

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

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Registered Company No: 07209122**

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Members (DOYRMS Trustees) of the Academy Trust**

Lt Gen T R Urch CBE (Chairman)  
Mr M Cooper  
Lt Gen Sir G Coward KBE CB CGIA  
Mr D Gregg  
Mrs J Lycett  
Mrs G Martin (resigned 8 June 2020)

**Trustees (DOYRMS Governors)**

Mrs G Martin (Chairman) (resigned 8 June 2020)  
Mrs J Lycett (Vice-Chairman) (Interim Chairman 8 June 2020 to 31 December 2020) (resigned 31 December 2020)  
Mr J Applegate  
Mr A Barlow (appointed 26 August 2020)  
Mr J Baxter  
Mr R Collier  
Mr A Foreman  
Wg Cdr S Graham  
Mrs A Kehaya (appointed 21 September 2020)  
The Venerable C Langston QHC (resigned 24 March 2020)  
Mr A Nunn  
Mr L Ridings MBE  
Brigadier P Rowell (appointed 18 October 2019)  
Air Marshal G E Stacey (appointed 18 October 2019)  
Colonel A Thorne (appointed Chairman of Governors from 1 January 2021)  
Mrs D Vandeppeer (resigned 31 October 2019)  
Mr C Wachter  
K Allen (appointed 11 November 2020)  
R Cole (appointed 17 December 2020)

**Senior Management Team:**

• Principal	Mr A Foreman
• Vice Principal (Curriculum and Learning)	Mr S Haslehurst
• Vice Principal (Recruitment and Military)	Mr S Saunderson
• Bursar and Company Secretary	Mr A Kent
• Assistant Principal (Assessment and Intervention)	Mr J Marsh
• Assistant Principal (Performance Management/CPD)	Mrs E Dixon
• Assistant Principal (Behaviour, Safety & Welfare)	Mr S Dowle (resigned 31 August 2020)
• Assistant Principal (Pupil Progress)	Mr E Pallant

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

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

## **GOVERNORS’ REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The Governors present their annual report together with the financial statements and auditor’s report of the charitable company for the period 1 September 2019 to 31 August 2020. 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 pupils aged 11 to 18 serving a catchment area primarily in the south east. It has a pupil capacity of over 600 and had a roll of 484 in the school census on 1 October 2020.

## **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 Governors of DYRMS – An Academy with Military Traditions 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, one of which is also a Governor, as indicated on page [2]. 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**

Trustees and Governors 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 Governors 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 Governors, the local authority may appoint one Governor, and there is a provision for parent and staff Governors to be appointed, along with the Principal of the Academy.

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

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

## **GOVERNORS’ REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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

New Governors are inducted into the workings of the Academy, and also the requirement of the Academy being a Company and exempt Charity. Governors (inc the Clerk to Governors) have attended 31 professional training courses in the year to allow them to fulfil their duties efficiently, for example, Collaborating with Partners – Working Together, Structures, Roles and Responsibilities – Academies, Compliance – Safeguarding: The Governor’s Role, Good Governance – Succession Planning; Clerks’ Conference, Clerks’ Briefing, The Clerk as Co-ordinator of Continuing Professional Development, Managing Complaints, Governing Boards role in school improvement as well as completing online training modules in Prevent, FGM, Forced Marriage, Keep Them Safe – Protecting Children from Child Sexual Exploitation. 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. The NGA has teamed up with Virtual College, one of the UK’s top e-learning providers to provide accessible, engaging and convenient e-learning. Key governance topics include: strategy, teamwork, assessment, staffing, financial oversight, effective governance, compliance, collaboration and much more. The academy is a gold member of the NGA.

#### **Organisational Structure**

The management structure consists of the Governors and Governors’ Committees (Business, Education, Staff Matters (now Leadership and Management) and Health and Welfare) and the Senior Leadership Team. The Governors 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 Academies Financial 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 (trustees), trustees (governors), committees and individuals are clear about who has responsibility for making which decisions in the trust.

The Senior Leadership Team consists of the Principal, two Vice Principals, three Assistant Principals and the Bursar. They control the Academy at an executive level and implement the policies set by the Governors 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.

#### **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). Key management personnel 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 Governors’ Pay and Rewards Policy. The Principal is performance managed, within the same framework, by the Governors.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
GOVERNORS’ REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**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	£2,615
Provide the total pay bill	£7,018,331
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	0.04%

**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 and Bursars/Finance Managers with closer links forged with the Dover Grammar School For Girls and the Dover Grammar School For Boys. The Chairman of Governors and Clerk to Governors participated in collaborative forums set up to share best practice amongst local Chairs and Clerks. The collaborations sought to share 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  
GOVERNORS’ REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives, Strategies and Activities**

**Academy Values**

Our military heritage, competitive boarding fees and pastoral care has made us the state boarding school of first choice for service personnel from all three services, and we remain at the forefront of educational excellence, preparing pupils from all backgrounds for the next steps in their young lives:

- We will build on our already excellent academic record.
- We will 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.
- We will 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. Full boarding provision - which stands us apart from most independent schools - will play a big part in this, making us a favourable option for those Service parents entitled to claim Continuity of Education Allowance.
- We will combine the unique and special ingredients of education, military, faith and sport.

**Academic Objectives**

Our Key Academic Objectives are:

- Key Stage 3: 75% of students make age related progress in all subjects.
- Key Stage 4: 80% of students achieve their targets.
- Key Stage 5: 75% of students achieve their targets.
- 55% of students achieve a level 5 or higher in both GCSE Mathematics and English.
- All students to achieve to, and beyond, their projected potential and no student is classed as a NEET on leaving the School.
- Pupil/Service Premium students to perform at a level no less than their peers.
- Maintain an Ofsted grading of Good at the next inspection with the goal of ultimately moving towards Outstanding.

**Business Objectives**

Our key business objectives are:

- Manage resources efficiently and effectively, maintaining downward pressure on costs.
- Secure annual surpluses of 8% on boarding turnover, 8% on unrestricted funds and 2% on educational funding for future inward investment.
- Maximise MOD’s Grant in Aid support.
- Maintain competitive value for money boarding fees.
- Continue to pay staff fair rates in accordance with national and county guidelines.
- Make better use of improved infrastructure to maximise income generation; contributing £500,000 per annum
- Manage focussed investment in scholarships and bursaries to support student number retention and growth within a budget of 8% of gross fee income
- Stimulate cost-effective marketing activities that can demonstrate and facilitate growth in student numbers and greater awareness of what The Duke of York’s Royal Military School is and what it offers; to increase the School roll to 600 students by the academic year 2023/24
- Produce a fully costed infrastructure development plan with associated funding plan to maintain existing facilities and meet improvements anticipated in the future.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
GOVERNORS’ REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Key Strategies**

The following strategies will be pursued by the Academy:

- Maintain and develop an effective Governing Body.
- Develop a new customer centric approach to student recruitment using intelligence to develop our approach,
- Continuously improve leadership, teaching and learning, assessment standards and the management of boarding, health and welfare and safety (as set out in the SIP).
- Invest in all staff; enhancing professional development, career progression and personal satisfaction/ morale.
- Continue developing the Curriculum in furtherance of the ‘all round education with an academic focus’ principle.
- Preserve the School’s ethos and heritage as our Unique Selling Point.

