

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**(A Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Registered Company No: 07209122**

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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**Members of the Academy Trust**

Lt Gen I J Cave CB (Chairman) (resigned 28 September 2023)  
Lt Gen C Collins (Chairman), (appointed 28 September 2023)  
Lt Gen Sir G Coward KBE CB CGIA  
Mrs R Hick (appointed 8 December 2022)  
Mrs J Lycett  
Mrs B E C Martin  
Colonel A Thorne (resigned 18 July 2023) (ex-officio Chairman of Trustees)

**Trustees**

Colonel A Thorne (re-appointed 6 September 2022 (Chairman of Trustees)  
Mr K Allen (resigned 13 January 2023)  
Mr J Applegate  
Mr A Barlow  
Mr J Baxter  
Lt Col A Clark (resigned 15 August 2023)  
Mr R Cole  
Mr R Collier  
Mr N Collor  
Mrs H Cooper (appointed 15 August 2023)  
Mr R Elms (appointed 14 June 2023)  
Mr A Foreman (Principal and Accounting Officer)  
Wg Cdr S Graham  
Mrs A Kehaya (resigned 14 August 2023)  
Mr A Nunn  
Mrs C L Pearsall (appointed 1 November 2023)  
Air Marshal G E Stacey  
Mr A Yeoman (resigned 6 December 2022)

**Company Secretary**

Mr A Kent

**Senior Leadership Team (SLT)**

• Principal	Mr A Foreman
• Vice Principal (Policy & Compliance)	Mr S Haslehurst
• Vice Principal (Curriculum & Learning)	Mrs E Dixon
• Vice Principal (Boarding & Personal Development)	Mr E Pallant
• Bursar and Company Secretary	Mr A Kent
• Assistant Principal (Registrar)	Mr J Marsh
• Head of Student Welfare/Designated Safeguarding Lead	Mr A Agar

**Company Name**

DYRMS – An Academy with Military Traditions

**Principal and Registered Office**

The Duke of York's Royal Military School, Dover, Kent, CT15 5EQ

**Company Registration Number**

07209122 (England and Wales)

**Independent Auditor**

Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

**Bankers**

Lloyds Bank (Folkestone Branch), PO Box 1000, Andover

**Solicitors**

Furley Page, 39 St Margaret's Street, Canterbury, CT1 2TX

# **DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**

## **TRUSTEES’ REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

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The Trustees present their annual report together with the financial statements and auditor’s report of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees’ report, and a directors’ report under company law.

The academy trust operates a full boarding academy for students aged 11 to 18 serving a catchment area primarily in the south east. It has a student capacity of over 600 and had a roll of 488 in the school census on 5 October 2023.

## **Structure, Governance and Management**

### **Constitution**

DYRMS – An Academy with Military Traditions is a company limited by guarantee and an exempt charity. The charitable company’s Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees are also the Directors of the charitable company for the purposes of company law and the Trustees for the charitable activities. In addition there are five Members of the Academy Trust. The charitable company is known as The Duke of York’s Royal Military School. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 2.

### **Members’ Liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, as required in the academy trust’s funding agreement for the debts and liabilities contracted before they ceased to be a member.

### **Trustees’ Indemnities**

Members and Trustees are covered by professional indemnity insurance for failings arising from the performance of their duties that may lead to civil liability. There are no other third-party indemnities beyond this which require reporting in the context of section 236 of the Companies Act 2006.

### **Method of Recruitment and Appointment or Election of Trustees**

The number of Trustees must not be less than three but is not subject to any maximum. The sponsors, The Ministry of Defence (MOD), may appoint up to nine Trustees, the local authority may appoint one Trustee, and there is a provision for two Parent Trustees to be appointed, along with the Principal of the Academy.

The Trustees are elected at a full Trustees’ meeting on the basis of their eligibility, personal competence, specialist skills and local availability.

# **DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**

## **TRUSTEES’ REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

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#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

New Trustees are inducted into the workings of the Academy, and also the requirement of the Academy being a Company and exempt Charity. Trustees (inc the Clerk to Trustees) have attended 33 professional training courses in the year to allow them to fulfil their duties efficiently, for example, Keeping Children Safe, Annual Certificate in Mental Health for Designated Governor, Headteacher Performance Management Training for Governors, Annual Safeguarding Certificate Online and inhouse, Equality, Diversity and Inclusion, Safer Recruitment, Complaints, What School Leaders need to know, County Clerks’ Briefing, Certificate in Understanding Mental Health. The Academy joined the Kent County Council’s Kent Governor Training Services programme in May 2017 which works strategically with governing bodies to help them lead their schools to improve and reach outstanding and good status through a professional development programme with training provided through The Education People. The Academy is a gold member of the National Governance Association (NGA) who has teamed up with Virtual College, one of the UK’s top e-learning providers to provide accessible, engaging and convenient e-learning via their Learning Link portal. Key governance topics include: strategy, teamwork, assessment, staffing, financial oversight, effective governance, compliance, collaboration, pupil success and wellbeing and much more. The NGA’s services are designed to promote strong governance that improves the education and wellbeing of pupils.

#### **Organisational Structure**

The management structure consists of the Trustees and Trustees’ Committees (Business, Education, Leadership and Management and Health and Welfare) and the Senior Leadership Team. The Trustees are responsible for setting the general policy, adopting an annual budget, monitoring performance and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Academy Trust Handbook states that the Academy must publish: the structure and remit of the members, board of trustees, its committees and local governing bodies (the trust’s scheme of delegation for governance functions) and the full names of the chair of each. The Academy covers all compliance areas for governance on its website including an updated Scheme of Delegation; this details which functions have been delegated and to whom. It helps to ensure that Members and Trustees, committees and individuals are clear about who has responsibility for making which decisions in the trust.

The Senior Leadership Team consists of the Principal, three Vice Principals, one Assistant Principal, the Bursar and the Head of Student Welfare/Designated Safeguarding Lead. They control the Academy at an executive level and implement the policies set by the Trustees and report back to them. The Principal is the Accounting Officer so has overall responsibility for the operation of the Academy Trust’s financial responsibilities and must ensure that the organisation is run with financial effectiveness and stability; avoiding waste and securing value for money. The Principal leads the senior leadership team (SLT) of the Academy Trust. The Principal will delegate management functions to the SLT and is accountable to the Trust Board for the performance of the SLT.

The Academy does not have any subsidiary or associated companies.

#### **Arrangements for setting pay and remuneration of key management personnel**

‘Key management personnel’ is a term used by FRS 102 for those persons having authority and responsibility for planning, directing and controlling the activities of a reporting entity, directly or indirectly, including any director (whether executive or otherwise). The key management personnel of the Academy are the Trustees and Senior Leadership Team as listed on page 2. The Senior Leadership Team are performance managed by the Principal in line with the School’s performance management system. The School’s performance management system establishes agreed key performance objectives linking into the School Improvement Plan (SIP) with the characteristics of success considered at the outset. Continual review against these objectives and progress against the SIP informs an overall assessment of performance at the end of the review period and determines pay progression in accordance with the Trustees’ Pay and Rewards Policy. The Principal is performance managed, within the same framework, by the Trustees and a competent and independent individual for transparency and verification purposes.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
TRUSTEES’ REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2023**

**Trade union facility time**

**Relevant union officials**

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
2	2

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	0
1%-50%	2
51%-99%	0
100%	0

**Percentage of pay bill spent on facility time**

Provide the total cost of facility time	£2,059.27
Provide the total pay bill	£7,971,219
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time divided by total pay bill) x 100	0.03%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period divided by total paid facility time hours) x 100	100%
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**Related Parties and other Connected Charities and Organisations**

During the period the Academy Trust participated in a collaborative working arrangement with the Dover, Deal, Sandwich Secondary School Headteachers. Both the Bursars/Finance Managers forum and the Clerks’ forum are due to be reinstated following changes in personnel; both forums will assist with closer links forged with the Dover Grammar School For Girls and the Dover Grammar School For Boys sharing experiences and working practices for the benefit of all the schools. This arrangement did not determine policy for either of the Academies but the experiences shared might help to improve policies and procedures at either Academy Trust. None of these organisations are related parties.

**Objectives and Activities**

**Objects and Aims**

The principal object as set out in the Memorandum and Articles of Association is the operation of The DYRMS – An Academy with Military Traditions to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to Science, Sport, Physical and Outdoor Education. Based on a strong military tradition, we develop positive values of loyalty, integrity, courage, discipline, respect and selfless commitment in a growing close-knit community.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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## **Objectives and Activities**

### **Academy Values**

The military heritage, competitive boarding fees and strong pastoral care has made the academy the state boarding school of first choice for service personnel from all three services, it remains at the forefront of educational excellence, preparing students from all backgrounds for the next steps in their young lives:

- Build on our already excellent academic record.
- Develop each and every child, their character and resilience - and offer them life skills and leadership opportunities: developing citizens and preparing them for adult life.
- Offer outstanding pastoral care - and be a home from home to the children - especially those of military families whose lives are so often disrupted by the demands of their parents' service in the Armed Forces.
- Combine the unique and special ingredients of education, military, faith and sport underpinned by the Dukie Core Values of loyalty, integrity, courage, discipline, respect and commitment.

