

Registered Charity Number: 527578

Malvern College
(Incorporated under Royal Charter)

Annual report and consolidated financial statements
for the year ended 31 July 2019

**Malvern College
(Incorporated under Royal Charter)**

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for the year ended 31 July 2019**

Contents

Reference and Administrative Information.....	3-5
Report of the Council	6-24
Independent Auditor's Report	25-27
Group Statement of Financial Activities.....	28
College Statement of Financial Activities.....	29
Group and College Balance Sheets	30
Group Statement of Cash Flows.....	31
Notes to the Financial Statements.....	32-58

Malvern College (Incorporated under Royal Charter)

Reference and Administrative Information for the year ended 31 July 2019

President and visitor

THE LORD BISHOP OF WORCESTER - The Right Rev'd Dr John Inge

Status and administration

Malvern College is incorporated under Royal Charter originally granted in 1929, together with a Supplemental Charter granted in 1992. It is registered with the Charity Commission in England and Wales under charity registration number 527578.

Charitable objects

The primary object of the College, as stated in the Royal Charter, is: "to carry on at Malvern or elsewhere a School for Boys and Girls or for children of either sex in which they may receive a sound religious, classical, mathematical, scientific and general education in conformity with the principles and doctrines of the Church of England."

Council

Nominated/elected by

Chairman

R K Black Esq *

Governors

Vice Chairman

Miss S Duff *

Council

Treasurer

C Leonard Esq * (attends audit committee)

Council

Mrs F Bridge

Army Board

P G Brough Esq

Governors

W Burke III Esq

Lord Lieut. of Gloucestershire

P J Cartwright Esq

Council

Professor K J Davey OBE

Council

Mrs M Edwards-Clark *

Governors

N Engert Esq

Air Council

Mrs C Fairchild

Council

J Foxall Esq #*

Governors

F Francis Esq

Governors

J M J Havard Esq (resigned 26-06-2020)

Lord Lieut. of Herefordshire

S M Hill Esq

Governors

Professor P Jackson

Vice-Chancellor of University of Birmingham

G E Jones Esq*

Headmaster and Assistant Teachers

A Kennedy Esq

Council

K Madden Esq (resigned 04-05-2020)

Council

P Nicholls Esq

Governors

Mrs L Penrice

Vice-Chancellor of University of Oxford

Mrs S Raby-Smith

Admiralty Board

D G Robertson Esq # (resigned 23-03-2020)

Council

Dr D Sandbrook

Lord Lieut. of Worcestershire

Dr C Stoecker

Council

T Straker QC *

Governors

Malvern College (Incorporated under Royal Charter)

Reference and Administrative Information (continued)

A Trotman Esq	Governors
B Walker Esq	Vice-Chancellor of University of Cambridge
Dr H Wright	Council

Secretary to Council: G Ralphs Esq

* Members of the College Management Board

Members of the Audit Committee. Mrs M J Payton, a retired local solicitor is also a member of the Audit Committee.

Constitution of the Council

Nominated Councillors: the following may each nominate one Councillor for a five year term:

The Lord Lieutenant for each of the Counties of Gloucestershire, Herefordshire and Worcestershire;
The Vice-Chancellors of each of the Universities of Oxford, Cambridge and Birmingham;
Each of the Boards of the Admiralty, the Army and the Royal Air Force; and
The Headmaster or Headmistress and Assistant Masters and Mistresses.

Elected Councillors:

The Governors of the Corporation elect ten Councillors, usually two per year, for a five year term.

Co-opted Councillors:

The Council may appoint between six and ten Councillors for a five year term.

The above is only a summary. Full details of the Constitution are specified in the Bye-Laws in The Royal Charter.

Malvern College (Incorporated under Royal Charter)

Reference and Administrative Information (continued)

Officers & key management personnel:

Headmaster	A R Clark Esq (resigned 9 May 2019)
Headmaster	A K Metcalfe Esq (appointed 17 May 2019)
Bursar & Secretary to the Council	G R H Ralphs Esq
Senior Deputy Head	Mrs S G Angus
Deputy Bursar & Finance Director	Mrs K E Collyer

Registered address and principal office:

Malvern College
College Road
Malvern
Worcestershire WR14 3DF

Bankers:

Lloyds Banking Group PLC
48 Belle Vue Terrace
Malvern
Worcestershire WR14 4QG

Independent Auditor:

Crowe U.K. LLP
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire GL50 2QJ

Insurance Brokers:

Marsh Brokers Limited
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex RH16 3SY

Lawyers:

Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
Gloucestershire BS1 4QA

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019

The Council presents its Annual Report and the Audited Consolidated Financial Statements for the year ended 31 July 2019. Reference and Administrative Information is set out on pages 3 to 5 of this Report. This section also provides details of Malvern College's (the College) governing document, nature of its Constitution and its Charitable Objects.

