

COMPANY REGISTRATION NUMBER: 04109942
CHARITY REGISTRATION NUMBER: 1085485

The Academy of Ancient Music
Company Limited by Guarantee
Financial Statements
31 August 2018



The Academy of Ancient Music

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2018

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The Academy of Ancient Music

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Chair's Statement

Year ended 31 August 2018

It has been a busy year for the Academy of Ancient Music. Our artistic standards have remained high and we have received consistently outstanding praise from audiences and critics alike. Our concerts have been well attended, and our recordings are being listened to online by increasing numbers of people around the world.

With its clear focus on Baroque and Early Classical repertoire, AAM seeks to explore, preserve and reveal some of the most powerful music ever written. It came from the minds of some extraordinary individuals and moved audiences of the time 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 are particularly proud that AAM is now the most listened-to period instrument ensemble online, seeing over 26 million streams on Spotify alone from listeners in 65 countries. Apple Music, Spotify, Deezer and other platforms expand AAM's audience to areas we cannot reach with traditional concerts, and it is gratifying to know that so many people avidly consume our music. 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 and more people are gaining high-speed access online, which allows high-quality video streaming, and we are actively planning to take best advantage of the opportunities this can represent, starting to produce music videos of both popular repertoire and undeservedly neglected works.

AAM's education and outreach programme, AAMplify, undertook its biggest project to date, working with 60 children from five schools to explore Handel's Messiah, and create a new piece in response – performed in front of a capacity audience at the Barbican. Other projects included work in schools, with the Fitzwilliam Museum, and with Addenbrookes Hospital, performing live to those who are unable to come to us.

We were delighted to appoint Bojan Čičić as AAM's leader in April 2018. Bojan has played with AAM for several years and is well-known and admired by players and audiences alike. A first-rate violinist, he has established himself as an excellent leader of the orchestra.

During the year we sought to strengthen the board by recruiting four new members with specific skill sets in particular in the areas of Finance, Music Business and Music Education. Before the year-end we welcomed Paul Baumann CBE and Ashutosh Khandekar, and since then Kim Waldock and Elizabeth de Friend have also joined. I am delighted to welcome our new colleagues to the AAM Board.

Prof. Robert Levin continued his role as our inaugural Hogwood Fellow, writing enlightening programme notes, delivering pre-concert talks and performing at the fortepiano. Across the season he additionally contributed to video and audio content around his specialisms of Mozart reconstruction and cadenza improvisation, and we look to continue our long-standing relationship after his fellowship comes to an end. We are delighted that Sandy Burnett, the eminent broadcaster, has agreed to be his successor.

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 their music making is exceptional, and the reputation the orchestra and choir enjoy is testament to their work. During the year we announced that Richard will stand down after the 2020-21 season, having been in post for 15 years. I would like to express my thanks and those of the trustees for his outstanding leadership and music-making over this period. I also thank all our staff for their behind-the-scenes dedication.

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.

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Chair's Statement *(continued)*

Year ended 31 August 2018

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 and the rest of the UK, on tour abroad, and through radio broadcasts, CDs and online. We are extremely grateful to our donors – individuals, trusts and foundations – without whom our music could not happen. AAM receives no Arts Council or other state subsidy, and our supporters have enabled us to sustain our work for another successful year. We look forward very much to the year ahead.



Philip Jones
Chair, Academy of Ancient Music

The Academy of Ancient Music

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

Year ended 31 August 2018

The Trustees, who are also the 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 2018.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name The Academy of Ancient Music

Charity registration number 1085485

Company registration number 04109942

The Trustees

The trustees who served the charity during the period and those who are currently serving are as follows:

Paul Baumann CBE	1	Appointed 28 June 2018
Hugh Burkitt	2*, 3	
Matthew Ferrey		Resigned 7 February 2019
Elizabeth de Friend	3*	Appointed 7 February 2019
Philip Jones (Chair)	2, 3	
Ashutosh Khandekar		Appointed 28 June 2018
Graham Nicholson	1, 2	
John Reeve	1*	
Terence Sinclair	2, 3	
Madeleine Tattersall	3	
Janet Unwin		
Kim Waldock		Appointed 26 September 2018