**School Improvement Plan**

In order to achieve the stated Strategic Plan outcomes, the following SIP priorities and plans will be pursued and reviewed annually by the Governing Body:

- Quality of education: To further develop the curriculum and assessment models, exploiting the experience of using new technologies, with particular focus on sequencing and retention.
- Behaviour and attitudes: To continue recognising positive behaviour and academic progress whilst improving home/school communication.
- Personal development: To ensure that links between academic and pastoral aspects of school life are developed to further improve the mental wellbeing of all students.
- Leadership and management: Leaders build on highly effective and meaningful engagement with staff at all levels that promotes the enhanced working conditions at DYRMS and improves teachers’ subject and pedagogical knowledge, all of which translates into consistent improvements in the delivery of a broad curriculum.
- 6<sup>th</sup> form provision: To support 6<sup>th</sup> form students to reach their potential in achieving an average A-level grade of a ‘B’, with positive value added, through increased engagement in the classroom and beyond.
- Recruitment, retention, operations and finance: To build on the accelerated change in recruitment, retention, facilities management and IT service provision; recover the financial reserves and resilience of the business.

**Public Benefit**

The Governing Body 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.



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

## **GOVERNORS’ REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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## **Strategic Report**

### **Achievements and Performance**

#### **Key Performance Indicators**

The Covid-19 lockdown, during which all students at the School were taught remotely, led to the cancellation of all public examinations for Summer 2020; all grades were based on a combination of CAG’s and the government algorithm. Early in the lockdown, the School set up an online platform to deliver ‘real time’ lessons ensuring that students benefitted from live lessons delivered by their usual subject teachers to a full timetable. Teachers kept to the schemes of work which would have been taught and the negative impact of being out of School was significantly mitigated.

In 2020, 85% (2019: 73%, 2018: 61%, 2017: 60%) of students achieved 5 GCSE (or equivalent) A\*-C (9-4) passes including English and Maths. On the Progress 8 performance measure, the School estimated Centre Assessed Grades (CAG’s) P8 figure was an impressive +1.13 (increased by the government algorithm to +1.23) (2019: +0.56 2018: +0.16, 2017: +0.25 but -0.13 without ECDL). At A2, 91% of entries were awarded A\*-C grades (2019: 66%, 2018: 60%, 2017: 44%). Students average a grade B at A level, an improvement from grade D in 2017. The value added measure for Key Stage 5 using CAG is estimated to be +0.68 a significant improvement that was predicted from +0.01 in 2019. University entry for 2020 has again been confirmed with all students wishing to attend University being successful at gaining a place. The vast majority of whom gained their first choice at more aspirational Universities, many of which are leading Russell group.

The School Leadership Team and Academic Leadership Group continued to focus on accurate assessment of lessons with constructive feedback for improvement. This has been through the full monitoring and evaluation schedule which was confirmed by Ofsted in April 2018 when they said “Senior and middle leaders have made high-quality teaching and learning the key priority, raising teachers’ aspirations of what pupils can do and achieve. As a result, current pupils in all year groups and across subjects are making faster progress.” This has been confirmed by the Well Above Average GCSE progress again this year and achieving a confirmed +0.56 (for those with KS2) and +0.70 (for all students) placing us in the highest performing 5% of schools Nationally.

The cancellation of the 2020 public examinations led to student outcomes being based on centre assessments, the strength of assessment and internal quality assurance with School enabled this process to be undertaken rigorously and robustly.

#### **Going Concern**

After making appropriate enquiries, the Governing body 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 2020 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 £27,504,477 at 31 August 2020 (2019: £29,816,683) comprising £90,184 (2019: £56,633) of restricted education funds, £797,578 (2019: £846,984) of restricted boarding funds, £32,676,998 (2019: £33,528,832) of restricted fixed asset funds, the value of which can only be realised on disposal of any fixed assets, £24,138 (2019: £24,138) of restricted legacy funds, £3,089 (2019: £3,089) of restricted Dukies’ Foundation funds, £NIL of restricted Ministry of Defence funds (2018: £NIL), £182,490 (2019: £63,007) of unrestricted funds and £6,270,000 (2019: £4,706,000) deficit on the pension reserve.

The balance of restricted funds (excluding the Fixed Assets Funds and Pension Reserves) and unrestricted funds at the 31 August 2020, as set out in note 16 of the financial statement is £1,097,479 (2019: £993,851). The in-year surplus on restricted funds (excluding the Fixed Assets Funds and Pension Reserves) and unrestricted funds is £103,624; including the movement on the Restricted Fixed Asset Fund, the School realised a deficit of £748,206

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

## **GOVERNORS' REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The School Estate and Infrastructure has been recognised as a long term risk; a 150 acre, grade 2 listed site located in an exposed location will inherently require high levels of pre-planned preventative and reactive maintenance. Governors intend to maximise the revenue budgets available to address works identified in a building condition survey (carried out Winter 2017/18) whilst operating within the reserves limits set in 2017. Significant plant or building failure can currently be temporarily absorbed within the surplus accommodation which the School has however resources to replace or repair may need to be funded from reserves or cuts in other revenue budgets as resources are reallocated. A comprehensive infrastructure plan is being drawn up to enable a better understanding of investment priorities and lifecycle costs of the estate.

The School operates 2 primary defined benefit pension schemes (Teachers Pension Scheme and Local Government Pension Scheme). The Teachers Pension Scheme, pension liability is not held on the Schools balance sheet, has seen a substantial increase in employer contributions from September 2019, the cost of which is not covered by additional funding from the Department for Education; budgets include the contribution rate rise and are offset by increases in income through letting operations, future years will place an increased reliance on the School generating further contribution from its letting operation. The Local Government Pension Scheme, a funded scheme but with a deficit on the Schools balance sheet, has recently been revalued with increased contribution rates effective April 2020. In light of the unsustainable rate of increase in pension costs the school is carrying out a full review of its employee pay and benefits framework.

During the academic year, the emergence of the Covid-19 virus, the global pandemic and the national lock down beginning on 23 March led to the closure of the School's boarding accommodation and a switch to online real time lessons delivered through the Microsoft Teams platform. During that period, the School was unable to charge for board and lodging costing approximately £2m of lost income; there was also the need to cancel the Summer School letting operation at a cost of approximately £350,000. With students being taught online, the school elected to use the Coronavirus Job Retention Scheme (CJRS), staff employed in the delivery of the boarding, catering, estates and infrastructure operations, along with other 'front line' student facing staff were put on 'furlough'; teachers were retained and all students, where possible, enjoyed real time access to their 'usual' teachers. This was a particularly difficult period for all staff: those continuing to work were required to take on a significant increase in their workload and to learn, at no notice, new practices, and skills; those placed on the CJRS scheme were uncertain of their futures, their employment and were out of the workplace, in some cases, for as long as five months – reintegration of the workforce and the effective communication of risk assessments and mitigation methods was integral to the September 2020 return to classroom based learning and boarding.

