 August 2016 were £341,417.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

PUBLIC BENEFIT STATEMENT

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

The charity exists to enrich people's lives with historically informed baroque and classical music at the highest standard in live and digital performances and by nurturing young audiences, artists and managers.

The orchestra's management are tasked with ensuring the charity's activities are accessible to all members of the public.

Examples of steps taken to ensure broad public accessibility include:-

- Encouraging attendance at concert performances for school children, students and young people through discounted tickets
- Freely accessible podcasts and videos on AAM website
- Regular broadcasts of concerts on national radio stations both in the UK and abroad, making the music widely accessible through radio and internet
- Free pre-concert talks which are open to all, and recorded for wider distribution through podcast
- Free programmes at own-promoted concerts containing detailed notes on the music being performed and short biographies of the principal performers
- Masterclasses and orchestral workshops in which AAM players and music students collaborate side by side

PLANS FOR FUTURE PERIODS

The orchestra continues to work towards the delivery of the five priorities set out in its Strategic plan 2012-15 which also are at the core of its 2016-21 Strategic plan as drafted at 31 August 2016:

- developing still further the orchestra's artistic excellence through concerts, recordings, broadcasts and educational workshops;
- giving people access to its live concerts in spite of the financial pressures facing concert venues, in particular as Associate Ensemble at the Barbican Centre;
- keeping baroque and classical music alive for a mass global audience by investing in our own digital content (through AAM Records) and using the web to distribute that content, whilst also enhancing our traditional forms of communication;
- educating and nurturing the audiences, artists and arts managers of the future by developing still further the AAMplify programme;
- developing the AAM even further as a first-class organisation capable of achieving its ambitious vision.

Barbican Association

At the heart of the AAM's broader artistic strategy is the Barbican residency. The orchestra's first two seasons proved to be a significant success and development of the orchestra's aspirations, aims and achievements. The flexibility of the main stage and smaller concert hall at Milton Court Concert Hall allows for a variety and vibrancy of programming, and the orchestra is able to plan our London seasons further ahead as a result of the joint commitment made with the Barbican as one of their Associate Ensembles. This planning process also has a positive impact on our programme for concerts in Cambridge (where the repertoire is the same as concerts at the Milton Court Concert Hall). We continue to develop our plans for cycles of operas as co-promotions with the Barbican, with the Monteverdi cycle which will conclude in September 2015 to be followed by a cycle of Purcell's operas. Our plans remain that the Choir of AAM will perform with the orchestra at least twice per season.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

Record label

The catalogue of releases on AAM Records now includes six recordings ('Birth of the symphony', Bach's *St John Passion*, 'Academy of Ancient Music at 40', Bach's *Orchestral Suites*, Bach's *St Matthew Passion* and Book 1 of Dario Castello's *Sonatas In Stil Moderno*). Plans exist and are being developed for future recordings, with the intention of releasing at least one recording per year on the AAM Records label.

As well as continuing to develop physical and digital distribution networks for these recordings, the key priority over the coming years remains to create a holistic and integrated digital strategy that allows the AAM to reach audiences worldwide with its core product, through its recordings, website, films and other digital content.

TRUSTEES' RESPONSIBILITIES STATEMENT

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 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). 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 charity and the income and expenditure 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;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2016

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Signed on behalf of the trustees

John Reeve
Company Secretary

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THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of The Academy of Ancient Music for the year ended 31 August 2016 on pages 13 to 22. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 AUDITOR

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 financial statements and for being satisfied that they give a true and fair view.

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 charity'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 Trustees' Annual Report 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 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 AUGUST 2016

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

MR SHANE THARBY (Senior Statutory Auditor)

For and on behalf of

STREETS AUDIT LLP

Chartered Accountants & Statutory Auditor

3 Wellbrook Court

Girton

Cambridge

CB3 0NA

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**THE ACADEMY OF ANCIENT MUSIC
COMPANY LIMITED BY GUARANTEE**

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

YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOME AND ENDOWMENTS					
Donations and legacies	2	465,144	37,250	502,394	1,630,453
Income from charitable activities	3	636,048	–	636,048	964,461
Investment income	4	6,431	–	6,431	2,306
TOTAL INCOME		<u>1,107,623</u>	<u>37,250</u>	<u>1,144,873</u>	<u>2,597,220</u>
EXPENDITURE					
Expenditure on raising funds:					
Costs of raising donations and legacies	5	(107,716)	–	(107,716)	(138,673)
Expenditure on charitable activities	5	(1,091,205)	(37,250)	(1,128,455)	(1,484,444)
TOTAL EXPENDITURE		<u>(1,198,921)</u>	<u>(37,250)</u>	<u>(1,236,171)</u>	<u>(1,623,117)</u>
NET (EXPENDITURE)/INCOME AND NET MOVEMENT IN FUNDS FOR THE YEAR					
		(91,298)	–	(91,298)	974,103
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,497,267</u>	–	<u>1,497,267</u>	<u>523,164</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,405,969</u>	<u>–</u>	<u>1,405,969</u>	<u>1,497,267</u>

The Statement of financial activities includes all gains and losses in the year.

