

COMPANY REGISTRATION NUMBER: 04109942
CHARITY REGISTRATION NUMBER: 1085485

The Academy of Ancient Music
Company Limited by Guarantee
Financial Statements
31 August 2017



The Academy of Ancient Music

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2017

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The Academy of Ancient Music

Company Limited by Guarantee

Chairman's Statement

Year ended 31 August 2017

I am pleased to report another artistically strong year for the Academy of Ancient Music (in concert, on digital formats, and in our education and outreach projects), though finances are challenging. The music we perform is some of the most powerful and personal ever written. It came from the minds of some extraordinary individuals, and moved audiences like nothing before. The AAM recaptures that feeling with skill, scholarship, and passion, and the reactions of our audiences tell us that they too are moved by AAM's compelling period performance. We continue to deliver a season of outstanding concerts and to look to take our music outside the concert hall to reach new audiences and listeners wherever they may be.

In a year of change, our leader, Pavlo Beznosiuk, stepped down from his position in August 2017. We are hugely indebted to Pavlo for his long association with the Academy of Ancient Music, and the significant contribution he has made to our musical life as an ensemble. Pavlo first toured with AAM in 1985, and since then has appeared frequently with the orchestra as a soloist and as a director, going on to lead AAM for the last ten years. Pavlo's extensive recording output is a testament to his fine musicianship, and with AAM includes Handel's Solo and Trio Sonatas with Richard Egarr; Vivaldi's Violin Concertos Op.12 with Christopher Hogwood; and most recently Bach's *St. Matthew Passion* and Dario Castello: *Sonata Concertate In Stil Moderno, Libro Primo* released on AAM Records.

We are delighted to have appointed Bojan Čičić as Pavlo's successor from April 2018. Bojan has played with AAM for several years and is well-known and liked by players and audiences alike. He is a first-rate violinist, a consummate musician and an excellent leader.

Alexander Van Ingen joined us in April 2017 as our new Chief Executive. Alexander was previously at Decca Classics (a part of Universal Music) where he was Executive Producer, Artists & Repertoire, looking after the recording careers of artists such as Janine Jansen, Nicola Benedetti, Andreas Scholl, Joseph Calleja and Benjamin Grosvenor. We would like to thank our outgoing Chief Executive, Edward Hossack, for his service to the AAM.

Terry Sinclair stood down from the position of Chairman of Trustees shortly after our financial year-end after five years of dedicated service in the role. We are delighted that he has agreed to continue to serve on the AAM board, and thank him for his extraordinary dedication to the organisation in his role as Chairman. I am honoured to have been chosen by the trustees to succeed Terry.

Prof. Robert Levin began his role as our inaugural Hogwood Fellow, writing enlightening programme notes, delivering pre-concert talks and performing at the fortepiano. His role continues until the end of the 17-18 season, which will see him additionally contribute to video and other content around his specialisms of Mozart reconstruction and cadenza improvisation and directing from the keyboard.

I congratulate our Music Director, Richard Egarr, and our wonderful musicians for enabling the Academy of Ancient Music to play a vibrant role in international music making. The standard of our music making is exceptional and the reputation the orchestra and choir enjoy is testament to their work, and I thank all our staff for their behind-the-scenes dedication.

The AAM has become one of the most listened-to period ensembles online, and we seek to make the most of this port of access to us for listeners across the world. The future of online search is moving towards video, and we have ambitious plans to ensure that our music is at the forefront of that. More people now have more access to music online than ever before, thanks to the popularity and growth of online streaming services such as Spotify. We are actively planning to make best advantage of the opportunities this can represent.

The Academy of Ancient Music

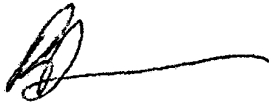
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Chairman's Statement *(continued)*

Year ended 31 August 2017

I would also like to thank my colleagues on the Board for their energy and diligence, and our Development Board for their dedicated support. I am grateful to our Nominations and Audit and Risk Committees for their invaluable work, and I would like to thank the AAM Council for their guidance under Christopher Purvis, our Honorary President.