#### **Reserves Policy**

The Governors 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 2.55%; prior year 1.73%), on the restricted boarding fund of 8% (currently 14.24%; prior year 13.38%) and on the unrestricted fund of 8% (currently 72.46%; prior year 9.72%). The monetary level of reserves should therefore total £539,022 (on current year turnover) with actual reserves on these funds totalling £1,070,252. It should, however, be noted that the closure of boarding accommodation for a full term and the summer holidays has suppressed turnover and the reserves target, based on normal turnover levels, will be approximately £700,000. This reserves policy was established in 2016 with a 3 year business plan to achieve it by 31 August 2019, with this now having been achieved the School will review the policy to balance the retention of reserves with increased investment in School infrastructure.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted reserves at 31 August 2020 was £1,097,479.

The persistence of the Covid-19 virus has led to increased uncertainty regarding future reserve levels. For the Academic Year 2020/21, the School is expecting to operate with an in-year budget deficit but, sufficient reserves have been brought forward from the 2019/20 Academic Year, to ensure that the School continues to comply with its own reserves policy.

#### **Investment Policy**

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

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

## **GOVERNORS’ REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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

The objective of the risk management approach taken by the Governing Body 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 Governing body review the risks at each meeting of the full Governing Body, 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. In the current year 51% (2019: 42%) of the Academy’s revenue was ultimately publicly funded. Department for Education funding for education and, in particular, the funding provided to offset the impact of pay and pension announcements is not sufficient to cover the total of these cost increases. During 2020 the Covid-19 pandemic and the use of the Government Coronavirus Job Retention Scheme increased the proportion of income from such sources.

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

##### *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.

##### *Global Pandemic:*

During the 2020 Covid-19 pandemic, the School closed for a complete term impacting upon the learning experience of the students (though this was mitigated as explained under Results and Performance) and the ability for the School to charge parents for the board and lodging. Since re-opening, the School became a very difficult operation to manage with extensive measures to limit the transmission of the virus, the ‘hybrid’ learning model whereby some students are in classroom and others are in a remote location accessing the lesson ‘real time’.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
GOVERNORS’ REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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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 – general levels of economic uncertainty and the risk of redundancy may cause 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
- Summer lettings – income generated by letting the School site during the holidays is relied upon to subsidise the deficits which accrue on academic operations; during summer 2020 customers were unable to travel and the 2021 sales have also been impacted

The Governors 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 Governors 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 in a number of ways:

- Development of an online, real time, lesson delivery system
- Extensive risk assessment to address the risk of in-school transmission of the virus
- Exploring methods of real time virus testing
- Accessing the Governments Coronavirus Job Retention Scheme to support the continued employment of staff
- Budgeting for a short term increase in bad debts and bursaries

**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 boarding closures and the loss of letting revenues has put the School behind against its expected revenue position. With the full impact of the 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:

- Admissions management system – a fully integrated contact management system and workflow will provide ‘real time’ information on enquiries and conversion of enquiries to students
- 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.

Governors’ report, incorporating a strategic report, was approved by order of the members of the Governing Body on 26 January 2021 and signed on the board’s behalf by:



.....  
A Thorne, Chair of Governors

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Scope of Responsibility**

As Governors 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 Governing Body 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 Governors’ Report and in the Statement of Governors’ Responsibilities. The Governing Body typically meets formally 4 times during the year (September, December, March and June), however due to complications of Covid-19 the Governing Body also met up virtually (24 March, 15 April, 20 May, 23 June, 4 August and 25 August) making a total of 8 Full Board meetings during the 2019-20 academic year. Attendance during the 2019-20 academic year at meetings of the Full Governing Body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
G Martin (Chairman) (resigned 8 June 2020)	5	5
J Applegate	7	8
J Baxter	8	8
R Collier	7	8
A Foreman	8	8
S Graham	4	8
C Langston (resigned 24 March 2020)	1	2
J Lycett	6	8
A Nunn	8	8
L Ridings	2	8
P Rowell	2	7
G Stacey	7	7
A Thorne	7	8
D Vandeppeer (resigned 31 October 2019)	1	1
C Wachter	5	8

The Business Committee, the Education Committee, the Health and Welfare Committee and the Staff Matters (now Leadership and Management) Committee are sub-committees of the main Governing Body. Governors 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 Governing Body plus Business Committee) at which financial matters are discussed. In addition to this financial matters are considered at a Trustee level at least 3 times a year.

The Business Committee’s purpose is to assist the Full Board of Governors 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.

The Education Committee’s purpose is to assist the Full Board of Governors 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 2020**

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

The Staff Matters (now Leadership & Management) Committee’s purpose is to assist the Full Board of Governors in fulfilling its responsibility to determine and agree the framework and policy for the structure, remuneration and performance management of all employed staff.

Attendance at meetings in the year was as follows:

<b>Governor (Business Committee inc Audit)</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Lycett (Chair)	3	3
J Applegate	3	3
J Baxter	2	3
A Foreman	2	3
G Martin (resigned 8 June 2020)	2	2
L Ridings (Responsible Officer)	1	3
P Rowell	1	3

<b>Governor (Education Committee)</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Ridings (Chair)	2	3
R Collier	1	3
A Foreman	1	3
G Martin (resigned 8 June 2020)	2	3
A Nunn	2	3
G Stacey	1	3

<b>Governor (Health and Welfare Committee)</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Thorne (Chair)	2	3
A Foreman	1	3
S Graham	2	3
C Langston (resigned 24 March 2020)	0	2
G Martin(resigned 8 June 2020)	2	3
C Wachter	1	3

<b>Governor (Staff Matters Committee (now Leadership and Management))</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Lycett (Chair)	2	2
A Foreman	2	2
G Martin (resigned 8 June 2020)	2	2

**Governance reviews**

Governors take part in two Strategy Days each year typically held in January and September, 2020 was an exceptional year with the change of Chairman and the global pandemic but the School managed, in a ‘Covid-secure’ manner to keep to this schedule. The School is planning to hold one Strategy Day going forward to be 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; the Future Operating Model; Examination Analysis (standards and assessment); the Governors’ 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 (undertaken in March 2017). A Review of Governance will be discussed at the Full Board meeting in March 2021 when the new Chairman of Governors will be in post.

Key priorities, are included in the School Improvement Plan. Governors undertake a yearly Skills Audit analysis with the findings discussed at the Full Board, typically in December each year (with the School closed in December, the skills audit has been deferred until the following academic term). A Scheme of Delegation reinforces clear areas of responsibility.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**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 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 Governing Body 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:

- **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'.