### **School Improvement Plan**

In order to achieve the stated Strategic Plan outcomes, the following priorities and plans will be pursued and reviewed annually by the Board of Trustees:

1. School Leadership: Evolve quality assurance strategy and activity.
2. Business Development: Student growth with an efficient and future proof operating model.
3. Curriculum & Assessment: Enhance KS4 to KS5 student learning transition.
4. Values & Ethos: Review and implement policy to further promote School values.
5. Boarding & Welfare: Review and implement organisational change to further enrich Dukie health & wellbeing.

### **Trustees' Strategy**

- The Trustees will be expected to display the Dukies Core Values in all of their interactions with the School, both to the staff and pupils. Recognising the significant obligation that being a Trustee requires, selfless commitment is key.
- The Trustees will collectively provide strength through diversity of experience. An annual skills audit and the availability of significant training resources will enable each Trustee to hone their skills that they bring to the Board.
- Collective training will be a key feature to ensure that the Board acts as one in supporting the School, understanding its purpose and delivering assurance and challenge. All Trustees should become deeply involved in the School to the point where we can naturally talk in depth about our areas of responsibility.
- Monitoring and reporting through individual visits, sub-committee and committee meetings should be the norm, with every visit to School having a discreet purpose. Throughout the year the School Improvement Plan will be covered through a comprehensive programme of engagement.
- Yearly the Board will take stock, linking back to Strategy and School Improvement Planning, reassess and realign the plan for the next period of engagement.

## **Strategic Report**

### **Achievements and Performance**

#### **Key Performance Indicators**

- At KS3, 65% of students achieved or surpassed their aspirational targets.
- At KS4, 54% of students achieved or surpassed their aspirational targets. This provided the School with an Attainment 8 score of 50.90 and a Progress 8 of +0.90
- 2022-23 47% achieved level 5 or above in both English and Maths. (74% achieved level 4 and above).
- At KS5, the School had a C+ grade average. 40% of A-level grades were A\*-B.
- All students went into further education, training or employment on leaving year 13. 81% went on to University; 9% joined prestigious apprenticeships with Amazon, Airbus, PWC and BAE; 6% joined the Armed Forces; 4% into employment.
- Pupil and Service children in receipt of the premium funding made excellent progress. For Deprivation Pupil Premium recipients, progress exceeded that of non-recipients, with a Progress 8 Score of +1.15. For those in receipt of Service Children Premium, again excellent progress was observed, with a P8 score of +0.84

# **DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**

## **TRUSTEES’ REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

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- An Education Inspection was carried out in February 2023, the detailed report can be found on the School’s website - Ofsted graded the School as ‘Good’ overall, with ‘Outstanding’ judgements for Behaviour and Attitudes and Personal Development.

#### **Public Benefit**

The Board of Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charitable company.

#### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### **Financial Review**

The Academy has two main sources of income; the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular academic purposes; and boarding fees with funds being used for boarding related costs. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as part of the general restricted funds in the Statement of Financial Activities. The boarding fees and related expenditure are also included in this restricted fund. The Academy also receives grant-in-aid income from its sponsor, the Ministry of Defence (MOD) and this income and expenditure is shown as restricted funds – Military in the Statement of Financial Activities.

The Academy held fund balances of £33,879,155 at 31 August 2023 (2022: £32,768,371) comprising £525 (2022: £18,842) of restricted education funds, £4,202 (2022: £525,736) of restricted boarding funds, £33,374,015 (2022: £32,682,014) of restricted fixed asset funds, the value of which can only be realised on disposal of any fixed assets, £22,988 (2022: £24,138) of restricted legacy funds, £NIL (2022: £ NIL) of restricted Dukies’ Foundation funds, £NIL of restricted Ministry of Defence funds (2022: £NIL), £477,425 (2022: £440,641) of unrestricted funds and £Nil (2022: £923,000 deficit) position on the pension reserve.

The balance of restricted funds (excluding the Fixed Assets Funds and Pension Reserves) and unrestricted funds at the 31 August 2023, as set out in note 16 of the financial statement is £505,140, (2022: £1,009,357). The in-year surplus on restricted funds (excluding the Fixed Assets Funds and Pension Reserves) and unrestricted funds is £965,210; including the movement on the Restricted Fixed Asset Fund, the School realised a surplus of £187,784.

During an anticipatedly difficult year, the Academy realised a net operating deficit of £626,217, largely in line with the forecasts from the previous year. The Academy knew that it would be using some of its reserves to fund a loss for the current financial year by delaying a boarding fee increase into the 23/24 year, with the expectation that the reserves would then be restored during this period.

With inflation running at around 6.5% for the year and the Academy experiencing much higher price increases in some areas such as food and energy, the Academy has struggled to keep costs in line with income. In addition to rising prices, there has been a requirement to undertake repairs across the estate in order to maintain the condition of the infrastructure to an acceptable standard. The volume of this work, at increased prices, has culminated in an unbudgeted overspend by the Facilities department, which is reflected in the high value of fixed asset additions in the year. As one of several strategic reviews, the longer-term requirement to fund repairs across the Estate is being carried out to ensure future Facilities budgets include room for material repairs, replacements and improvements.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**TRUSTEES’ REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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Another area of concern, which has led to the commencement of a strategic review is the level of transfer of £412,582 (2022: £198,087) from the unrestricted fund to return the GAG fund to a positive balance at the end of the year. With the level of employers’ contribution to the TPS increasing by 21% from 1<sup>st</sup> April 2024 and further “properly funded” pay rises likely and with GAG funding unlikely to increase proportionally, the pressure on the GAG fund will only increase. The review of the GAG fund will cover the curriculum, the entry requirements at sixth form and the architecture of the discounts budget and aims to reduce the reliance on the unrestricted fund to cover an overspend on GAG.

The Academy still faces uncertain times against a backdrop of a continued rising cost base, parents face rising mortgage costs and shrinking disposable incomes.

#### **Reserves Policy**

The Trustees wish to generate levels of reserve to protect against unforeseen interruptions in the business operation, temporary reductions in student numbers and to provide for a reserve from which to fund immediate asset repairs or replacements. Carry forward reserves on the restricted education fund of 2% (currently 0.00%; prior year 0.57%), on the restricted boarding fund of 8% (currently 0.00%; prior year 7.23%) and on the unrestricted fund of 8% (currently 63.43%; prior year 85.65%). The monetary level of reserves should therefore total £725,593 (on current year turnover) with actual reserves on these funds totalling £482,152.

With student numbers falling unexpectedly by 25 to 487 at the start of the 23/24 academic year, this has meant that the small surplus originally forecasted for the 23/24 accounts is now budgeted to be a loss of £350,000. The GAG fund and boarding funds are predicted to be at a combined deficit of £973,000, meaning that the unrestricted fund will have to cover these shortfalls, potentially leaving the Academy with distributable reserves in the region of £130,000 at the end of 2023/24. Steps are being taken via the ongoing internal reviews to ensure that this is avoided with cost savings predicted to take effect before the end of the 23/24 year.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted reserves at 31 August 2023 was £505,140 (2022: £1,009,357).

#### **Investment Policy**

The Academy operates an investment policy that minimises risk whilst maintaining access to funds by earning interest on its bank deposits.

#### **Financial and Risk Management Objectives and Policies**

The objective of the risk management approach taken by the Board of Trustees is to identify and assess the level of risk both financial and non-financial of various areas of operation, providing a weighted risk level score. Key responsibilities are set to ensure the likelihood and/or impact of these events on the operation is kept to a tolerable level. The Board of Trustees review the risks at each meeting of the full Board of Trustees, Business Committee and Audit Committee. Key financial risk areas around cash and budgeting are monitored more frequently by the Bursar.

#### **Principal Risks and Uncertainties**

The Academy has a number of internal control policies including financial, operational and risk management to ensure the assets of the Academy are protected. The risk register has highlighted some areas of potential risk are:

##### *Government Funding:*

The Academy has significant reliance on continued government funding through the ESFA and the Ministry of Defence.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and pastoral care
- Development of business activity to generate reserves
- Emphasis is placed on maintaining and managing key relationships with the ESFA and MoD

# **DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**

## **TRUSTEES’ REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

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#### *Change in MOD Policies:*

As a result of the considerable reduction in the funding of the MoD there has been and will continue to be significant change in the policies relating to the education of the children of serving personnel. Currently a large proportion of the parents who send their children to the Academy are eligible to claim the Continuity of Education Allowance (CEA) for mobile personnel. CEA has been subject to review and, whilst this right was protected, there is promised to be a tightening of the rules of eligibility. In addition, the Strategic Defence Spending Review resulted in the need for redundancies across all three Armed Services as well as significantly less mobile units leading to reduced eligibility for CEA.