1 = member of Audit and Risk committee as at 31 August 2018

2 = member of nominations committee as at 31 August 2018

3 = member of development board as at 31 August 2018

* indicates Chair of committee as at 31 August 2018

Honorary President Christopher Purvis CBE

Chief Executive Alexander Van Ingen

Music Director Richard Egarr

Founder Christopher Hogwood CBE

Secretary John Reeve (to 4 October 2017)
Anthony Brice (from 5 October 2017)

Registered office 11b King's Parade
Cambridge
CB2 1SJ

Auditors Streets Audit LLP
Chartered Accountants & 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 2018

REFERENCE AND ADMINISTRATIVE DETAILS *(continued)*

Bankers	Lloyds Bank Plc Gonville Place Branch 95 Regent Street Cambridge CB2 1BQ
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and governing instrument

The Academy of Ancient Music (AAM) is a charitable company limited by guarantee, incorporated on 17 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 Alexander Van Ingen, Chief Executive, have standing invitations to Board meetings and other 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 Chair, the Chair of the Nominations Committee, existing Trustees and the Chief Executive. One third of all Trustees must retire annually and may offer themselves for re-election.

Nominations Committee

The Nominations Committee is a 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.

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, financial reporting and internal controls of the organisation, and it makes recommendations to the Board on any changes that are required. Working with the executive, it reviews significant risks, 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.

In addition to the detailed scrutiny undertaken by the Audit and Risk Committee, the whole Board regularly reviews financial performance and risk. 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 (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Development Board

The Development Board is separate from the Board of Trustees and brings together AAM supporters who are actively engaged in introducing potential donors and raising funds for the orchestra. As at 31 August 2018, the Development Board comprised Elise Badoy Dauby, Hugh Burkitt, Elizabeth de Friend (chair), Andrew Gairdner, Peter Hullah, Philip Jones, Agneta Lansing, Roger Mayhew, Craig Nakan, Chris Rocker, Terence Sinclair, and Madeleine Tattersall.

We were sorry to have news of Annie Middlemiss' death whilst abroad. Annie was an enthusiastic and passionate supporter of AAM whose work on the Development Board was much appreciated; she will be sorely missed.

The Development Board met twice during the year. Development Board members:

- gain an understanding of the orchestra's workings by attending rehearsals as well as concerts, trips and supporter events;
- act as ambassadors and advocates for the orchestra by introducing potential supporters to its work;
- serve on working parties established by the Development Board, to work on specific fundraising projects as appropriate from time to time;
- support the executive fundraising staff in their work.

Members are appointed for three-year terms of office by the Board of Trustees on the recommendation of the Nominations Committee and Development Board Chair. 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.

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 Chair, 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 Chair 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, the Deputy Chair and/or Head of Nominations Committee similarly reviews the performance of the Chair.

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 7 additional staff (5.8 Full Time Equivalents), 2 marketing consultants (0.8 FTE) and a PR consultant.

The Academy of Ancient Music

Company Limited by Guarantee

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

Year ended 31 August 2018

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 17-18 season included a return to the Edinburgh International Festival, the continuation of our Purcell opera cycle in co-production with the Barbican, London, the development of our relationship with The Grange Festival in Hampshire, the start of new partnerships with both Tenebrae and VOCES8, a series of highly successful concerts with Nicola Benedetti, our biggest *AAMplify* education project to date, and the further development of partnerships old and new.

Achievements and highlights

- We gave **43** concerts in **24** venues, growing our presence in areas of the UK outside London, and we sold significantly discounted tickets at all our own-promotion concerts priced at £5 to allow greater access to music for young people and students.
- Our social media following continues to grow rapidly as we reward this loyal audience by prioritising growth in our digital presence through videos and online streaming.
- AAM's recordings are strongly followed and listened to online. On the largest music streaming platform, Spotify, we have **14,000** followers – 58% of whom are under 34 years old (28% under 27) – an increase of nearly 5,000 from last year. Our music was streamed more than **26 million** times during the season. We are capitalising on the opportunity online streaming and viewing presents by creating full-length music videos and new recordings which we began to release towards the end of the year.
- We undertook our biggest *AAMplify* education project to date, with an exploration of Handel's *Messiah*, and we have continued to increase the impact of our *AAMplify* outreach activities, reaching several hundred individuals.