- **Medical Centre review**

Following a review of the Medical Centre's operations and staffing, the decision was made to reduce the hours of operation focussing on the core, busy, times; reducing the number of hours paid and concentrating the remaining establishment.

- **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.

- **Staffing**

Following the resignation of certain key roles within school, the Senior Leadership Team have considered, for each vacancy, the need to re-appoint to the post; several positions have been either left vacant or removed from the establishment. Furthermore, the school has undertaken a review of certain other operations and roles within those operations and made redundancies accordingly.

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

## **GOVERNANCE STATEMENT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **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 2020 and up to the date of approval of the annual report and financial statements.

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

The Governing Body 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 Governing Body 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 2020 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### **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 Governing Body;
- 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.

Following the resignation of the Schools internal auditors, haysmacintyre, and ahead of the end of the Responsible Officers term of office in 2021, the Governing Body will advertise and make new appointments to these key roles. The Governing Body considers it appropriate to undertake termly internal audit checks of processes and transactions. Reports will be provided to the Business Committee. 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;
- payroll reviews to ensure appropriate contract documentation is prepared and payment is consistently made and correctly approved;
- reviews of key balance sheet reconciliations (including but not limited to) bank accounts, VAT control accounts, wages and wage associated control accounts, sales and purchase ledgers, fixed asset control accounts.

On a termly basis an internal auditor will report to the Governing Body, through the Business Committee, on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The Business Committee has overseen the preparation of these accounts.

During 2020, the School closure prevented the internal audit schedule (as described above) from being undertaken.



**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**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 external auditor;
- 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 Governing Body on 26 January 2021 and signed on its behalf by:



.....  
A Thorne, Chair of Governors



.....  
A Foreman, Accounting Officer

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2020**

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As Accounting Officer of DYRMS – An Academy with Military Traditions I have considered my responsibility to notify the Academy’s Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy’s Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy’s funding agreement and the Academies Financial Handbook 2020.

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 Governing Body and ESFA.



.....  
**A Foreman**  
**Accounting Officer**

**Date: 26 January 2021**

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS  
STATEMENT OF GOVERNORS’ RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Governors of DYRMS - An Academy With Military Traditions (who act as Trustees for the charitable activities of the charitable company and are also the directors of the Charitable Company for the purposes of company law), are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors 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 2019 to 2020;
- 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 Governors 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 Governors 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 Governors 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 Governors on 26 January 2021 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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We have audited the financial statements of of DYRMS – An Academy with Military Traditions for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency including.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

## **Basis of 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

## **Other information**

The Governors 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 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.

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

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## Opinion 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 Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the Statement of Governors' Responsibilities, the Governors 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 Governors 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 Governors 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 Governors either intend to liquidate the academy's 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.

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). The description forms part of our Auditor's report.

## Use of our report

This report is made solely to the academy'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 academy'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 academy and its 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 behalf of

**Haysmacintyre LLP**

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

Date: 28 January 2021

# **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 2019 to 2020 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 2020 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 2019, 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 able to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. 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 2020 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 2019 to 2020 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 Governors 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 2019 to 31 August 2020 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

28 January 2021

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

		Unrestricted	General	Restricted Funds Military	Fixed assets	Total 2020	Total 2019
	Notes	£	£	£	£	£	£
<b>Income from:</b>							
Donations and capital grants	3	-	106,586	-	20,976	127,562	201,572
Other trading activities	5	219,933	256,436	-	-	476,369	659,682
Investments	6	1,141	-	-	-	1,141	2,493
Charitable activities:							
<i>Funding for the Academy's educational operations</i>	4	9,052	4,031,914	1,538,876	-	5,579,842	4,873,850
<i>Boarding fees</i>	26	-	4,846,992	-	-	4,846,992	6,262,345
<i>Other educational</i>		21,734	-	-	-	21,734	31,177
<b>Total</b>		<u>251,860</u>	<u>9,241,928</u>	<u>1,538,876</u>	<u>20,976</u>	<u>11,053,640</u>	<u>12,031,119</u>
<b>Expenditure on:</b>							
Raising funds:							
<i>Trading expenditure</i>		21,734	-	-	-	21,734	299,172
Charitable activity:							
<i>Academy's operating costs</i>	8	110,643	9,838,783	1,538,876	872,810	12,361,112	12,558,387
<b>Total</b>	7	<u>132,377</u>	<u>9,838,783</u>	<u>1,538,876</u>	<u>872,810</u>	<u>12,382,846</u>	<u>12,857,559</u>
<b>Net income/(expenditure) before transfers</b>							
		119,483	(596,855)	-	(851,834)	(1,329,206)	(826,440)
Gross transfers between funds		-	-	-	-	-	-
<b>Net income/(expenditure) for the year</b>		<u>119,483</u>	<u>(596,855)</u>	<u>-</u>	<u>(851,834)</u>	<u>(1,329,206)</u>	<u>(826,440)</u>
<b>Other recognised gains and losses</b>							
Actuarial (loss)/gain on defined benefit pension scheme	24	-	(983,000)	-	-	(983,000)	(914,000)
<b>Net movement in funds</b>		<u>119,483</u>	<u>(1,579,855)</u>	<u>-</u>	<u>(851,834)</u>	<u>(2,312,206)</u>	<u>(1,740,440)</u>
<b>Reconciliation of funds</b>							
Total funds brought forward		<u>63,007</u>	<u>(3,775,156)</u>	<u>-</u>	<u>33,528,832</u>	<u>29,816,683</u>	<u>31,557,123</u>
<b>Total funds carried forward</b>		<u><u>182,490</u></u>	<u><u>(5,355,011)</u></u>	<u><u>-</u></u>	<u><u>32,676,998</u></u>	<u><u>27,504,477</u></u>	<u><u>29,816,683</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 2020**

	Notes	£	2020	£	£	2019	£
<b>Fixed assets</b>							
Tangible assets	12			32,567,555			33,450,525
<b>Current assets</b>							
Stock	13	11,058				9,618	
Debtors	14	2,615,503				2,895,578	
Cash at bank and in hand		1,813,825				1,461,632	
				<u>4,440,386</u>		<u>4,366,828</u>	
<b>Creditors: amounts falling due within one year</b>	15	(3,233,464)				(3,294,670)	
<b>Net current assets</b>				<u>1,206,922</u>		<u>1,072,158</u>	
<b>Total assets less current liabilities</b>				<u>33,774,477</u>		<u>34,522,683</u>	
<b>Net assets excluding pension scheme liability</b>				<u>33,774,477</u>		<u>34,522,683</u>	
Pension scheme liability	24			(6,270,000)		(4,706,000)	
<b>Net assets including pension scheme liability</b>				<u>27,504,477</u>		<u>29,816,683</u>	
<b>Funds of the academy:-</b>							
<b>Restricted funds</b>							
General Funds	16			90,184		56,633	
Pension Reserve	16			(6,270,000)		(4,706,000)	
Boarding Fund	16,26			797,578		846,984	
Neville Paine Fund	16			24,138		24,138	
The Dukies' Foundation	16			3,089		3,089	
Military Fund	16			-		-	
Restricted Fixed Asset Fund	16			32,676,998		33,528,832	
<b>Total restricted funds</b>				<u>27,321,987</u>		<u>29,753,676</u>	
<b>Unrestricted funds</b>							
General fund	16			182,490		63,007	
<b>Total unrestricted funds</b>				<u>182,490</u>		<u>63,007</u>	
<b>Total funds</b>				<u>27,504,477</u>		<u>29,816,683</u>	