Chairman's statement

During the past year the College has continued to make good progress while facing an increasingly difficult political and economic background with the independent sector facing headwinds from all the main political parties while parents are finding private education increasingly expensive. Subsequent to 31 July 2019, the COVID-19 pandemic has arrived and the UK Government has required the College to close all its buildings and facilities. The Trustees have taken the appropriate steps, alongside the College's Senior Management Team, to ensure that educational provision has continued for all our pupils through extensive use of video/digital links which has been well received by our pupils and their parents. We are hopeful that the College and all its affiliated schools in the Malvern Family of Schools will be able to reassemble in September 2020 for the forthcoming academic year.

With these pressures, the College Council believes it is essential that the College provides the highest quality education for all its pupils whilst retaining a firm grip on costs. At the same time the College provides bursaries and means tested support representing 4% of its gross income to enable it to educate pupils irrespective of circumstances. The College also continues to assess and provide a public benefit contribution, details of which are set out on page 19 which includes the provision of teaching support for many of our local primary and preparatory schools, with a focus on science and innovation.

On the academic front, the College is delighted to report continued high levels of achievement in public examinations for the IB, A levels and GCSEs in 2019. The IB cohort achieved an average point score of 36 with 27% performing outstandingly, scoring 40 or more IB points, including one candidate who attained the maximum of 45. The A Level results were very pleasing with 28% A*-A grades and 58% A*-B grades; and the GCSE results saw the Hundred achieving 20% grades at level 9 and 38% at 9-8 which is the highest percentage recorded by a GCSE cohort at Malvern. This year one pupil was offered a place at Cambridge; and 25 pupils were accepted by some of the most prestigious European, Canadian and US universities such as Bocconi (Milan), McGill (Montreal) and Northeastern (Boston). 81% of the Upper Sixth secured places at their first-choice UK university.

In March 2019, we saw the departure of Antony Clark after an eleven-year tenure as Headmaster. His decisive leadership has contributed to a number of ambitious and impressive projects at the College including the successfully refurbished Rogers Theatre, the state-of-the-art Science Centre, the Sports Complex, the Rackets Courts, and two new boarding houses. We have since welcomed Keith Metcalfe, previously the Deputy Head of Harrow School, as Antony's successor as Headmaster.

In July 2019, we announced a new formal relationship with Abberley Hall, a well-established boarding prep school located some 20 miles north west of Malvern and historically a strong feeder school for the College. Abberley Hall is an independent charity, whose results are not consolidated with these financial statements. It will however join the Malvern Family of Schools, alongside The Downs Malvern based in Colwall. Representatives of the College will join its governing body.

Further afield, the growth of Malvern internationally is of great significance to the future of the College here in the UK. Malvern College Hong Kong opened in September 2018 and despite the current political unrest, expanded to 400 pupils by the end of its first academic year to June 2019, alongside a pre-school in Kowloon where a further 200 younger pupils are educated. In Chengdu, a new junior school is under development at a purpose built site close to the airport where the senior school will move in September 2020. Strong growth is being seen in Qingdao as well as in Cairo in only its third year. Pupils have been offered places at a wide range of universities including Cambridge, Edinburgh, Warwick, UCL, Berkeley, Washington, UCLA and Melbourne. The College now educates just under 2,000 pupils (2018: 1,300 pupils) in its overseas schools which will increase as all the schools mature.

Malvern College

(Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

The College and The Malvernian Society, an independent charity that acts as the fund raising vehicle and foundation for the College, have continued to work hard to increase the amount of funding available for bursaries and pupils in need of financial support. In January 2019, the Society launched the Clark Scholarship which will support 2 pupils who demonstrate leadership skills in their time at the College. This will be an increasingly important focus for the College and the Society in the years ahead.