To mitigate the risk of reduced numbers from the Armed Forces the Academy is seeking to broaden the appeal of the school through the continued improvement in academic outcomes and effectively marketing the strength of pastoral care and extra-curricular activity. Students adversely impacted by the withdrawal of CEA during their time at the School are being supported by the School Foundation and other grant making charities along with a generous budget from the School’s own funds.

#### *Reputational Damage:*

Any fee paying school needs to protect its reputation to the best of its ability whilst at the same time offering the best service it can. To this end the Academy ensures all external communications are managed appropriately with the help of PR representatives on occasion.

#### *Infrastructure Failure:*

Being a 150 acre site with numerous Academic and Boarding buildings and facilities the risk of building or plant failure is being reviewed by the Academy. Sufficient reserves will be held to facilitate the prompt and effective maintenance of the facilities in line with a lifecycle buildings and infrastructure maintenance plan.

#### *Economic Uncertainty:*

High levels of inflation and rising interest rates will put pressure on school budgets and the household budgets of parents paying the boarding fees. The academy intends to increase boarding fees to compensate for the higher cost of delivering the service and to focus on recruitment from the military market. Serving families in receipt of CEA are only exposed to a small proportion of any fee increase which should help hedge against the negative impact on recruitment and retention.

The impact on the business and the key risks are:

- Parental hardship – the impact on fee recovery, bad debt risk, and the demand for ‘means tested’ bursary support mean that the fee yield, net of discounts and bad debt, may be lower
- Student recruitment and retention – general levels of economic uncertainty and the risk of redundancy may force parents to state day education, which is free; there is a corresponding opportunity for the school to take advantage of its low price point and attract parents who can no longer afford expensive independent school boarding

The Trustees have assessed the major risks to which the Academy is likely to be exposed, in particular those relating to the specific provision of facilities and other operational areas of the Academy and its finances. The Trustees have put in place systems to mitigate the identified risks and will continue to review the risks to which the Academy is exposed.

These risks have been mitigated through the revision of the budgets and forecasts for the next 5 years, realistic budgets for bursary support and bad debt have been considered alongside a strategy to work with 3<sup>rd</sup> party charities to support families experiencing financial hardship. It is the school’s intention to focus its recruitment effort on military families where, statistically, the school has greater recruitment success, fewer hardship cases and better student retention.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
TRUSTEES’ REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2023**

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**Fundraising**

The Academy has not made any fundraising appeals to the general public during the year. There has been no outsourced fundraising via professional fundraisers or other third parties. As a result the Academy is not registered with the fundraising regulator and did not receive any fundraising complaints in the year.

**Plans for Future Periods**

The Academy will continue to improve the levels of attainment of all students at all levels and ensure all staff are adequately trained to provide the best teaching and support possible. It is also committed to improve recruitment and retention of students with the aim of 600 pupils being the target.

The impact of the unfolding budget shortfalls requires strict and careful management. With the full impact of this crisis still unknown, the School will continually monitor its operations and review recruitment and fee recovery rates to help understand and budget for the future:

- Value proposition review – a full review of the School’s level of service, student and parent needs and the cost of delivery will be undertaken. The closer alignment of customer profiles and intelligence with the school offer will improve business efficiency.
- Curriculum and staffing review- a full review of subjects offered to ensure that the teaching faculty is as efficient as possible, while remaining an attractive proposition for parents and prospective parents alike.
- Sixth form review- an appraisal of the current entry requirements and architecture of the discounts budget to make sure sixth form numbers are at the correct level to break even.
- Pastoral care review- to clarify whether the structure of the pastoral care is suitable and our labour resources are used in the most efficient manner possible, whilst ensuring a high level of service is offered
- Infrastructure lifecycle plan - a full buildings and infrastructure plan will help inform future budgets whilst ensuring that a robust schedule of pre-planned/preventative maintenance is in place
- Pay and rewards review - a review of the School’s pay, rewards and performance management system to support a more sustainable and affordable framework.

**Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company’s auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees’ report, incorporating a strategic report, was approved by order of the members of the Board of Trustees on 7 December 2023 and signed on the board’s behalf by:



.....  
A Thorne, Chair of Trustees

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2023**

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**Scope of Responsibility**

As Trustees we acknowledge we have overall responsibility for ensuring that DYRMS – An Academy with Military Traditions has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Principal as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between DYRMS – An Academy with Military Traditions and the Secretary of State for Education. The Accounting Officer is responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees’ Report and in the Statement of Trustees’ Responsibilities. The Board of Trustees typically meets formally 4 times during the year (September, December, March and June), Attendance during the 2022-23 academic year at meetings of the Full Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
K Allen (resigned 13 January 2023)	0	2
J Applegate	4	4
A Barlow	3	4
J Baxter	4	4
A Clark (resigned 15 August 2023)	4	4
R Cole	3	4
R Collier	4	4
N Collor	1	4
H Cooper (appointed 15 August 2023)	0	0
R Elms (appointed 14 June 2023)	1	1
A Foreman	4	4
S Graham	3	4
A Kehaya (resigned 14 August 2023)	3	4
A Nunn	3	4
C Pearsall (appointed 1 November 2023)	0	0
G Stacey	2	4
A Thorne (re-appointed as Chairman 6 September 2022)	4	4
A Yeoman (resigned 6 December 2022)	1	1

The Business Committee, the Education Committee, the Health and Welfare Committee and the Leadership and Management Committee are sub-committees of the main Board of Trustees. Trustees maintain effective governance with a structure of sub-committees delegated responsibilities for certain school functions. Effective oversight of funds is maintained through Full Board meetings but also delegated responsibility to the Business Committee who also meet 3 times a year, a total of 7 meetings annually (Full Board of Trustees plus Business Committee) at which financial matters are discussed. In addition to this, financial matters are considered at a Members’ level at least 3 times a year.

The Business Committee’s purpose is to assist the Full Board of Trustees in fulfilling its responsibilities for all budgeting, financial and business matters of the Academy, through oversight of the Academy’s accounting and financial practices, and its business plans, and effective delivery of those plans. It is also to ensure the Academy operates within the law and reports effectively and in a timely manner to all required external authorities. The Business Committee also consolidates the responsibilities of the audit function and determines and agrees the framework and policy for the structure and remuneration of all employed staff including pension arrangements.

The Education Committee’s purpose is to assist the Full Board of Trustees in fulfilling its responsibility to support and challenge the Academy’s academic and non-academic curriculum of the pupils attending the Academy.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2023**

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The Health and Welfare Committee’s purpose is to assist the Full Board of Trustees in fulfilling its responsibility to support the arrangements for the pastoral care, including welfare and discipline, of the pupils attending the Academy.

The Leadership & Management Committee’s purpose is to assist the Full Board of Trustees in fulfilling its responsibility to provide oversight, direction and recommendations on the Academy’s vision and strategy ensuring it is clear and resources are managed well holding the Academy to account for the quality of education or training, the fulfilment of its statutory duties, the Academy’s culture of safeguarding that supports effective arrangements to assist students; support provided to staff including their workload to ensure students complete their studies; engaging with students and others in the community and approving the design of and determine targets for any performance related pay schemes of all employed staff.

Attendance at meetings in the year was as follows:

<b>Trustee (Business Committee inc Audit)</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Applegate (Chair)	3	3
K Allen (resigned 13 January 2023)	1	1
A Barlow	3	3
J Baxter	3	3
A Foreman	3	3

<b>Trustee (Education Committee)</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Collier (Chair)	3	3
N Collor	2	3
R Elms (appointed 14 June 2023)	0	0
A Foreman	3	3
A Kehaya (resigned 14 August 2023)	3	3
A Nunn	3	3
C Pearsall (appointed 1 November 2023)	0	0
A Yeoman (resigned 6 December 2022)	0	1

<b>Trustee (Health and Welfare Committee)</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Graham (Chair)	2	3
A Clark (resigned 15 August 2023)	2	3
R Cole	3	3
H Cooper (appointed 15 August 2023)	0	0
A Foreman	3	3
A Thorne (re- appointed CoT 6 Sept 2022))	3	3

<b>Trustee (Leadership and Management Committee)</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
G Stacey (Chair)	2	2
J Baxter	2	2
A Foreman	2	2

# **DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**

## **GOVERNANCE STATEMENT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

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#### **Governance reviews**

Trustees take part in one Strategy Day typically held in October to tie in with the release of the Academy's School Improvement Plan. Topics covered in the Strategy Day range from group sessions to cover the Academy's School Improvement Plan; Examination Analysis (standards and assessment); the Trustees' Strategic Plan review together with a review of its governance structure; Academy priorities together with leadership and management roles and responsibilities; External Review of Governance (to be undertaken in October 2023) by the Association of Governing Bodies of Independent Schools (AGBIS) reviewing the following topics:

- the structure of governance;
- the size and composition of the Member and Trustee Bodies;
- the relationship between the Member Body, Trustee Body and senior staff;
- the clarity and nature of the governors' overall strategy;
- the number, terms of reference and function of its committees;
- the effectiveness of collective responsibility;
- understanding of the distinction between governance and management;
- governors' understanding of regulation and their means of ensuring it;
- monitoring of performance and standards;
- governor induction and training;
- the role of the Clerk to the Governors;
- communications with stakeholders.