We continue to develop our London concert series as Associate Ensemble at the Barbican Centre. The season began with another excellent collaboration with the Barbican – *King Arthur*, directed by Daisy Evans – as the second in our three-year cycle of Purcell operas. Narrator Ray Fearon joined a cast led by the superb soprano Louise Alder, countertenor Reginald Mobley and bass-baritone Ashley Riches. Audiences continue to grow for our own-promotion series at the Barbican's Milton Court, and Cambridge's West Road, which featured AAM's Principal Oboe Frank de Bruine in a programme focused on European musical cross-fertilisation ('Italy in England'); Carolyn Sampson with Richard Egarr celebrating the mastery of English composers ('Bless'd Isle'); an exploration of the reversed fortunes of Bach & Telemann featuring AAM's principal players in solo roles; and a deeply moving programme entitled 'Mortal Voices' – music by Pergolesi, Corelli and Handel with soprano Keri Fuge and countertenor Tim Mead, directed by Christian Curnyn. Bach's *St John Passion* formed a mid-season highlight at the Barbican, directed by guest Riccardo Minasi and continuing our collaboration from the previous season with Iestyn Davies. We ended the season with works by Dussek (including his Piano Concerto in G minor) alongside Haydn Symphonies, and with six fully-staged performances of Handel's *Agrippina* at The Grange Festival, which attracted superb reviews.

The Academy of Ancient Music

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

Year ended 31 August 2018

OBJECTIVES AND ACTIVITIES *(continued)*

Concert activity took us to numerous new venues, including the British Museum, Chiltern Arts Festival (establishing ourselves as Orchestra in Residence), Dorchester Abbey, Milton Abbey, Saffron Hall, Bury St Edmunds Cathedral, and saw AAM return to The Apex at Bury St. Edmunds (becoming Orchestra in Residence), Truro's Hall for Cornwall, and the Bath Assembly Rooms. We undertook four concerts at LSO St. Luke's, all broadcast on BBC Radio 3, and opened the Edinburgh International Festival with Nicola Benedetti at Queen's Hall, Edinburgh (about which The Times wrote *"With due respect to Simon Rattle et al, I will be amazed if the music programme at this year's Edinburgh International Festival produces anything more electrifying than the first piece played on the first morning"*).

We became a Partner organisation for London's Culture Mile Network, assisting in ambitious plans to regenerate this area of London with culture; and we began new partnerships with Tenebrae and VOCES8. We believe that together our combined brands and artistic excellence can have a demonstrably positive appeal to audiences, and our first concerts together across this season have been musically satisfying and very well received.

Audience development

Attendance at AAM own-promoted concerts in London and Cambridge attendance surpassed 10,500, with a healthy core of subscribers in Cambridge. We continue to develop a 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.

We continue to develop the resources we offer our audiences, both at our self-promoted concerts and in what we can offer promoters for their audiences. These resources include free pre-concert talks, online playlists, pre- and post-concert and engaging programme notes, available online in advance (together with links to relevant resources) as well as freely available in print at concerts. We also encourage our audience to give us their feedback through post-concert surveys online and on printed cards at concerts.

AAM Records, broadcast and digital activity

In addition to AAM's concert work, we recorded several albums for later release for Decca, LINN, Signum, and our own label, AAM Records. In partnership with The Grange Festival we were also able to film our performance of Handel's *Agrippina* there to use promotionally in due course.

The year saw one brand new release, an album of Vivaldi & Handel featuring soprano Grace Davidson [SIGCD537], (*"By turns achingly lyrical and sprinkled with vocal fireworks, Handel's motets present a winning showcase for a soprano such as Davidson"* BBC Music Magazine), and Decca re-released eight albums featuring AAM (alongside Dame Emma Kirkby; in Handel's *Alceste*; *Athalia*; and in other repertoire).

AAM appeared on BBC's *Newsnight* and *Today* programmes in support of our *St John Passion* at the Barbican and featured on BBC Radio 3's *In Tune* on several occasions during the year. Concerts in Cambridge and Edinburgh were broadcast on BBC Radio 3, along with four concerts from St. Luke's in London. As noted elsewhere in this report, we have 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.

The Academy of Ancient Music

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

Year ended 31 August 2018

OBJECTIVES AND ACTIVITIES (continued)

AAMplify

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, and in Cambridge we engaged with the Fitzwilliam Museum and Addenbrookes Hospital to take our music to those who cannot readily access it.