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



Philip Jones
Chairman, Academy of Ancient Music

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2017

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 2017.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name The Academy of Ancient Music

Charity registration number 1085485

Company registration number 04109942

Trustees as at 31 August 2017

Hugh Burkitt	2*, 3
Matthew Ferrey	
Philip Jones	2, 3*
Graham Nicholson	1, 2
John Reeve	1*, 3
Terence Sinclair (chair)	2, 3
Madeleine Tattersall	3
Janet Unwin	1, 3

1 = member of Audit and Risk committee as at 31 August 2017

2 = member of nominations committee as at 31 August 2017

3 = member of development board as at 31 August 2017

* indicates chairman of committee as at 31 August 2017

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 (to October 2017)
Anthony Brice (from October 2017)

Principal office and registered office 11b King's Parade
Cambridge
CB2 1SJ

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

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

REFERENCE AND ADMINISTRATIVE DETAILS *(continued)*

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

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

Richard Bridges	(resigned 1 November 2016)
Hugh Burkitt	
Matthew Ferrey	
Alistair Hunter	(resigned 2 May 2017)
Philip Jones	
Graham Nicolson	
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.

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. 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.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

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.

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 2017, the Development Board comprised Delia Broke, Hugh Burkitt, Elizabeth de Friend, Andrew Gairdner, Peter Hullah, Philip Jones (chair), Roger Mayhew, Annie Middlemiss, Craig Nakan, John Reeve, Chris Rocker, Terence Sinclair, Madeleine Tattersall and Janet Unwin.

The Development Board met twice during the year to receive an update on the orchestra's progress from the Chief Executive and the Chairman, and to offer counsel on future fundraising initiatives. Development Board members also:

- gain an understanding of the orchestra's 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 Nominations Committee and Development Board Chairman. In March 2018 the Fundraising committee and Development Board merged, with a view to increased efficiency. The resultant Development Board, chaired by its new chair, Elizabeth de Friend, will now meet four times a year, with a view to driving the organisation's fundraising activities with increased vigour and insight.

All Trustees and Development Board members give generously to the orchestra, and by doing so encourage others to do the same. Trustees contribute generously in accordance with their means

Fundraising committee

The Fundraising Committee is a committee of the Board of Trustees and Development Board. 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 Fundraising committee was merged with the Development board in March 2018.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

AAM council

The AAM Council, which brings together individuals involved with the AAM as ambassadors, advisers and major donors, 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 updates from the Chief Executive or the Chairman, and may 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 4 additional staff, an Artistic consultant, a PR consultant, and Finance consulting.

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

Another year of achievement, the 16-17 season included a significant BBC Prom performance, the celebration of Richard Egarr's 10th anniversary as Music Director, tours across the UK and Europe, the release of three recordings made previously, the start of a Purcell opera cycle in co-production with the Barbican, London, and the start of a new relationship with The Grange Festival in Hampshire, along with the development of partnerships old and new.

Achievements and highlights

- We gave 36 concerts in 16 UK venues, and 7 international concerts in 5 countries, and sold significantly discounted tickets at all our own-promotion concerts priced at £5 to allow greater access to music.
- Our social media following continues to grow rapidly; rewarding this loyal audience with an increased digital presence through videos and online streaming is a priority for the coming year.
- AAM's recordings are strongly followed and listened to online. On the largest music streaming platform, Spotify, we have 9,743 followers, and our music was streamed more than 26 million times during the season. August alone saw nearly one million listeners across the world stream 1.98 million pieces of music. We are capitalising on the opportunity online streaming presents to distribute our music and have more recently launched a *Strategic Recording Fund* to enable us to record more music more frequently for this medium.
- We have reached several hundred individuals with our *AAMplify* education activities, including delivering interactive performances to pupils from primary, secondary and special schools and both coaching and side-by-side training with students in tertiary education.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 August 2017