The financial statements were approved and authorised for issue by the Board of Governors on 26 January 2021 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 2020**

	Notes	2020 £	2019 £
Cash inflows from operating activities	20	351,052	830,351
Cash inflows/(outflows) from investing activities	21	1,141	(137,270)
<b>Change in cash and cash equivalents in the reporting period</b>		352,193	693,081
Cash and cash equivalents at 1 September 2019		1,461,632	768,551
<b>Cash and cash equivalents as at the 31 August 2020</b>		1,813,825	1,461,632

# DYRMS – AN ACADEMY WITH MILITARY TRADITIONS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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)) – Second Edition, the Academies Accounts Direction 2019 to 2020 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 governors 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 governors 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, governors have considered the financial impact of school closures and the ongoing access to grant support through the Job Retention Scheme, as a result of Covid-19.

##### **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 unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **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 goods have been provided or on completion of the service.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Fixtures, fittings and equipment	- 20%
ICT equipment	- 33%
Equipment – School	- 33%
Motor Vehicles	- 25-33%
Leasehold Property	- Over 50 years
Leasehold Property 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.

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. Provision is made for obsolete and slow-moving items.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**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 Chapter 3 Part 11 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**

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 a multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore 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 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 operating surplus 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 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 2020**

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

**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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education, sponsors and other funders where the asset acquired or created is held for a specific purpose.

Restricted funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency, Department for Education, sponsors and boarding fees.

**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 2020. 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.

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 2020 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 2020.

<b>3. DONATIONS AND CAPITAL GRANTS</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Capital grants	-	20,976	20,976	104,982
Kent County Council	-	310	310	1,095
Dukies Foundation	-	102,135	102,135	71,978
Other donations	-	4,141	4,141	23,517
	<u>-</u>	<u>127,562</u>	<u>127,562</u>	<u>201,572</u>

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 2020**

**4. FUNDING FOR THE ACADEMY TRUST’S EDUCATIONAL OPERATIONS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2020 £</b>
<b>Department for Education (DfE)/Education Funding Agency (EFA) revenue grants</b>			
General Annual grant (GAG)	-	3,417,282	3,417,282
	-	3,417,282	3,417,282
<b>Exceptional Government funding</b>			
Coronavirus Job Retention Scheme grant	9,052	650,331	659,383
	9,052	650,331	659,383
<b>Other grants</b>			
Ministry of Defence Ethos	-	1,503,177	1,503,177
	-	1,503,177	1,503,177
	9,052	5,570,790	5,579,842

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under “exceptional government funding”.

The academy ‘furloughed’ some of its boarding, admin and support staff under the government’s CJRS. The funding received of £659k relates to staff costs in respect of 107 staff which are included within note 9 below as appropriate.

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

**FUNDING FOR ACADEMY’S EDUCATIONAL OPERATIONS**

	<b>Academic £</b>	<b>Restricted Funds Military £</b>	<b>Fixed Asset £</b>	<b>Total 2019 £</b>
<b>Department for Education (DfE)/ Education and Skills Funding Agency (ESFA) revenue grants</b>				
General Annual Grant (GAG) (note 2)	3,265,585	-	-	3,265,585
	3,265,585	-	-	3,265,585
<b>Other grants</b>				
Ministry of Defence Military Ethos	-	1,608,265	-	1,608,265
	-	-	-	-
	3,265,585	1,608,265	-	4,873,850

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>5. OTHER TRADING ACTIVITIES</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Lettings and function income	36,202	-	36,202	416,790
Staff rental income	170,625	-	170,625	159,843
Extras income	-	53,548	53,548	44,968
Other income	13,106	202,888	215,994	38,081
	<u>219,933</u>	<u>256,436</u>	<u>476,369</u>	<u>659,682</u>

All amounts for the comparative year were unrestricted except for the extras income of £44,698 which is restricted.

<b>6. INVESTMENT INCOME</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Short term deposit interest	1,141	-	1,141	2,493
	<u>1,141</u>	<u>-</u>	<u>1,141</u>	<u>2,493</u>

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 2020**

7. EXPENDITURE	Non-Pay Expenditure			Total
	Staff costs £	Premises £	Other £	2020 £
<i>Raising funds:</i>				
- Trading expenses	-	-	21,734	21,734
<i>Academy's operating costs</i>				
- Direct costs	6,516,472	-	750,671	7,267,143
- Allocated support costs	581,000	3,719,799	793,170	5,093,969
	<u>7,097,472</u>	<u>3,719,799</u>	<u>1,543,841</u>	<u>12,361,112</u>
	<u>7,097,472</u>	<u>3,719,799</u>	<u>1,565,575</u>	<u>12,382,846</u>

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

	Staff costs	Non Payroll Expenditure		Total
	£	Premises £	Other Costs £	2019 £
<i>Raising funds:</i>				
-Trading expenses	2,714	-	296,458	299,172
<i>Academy's operating costs</i>				
-Direct costs	6,419,630	-	943,399	7,363,029
-Allocated support costs	576,000	3,625,895	993,463	5,195,358
	<u>6,995,630</u>	<u>3,625,895</u>	<u>1,936,862</u>	<u>12,558,387</u>
	<u>6,998,344</u>	<u>3,625,895</u>	<u>2,233,320</u>	<u>12,857,559</u>
			£	£
<b>Net expenditure for the year include:</b>				
Operating leases – other			168,984	155,039
Depreciation			882,970	977,934
Fees payable to auditor – audit			12,000	15,250
- other services			1,500	5,000
			<u>168,984</u>	<u>155,039</u>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Unrecoverable debts	60,253	10,520	Recovery exhausted
		9,321	Recovery exhausted
		8,977	Recovery exhausted
		8,489	Recovery exhausted
		8,059	Recovery exhausted

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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 2020 £</b>	<b>Total 2019 £</b>
<b>Direct teaching costs</b>						
Teaching and educational support staff costs	-	3,026,517	-	-	3,026,517	2,896,651
Agency	-	11,710	-	-	11,710	5,965
Educational supplies	-	153,638	-	-	153,638	189,928
Staff development	-	20,171	-	-	20,171	19,671
	-	3,212,036	-	-	3,212,036	3,112,215
<b>Direct boarding costs</b>						
Staff costs	-	2,934,629	-	-	2,934,629	2,887,565
Catering	-	336,620	-	-	336,620	357,912
Agency costs	-	36,963	-	-	36,963	73,295
Staff development	-	11,456	-	-	11,456	13,589
Provision for doubtful debts	-	15,429	-	-	15,429	118,774
Medical Centre	-	27,982	-	-	27,982	42,000
Boarding fee remission	-	39,423	-	-	39,423	27,000
	-	3,402,502	-	-	3,402,502	3,517,422