A Review of Governance will be discussed at the Full Board meeting in December 2023 following on from discussions at the Strategy Day and the External Review held in October.

Key priorities are included in the School Improvement Plan. Trustees undertake a yearly Skills Audit analysis with the findings discussed at the Full Board, typically in December each year. A Scheme of Delegation reinforces clear areas of responsibility.

#### **Conflicts of interest**

The Academy maintains a Register of Interests, detailing business interests and any links school staff of Members, Trustees and Staff with significant, the Register of Interests is published on the School website.

At the outset of each school year all those required to do so, complete a declaration of pecuniary and personal interest form, from which any amendments are updated on the Register of Interests. At each Member and Trustee meeting there is an item on the agenda for disclosure of any changes to attendees' business interests.

Where any conflicts arise, each case is assessed on its merits and suitable action is taken to ensure that all decisions are made from an independent and objective standpoint.

#### **Review of Value for Money**

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2023**

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- **Procurement**

DYRMS maintains an internal schedule of purchase ordering limits including the control on transaction limits.

During the year several large purchase orders for capital repair work were placed; to ensure that best value was achieved on these contracts the School engaged the services of a qualified surveyor and project manager, any variations from contract are restricted in price to the 'schedule of rates'.

The Academy entered into lease agreements for IT equipment, including network hardware, servers and laptops during the year. A concerted effort was made to ensure that high value items, as deemed by the Managing Public Money guidance, went through a Framework and, where necessary, a tender process, to ensure value money was obtained.

- **Debt recovery**

The School is exposed to the risk of parental charges for board and lodging not being settled. Whilst it may initially be considered necessary to pursue all debts at all costs, an internal process has been developed to help inform recovery. As a result of a review of recovery rates and the cost of recover, the School has partnered with a firm of local solicitors to provide a more bespoke approach to debt recovery.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2023 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### **The Risk and Control Framework**

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Business Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

During the year ended 31 August 2023, the Trustees re-engaged McCabe Ford Williams as internal auditors. The Board of Trustees considers it appropriate to undertake termly internal audit checks of processes and transactions. Due to changes in staff, the internal audit programme was condensed into the Spring term 2023. The scope of this work includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks will include:

- inspection of a sample of transaction records for items going through the purchasing system to ensure compliance with best practice and internal processes;
- a review of VAT, including the business and non-business apportionments and a review of partial exemption;

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2023**

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Specific additional checks undertaken during the academic year included:

- a review of the finance policy and procurement procedures focussing on the tendering of larger capital and infrastructure work;
- a benchmarking review against schools of a similar nature in respect of income and expenditure and other non-financial KPIs.

All internal audit visits took place in the Spring term of the Academic Year and the internal audit report was considered at a meeting of the Business Committee in November 2023. The internal auditor identified several control points:

- During a VAT review it was highlighted that boarding fee income is treated as non-business when boarding fees are only considered as a non-business supply so long as it is not charged at a profit, which in 21/22 was not the case. The academy would argue that matching on an annual basis is not always possible to balance exactly but the fact that at the end of the current year the boarding fund stood at £4,202, including an in-year transfer of £85,000 from the Unrestricted Fund points to the fact that fees are not charged to make a profit.
- During a benchmarking review it was highlighted that educational staff costs are very high when compared to other academy trusts as a percentage of GAG income and with student numbers. This is being reviewed currently and is a key driver to reducing the loss currently budgeted for the financial year 23/24.

**Review of Effectiveness**

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

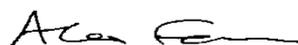
- the work of the internal and external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7 December 2023 and signed on its behalf by:



.....  
A Thorne, Chair of Trustees



.....  
A Foreman, Accounting Officer

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2023**

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As Accounting Officer of DYRMS – An Academy with Military Traditions I have considered my responsibility to notify the Academy’s Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy’s Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy’s funding agreement and the Academy Trust Handbook 2022.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



.....

**A Foreman  
Accounting Officer**

Date: 7 December 2023

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
STATEMENT OF TRUSTEES’ RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2023**

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The Trustees of DYRMS - An Academy With Military Traditions (who are also the directors of the Charitable Company for the purposes of company law), are responsible for preparing the Trustees’ Report and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Approved by the Trustees on 7 December 2023 and signed on its behalf by:



.....  
**A Thorne**  
**(Chairman)**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DYRMS – AN ACADEMY WITH MILITARY TRADITIONS

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## Opinion

We have audited the financial statements of DYRMS – An Academy with Military Traditions for the year ended 31 August 2023 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022-2023 issued by the Education and Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

## 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 academy 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DYRMS – AN ACADEMY WITH MILITARY TRADITIONS

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## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees for the financial statements**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 academy'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 academy or to cease operations, or have no realistic alternative but to do so.

## **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the academy and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law, GDPR, safeguarding and academy regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Academies Account Direction 2022-2023, Companies Act and Charities Act 2011, and consider other factors such as VAT and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls, and determined the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquires of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Testing journals posted during the year;
- Challenging assumptions and judgements made by management in their critical accounting estimates.

## **INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

### **Use of our report**

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company’s members those matters we are required to state to them in an Auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company’s members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
10 Queen Street Place  
London  
EC4R 1AG

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# **INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**

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In accordance with the terms of our engagement letter dated 15 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by DYRMS – An Academy with Military Traditions during the year ended 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to DYRMS – An Academy with Military Traditions and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to DYRMS – An Academy with Military Traditions and the ESFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DYRMS – An Academy with Military Traditions and the ESFA, for our work, for this report, or for the conclusion we have formed.

## **Respective responsibilities of DYRMS – An Academy with Military Traditions’ Accounting Officer and the Reporting Accountant**

The accounting officer is responsible, under the requirements of DYRMS – An Academy with Military Traditions funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession’s ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

## **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2022 to 2023 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust’s income and expenditure.

The work undertaken to draw to our conclusion includes:

- Assessment of the control environment operated by the Academy.
- Walkthrough testing of controls to ensure operational effectiveness.
- Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised.
- Detailed testing on a selection of credit card statements and expense claims.
- Review of minutes, bank certificates and related party declarations provided by Trustees and senior management.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
THE GOVERNING BODY OF  
DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**

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**Conclusion**

In the course of work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Haysmacintyre LLP*

Haysmacintyre LLP  
Reporting Accountant  
10 Queen Street Place  
London  
EC4R 1AG

20/12/2023.....2023

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

		Unrestricted	Restricted Funds			Total	Total
		£	General	Military	Fixed assets	2023	2022
	Notes	£	£	£	£	£	£
<b>Income from:</b>							
Donations and capital grants	3	-	201,328	1,340,590	83,332	1,625,250	1,207,637
Other trading activities	5	749,939	333,105	-	-	1,083,044	664,879
Investments	6	2,707	-	-	-	2,707	303
Charitable activities:							
<i>Funding for the Academy's educational operations</i>	4	-	3,606,752	749,716	-	4,356,468	4,364,589
<i>Boarding fees</i>	26	-	7,418,582	-	-	7,418,582	7,122,925
<b>Total</b>		<u>752,646</u>	<u>11,559,767</u>	<u>2,090,306</u>	<u>83,332</u>	<u>14,486,051</u>	<u>13,360,333</u>
<b>Expenditure on:</b>							
Raising funds:							
<i>Trading expenditure</i>		-	201,552	-	-	201,552	37,869
Charitable activity:							
<i>Academy's operating costs</i>	8	215,862	12,362,409	749,716	860,758	14,188,745	13,949,941
<b>Total</b>	7	<u>243,199</u>	<u>11,820,670</u>	<u>749,716</u>	<u>1,008,480</u>	<u>14,390,267</u>	<u>13,987,810</u>
<b>Net income/(expenditure) before transfers</b>							
		536,784	(1,004,164)	1,340,590	(777,426)	95,784	(627,477)
Gross transfers between funds		(500,000)	371,163	(1,340,590)	1,469,427	-	-
<b>Net income/(expenditure) for the year</b>		<u>36,784</u>	<u>(663,001)</u>	<u>-</u>	<u>692,001</u>	<u>95,784</u>	<u>(627,477)</u>
<b>Other recognised gains and losses</b>							
Actuarial gain on defined benefit pension scheme	24	-	1,015,000	-	-	1,015,000	7,732,000
<b>Net movement in funds</b>		<u>36,784</u>	<u>381,999</u>	<u>-</u>	<u>692,001</u>	<u>1,110,784</u>	<u>7,104,523</u>
<b>Reconciliation of funds</b>							
Total funds brought forward		<u>440,641</u>	<u>(354,284)</u>	<u>-</u>	<u>32,682,014</u>	<u>32,768,371</u>	<u>25,663,848</u>
<b>Total funds carried forward</b>		<u><u>477,425</u></u>	<u><u>27,715</u></u>	<u><u>-</u></u>	<u><u>33,374,015</u></u>	<u><u>33,879,155</u></u>	<u><u>32,768,371</u></u>

All of the Academy's activities derive from continuing operations during the financial year.