OBJECTIVES AND ACTIVITIES (continued)

Achievements and highlights (continued)

We continue to develop our London concert series as Associate Ensemble at the Barbican Centre. The season began with another great collaboration with the Barbican with the start of a three-year cycle of Purcell operas, beginning with *The Fairy Queen*, which saw talented young director Daisy Evans working alongside narrator Timothy West and a cast of soloists including the exceptional countertenor Iestyn Davies. Iestyn Davies also joined AAM for two concerts in August at the Edinburgh International Festival. Audiences continue to grow for our own-promotion series at the Barbican's Milton Court, where James Gilchrist's AAM directoral debut was a particular highlight, along with Richard Egarr's fortepiano concerto performance in May. Concerts abroad (a *Messiah* tour in Germany and Holland, violin and soprano-led programmes in the Canary Islands and in Spain, the Mozart Festival in Poland and Utrecht Early Music Festival) continue to expand AAM's audience reach. We were excited to inaugurate the new Grange Festival under the directorship of Michael Chance, performing Monteverdi's *Il ritorno d'Ulisse in patria*, and look forward to performing for more operas at this festival in future years.

Audience development

London and Cambridge attendance surpassed 8,700, with a healthy continuation of subscriptions (greater than 90%) in Cambridge. We are developing an increasingly loyal audience for our concerts at Milton Court Concert Hall. Online our audience continues to increase, and as streaming services open up in more parts of the world we look forward to encouraging new audiences to engage with the Academy of Ancient Music in this way.

As Associate Ensemble at the Barbican Centre we collaborated with the Barbican and its other Resident and Associate orchestras in the second 'Sound Unbound' weekend festival, with performances across the Barbican campus to a substantial audience. Post-event data concluded that the significant majority of visitors were new to classical music and to the Barbican, and the weekend was considered to be a substantial success. It is planned to be repeated in spring 2019.

AAM Records, broadcast and digital activity

In addition to AAM's concert work, three recordings were released during the course of the season: Book 1 of '*Sonatas In Stil Moderno*' by Dario Castello on the AAM Records label [AAM005] ("A joy for ear and spirit" Gramophone; "a well recorded, enterprising release." Classical Music, both 5*); Bach's *St John Passion* with the Choir of King's College Cambridge [KGS0018]; and *Jubilo* with internationally renowned trumpeter Alison Balsom for Warner Classics [Warner Classics 9029592465].

We have maintained a profile through broadcasts on BBC Radio 3 and ClassicFM, and seen good growth for our digital activity, with increasing numbers of followers on social media such as Facebook, and on audio streaming services such as Spotify.

AAMplify

Our AAMplify education and outreach programme continues to develop.

Our partnerships with the Guildhall School of Music and Drama (GSMD), University of Cambridge and Royal Northern College of Music (RNCM) continue, as does work 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 in a return visit in July with AAM musicians tutoring and performing with students from the GSMD. In February we undertook a substantial side-by-side project with students from the Royal Welsh College of Music and Drama (RWCMD) and Mid-Wales Opera, culminating in an eight-concert tour of Handel's *Semele* across Wales.

We continue to work with Collegium Musicum in Cambridge and at the RNCM in Manchester. We also continue to work with schools in Cambridgeshire and the Fitzwilliam Museum as part of our commitment to the region where we are based.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

OBJECTIVES AND ACTIVITIES *(continued)*

AAMplify *(continued)*

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 at all our own-promotion concerts.

FINANCIAL REVIEW

AAM receives no public funding and is entirely reliant on generated income and voluntary giving. We are fortunate to have the benefit of a substantial bequest from the late Christopher Hogwood, without which our position would be challenging. While reserves stand at £1,261,836 at year end, we have run a significant deficit across the season, and will do so across the next two seasons. While we re-vitalise our structure, we believe it critical that we maintain our level and exceptional quality of artistic output, since this will firm up the base on which we can build future success.