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

	Unrestricted	Restricted Funds			Total	Total
	Funds	General	Military	Fixed asset	2020	2019
	£	£	£	£	£	£
<b>Direct other costs</b>						
Staff costs	35,364	-	454,081	-	489,445	516,989
Guarding	-	-	133,203	-	133,203	127,368
Grand Day costs	-	-	1,912	-	1,912	47,157
Agency costs	45	-	17,163	-	17,208	41,878
Provision of doubtful debt	10,837	-	-	-	10,837	-
	<u>46,246</u>	<u>-</u>	<u>606,359</u>	<u>-</u>	<u>652,605</u>	<u>733,392</u>
<b>Allocated support costs</b>						
Pension scheme costs relating to support staff	-	495,000	-	-	495,000	496,000
Local Government pension scheme finance costs	-	86,000	-	-	86,000	80,000
Depreciation	10,160	-	-	872,810	882,970	977,934
Recruitment	-	7,868	-	-	7,868	19,865
Maintenance of premises and equipment	14,431	652,310	897,579	-	1,564,320	1,227,994
Facilities management	390	600,372	-	-	600,762	707,573
Cleaning	-	87,269	-	-	87,269	147,765
Light and heat	-	404,884	-	-	404,884	350,318
Rent and rates	7,847	146,538	-	-	154,385	187,740
Insurance	-	17,341	-	-	17,341	6,706
Events and functions	4,621	40,985	3,173	-	48,779	79,737
Professional fees	3,554	105,976	233	-	109,763	127,965
Stationery and postage	-	116,368	157	-	116,525	157,246
IT and phone	11,940	235,948	-	-	247,888	237,416
Vehicle expenses and travel	1,105	67,161	453	-	68,719	100,268
Subscriptions and licences	-	11,988	-	-	11,988	11,473
Other support costs	1,229	52,993	-	-	54,222	165,078
Marketing and advertising	3,874	64,312	21,769	-	89,955	87,756
Stores	5,246	17,432	9,153	-	31,831	6,274
Governance costs	-	13,500	-	-	13,500	20,250
Total support costs	<u>64,397</u>	<u>3,224,245</u>	<u>932,517</u>	<u>872,810</u>	<u>5,093,969</u>	<u>5,195,358</u>
<b>Total charitable activity</b>	<u>110,643</u>	<u>9,838,783</u>	<u>1,538,876</u>	<u>872,810</u>	<u>12,361,112</u>	<u>12,558,387</u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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 2019 £</b>	<b>Total 2018 £</b>
<b>Direct teaching costs</b>						
Teaching and educational support staff costs	-	2,896,651	-	-	2,896,651	2,694,750
Agency	-	5,965	-	-	5,965	101,774
Educational supplies	-	189,928	-	-	189,928	185,066
Staff development	-	19,671	-	-	19,671	23,158
	-	3,112,215	-	-	3,112,215	3,004,748
<b>Direct boarding costs</b>						
Staff costs	-	2,887,565	-	-	2,887,565	2,794,500
Catering	-	357,912	-	-	357,912	591,411
Agency costs	-	70,582	-	-	73,295	3,220
Staff development	-	13,589	-	-	13,589	12,689
Provision for doubtful debts	-	118,774	-	-	118,774	101,339
Medical Centre	-	42,000	-	-	42,000	38,182
Boarding fee remission	-	27,000	-	-	27,000	20,964
	-	3,517,422	-	-	3,517,422	3,562,305

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Unrestricted Funds £	General £	Restricted Funds Military £	Fixed asset £	Total 2019 £	Total 2018 £
<b>Direct other costs</b>						
Staff costs	-	-	516,989	-	516,989	551,314
Guarding	-	-	127,368	-	127,368	127,814
Grand Day costs	-	-	47,157	-	47,157	41,418
Agency costs	-	-	41,878	-	41,878	23,000
	-	-	733,392	-	733,392	743,546
<b>Allocated support costs</b>						
Pension scheme costs relating to support staff	-	496,000			496,000	454,000
Local Government pension scheme finance costs	-	80,000			80,000	91,000
Depreciation	17,790	-	-	960,144	977,934	1,043,016
Recruitment	-	19,865	-	-	19,865	14,748
Maintenance of premises and equipment	-	382,422	845,572	-	1,227,994	1,264,641
Facilities management	-	707,573	-	-	707,573	723,689
Cleaning	-	147,765	-	-	147,765	134,329
Light and heat	-	350,318	-	-	350,318	391,351
Rent and rates	-	187,740	-	-	187,740	326,029
Insurance	-	6,706	-	-	6,706	9,734
Events and functions	-	79,319	418	-	79,737	76,807
Professional fees	-	124,540	3,425	-	127,965	89,685
Stationery and postage	-	157,246	-	-	157,246	127,205
IT and phone	-	237,416	-	-	237,416	235,405
Vehicle expenses and travel	-	94,398	5,870	-	100,268	85,380
Subscriptions and licences	-	11,473	-	-	11,473	11,468
Other support costs	-	165,078	-	-	165,078	136,737
Marketing and advertising	-	68,316	19,440	-	87,756	118,302
Stores	-	6,126	148	-	6,274	34,140
Governance costs	-	20,250	-	-	20,250	19,834
Total support costs	17,790	3,342,551	874,873	960,144	5,195,358	5,387,500
<b>Total charitable activity</b>	17,790	9,972,188	1,608,265	960,144	12,558,387	12,698,099

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>9. STAFF COSTS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff costs during the year were:		
Wages and salaries	5,045,900	5,049,672
Social Security costs	502,583	497,350
Pensions costs	1,469,848	1,330,184
	<u>7,018,331</u>	<u>6,877,206</u>
Agency staff costs	65,881	121,138
Staff restructuring costs	13,260	-
	<u>7,097,472</u>	<u>6,998,344</u>
Staff restructuring costs comprise:		
Severance payments	13,260	-
	<u>13,260</u>	<u>-</u>

Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £13,260 (2019:Nil).

Individually, these payments were £13,260.

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	57	58
Administration and support	104	100
Management and support	8	8
	<u>169</u>	<u>166</u>

The number of employees whose emoluments fell within the following bands was

£60,001 - £70,000	4	4
£70,001 - £80,000	1	3
£80,000 - £90,000	2	-
£100,000 - £110,000	1	1
	<u>8</u>	<u>8</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 employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £885,399 (2019: £709,224).