The accompanying notes form part of these accounts.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**

**BALANCE SHEET**

**Registered Company No: 07209122**

**AS AT 31 AUGUST 2023**

	Notes	£	2023	£	£	2022	£
<b>Fixed assets</b>							
Tangible assets	12			33,147,163			32,538,495
<b>Current assets</b>							
Stock	13	12,650			15,884		
Debtors	14	3,810,695			3,178,161		
Cash at bank and in hand		1,377,025			1,745,326		
				<u>5,200,370</u>		<u>4,939,371</u>	
<b>Creditors: amounts falling due within one year</b>	15	(4,468,378)			(3,786,495)		
<b>Net current assets</b>				<u>731,992</u>		<u>1,152,876</u>	
<b>Total assets less current liabilities</b>				<u>33,879,155</u>		<u>33,691,371</u>	
<b>Net assets excluding pension scheme liability</b>				<u>33,879,155</u>		<u>33,691,371</u>	
Pension scheme liability	24			-		(923,000)	
<b>Net assets including pension scheme liability</b>				<u>33,879,155</u>		<u>32,768,371</u>	
<b>Funds of the academy: -</b>							
<b>Restricted funds</b>							
General Funds	16			525		18,842	
Pension Reserve	16			-		(923,000)	
Boarding Fund	16,26			4,202		525,736	
Neville Paine Fund	16			22,988		24,138	
The Dukies' Foundation	16			-		-	
Military Fund	16			-		-	
Restricted Fixed Asset Fund	16			33,374,015		32,682,014	
<b>Total restricted funds</b>				<u>33,401,730</u>		<u>32,327,730</u>	
<b>Unrestricted funds</b>							
General fund	16			477,425		440,641	
<b>Total unrestricted funds</b>				<u>477,425</u>		<u>440,641</u>	
<b>Total funds</b>				<u>33,879,155</u>		<u>32,768,371</u>	

The financial statements were approved and authorised for issue by the Board of Trustees 7 December 2023 and signed on its behalf by



.....  
A Thorne (Chair)

The accompanying notes form part of these accounts.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
Cash inflows from operating activities	20	1,098,419	763,328
Cash (outflows) from investing activities	21	(1,466,720)	(909,099)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(368,301)</u>	<u>(145,773)</u>
Cash and cash equivalents at 1 September 2022		1,745,326	1,891,099
<b>Cash and cash equivalents as at the 31 August 2023</b>	22	<u>1,377,025</u>	<u>1,745,326</u>

# DYRMS – AN ACADEMY WITH MILITARY TRADITIONS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

---

#### 1. STATEMENT OF ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

##### **Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: 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)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

DYRMS – An Academy with Military Traditions meets the definition of a public benefit entity under FRS 102.

##### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. In considering their assessment of going concern, trustees have considered the financial impact of the economic crisis and reserves levels carried forward. Reserves and cash balances are sufficient to support the operation for the foreseeable future.

##### **Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including boarding fees and the hire of facilities, is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than assets under construction, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, as follows:

Furniture and equipment	- 20%
Computer equipment	- 33%
Equipment – School	- 33%
Motor Vehicles	- 25-33%
Leasehold Buildings	- Over 50 years
Leasehold Buildings Improvements	- 2%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**Stock**

Stocks are valued at the lower of costs and net realisable value.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2023**

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**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Debtors**

Fee and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

*Financial Assets:-* trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14.

*Cash at Bank:-* is classified as a basic financial instrument and is measured as face value.

*Financial Liabilities:-* trade creditors, accruals and other creditors are financial instruments, and measured at amortised cost as detailed in note 15.

**Leased assets**

Rentals under operating leases are charged on a straight lined basis over the lease term.

**Taxation**

The Academy Trust is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2023**

---

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Pensions benefits (continued)**

Where the scheme is determined to be in a deficit position, this is recognised as a liability. Where the scheme is determined to be in a surplus, a surplus is recognised as an asset only to the extent this can be recovered in future years through reduction in employee contributions or through a specific refund/ reimbursement from the scheme.

**Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, and Department for Education

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Trustee's judgement is that the surplus on the defined benefit pension scheme at 31 August 2023 is not recoverable and therefore has not been recognised in the accounts.

Where it is considered that old or slow moving parental debt for school fees is, potentially, irrecoverable; provision is made against the risk of these debts. Judgements are made on a debtor by debtor basis considering knowledge of the debtors circumstances and, where available, an assessment by debt recovery professionals.

**2. General Annual Grant (GAG)**

Under the Funding Agreement with the Secretary of State the Academy was subject to limits at 31 August 2023 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2023.

All amounts for the comparative year were restricted funds.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Fund accounting**

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All amounts for the comparative year were restricted funds.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

<b>3. DONATIONS AND CAPITAL GRANTS</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
Capital grants	-	1,423,922	1,423,922	1,040,165
Kent County Council	-	-	-	-
Dukies Foundation	-	201,328	201,328	167,472
Other donations	-	-	-	-
	<u>-</u>	<u>1,625,250</u>	<u>1,625,250</u>	<u>844,732</u>
	<u>-</u>	<u>1,625,250</u>	<u>1,625,250</u>	<u>844,732</u>
<b>4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2023 £</b>	
<b>Department for Education (DfE)/Education Funding Agency (ESFA) revenue grants</b>				
General Annual grant (GAG) (note2)	-	3,394,032	3,394,032	
Pupil Premium	-	74,470	74,470	
Other DfE/ESFA grants	-	137,073	137,073	
	<u>-</u>	<u>3,605,575</u>	<u>3,605,575</u>	
<b>Other government grants</b>				
Special Education Projects	-	1,177	1,177	
	<u>-</u>	<u>1,177</u>	<u>1,177</u>	
<b>Other grants</b>				
Ministry of Defence Ethos	-	749,716	749,716	
	<u>-</u>	<u>749,716</u>	<u>749,716</u>	
	<u>-</u>	<u>4,356,468</u>	<u>4,356,468</u>	
	<u>-</u>	<u>4,356,468</u>	<u>4,356,468</u>	

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

Comparative information in respect of the preceding period is as follows:

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Department for Education (DfE)/ Education and Skills Funding Agency (ESFA) revenue grants</b>			
General Annual Grant (GAG) (note 2)	-	3,286,421	3,286,421
Pupil Premium	-	85,399	85,399
Other DfE/ESFA grants	-	75,796	75,796
	-	3,447,616	3,447,616
<b>COVID-19 additional funding (non-DfE/ESFA)</b>			
Coronavirus Job Retention Scheme grant	-	1,512	1,512
	-	1,512	1,512
<b>Other grants</b>			
Ministry of Defence Military Ethos	-	915,461	915,461
	-	915,461	915,461
	-	4,364,589	4,364,589

**5. OTHER TRADING ACTIVITIES**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Lettings and function income	533,798	-	533,798	298,283
Staff rental income	194,415	-	194,415	161,075
Extras income	-	117,503	117,503	92,400
Other income	1,726	215,602	217,328	113,121
	749,939	333,105	1,083,044	664,879

All amounts for the comparative year were unrestricted except for the extras income of £92,400 and other income of £58,324 which were restricted.