All of the above amounts relate to continuing activities.

The notes on pages 15 to 22 form part of these financial statements.

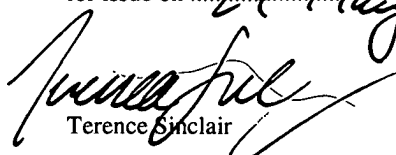
THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	9		2,867		-
CURRENT ASSETS					
Stocks		19,985		17,381	
Debtors	10	108,869		788,918	
Cash at bank and in hand		1,554,530		1,014,321	
		<u>1,683,384</u>		<u>1,820,620</u>	
CREDITORS: Amounts falling due within one year	11	<u>(183,615)</u>		<u>(256,103)</u>	
NET CURRENT ASSETS			1,499,769		1,564,517
TOTAL ASSETS LESS CURRENT LIABILITIES			1,502,636		1,564,517
CREDITORS: Amounts falling due after more than one year	12		(96,667)		(67,250)
NET ASSETS			<u>1,405,969</u>		<u>1,497,267</u>
FUNDS OF THE CHARITY					
Restricted income funds	14		-		-
Unrestricted income funds	15		<u>1,405,969</u>		<u>1,497,267</u>
TOTAL CHARITY FUNDS			<u>1,405,969</u>		<u>1,497,267</u>

These financial statements were approved and signed by the Chairman of the Board of Trustees and authorised for issue on 24 May 2017


Terence Sinclair

Company Registration Number: 04109942

The notes on pages 15 to 22 form part of these financial statements.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) (SORP 2015).

Income

All income is included in the statement of financial activities when the charity is entitled to the income, there is sufficient certainty of receipt and the amount can be measured reliably. The following specific policies are applied to particular categories of income:-

Donations, including grants, are recognised in full in the statement of financial activities when receivable unless there are conditions based on the delivery of specific activities.

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

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

Investment income is included when receivable.

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

Fundraising costs

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

Fund accounting

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

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

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.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES *(continued)*

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 - 33% straight line

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The deemed cost of old recordings is calculated at a discounted sales price and the cost of new recordings is calculated at the production cost.

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.

Pension costs

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

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. Income and expenditure in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction or at a forward contract rate where a contract has been taken out.

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Individual donors, including AAM Society members	174,591	–	174,591
Legacies	82,894	–	82,894
Grants from charitable trusts and other bodies	207,659	37,250	244,909
	<u>465,144</u>	<u>37,250</u>	<u>502,394</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Individual donors, including AAM Society members	204,780	–	204,780
Legacies	1,064,552	–	1,064,552
Grants from charitable trusts and other bodies	284,711	76,410	361,121
	<u>1,554,043</u>	<u>76,410</u>	<u>1,630,453</u>

During the year ended 31 August 2015 the charity received a significant legacy from Christopher Hogwood which includes on-going rights to royalty income. It was not possible to reliably estimate the value of these rights received and therefore the charity is recognising the royalties as legacy income on a receipts basis.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Concert income	621,025	621,025	919,284	919,284
CD sales and royalties	13,462	13,462	42,552	42,552
Rental income	–	–	2,215	2,215
Miscellaneous income	1,561	1,561	410	410
	<u>636,048</u>	<u>636,048</u>	<u>964,461</u>	<u>964,461</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Bank interest receivable	<u>6,431</u>	<u>6,431</u>	<u>2,306</u>	<u>2,306</u>

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

5. EXPENDITURE

	Unrestricted Funds	Restricted Funds	Total Funds 2016
Expenditure on charitable activities	£	£	£
Direct costs of performances, recordings & education	788,447	37,250	825,697
Support costs	302,758	–	302,758
	<u>1,091,205</u>	<u>37,250</u>	<u>1,128,455</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2015
	£	£	£
Direct costs of performances, recordings & education	1,051,635	80,254	1,131,889
Support costs	352,555	–	352,555
	<u>1,404,190</u>	<u>80,254</u>	<u>1,484,444</u>
Expenditure on raising funds	£	£	£
Direct costs of performances, recordings & education	10,707	–	10,707
Support costs	97,009	–	97,009
	<u>107,716</u>	<u>–</u>	<u>107,716</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2015
	£	£	£
Direct costs of performances, recordings & education	21,153	–	21,153
Support costs	117,520	–	117,520
	<u>138,673</u>	<u>–</u>	<u>138,673</u>
Total expenditure – all activities	£	£	£
Direct costs of performances, recordings & education	799,154	37,250	836,404
Support costs	399,767	–	399,767
	<u>1,198,921</u>	<u>37,250</u>	<u>1,236,171</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2015
	£	£	£
Direct costs of performances, recordings & education	1,072,788	80,254	1,153,042
Support costs	470,075	–	470,075
	<u>1,542,863</u>	<u>80,254</u>	<u>1,623,117</u>

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

6. SUPPORT COSTS

	Allocated to costs of raising funds 2016 £	Allocated to charitable activities 2016 £	Total 2016 £
Staff costs and related expenses	69,755	220,997	290,752
Premises	9,929	29,787	39,716
Other costs	17,325	51,974	69,299
	<u>97,009</u>	<u>302,758</u>	<u>399,767</u>
	Allocated to costs of raising funds 2015 £	Allocated to charitable activities 2015 £	Total 2015 £
Staff costs and related expenses	82,622	247,864	330,486
Premises	8,163	24,488	32,651
Other costs	26,735	80,203	106,938
	<u>117,520</u>	<u>352,555</u>	<u>470,075</u>

Support costs have been allocated on the basis of staff numbers involved in fundraising and charitable activities.