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**10. GOVERNORS' REMUNERATION AND EXPENSES**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
D Vandeeper (Staff Governor)		
Remuneration	£55,000 - £60,000	£55,000 - £60,000
Employer's pension contribution	£5,000 - £10,000	£5,000 - £10,000
A Foreman (Principal and Governor)		
Remuneration	£110,000 - £115,000	£105,000 - £110,000
Employer's pension contributions	£25,000 - £30,000	£15,000 - £20,000

During the year ended 31 August 2020, travel and subsistence expenses totalling £Nil was reimbursed to 0 Governors (2019: £Nil, 0 Governors).

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**11. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy 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 2019	34,000	37,383,010	2,139,314	516,825	71,234	40,144,383
Additions	-	-	-	-	-	-
At 31 August 2020	34,000	37,383,010	2,139,314	516,825	71,234	40,144,383
<b>Depreciation</b>						
At 31 August 2019	5,440	4,311,715	1,811,654	516,825	48,224	6,693,858
Charged in period	680	747,660	126,961	-	7,669	882,970
At 31 August 2020	6,120	5,059,375	1,938,615	-	55,893	7,576,828
<b>Net Book Value</b>						
At 31 August 2020	27,880	32,323,635	200,699	-	15,341	32,567,555
At 31 August 2019	28,560	33,071,295	327,660	-	23,010	33,450,525

**13. STOCK**

	<b>2020 £</b>	<b>2019 £</b>
Stock	11,058	9,618

**14. DEBTORS**

	<b>2020 £</b>	<b>2019 £</b>
Trade debtors	1,616,988	1,637,489
Other debtors	713,566	891,501
Prepayments and accrued income	175,307	174,589
VAT debtor	109,642	191,999
	2,615,503	2,895,578



**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

15. CREDITORS: amounts falling due within one year	2020 £	2019 £
Trade creditors	271,520	387,460
Other taxation and social security	130,201	131,147
ESFA creditor: GAG abatement	147,090	-
Other creditors	194,359	238,872
Accruals and deferred income	2,490,294	2,537,191
	<u>3,233,464</u>	<u>3,294,670</u>
<b>Deferred income</b>		
Brought forward	2,275,731	2,100,670
Resources deferred in the year	2,382,472	2,275,731
Amount released from previous year	(2,275,731)	(2,100,670)
	<u>2,382,472</u>	<u>2,275,731</u>
Deferred income at 31 August 2020	<u>2,382,472</u>	<u>2,275,731</u>

Deferred income relates to boarding fees for the 2020/21 school year billed in advance.

16. FUNDS	Balance at 31 August 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG) (note 2)	56,633	3,417,282	(3,383,731)	-	90,184
Job Retention Scheme	-	121,225	(121,225)	-	-
Boarding	846,984	5,601,286	(5,650,692)	-	797,578
Pension reserve	(4,706,000)	-	(581,000)	(983,000)	(6,270,000)
Other Restricted – Neville Paine	24,138	-	-	-	24,138
Other Restricted – Dukies Foundation	3,089	102,135	(102,135)	-	3,089
	<u>(3,775,156)</u>	<u>9,241,928</u>	<u>(9,838,783)</u>	<u>(983,000)</u>	<u>(5,355,011)</u>
<b>Restricted Fixed Asset funds</b>					
Capital Expenditure from GAG	37,319	20,976	(121)	-	58,174
DfE group capital grants	92,553	-	-	-	92,553
Leasehold property	28,899,295	-	(748,340)	-	28,150,955
Boarding fixed assets	595,515	-	(37,652)	-	557,863
Military ethos assets	3,904,150	-	(86,697)	-	3,817,453
Other restricted funds	-	-	-	-	-
	<u>33,528,832</u>	<u>20,976</u>	<u>(872,810)</u>	<u>-</u>	<u>32,676,998</u>
<b>Restricted military funds</b>					
Ministry of Defence-Ethos	-	1,538,876	(1,538,876)	-	-
	<u>-</u>	<u>1,538,876</u>	<u>(1,538,876)</u>	<u>-</u>	<u>-</u>
<b>Total restricted funds</b>	<u>29,753,676</u>	<u>10,801,780</u>	<u>(12,250,469)</u>	<u>(983,000)</u>	<u>27,321,987</u>
<b>Unrestricted funds</b>					
Unrestricted funds	63,007	251,860	(132,377)	-	182,490
<b>Total unrestricted funds</b>	<u>63,007</u>	<u>251,860</u>	<u>(132,377)</u>	<u>-</u>	<u>182,490</u>
<b>Total funds</b>	<u>29,816,683</u>	<u>11,053,640</u>	<u>(12,382,846)</u>	<u>(983,000)</u>	<u>27,504,477</u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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 2020.

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 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2019 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG) (note 2)	28,047	3,265,585	(3,536,999)	300,000	56,633
Boarding	381,377	6,331,925	(5,759,927)	(106,391)	846,984
Pension reserve	(3,216,000)	-	(576,000)	(914,000)	(4,706,000)
Other Restricted – Neville Paine	24,138	-	-	-	24,138
Other Restricted – Dukies Foundation	30,373	71,978	(99,262)	-	3,089
	<u>(2,752,065)</u>	<u>9,669,488</u>	<u>(9,972,188)</u>	<u>(720,391)</u>	<u>(3,775,156)</u>
<b>Restricted Fixed Asset funds</b>					
Capital Expenditure from GAG	46,832	-	(9,513)	-	37,319
DfE group capital grants	20,943	71,610	-	-	92,553
Leasehold property	29,647,636	-	(748,341)	-	28,899,295
Boarding fixed assets	585,168	-	(96,098)	106,391	595,461
Military ethos assets	3,960,732	-	(89,954)	33,372	3,904,150
Other restricted funds	16,292	-	(16,238)	-	54
	<u>34,277,603</u>	<u>71,610</u>	<u>(960,144)</u>	<u>139,763</u>	<u>33,528,832</u>
<b>Restricted military funds</b>					
Ministry of Defence-Ethos	-	1,641,637	(1,608,265)	(33,372)	-
	<u>-</u>	<u>1,641,637</u>	<u>(1,608,265)</u>	<u>(33,372)</u>	<u>-</u>
<b>Total restricted funds</b>	<u>31,525,538</u>	<u>11,382,735</u>	<u>(12,540,597)</u>	<u>(614,000)</u>	<u>29,753,676</u>
<b>Unrestricted funds</b>					
Unrestricted funds	31,585	648,384	(316,962)	(300,000)	63,007
<b>Total unrestricted funds</b>	<u>31,585</u>	<u>648,384</u>	<u>(316,962)</u>	<u>(300,000)</u>	<u>63,007</u>
<b>Total funds</b>	<u><u>31,557,123</u></u>	<u><u>12,031,119</u></u>	<u><u>(12,857,559)</u></u>	<u><u>(914,000)</u></u>	<u><u>29,816,683</u></u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

Fund balances at 31 August 2020 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	4,086	-	32,563,469	32,567,555
Current assets	178,404	4,148,453	113,529	4,440,386
Current liabilities	-	(3,233,464)	-	(3,233,464)
Pension scheme liability	-	(6,270,000)	-	(6,270,000)
<b>Total net assets</b>	<u>182,490</u>	<u>(5,355,011)</u>	<u>32,676,998</u>	<u>27,504,477</u>