**6. INVESTMENT INCOME**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Short term deposit interest	2,707	-	2,707	303
	2,707	-	2,707	303

All amounts for the comparative year were unrestricted funds.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

7. EXPENDITURE	Non-Pay Expenditure			Total
	Staff costs £	Premises £	Other Costs £	2023 £
<i>Raising funds:</i>				
- Trading expenses	-	-	201,522	201,522
<i>Academy's operating costs</i>				
- Direct costs	7,949,664	-	1,108,823	9,058,487
- Allocated support costs	92,000	4,110,116	928,142	5,130,258
	<u>8,041,664</u>	<u>4,110,116</u>	<u>2,036,965</u>	<u>14,188,745</u>
	<u>8,041,664</u>	<u>4,110,116</u>	<u>2,238,487</u>	<u>14,390,267</u>

Comparative information in respect of the preceding period is as follows:

	Staff costs £	Non-Pay Expenditure Premises £	Other Costs £	Total 2022 £
<i>Raising funds:</i>				
-Trading expenses	-	-	37,869	37,869
<i>Academy's operating costs</i>				
-Direct costs	7,093,669	-	1,099,325	8,192,994
-Allocated support costs	924,000	4,042,016	790,931	5,756,947
	<u>8,017,669</u>	<u>4,042,016</u>	<u>1,890,256</u>	<u>13,949,941</u>
	<u>8,017,669</u>	<u>4,042,016</u>	<u>1,928,125</u>	<u>13,987,810</u>
			£	£
<b>Net expenditure for the year included:</b>				
Operating leases – other			281,121	94,627
Depreciation			860,759	856,800
Fees payable to auditor – audit			16,000	16,000
- other services			6,433	2,975
			<u>£</u>	<u>£</u>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	61,052	8,270	Recovery exhausted
		13,730	Recovery exhausted

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**8. CHARITABLE ACTIVITY - Academy's operating costs**

	<b>Unrestricted Funds</b>	<b>General</b>	<b>Restricted Funds Military</b>	<b>Fixed asset</b>	<b>Total 2023</b>	<b>Total 2022</b>
	£	£	£	£	£	£
<b>Direct teaching costs</b>						
Teaching and educational support staff costs	-	3,462,996	-	-	3,462,996	3,109,660
Agency costs	-	6,648	-	-	6,648	24,671
Educational supplies	-	224,253	-	-	224,253	203,871
Staff development	-	21,084	-	-	21,084	15,738
	-	3,714,981	-	-	3,714,981	3,353,940
<b>Direct boarding costs</b>						
Staff costs	-	4,026,444	-	-	4,026,444	3,428,246
Catering	-	544,949	-	-	544,949	502,335
Agency costs	-	39,220	-	-	39,220	48,111
Staff development	-	23,604	-	-	23,604	20,352
Provision for doubtful debts	-	72,406	-	-	72,406	127,408
Medical Centre	-	45,864	-	-	45,864	41,008
	-	4,752,487	-	-	4,752,487	4,167,460

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**8. CHARITABLE ACTIVITY – Academy’s operating costs (continued)**

	<b>Unrestricted Funds £</b>	<b>General £</b>	<b>Restricted Funds</b>		<b>Total 2023 £</b>	<b>Total 2022 £</b>
			<b>Military £</b>	<b>Fixed asset £</b>		
<b>Direct other costs</b>						
Staff costs	22,353	-	367,426	-	389,779	461,723
Guarding	-	-	135,207	-	135,207	136,124
Grand Day costs	-	-	41,511	-	41,511	43,323
Agency costs	-	-	24,577	-	24,577	21,259
Provision of doubtful debt	(55)	-	-	-	(55)	9,166
	<u>27,970</u>	<u>-</u>	<u>568,721</u>	<u>-</u>	<u>591,019</u>	<u>671,595</u>
<b>Allocated support costs</b>						
Pension scheme costs relating to support staff	-	65,000	-	-	65,000	801,000
Local Government pension scheme finance costs	-	27,000	-	-	27,000	123,000
Depreciation	-	-	-	860,758	860,758	856,800
Recruitment	-	18,194	-	-	18,194	21,716
Maintenance of premises and equipment	62,607	1,104,262	157,723	-	1,324,592	1,415,687
Facilities management	-	930,730	-	-	930,730	861,306
Cleaning	-	132,571	-	-	132,571	106,754
Light and heat	-	562,857	-	-	562,857	482,721
Rent and rates	12,530	242,258	-	-	254,788	281,188
Insurance	-	25,626	-	-	25,626	15,844
Events and functions	103,131	53,640	1,882	-	158,653	201,619
Professional fees	-	91,905	-	-	91,905	34,400
Stationery and postage	115	103,351	560	-	104,026	96,895
IT and phone	1,720	291,646	-	-	293,366	231,176
Vehicle expenses and travel	365	16,695	-	-	17,060	14,331
Subscriptions and licences	-	28,335	-	-	28,335	25,851
Other support costs	13,096	123,954	20,830	-	157,880	117,223
Marketing and advertising	-	64,215	-	-	64,215	49,910
Governance costs	-	12,702	-	-	12,702	19,525
Total support costs	<u>193,564</u>	<u>3,894,941</u>	<u>180,995</u>	<u>860,758</u>	<u>5,130,258</u>	<u>5,756,946</u>
<b>Total charitable activity</b>	<u><u>215,862</u></u>	<u><u>12,362,409</u></u>	<u><u>749,716</u></u>	<u><u>860,758</u></u>	<u><u>14,188,745</u></u>	<u><u>13,949,941</u></u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

Comparative information for the preceding period is as follows:

	<b>Unrestricted Funds £</b>	<b>General £</b>	<b>Restricted Funds Military £</b>	<b>Fixed asset £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>Direct teaching costs</b>						
Teaching and educational support staff costs	-	3,109,660	-	-	3,109,660	3,153,956
Agency	-	24,671	-	-	24,671	-
Educational supplies	-	203,871	-	-	203,871	151,388
Staff development	-	15,738	-	-	15,738	5,952
	-	3,353,940	-	-	3,353,940	3,311,296
<b>Direct boarding costs</b>						
Staff costs	-	3,428,246	-	-	3,428,246	3,104,934
Catering	-	502,335	-	-	502,335	345,774
Agency costs	-	48,111	-	-	48,111	14,833
Staff development	-	20,352	-	-	20,352	7,116
Provision for doubtful debts	-	127,408	-	-	127,408	76,623
Medical Centre	-	41,008	-	-	41,008	60,392
Boarding fee remission	-	4,167,460	-	-	4,167,460	3,609,672

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	<b>Unrestricted Funds £</b>	<b>General £</b>	<b>Restricted Funds</b>		<b>Total 2022 £</b>	<b>Total 2021 £</b>
			<b>Military £</b>	<b>Fixed asset £</b>		
<b>Direct other costs</b>						
Staff costs	18,804	-	442,919	-	461,723	439,982
Guarding	-	-	136,124	-	136,124	132,223
Grand Day costs	-	-	43,323	-	43,323	49,375
Agency costs	-	-	21,259	-	21,259	14,173
Provision of doubtful debt	9,166	-	-	-	9,166	(16,309)
	<u>27,970</u>	<u>-</u>	<u>643,625</u>	<u>-</u>	<u>671,595</u>	<u>619,444</u>
<b>Allocated support costs</b>						
Pension scheme costs relating to support staff	-	801,000	-	-	801,000	533,000
Local Government pension scheme finance costs	-	123,000	-	-	123,000	97,000
Depreciation	-	-	-	856,800	856,800	854,938
Recruitment	-	21,716	-	-	21,716	22,922
Maintenance of premises and equipment	69,372	941,865	252,770	151,680	1,415,687	924,744
Facilities management	-	861,306	-	-	861,306	601,937
Cleaning	-	106,754	-	-	106,754	116,825
Light and heat	-	482,721	-	-	482,721	260,967
Rent and rates	12,768	268,420	-	-	281,188	266,194
Insurance	-	15,844	-	-	15,844	67,527
Events and functions	131,008	66,666	3,945	-	201,619	26,034
Professional fees	-	34,400	-	-	34,400	49,287
Stationery and postage	861	96,034	-	-	96,895	107,039
IT and phone	(345)	231,521	-	-	231,176	246,913
Vehicle expenses and travel	28	14,303	-	-	14,331	28,740
Subscriptions and licences	-	25,851	-	-	25,851	26,926
Other support costs	1,537	100,831	14,855	-	117,223	105,418
Marketing and advertising	-	49,644	266	-	49,910	60,325
Stores	-	19,525	-	-	19,525	18,695
Governance costs	<u>215,229</u>	<u>4,261,401</u>	<u>271,836</u>	<u>1,008,480</u>	<u>5,756,946</u>	<u>4,415,431</u>
Total support costs						
<b>Total charitable activity</b>	<u><u>243,199</u></u>	<u><u>11,782,801</u></u>	<u><u>915,461</u></u>	<u><u>1,008,480</u></u>	<u><u>13,949,941</u></u>	<u><u>11,955,843</u></u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

<b>9. STAFF COSTS</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Staff costs during the year were:		
Wages and salaries	6,078,895	5,390,658
Social Security costs	619,327	598,528
Pensions costs	1,272,997	1,934,442
	<u>7,971,219</u>	<u>7,923,628</u>
Agency staff costs	70,445	94,041
Staff restructuring costs	-	-
	<u>8,041,664</u>	<u>8,017,669</u>
Staff restructuring costs comprise:		
Severance payments	-	-
	<u>-</u>	<u>-</u>

**Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-contractual severance payments totalling £0 (2022:£0).

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	<b>No.</b>	<b>No.</b>
<b>Charitable activities</b>		
Teachers	56	55
Administration and support	137	106
Management and support	7	7
	<u>199</u>	<u>168</u>

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance) exceeded £60,000 was:

£60,001 - £70,000	4	1
£70,001 - £80,000	1	3
£80,000 - £90,000	2	2
£90,000 - £100,000	2	-
£100,000 - £110,000	-	-
£110,000 - £120,000	-	-
£120,000 - £130,000	-	1
£130,000 - £140,000	1	-
	<u>11</u>	<u>7</u>

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £841,993 (2022: £811,694).