We finished the year with a net deficit of £144,133. Total income amounted to £1,098,569 and expenditure to £1,242,702.

Fundraising

Having lacked a Head of Development during much of the year this report covers, voluntary income has slipped. However, we were pleased to appoint Ellen Parkes as our Development Manager at the end of 2017. We are hugely grateful to the Trusts and Foundations whose multi-year grants have sustained us through this period, whilst being conscious that much of this support is due to cease in the near future. Voluntary income for the year, comprising grants from trusts and foundations, and gifts from individual donors, stood at £290,838.

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.

We are equally grateful to our family of individual donors, without whose support we would not be able to deliver the successful artistic results we do.

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 £350,000 currently.

Total unrestricted reserves at 31 August 2017 were £1,261,836, but this includes £909,552 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. £155,000 of this fund was utilised in the year. General unrestricted funds at 31 August 2017 were £352,284.

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 Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 August 2017

PUBLIC BENEFIT STATEMENT (continued)

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 heavily discounted tickets
- Freely accessible video content (via the AAM website and YouTube)
- 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 ticket holders
- 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 its core strategies:

- 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 further developing our AAMplify programme; and
- 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 three seasons at the Barbican have proved a success, with the residency allowing the development of the orchestra's aspirations, aims and achievements. The flexibility of the main stage at the Barbican and the smaller concert hall at Milton Court allows for a variety of programming, and the orchestra is able to plan its 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, starting a three-year Purcell cycle this year, concluding in September/October 2018. We intend that the Choir of AAM will perform with the orchestra at least twice per season.

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.

The Academy of Ancient Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

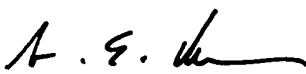
Each of the persons who is a trustee at the date of approval of this report confirms that:

- 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.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 25.V.2018 and signed on behalf of the board of trustees by:


.....
Anthony Brice
Secretary

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 2017

Opinion

We have audited the financial statements of The Academy of Ancient Music (the 'charity') for the year ended 31 August 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

The Academy of Ancient Music

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

Year ended 31 August 2017

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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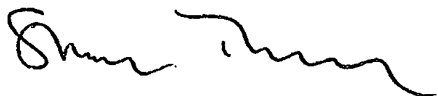
Independent Auditor's Report to the Members of The Academy of Ancient Music *(continued)*

Year ended 31 August 2017

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Mr Shane Tharby (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered accountant & statutory auditor
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

25 May 2018

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 August 2017

		Unrestricted funds	2017 Restricted funds	Total funds	2016 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	283,588	7,250	290,838	502,394
Charitable activities	6	802,928	–	802,928	636,048
Investment income	7	4,803	–	4,803	6,431
Total income		<u>1,091,319</u>	<u>7,250</u>	<u>1,098,569</u>	<u>1,144,873</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8,9	6,095	–	6,095	107,716
Expenditure on charitable activities	8,9	1,229,357	7,250	1,236,607	1,128,455
Total expenditure		<u>1,235,452</u>	<u>7,250</u>	<u>1,242,702</u>	<u>1,236,171</u>
Net expenditure and net movement in funds		<u>(144,133)</u>	<u>–</u>	<u>(144,133)</u>	<u>(91,298)</u>
Reconciliation of funds					
Total funds brought forward		1,405,969	–	1,405,969	1,497,267
Total funds carried forward		<u>1,261,836</u>	<u>–</u>	<u>1,261,836</u>	<u>1,405,969</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Financial Position