In London, composer and animateur Hannah Conway, together with AAM musicians, worked with 60 pupils from five schools to explore contemporary meaning in Handel's *Messiah*, with pupils creating their own piece in response. Performed in front of a capacity audience at London's Barbican, the new work *A Young, Known Voice* proved a profound experience for both performers and audience, with pupils then remaining on stage for a full performance of Handel's *Messiah* by AAM.

Over and above the performance activities of the AAMplify programme itself, heavily 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 extremely challenging. The financial flexibility provided by this bequest enables us to maintain our level of artistic ambition and our commitment to exceptional artistic quality whilst we build our income base and at the same time further reduce our costs.

We finished the year to August 2018 with a net deficit of £108,569. Total income amounted to £1,139,358 and expenditure to £1,247,927.

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 of at least six months' support costs and three months' expenditure on own-promotion concerts. This amounts to approximately £340,000 currently.

Total unrestricted reserves at 31 August 2018 were £1,134,467, which includes £764,552 remaining from the legacy received from the orchestra's founder, Christopher Hogwood, which the trustees have designated as a special fund to be used to support activities which would not otherwise be possible. £145,000 of this fund was utilized in the year. General unrestricted funds at 31 August 2018 were £369,915.

In addition, we have £18,800 in restricted funds available for strategic recording projects.

The Academy of Ancient Music

Company Limited by Guarantee

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

Year ended 31 August 2018

FINANCIAL REVIEW *(continued)*

Fundraising

We were pleased to appoint Ellen Parkes as our Development Manager at the end of 2017, having been without someone in post for significantly over a year. Ellen has had a substantial task to bring our fundraising up-to-date, and we are pleased that she has managed this with aplomb. We are hugely grateful to the trusts and foundations whose grants have sustained us through this interim period, whilst being conscious that much of this support has ceased during 17-18. Voluntary income for the year, comprising grants from trusts and foundations, and gifts from individual donors, stood at £393,249.

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 John Armitage Charitable Trust, Dunard Fund, J Paul Getty Jnr Charitable Trust, 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.

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 performed and recorded to the highest standard and by nurturing young audiences, artists and aspiring 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 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;
- Free programmes made available online, and in print 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.

FUTURE PLANS

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;
- keeping baroque and classical music alive for a mass global audience by investing in our own digital content through AAM Records and making use of online platforms to distribute that content, whilst also enhancing our traditional channels of communication, including recording for other labels;
- educating and nurturing the audiences, artists and arts managers of the future by further developing our AAMplify programme;
- developing the AAM even further as a first-class organisation capable of achieving its ambitious vision.

The Academy of Ancient Music

Company Limited by Guarantee

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

Year ended 31 August 2018

FUTURE PLANS *(continued)*

Music Director

With Richard Egarr due to step down in late 2021, the process to appoint a new music director is well under way. We have a developing shortlist of exceptional candidates from a strong field, with whom we are actively engaged.

Record label

The catalogue of releases on AAM Records now includes six recordings, which are popular with radio and streaming listeners alongside our general recorded catalogue on other labels of several hundred albums. Plans exist and are being developed for future recordings, with the intention of releasing at least one full album 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 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.

The Academy of Ancient Music

Company Limited by Guarantee

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

Year ended 31 August 2018

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 **29.3.2019** 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 2018

Opinion

We have audited the financial statements of The Academy of Ancient Music (the 'charity') for the year ended 31 August 2018 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2018 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

Company Limited by Guarantee

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

Year ended 31 August 2018

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.

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 2018

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.

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.



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

11 April 2019

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

Year ended 31 August 2018

		Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	328,260	64,989	393,249	290,838
Charitable activities	6	740,701	–	740,701	802,928
Investment income	7	5,408	–	5,408	4,803
Total income		<u>1,074,369</u>	<u>64,989</u>	<u>1,139,358</u>	<u>1,098,569</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8, 9	105,487	–	105,487	54,612
Expenditure on charitable activities	8, 9	1,096,251	46,189	1,142,440	1,188,090
Total expenditure		<u>1,201,738</u>	<u>46,189</u>	<u>1,247,927</u>	<u>1,242,702</u>
Net expenditure and net movement in funds		<u>(127,369)</u>	<u>18,800</u>	<u>(108,569)</u>	<u>(144,133)</u>
Reconciliation of funds					
Total funds brought forward		1,261,836	–	1,261,836	1,405,969
Total funds carried forward		<u>1,134,467</u>	<u>18,800</u>	<u>1,153,267</u>	<u>1,261,836</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 18 to 26 form part of these financial statements.