Fund balances at 31 August 2019 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	14,246	-	33,436,279	33,450,525
Current assets	48,761	4,225,514	92,553	4,366,828
Current liabilities	-	(3,294,670)	-	(3,294,670)
Pension scheme liability	-	(4,706,000)	-	(4,706,000)
<b>Total net assets</b>	<u>63,007</u>	<u>(3,775,156)</u>	<u>33,528,832</u>	<u>29,816,683</u>

**18. CAPITAL COMMITMENTS**

At 31 August 2020 the Academy had contracted for work not provided in the financial statements £418,000 (2019: Nil)

**19. COMMITMENTS UNDER OPERATING LEASES**

At 31 August 2020 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	<b>2020</b> £	<b>2019</b> £
Expiring within one year	84,492	52,769
Expiring within two and five years inclusive	84,492	102,270
	<u>168,984</u>	<u>155,039</u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>20. RECONCILIATION OF NET (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net (expenditure)	(1,329,206)	(826,440)
Depreciation (note 12)	882,970	977,934
Interest receivable (note 5)	(1,141)	(2,493)
Decrease in stock	(1,440)	(1,278)
Decrease in debtors	280,075	102,820
(Decrease)/increase in creditors	(61,206)	3,808
Defined benefit pension scheme finance costs	86,000	80,000
Defined benefit pension costs less contributions payable	495,000	496,000
<b>Net cash provided by operating activities</b>	<b>351,052</b>	<b>830,351</b>
<b>21. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest received	1,141	2,493
Purchase of tangible fixed assets	-	(139,763)
<b>Net cash used in investing activities</b>	<b>1,141</b>	<b>(137,270)</b>
<b>22. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash in hand and at bank	1,813,825	1,461,632

**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'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 The Kent County Council. Both are defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £98,226.87 were payable to the schemes at 31 August 2020 and are included within creditors.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 2023.

The employer's pension costs paid to TPS in the period amounted to £494,281.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**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 2020 was £533,000 (2019: £498,000), of which employer's contributions totalled £406,000 (2019: £385,000) and employees' contributions totalled £127,000 (2019: £113,000). The agreed contribution rates for future years are 21.0% from 1 April 2021 and 22.5% from 1 April 2022 for employers and a range between 5.8 per cent and 7.2 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.

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

<b>Principal Actuarial Assumption</b>	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
Rate of increase in salaries	3.25%	3.70%
Rate of increase for pensions in payment/inflation	2.25%	2.20%
Discount rate for scheme liabilities	1.60%	1.90%

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 2020</b>	<b>At 31 August 2019</b>
<i>Retiring today</i>		
Males	21.8	22.1
Females	23.8	24.0
<i>Retiring in 20 years</i>		
Males	23.2	23.7
Females	25.2	25.8

<b>Sensitivity analysis on obligation</b>	<b>At 31 August 2020 £'000</b>	<b>At 31 August 2019 £'000</b>
Discount rate +0.1%	12,675	9,329
Discount rate -0.1%	13,326	9,838
Mortality assumption – 1 year increase	13,476	9,918
Mortality assumption – 1 year decrease	12,534	9,254
CPI rate +0.1%	13,037	9,794
CPI rate -0.1%	12,956	9,372

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 2020 £'000</b>	<b>Fair value At 31 August 2019 £'000</b>
Equities	4,357	3,322
Gilts	45	35
Bonds	868	440
Property	739	568
Cash	205	130
Target Return Portfolio	512	379
<b>Total market value of assets</b>	<b>6,726</b>	<b>4,874</b>

The actual return on scheme assets was £380,000 (2019: £202,000)

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**Local Government Pension Scheme (continued)**

<b>Amounts recognised in the Statement of Financial Activities</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Current service cost (net of employee contributions)	898	746
Past service cost	-	133
Net interest cost	86	80
Administration expenses	3	2
	<u>987</u>	<u>961</u>

<b>Movements in the present value of defined benefit obligations were as follows</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>At 1 September</b>	9,580	7,448
Current service cost	898	746
Interest cost	183	198
Change in demographic assumptions	(306)	(490)
Past service cost, including curtailments	-	133
Employee contributions	127	113
Actuarial (gain)/loss	2,577	1,488
Benefits paid	(63)	(56)
	<u>12,996</u>	<u>9,580</u>

	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Movements in the fair value of academy's share of scheme assets</b>		
<b>At 1 September</b>	4,874	4,232
Interests on assets	97	118
Return on assets less interest	283	84
Administration expenses	(3)	(2)
Employer contributions	406	385
Employee contributions	127	113
Other actuarial gains/(losses)	1,005	-
Benefits paid	(63)	(56)
	<u>6,726</u>	<u>4,874</u>

**DYRMS – AN ACADEMY WITH MILITARY TRADITIONS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**25. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the 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 2020**

**26. ACADEMY BOARDING TRADING ACCOUNT**

	<b>2020</b>		<b>2019</b>	
	£	£	£	£
<b>Income</b>				
Fee income		4,846,992		6,262,345
Donations		4,141		24,612
Extras		53,548		44,968
Insurance proceeds		202,888		-
Coronavirus Job Retention Scheme		493,717		-
		<u>5,601,286</u>		<u>6,331,925</u>
<b>Expenditure</b>				
<b>Direct costs</b>				
Staff costs	2,905,665		2,858,942	
Catering	336,620		357,912	
Agency costs	36,963		70,582	
Staff development	11,456		13,589	
Bad debts	15,429		118,774	
Medical Centre	27,982		42,000	
<b>Total direct costs</b>	<u>3,334,115</u>		<u>3,461,799</u>	
<b>Indirect costs</b>				
Recruitment	3,704		10,425	
Maintenance of premises and equipment	583,882		329,060	
Facilities management	582,432		636,816	
Cleaning	80,470		134,068	
Light and heat	356,148		300,874	
Rent and rates	152,264		169,684	
Insurance	12,284		6,692	
Events and functions	37,178		71,246	
Professional fees	96,452		113,770	
Stationery and postage	56,669		70,591	
IT and phone	180,760		165,902	
Vehicle expenses and transport	33,987		51,791	
Subscriptions and licences	6,769		4,250	
Other support costs	52,993		158,744	
Marketing and advertising	64,312		68,316	
Stores	16,273		5,899	
<b>Total indirect costs</b>	<u>2,316,577</u>		<u>2,298,128</u>	
<b>Total operating costs</b>		<u>5,650,692</u>		<u>5,759,927</u>
<b>(Deficit)/surplus on boarding</b>		(49,406)		571,998
Surplus brought forward at 1 September 2019		<u>846,984</u>		<u>381,377</u>
<b>Transfers</b>				
Capital spend in the year transferred to fixed assets fund		-		(106,391)
<b>31 August 2020</b>		<u><u>797,578</u></u>		<u><u>846,984</u></u>