31 August 2017

		2017		2016	
		£	£	£	£
Fixed assets					
Tangible fixed assets	12		3,096		2,867
Current assets					
Stocks		21,649		19,985	
Debtors	13	249,566		108,869	
Cash at bank and in hand		1,275,929		1,554,530	
		<u>1,547,144</u>		<u>1,683,384</u>	
Creditors: amounts falling due within one year	14	<u>243,404</u>		<u>183,615</u>	
Net current assets			<u>1,303,740</u>		<u>1,499,769</u>
Total assets less current liabilities			<u>1,306,836</u>		<u>1,502,636</u>
Creditors: amounts falling due after more than one year	15		45,000		96,667
Net assets			<u>1,261,836</u>		<u>1,405,969</u>
Funds of the charity					
Unrestricted funds			1,261,836		1,405,969
Total charity funds	17		<u>1,261,836</u>		<u>1,405,969</u>

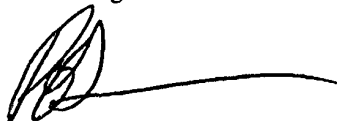
For the year ending 31 August 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 25/5/18, and are signed on behalf of the board by:



Philip Jones
Trustee

The notes on pages 17 to 26 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2017

	2017 £	2016 £
Cash flows from operating activities		
Net expenditure	(144,133)	(91,298)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	1,562	1,433
Other interest receivable and similar income	(4,803)	(6,431)
Accrued income	41,406	–
<i>Changes in:</i>		
Stocks	(1,664)	(2,604)
Trade and other debtors	(140,697)	680,049
Trade and other creditors	(33,284)	(43,071)
Cash generated from operations	(281,613)	538,078
Interest received	4,803	6,431
Net cash (used in)/from operating activities	<u>(276,810)</u>	<u>544,509</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,791)	(4,300)
Net cash used in investing activities	<u>(1,791)</u>	<u>(4,300)</u>
Net (decrease)/increase in cash and cash equivalents	(278,601)	540,209
Cash and cash equivalents at beginning of year	1,554,530	1,014,321
Cash and cash equivalents at end of year	<u>1,275,929</u>	<u>1,554,530</u>

The notes on pages 17 to 26 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2017

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 11b King's Parade, Cambridge, CB2 1SJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 September 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no significant judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

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 subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

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

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

Investment income is included when receivable.

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

Expenditure

Resources expended are primarily fundraising costs which include the direct costs of fundraising and other related publicity costs.

Operating leases

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

Tangible assets

Tangible assets are initially recorded at cost.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Depreciation

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

Office equipment - 33% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price, 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.

Foreign exchange

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Defined contribution plans

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.

4. Limited by guarantee

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

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2017

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Individual donors, including AAM Society members	153,590	–	153,590
Legacies	5,000	–	5,000
Grants from charitable trusts and other bodies	124,998	7,250	132,248
	<u>283,588</u>	<u>7,250</u>	<u>290,838</u>

	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>

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.

6. Charitable activities

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Concert income	620,539	620,539	621,025	621,025
CD sales and royalties	77,409	77,409	13,462	13,462
Orchestra tax relief	104,782	104,782	–	–
Miscellaneous income	198	198	1,561	1,561
	<u>802,928</u>	<u>802,928</u>	<u>636,048</u>	<u>636,048</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Bank interest receivable	4,803	4,803	6,431	6,431

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2017

8. Expenditure

Expenditure on charitable activities	Unrestricted Funds	Restricted Funds	Total Funds 2017
	£	£	£
Direct costs of performances, recordings & education	827,822	7,250	835,072
Support costs	353,018	–	353,018
	<u>1,180,840</u>	<u>7,250</u>	<u>1,188,090</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2016
	£	£	£
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>
Expenditure on raising funds	Unrestricted Funds	Restricted Funds	Total Funds 2017
	£	£	£
Direct costs of performances, recordings & education	6,095	–	6,095
Support costs	48,517	–	48,517
	<u>54,612</u>	<u>–</u>	<u>54,612</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2016
	£	£	£
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>
Total expenditure – all activities	Unrestricted Funds	Restricted Funds	Total Funds 2017
	£	£	£
Direct costs of performances, recordings & education	833,917	7,250	841,167
Support costs	401,535	–	401,535
	<u>1,235,452</u>	<u>7,250</u>	<u>1,242,702</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2016
	£	£	£
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>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2017