The Academy of Ancient Music

Company Limited by Guarantee

Statement of Financial Position

31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	12	1,089	3,096
Current assets			
Stocks		–	21,649
Debtors	13	250,439	249,566
Cash at bank and in hand		1,111,523	1,275,929
		<u>1,361,962</u>	<u>1,547,144</u>
Creditors: amounts falling due within one year	14	<u>206,784</u>	<u>243,404</u>
Net current assets		<u>1,155,178</u>	<u>1,303,740</u>
Total assets less current liabilities		<u>1,156,267</u>	<u>1,306,836</u>
Creditors: amounts falling due after more than one year	15	<u>3,000</u>	<u>45,000</u>
Net assets		<u><u>1,153,267</u></u>	<u><u>1,261,836</u></u>
Funds of the charity			
Restricted funds		18,800	–
Unrestricted funds		<u>1,134,467</u>	<u>1,261,836</u>
Total charity funds	17	<u><u>1,153,267</u></u>	<u><u>1,261,836</u></u>

For the year ending 31 August 2018 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 29/3/2019 and are signed on behalf of the board by:



Philip Jones
Trustee

The notes on pages 18 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 2018

	2018 £	2017 £
Cash flows from operating activities		
Net expenditure	(108,569)	(144,133)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	2,007	1,562
Other interest receivable and similar income	(5,408)	(4,803)
Accrued expenses	–	41,406
<i>Changes in:</i>		
Stocks	21,649	(1,664)
Trade and other debtors	(873)	(140,697)
Trade and other creditors	(78,620)	(33,284)
Cash generated from operations	(169,814)	(281,613)
Interest received	5,408	4,803
Net cash used in operating activities	<u>(164,406)</u>	<u>(276,810)</u>
Cash flows from investing activities		
Purchase of tangible assets	–	(1,791)
Net cash used in investing activities	<u>–</u>	<u>(1,791)</u>
Net decrease in cash and cash equivalents	(164,406)	(278,601)
Cash and cash equivalents at beginning of year	1,275,929	1,554,530
Cash and cash equivalents at end of year	<u>1,111,523</u>	<u>1,275,929</u>

The notes on pages 18 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 2018

1. General information

The charity is a public benefit entity and 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.

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.

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.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

3. Accounting policies *(continued)*

Fund accounting *(continued)*

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.

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
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The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

3. Accounting policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price, after making due allowance for obsolete and slow moving items.

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.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Individual donors, including AAM Society members	183,708	18,800	202,508
Legacies	51,219	–	51,219
Grants from charitable trusts and other bodies	93,333	46,189	139,522
	<u>328,260</u>	<u>64,989</u>	<u>393,249</u>

	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>

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 income on a receipts basis.

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

6. Charitable activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Concert income	594,538	594,538	620,539	620,539
CD sales and royalties	55,561	55,561	77,409	77,409
Miscellaneous income	2,380	2,380	198	198
Orchestra tax relief	88,222	88,222	104,782	104,782
	<u>740,701</u>	<u>740,701</u>	<u>802,928</u>	<u>802,928</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Bank interest receivable	5,408	5,408	4,803	4,803

8. Expenditure

Expenditure on charitable activities	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Direct costs	756,575	46,189	802,764
Support costs	339,676	–	339,676
	<u>1,096,251</u>	<u>46,189</u>	<u>1,142,440</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Direct costs	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>

Expenditure on raising funds	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Direct costs	14,341	–	14,341
Support costs	91,146	–	91,146
	<u>105,487</u>	<u>–</u>	<u>105,487</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Direct costs	6,095	–	6,095
Support costs	48,517	–	48,517
	<u>54,612</u>	<u>–</u>	<u>54,612</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

8. Expenditure *(continued)*

Total expenditure – all activities	Unrestricted Funds	Restricted Funds	Total Funds 2018
	£	£	£
Direct costs	770,916	46,189	817,105
Support costs	430,822	–	430,822
	<u>1,201,738</u>	<u>46,189</u>	<u>1,247,927</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2017
	£	£	£
Direct costs	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>