Other costs include:

	2016 £	2015 £
Depreciation	1,433	-
Auditors' remuneration:		
- audit of the financial statements	3,519	4,201
Operating lease costs:		
- Land and buildings	21,984	21,984
- Plant and machinery	900	1,200
Exchange (gains)/losses	<u>(12,447)</u>	<u>4,094</u>

7. STAFF COSTS

Total staff costs were as follows:

	2016 £	2015 £
Wages and salaries	249,296	275,035
Social security costs	22,633	25,517
Pension costs	969	5,973
	<u>272,898</u>	<u>306,525</u>

The average number of employees during the year was 8 (2015: 10).

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

7. STAFF COSTS *(continued)*

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

	2016	2015
	No.	No.
£60,000 to £69,999	<u>1</u>	<u>1</u>

8. TRUSTEES

No trustees received any remuneration or expenses in relation to her or his services as trustee (2015: £Nil). Richard Egarr, the orchestra's Music Director, served as a trustee up to 31 August 2016. During the year, he was paid £44,450 (2015: £51,080) for services in accordance with the terms of his contract as Music Director.

9. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 September 2015	12,665
Additions	<u>4,300</u>
At 31 August 2016	<u>16,965</u>
DEPRECIATION	
At 1 September 2015	12,665
Charge for the year	<u>1,433</u>
At 31 August 2016	<u>14,098</u>
NET BOOK VALUE	
At 31 August 2016	<u>2,867</u>
At 31 August 2015	<u>-</u>

10. DEBTORS

	2016	2015
	£	£
Trade debtors	73,026	64,266
Other debtors	<u>12,597</u>	<u>5,443</u>
Prepayments and accrued income	<u>23,246</u>	<u>719,209</u>
	<u>108,869</u>	<u>788,918</u>

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

11. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	10,692	49,756
Taxation and social security	7,618	8,128
Other creditors	1,028	45,128
Accruals and deferred income	164,277	153,091
	<u>183,615</u>	<u>256,103</u>

Accruals and deferred income includes £142,250 (2015 - £119,221) of voluntary income for expenditure in the 2016-17 concert season (2015: 2015-16 concert season).

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

	2016	2015
	£	£
Accruals and deferred income	<u>96,667</u>	<u>67,250</u>

This represents income in relation to the 2017-18 and later concert seasons (2015: 2016-17 and beyond).

13. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2016 the charity had annual commitments under non-cancellable operating leases as set out below.

	2016		2015	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	-	-	-	1,200
Within 2 to 5 years	9,160	-	21,984	-
	<u>9,160</u>	<u>-</u>	<u>21,984</u>	<u>1,200</u>

THE ACADEMY OF ANCIENT MUSIC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

14. RESTRICTED INCOME FUNDS

	Income £	Expenditure £	Balance at 31 Aug 2016 £
Newby Trust	7,250	(7,250)	-
Geoffrey C Hughes Charitable Trust	30,000	(30,000)	-
	<u>37,250</u>	<u>(37,250)</u>	<u>-</u>

A grant of £21,750 has been received from the Newby Trust Ltd to fund the overhead costs of the AAMplify Orchestra over three years. This is being split equally across the three financial years 14-15, 15-16 and 16-17.

A grant totalling £135,000 has been received from the Geoffrey C Hughes Charitable Trust to fund the Purcell operas in 15-16, 16-17 and 17-18. £30,000 has been recognised and spent in relation to 15-16.

15. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2015 £	Income £	Expenditure £	Balance at 31 Aug 2016 £
Designated Fund	1,064,552	-	-	1,064,552
General Funds	432,715	1,107,623	(1,198,921)	341,417
	<u>1,497,267</u>	<u>1,107,623</u>	<u>(1,198,921)</u>	<u>1,405,969</u>

The Trustees have designated the legacy received from Christopher Hogwood as a fund that they plan to use to support the orchestra in engaging in performances, recordings and other projects which would not otherwise be possible, for example because of the scale of forces required.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Unrestricted Income Funds	2,867	1,499,769	(96,667)	1,405,969
Total Funds	<u>2,867</u>	<u>1,499,769</u>	<u>(96,667)</u>	<u>1,405,969</u>

17. COMPANY LIMITED BY GUARANTEE

The Academy of Ancient Music is a company limited by guarantee and liability of the members is limited to £1 each.