9. Support Costs

	Allocated to cost of raising funds £	Allocated to charitable activities £	Total Funds 2017 £
Staff costs and related expenses	20,516	241,011	261,527
Premises	9,142	36,570	45,712
Other costs	18,859	75,437	94,296
	<u>48,517</u>	<u>353,018</u>	<u>401,535</u>

	Allocated to cost of raising funds £	Allocated to charitable activities £	Total Funds 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>

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

Other costs include:

	2017 £	2016 £
Depreciation of tangible fixed assets	1,562	1,433
Foreign exchange differences	(6,328)	(12,447)
Fees payable for the audit of the financial statements	<u>5,100</u>	<u>3,519</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2017

10. Staff costs

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

	2017	2016
	£	£
Wages and salaries	193,043	249,296
Social security costs	17,175	22,633
Employer contributions to pension plans	4,594	969
	<u>214,812</u>	<u>272,898</u>

The average head count of employees during the year was 5 (2016: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2017	2016
	No.	No.
Management	2	2
Administration	2	4
Direct charitable	1	2
	<u>5</u>	<u>8</u>

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

	2017	2016
	No.	No.
£60,000 to £69,999	<u>-</u>	<u>1</u>

11. Trustee remuneration and expenses

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

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2017

12. Tangible fixed assets

	Office Equipment £
Cost	
At 1 September 2016	16,965
Additions	1,791
At 31 August 2017	18,756
Depreciation	
At 1 September 2016	14,098
Charge for the year	1,562
At 31 August 2017	15,660
Carrying amount	
At 31 August 2017	3,096
At 31 August 2016	2,867

13. Debtors

	2017 £	2016 £
Trade debtors	79,049	73,026
Prepayments and accrued income	138,394	23,246
Other debtors	32,123	12,597
	249,566	108,869

14. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	36,146	10,692
Accruals and deferred income	146,742	164,277
Social security and other taxes	9,511	7,618
Other creditors	51,005	1,028
	243,404	183,615

Accruals and deferred income includes £136,216 (2016: £142,250) of voluntary income for expenditure in the 2017-2018 concert season (2016: 2016-17 concert season).

15. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Accruals and deferred income	45,000	96,667

This represents income in relation to the 2018-19 and later concert seasons (2016: 2017-18 and beyond).

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2017

16. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,594 (2016: £969).

17. Analysis of charitable funds

Unrestricted funds

	At 1 September 2016 £	Income £	Expenditure £	Transfer	At 31 August 2017 £
Designated funds	1,064,552	–	–	(155,000)	909,552
General funds	341,417	1,091,319	(1,235,452)	155,000	352,284
	<u>1,405,969</u>	<u>1,091,319</u>	<u>(1,235,452)</u>	<u>–</u>	<u>1,261,836</u>

The Trustees have designated the legacy received from Christopher Hogwood as a fund to be used 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. For the year ended 31 August 2017 £155,000 was transferred for this purpose.

Restricted funds

	At 1 September 2016 £	Income £	Expenditure £	At 31 August 2017 £
Newby Trust	<u>–</u>	<u>7,250</u>	<u>(7,250)</u>	<u>–</u>

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

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2017

18. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£
Tangible fixed assets	3,096	3,096	2,867
Current assets	1,547,144	1,547,144	1,683,384
Creditors less than 1 year	(243,404)	(243,404)	(183,615)
Creditors greater than 1 year	(45,000)	(45,000)	(96,667)
Net assets	<u>1,261,836</u>	<u>1,261,836</u>	<u>1,405,969</u>

19. Operating lease commitments

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

	2017	2016
	£	£
Not later than 1 year	26,040	9,160
Later than 1 year and not later than 5 years	91,140	–
	<u>117,180</u>	<u>9,160</u>

20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 September 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.