9. Support Costs

	Allocated to cost of raising funds	Allocated to charitable activities	Total Funds 2018
	£	£	£
Staff costs and related expenses	44,582	219,940	264,522
Premises	15,534	39,944	55,478
Other costs	31,030	79,792	110,822
	<u>91,146</u>	<u>339,676</u>	<u>430,822</u>
	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>

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

Other costs include:

	2018	2017
	£	£
Depreciation of tangible fixed assets	2,007	1,562
Foreign exchange differences	3,943	(6,328)
Fees payable for the audit of the financial statements	<u>5,550</u>	<u>5,100</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

10. Staff costs

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

	2018	2017
	£	£
Wages and salaries	223,865	193,043
Social security costs	19,776	17,175
Employer contributions to pension plans	6,034	4,594
	<u>249,675</u>	<u>214,812</u>

The average head count of employees during the year was 6 (2017: 5). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Management	2	2
Administration	2	2
Direct charitable	2	1
	<u>6</u>	<u>5</u>

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

	2018	2017
	No.	No.
£80,000 to £89,999	<u>1</u>	<u>–</u>

11. Trustee remuneration and expenses

No trustees received any remuneration or expenses in relation to her or his services as a trustee (2017: £Nil).

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

12. Tangible fixed assets

	Office Equipment £
Cost	
At 1 September 2017	18,756
Disposals	(8,192)
At 31 August 2018	10,564
Depreciation	
At 1 September 2017	15,660
Charge for the year	2,007
Disposals	(8,192)
At 31 August 2018	9,475
Carrying amount	
At 31 August 2018	1,089
At 31 August 2017	3,096

13. Debtors

	2018 £	2017 £
Trade debtors	39,646	79,049
Prepayments and accrued income	102,111	138,394
Other debtors	108,682	32,123
	250,439	249,566

14. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	56,039	36,146
Accruals and deferred income	115,559	146,742
Social security and other taxes	31,865	9,511
Other creditors	3,321	51,005
	206,784	243,404

Accruals and deferred income includes £85,484 (2017: £136,216) of income for expenditure in the 2018-2019 concert season (2017: 2017-18 concert season).

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

	2018 £	2017 £
Accruals and deferred income	3,000	45,000

This represents income in relation to the 2019-20 and later concert seasons (2017: 2018-19 and beyond).

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 August 2018

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 £6,034 (2017: £4,594).

17. Analysis of charitable funds

Unrestricted funds

	At 1 September 2017 £	Income £	Expenditure £	Transfer £	At 31 August 2018 £
Designated funds	909,552	-	-	(145,000)	764,552
Unrestricted funds	352,284	1,074,369	(1,201,738)	145,000	369,915
	<u>1,261,836</u>	<u>1,074,369</u>	<u>(1,201,738)</u>	<u>-</u>	<u>1,134,467</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. For the year end 31 August 2018 £145,000 was transferred for this purpose (2017: £155,000).

Restricted funds

	At 1 September 2017 £	Income £	Expenditure £	Transfer £	At 31 August 2018 £
Grants	-	46,189	(46,189)	-	-
Strategic recording fund	-	18,800	-	-	18,800
	<u>-</u>	<u>64,989</u>	<u>(46,189)</u>	<u>-</u>	<u>18,800</u>

A grant totalling £135,000 has been received from the Geoffrey C Hughes Charitable Trust to fund the Purcell operas in 16-17, 17-18, and 18-19. £45,000 has been recognised as restricted income and has also been spent in the current year.

A grant of £1,189 has been received in the current year from the Thistle Trust to support AAMplify. This has been spent in the current year.

Donations totalling £18,800 were received in the current year to fund a programme of strategic recordings.

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	1,089	-	1,089	3,096
Current assets	1,343,162	18,800	1,361,962	1,547,144
Creditors less than 1 year	(206,784)	-	(206,784)	(243,404)
Creditors greater than 1 year	(3,000)	-	(3,000)	(45,000)
Net assets	<u>1,134,467</u>	<u>18,800</u>	<u>1,153,267</u>	<u>1,261,836</u>

The Academy of Ancient Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

19. Operating lease commitments

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

	2018	2017
	£	£
Not later than 1 year	26,254	26,040
Later than 1 year and not later than 5 years	65,314	91,140
	<u>91,568</u>	<u>117,180</u>