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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**10. RELATED PARTY TRANSACTION - TRUSTEES' REMUNERATION AND EXPENSES**

The Principal only received remuneration in respect of services they provide undertaking the role of Principal and not in respect of their services as a Trustee. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of the Trustees' remuneration was as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
A Foreman (Principal and Trustee)		
Remuneration	£130,000 - £140,000	£120,000 - £125,000
Employer's pension contributions	£30,000 - £35,000	£15,000 - £20,000

During the year ended 31 August 2023, travel and subsistence expenses totalling £169 was reimbursed to 1 Trustee (2022: £198, 3 Trustees).

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to split out the cost of this insurance from the premium.

**12. TANGIBLE FIXED ASSETS**

	<b>Leasehold Improvements £</b>	<b>Leasehold Property £</b>	<b>Furniture and Equipment £</b>	<b>Computer Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>						
At 31 August 2022	34,000	38,914,981	2,290,021	516,825	71,234	41,827,061
Additions	-	1,445,244	24,183	-	-	1,469,427
At 31 August 2023	<u>34,000</u>	<u>40,360,225</u>	<u>2,314,204</u>	<u>516,825</u>	<u>71,234</u>	<u>43,296,488</u>
<b>Depreciation</b>						
At 31 August 2022	7,480	6,578,109	2,114,918	516,825	71,234	9,288,566
Charged in period	680	784,209	75,870	-	-	860,759
At 31 August 2023	<u>8,160</u>	<u>7,362,318</u>	<u>2,190,788</u>	<u>516,825</u>	<u>71,234</u>	<u>10,149,325</u>
<b>Net Book Value</b>						
At 31 August 2023	<u>25,840</u>	<u>32,997,906</u>	<u>123,416</u>	<u>-</u>	<u>-</u>	<u>33,147,163</u>
At 31 August 2022	<u>26,520</u>	<u>32,336,872</u>	<u>175,103</u>	<u>-</u>	<u>-</u>	<u>32,538,495</u>

**13. STOCK**

	<b>2023 £</b>	<b>2022 £</b>
Stock	<u>12,650</u>	<u>15,884</u>

**14. DEBTORS**

	<b>2023 £</b>	<b>2022 £</b>
Trade debtors	2,320,535	2,072,689
Other debtors	1,274,432	820,016
Prepayments and accrued income	164,242	77,811
VAT debtor	51,486	207,645
	<u>3,810,695</u>	<u>3,178,161</u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

<b>15. CREDITORS: amounts falling due within one year:</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	780,658	585,728
Other taxation and social security	159,791	140,033
ESFA creditor: GAG abatement	77,715	-
Other creditors	219,194	155,998
Accruals and deferred income	3,231,020	2,904,736
	<u>4,468,378</u>	<u>3,786,495</u>
<b>Deferred income</b>		
Brought forward	2,605,041	2,456,928
Resources deferred in the year	2,942,992	2,605,041
Amount released from previous year	(2,605,041)	(2,456,928)
	<u>2,942,992</u>	<u>2,605,041</u>

Deferred income relates to boarding fees for the 2023/24 school year billed in advance.

<b>16. FUNDS</b>	<b>Balance at 31 August 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains, losses and transfers</b>	<b>Balance at 31 August 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG) (note 2)	18,842	3,394,032	(3,824,931)	412,582	525
Other DfE Income	-	212,720	(212,720)	-	-
Boarding	525,736	7,751,687	(8,336,456)	63,235	4,202
Pension reserve	(923,000)	-	(92,000)	1,015,000	-
Other Restricted – Neville Paine	24,138	-	(1,150)	-	22,988
Other Restricted – Dukies Foundation	-	201,328	(96,674)	(104,654)	-
	<u>(354,284)</u>	<u>11,559,767</u>	<u>(12,563,931)</u>	<u>1,386,166</u>	<u>27,715</u>
<b>Restricted Fixed Asset funds</b>					
Capital Expenditure from GAG	86,044	83,332	-	-	169,376
DfE group capital grants	92,553	-	-	-	92,553
Leasehold property	26,630,861	-	(783,057)	-	25,847,804
Boarding fixed assets	508,984	-	(18,944)	24,183	514,223
Dukies Foundation assets	32,710	-	(1,832)	104,654	135,532
Military ethos assets	5,330,862	-	(56,925)	1,340,590	6,614,527
	<u>32,682,014</u>	<u>83,332</u>	<u>(860,758)</u>	<u>1,469,427</u>	<u>33,374,015</u>
<b>Restricted military funds</b>					
Ministry of Defence-Ethos	-	2,090,306	(749,716)	(1,340,590)	-
	<u>-</u>	<u>2,090,306</u>	<u>(749,716)</u>	<u>(1,340,590)</u>	<u>-</u>
<b>Total restricted funds</b>	<u>32,327,730</u>	<u>13,733,405</u>	<u>(14,174,405)</u>	<u>1,515,000</u>	<u>33,401,730</u>
<b>Unrestricted funds</b>					
Unrestricted funds	440,641	752,646	(215,862)	(500,000)	477,425
<b>Total unrestricted funds</b>	<u>440,641</u>	<u>752,646</u>	<u>(215,862)</u>	<u>(500,000)</u>	<u>477,425</u>
<b>Total funds</b>	<u>32,768,371</u>	<u>14,486,051</u>	<u>(14,390,267)</u>	<u>1,015,000</u>	<u>33,879,155</u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**16. FUNDS (continued)**

The specific purposes for which the funds are to be applied are as follows:

The General Annual Grant is funding from the DfE for the Academy's operating costs.

The Job Retention Scheme was used to retain the employment of staff funded through lost income during Covid-19.

Other ESFA/DFE grants to funding from the DfE for the Academy's operating costs.

The boarding fund relates to the accumulated surplus on boarding activities.

The pension reserve reflects the local government pension scheme liability as at 31 August 2023.

The Dukies Foundation was to be used to purchase specific items of equipment.

Restricted –Neville Paine is to be used for European travel.

The Devolved Formula Capital Grant is the money allocated for capital maintenance.

The fixed asset fund represent fixed assets funded from restricted funds or the leasehold property.

Ministry of Defence as a sponsor provides a Military ethos grant to enable the academy to maintain the military traditions.

**Comparative information in respect of the preceding period is as follows:**

	<b>Balance at 31 August 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2022 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG) (note 2)	7,739	3,286,420	(3,473,404)	198,087	18,842
Job Retention Scheme	-	502	(502)	-	-
Other DfE Income	-	161,195	(161,195)	-	-
Boarding	387,781	7,274,660	(7,136,705)	-	525,736
Pension reserve	(7,731,000)	-	(924,000)	7,732,000	(923,000)
Other Restricted – Neville Paine	24,138	-	-	-	24,138
Other Restricted – Dukies Foundation	4,943	167,472	(124,864)	(47,551)	-
	<u>(7,306,399)</u>	<u>10,890,249</u>	<u>(11,820,670)</u>	<u>7,882,536</u>	<u>(354,284)</u>
<b>Restricted Fixed Asset funds</b>					
Capital Expenditure from GAG	57,499	28,545	-	-	86,044
DfE group capital grants	92,553	134,926	(151,680)	16,754	92,553
Leasehold property	27,397,662	-	(766,801)	-	26,630,861
Boarding fixed assets	534,391	-	(25,407)	-	508,984
Dukies Foundation assets	-	-	-	32,710	32,710
Military ethos assets	4,518,760	-	(64,592)	876,694	5,330,862
	<u>32,600,865</u>	<u>163,471</u>	<u>(1,008,480)</u>	<u>926,158</u>	<u>32,682,014</u>
<b>Restricted military funds</b>					
Ministry of Defence-Ethos	-	1,792,155	(915,461)	(876,694)	-
	<u>-</u>	<u>1,792,155</u>	<u>(915,461)</u>	<u>(876,694)</u>	<u>-</u>
<b>Total restricted funds</b>	<u>25,294,466</u>	<u>12,845,875</u>	<u>(13,744,611)</u>	<u>7,932,000</u>	<u>32,327,730</u>
<b>Unrestricted funds</b>					
Unrestricted funds	369,382	514,458	(243,199)	(200,000)	440,641
<b>Total unrestricted funds</b>	<u>369,382</u>	<u>514,458</u>	<u>(243,199)</u>	<u>(200,000)</u>	<u>440,641</u>
<b>Total funds</b>	<u><u>25,663,848</u></u>	<u><u>13,360,333</u></u>	<u><u>(13,987,810)</u></u>	<u><u>7,732,000</u></u>	<u><u>32,768,371</u></u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2023 are represented by:	<b>Unrestricted funds</b> £	<b>Restricted General Funds</b> £	<b>Restricted fixed assets funds</b> £	<b>Total Funds</b> £
Tangible fixed assets	-	-	33,147,163	33,147,163
Current assets	477,425	4,496,093	226,852	5,200,370
Current liabilities	-	(4,468,378)	-	(4,468,378)
Pension scheme	-	-	-	-
<b>Total net assets</b>	<u>477,425</u>	<u>27,715</u>	<u>33,374,015</u>	<u>33,879,155</u>

Fund balances at 31 August 2022 are represented by:	<b>Unrestricted funds</b> £	<b>Restricted General Funds</b> £	<b>Restricted fixed assets funds</b> £	<b>Total Funds</b> £
Tangible fixed assets	-	-	32,538,495	32,538,495
Current assets	440,641	4,355,211	143,519	4,939,371
Current liabilities	-	(3,786,495)	-	(3,786,495)
Pension scheme liability	-	(923,000)	-	(923,000)
<b>Total net assets</b>	<u>440,641</u>	<u>(354,284)</u>	<u>32,682,014</u>	<u>32,768,371</u>

**18. CAPITAL COMMITMENTS**

At 31 August 2023 the Academy had contracted for work not provided in the financial statements £Nil (2022: £481,540)

**19. COMMITMENTS UNDER OPERATING LEASES**

At 31 August 2023 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	<b>2023</b> £	<b>2022</b> £
Amounts due within one year	217,410	94,627
Amounts due within two and five years inclusive	514,964	38,495
Amounts due after 5 years	1,463	-
	<u>787,838</u>	<u>133,122</u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

<b>20. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure)	95,784	(627,477)
Depreciation (note 12)	860,759	856,800
Interest receivable (note 5)	(2,707)	(303)
(Increase)/ decrease in stock	3,234	(1,253)
(Increase)/Decrease in debtors	(632,534)	(677,295)
Increase/(decrease) in creditors	681,883	288,856
Defined benefit pension scheme finance costs	27,000	123,000
Defined benefit pension costs less contributions payable	65,000	803,000
<b>Net cash provided by operating activities</b>	<b>1,098,419</b>	<b>763,328</b>
	<u><u>          </u></u>	<u><u>          </u></u>
<b>21. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest received	2,707	303
Purchase of tangible fixed assets	(1,469,427)	(909,404)
<b>Net cash used in investing activities</b>	<b>1,466,720</b>	<b>(909,101)</b>
	<u><u>          </u></u>	<u><u>          </u></u>
<b>22. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash in hand and at bank	1,377,025	1,745,326
	<u><u>          </u></u>	<u><u>          </u></u>

**23. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**24. PENSION AND SIMILAR OBLIGATIONS**

The Academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council. Both are defined-benefit schemes.

Contributions amounting to £132,690 were payable to the schemes as at 31 August 2023 (2022: £117,150) and are included within creditors.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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**24. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer make contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department of Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £573,303 (2021/22: £533,404)

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £733,000 (2022: £634,000), of which employer's contributions totalled £570,000 (2022: £489,000) and employees' contributions totalled £163,000 (2022: £145,000). The agreed contribution rates for future years are 22.5% for employers and a range between 5.5 per cent and 12.5 per cent for employees based on income.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk).

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**24. PENSION AND SIMILAR OBLIGATIONS (continued)**

<b>Principal Actuarial Assumption</b>	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
Rate of increase in salaries	3.85%	3.95%
Rate of increase for pensions in payment/inflation	2.85%	2.95%
Discount rate for scheme liabilities	5.30%	4.25%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
<i>Retiring today</i>		
Males	20.7	21.0
Females	23.2	23.5
<i>Retiring in 20 years</i>		
Males	22.0	22.3
Females	24.6	24.9

<b>Sensitivity analysis on obligation</b>	<b>At 31 August 2023 £'000</b>	<b>At 31 August 2022 £'000</b>
Discount rate +0.1%	8,507	9,239
Discount rate -0.1%	8,839	9,701
Mortality assumption – 1 year increase	8,909	9,743
Mortality assumption – 1 year decrease	8,440	9,199
Long term salary increase +0.1%	8,684	9,490
Long term salary decrease -0.1%	8,658	9,444
Pension increases +0.1%	8,830	9,681
Pension decreases -0.1%	8,516	9,259

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Fair value at At 31 August 2023 £'000</b>	<b>Fair value At 31 August 2022 £'000</b>
Equities	5,697	5,600
Gilts	53	49
Bonds	1,240	1,130
Property	905	1,005
Cash	95	145
Target Return Portfolio	643	615
Infrastructure	340	-
<b>Total market value of assets</b>	<b>8,973</b>	<b>8,544</b>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**24. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

The actual return on scheme assets was £63,000 (2022: -£106,000)

<b>Amounts recognised in the Statement of Financial Activities</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost (net of employee contributions)	649	1,285
Net interest cost	27	123
Administration expenses	5	5
	<u>681</u>	<u>1,413</u>
<b>Total operating charge</b>	<u><u>681</u></u>	<u><u>1,413</u></u>
 <b>Amounts recognised in the balance sheet are as follows:</b>		
Present value of funded obligations	(8,671)	(9,467)
Fair value of scheme assets	8,973	8,544
	<u>302</u>	<u>(923)</u>
Surplus/ (deficit) in scheme	302	(923)
Adjustment for unrecognised asset	(302)	-
	<u>-</u>	<u>(923)</u>
	<u><u>-</u></u>	<u><u>(923)</u></u>
 <b>Remeasurement of the net deficit liability to be shown in Statement of Financial Activities (SOFA)</b>		
Actuarial gains	1,814	7,977
Return on assets (excluding interest income)	(438)	(245)
Other actuarial gains	(59)	-
Surplus on scheme that is not recoverable	(302)	-
	<u>1,015</u>	<u>7,732</u>
<b>Total remeasurement of the net deficit liability to be shown in SOFA</b>	<u><u>1,015</u></u>	<u><u>7,732</u></u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

<b>Movements in the present value of defined benefit obligations were as follows</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>At 1 September</b>	9,467	15,916
Current service cost	649	1,285
Interest cost	402	262
Change in financial assumptions	(2,240)	(8,537)
Change in demographic assumptions	(136)	(321)
Employee contributions	161	145
Experience loss on defined benefit obligation	562	881
Benefits paid	(194)	(164)
<b>At 31 August</b>	<u>8,671</u>	<u>9,467</u>
	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Movements in the fair value of academy's share of scheme assets</b>		
<b>At 1 September</b>	8,544	8,185
Interests on assets	375	139
Return on assets less interest	(438)	(245)
Other actuarial gains/ (losses)	(59)	-
Administration expenses	(5)	(5)
Employer contributions	589	489
Employee contributions	161	145
Benefits paid	(194)	(164)
<b>At 31 August</b>	<u>8,973</u>	<u>8,544</u>

**25. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the current or prior academic year other than those disclosed in note 10.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**26. ACADEMY BOARDING TRADING ACCOUNT**

	<b>2023</b>		<b>2022</b>	
	£	£	£	£
<b>Income</b>				
Fee income		7,418,582		7,122,925
Other income		215,602		58,323
Extras		117,503		92,400
Coronavirus Job Retention Scheme		-		1,012
		<u>7,751,687</u>		<u>7,274,660</u>
<b>Expenditure</b>				
<b>Direct costs</b>				
Staff costs	4,026,444		3,428,246	
Catering	544,949		502,335	
Agency costs	39,220		48,111	
Staff development	23,604		20,352	
Bad debts	72,406		127,408	
Medical Centre	45,864		41,007	
Extras	201,552		37,869	
				-
<b>Total direct costs</b>	4,954,009		4,205,328	
<b>Indirect costs</b>				
Recruitment	1,712		4,226	
Maintenance of premises and equipment	1,005,273		845,696	
Facilities management	930,730		861,306	
Cleaning	107,511		73,389	
Light and heat	502,942		436,274	
Rent and rates	220,981		247,453	
Insurance	7,861		4,551	
Events and functions	28,267		26,413	
Professional fees	89,836		43,891	
Stationery and postage	44,493		46,312	
IT and phone	243,572		180,858	
Vehicle expenses and transport	13,483		9,529	
Subscriptions and licences	11,875		8,751	
Other support costs	109,696		93,084	
Marketing and advertising	64,215		49,644	
				<u>2,931,377</u>
<b>Total indirect costs</b>	3,382,447		2,931,377	
<b>Total operating costs</b>		8,336,456		7,136,705
<b>Surplus/(Deficit) on boarding</b>		<u>(584,769)</u>		<u>137,955</u>
<b>Surplus brought forward at 1 September 2022</b>		<u>525,736</u>		<u>387,781</u>
<b>Transfers</b>				
Transfer to fixed asset fund		(21,765)		-
Transfer from Unrestricted to Boarding		85,000		-
<b>Surplus carried forward at 31 August 2023</b>		<u>4,202</u>		<u>525,736</u>