Financially, the College's performance has been strong with cash generation (as measured by earnings before interest, depreciation and asset sales) of £2.81m (2018: £2.97m), well ahead of budget. This has enabled the College to continue to reduce its long term indebtedness and invest for the future. Net debt at 31 July 2019 was £3.8m (2018: £3.1m) and capital expenditure for the year of £2.1m (2018: £4.3m) included the refurbishment of House 5. Future plans include the refurbishment of the Music School, the Lindsay Arts Centre and a continuation of the refurbishment programme of the boarding houses. Commercial income from our Sports Hall, guardianship services and international franchises, as well as the strong programme of activities in the summer months has been encouraging.

Subsequent to the 31 July 2019 year end, the Trustees recognize that the COVID-19 pandemic, declared by the World Health Organisation (WHO) on 11 March 2020, poses a risk to the College, especially following the Government's instruction that all schools should close their buildings from Friday 20 March 2020 for an indefinite period. The Trustees have considered a range of possible scenarios relating to the impact of the pandemic and to date the College has undertaken a number of actions aimed at mitigating this risk. These include:

- Introducing a comprehensive on-line education provision so as to enable the College to continue to be able to deliver educational and pastoral support to its pupils to the fullest extent possible during any lockdown;
- Reviewing all financial commitments, including operating expenditure and capital commitments and, where possible and appropriate, cancelling or postponing these; and
- Performing detailed financial modelling for a period of at least twelve months from the date these financial statements are approved so as to provide reasonable assurance to Trustees that the College remains a going concern and retains access to sufficient liquid resources. Given the risks and the financial modelling, the Trustees believe the College has sufficient cash headroom from its cash reserves and banking facilities.

The College has continued to expand its provision of public benefit in a wide range of activities more fully described on pages 19 to 21.

Structure, Governance and Management

Recruitment and training of Trustees

When a Trustee vacancy arises, the criteria of skills required, availability and eligibility, as dictated by the Royal Charter, are identified and reviewed by the Nominations Committee. The College's elected Trustees are appointed following the recommendations of both the Nominations Committee and Council. Trustees are appointed to serve for a 5 year term.

New Trustees are inducted informally by fellow Council members and the Secretary to Council. All new Trustees receive an induction pack comprising Charity Commission Trustee information, DfE publications, Malvern College Annual Report and Accounts and extensive College information. Training is undertaken through attendance at Council meetings by interaction with fellow Trustees, completion of on-line safe-guarding training and attendance at College organised Trustee training events. A record of training is maintained for each Trustee.

Committee structure

The College Council continues to meet once per term. A committee of Council, the Management Board,

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

comprising six or seven Trustees, the Headmaster, the Bursar, the Senior Deputy Head, the Finance Director and the Headmasters of The Downs Malvern (TDM) and Abberley Hall (AH), meets once per month in term time. All major developments and decisions are presented to the College Council having first been deliberated by the Management Board. The Senior Management Team (SMT), chaired by the Headmaster meets weekly and consists of the Bursar, the Senior Deputy Head, the Deputy Head – Pastoral, the Deputy Head – Academic, Headmasters of TDM and AH and the Finance Director. This team draws on other expertise throughout the College as is needed. The Headmaster, who has overall day to day responsibility for the management of the College, consults the SMT, as appropriate, and again, as appropriate, makes recommendations to the Management Board and ultimately to the College Council.

A College Audit Committee meets at least three times per year. This Committee scrutinises the College's Annual Report and Financial Statements, and its financial procedures and internal controls. It oversees the relationship of the College with its external auditors. The Committee formally reports to the College Council. The Audit Committee also reviews the risk register and management's procedures for review of the register.

An Estates Committee has been established and will meet 2 times per year. It will comprise the chairs of the College, The Malvernian Society, the Downs and Abberley Hall; and will oversee and coordinate projects relating to the extensive real estate and buildings owned by the four charities.

The remuneration of the Key Management Personnel is discussed in detail each year by the Remuneration Committee, with awareness of industry standards, and is approved by the full College Council.

Statement on the Charity Governance Code

As the College is a not for profit organisation which aims to follow charity sector best practice, the Trustees, via the Audit Committee have familiarised themselves with the updated version of the Charity Governance Code (the "Code") published in July 2017. The Committee considers that the College's governance framework does align with many but not all aspects of the Code. An in-depth review of the Code was conducted in 2019 and no changes to the College's governance and standards were deemed necessary.

Statement on Fundraising

All fundraising activities for the College are carried out by highly professional College staff with assistance from the parents and pupils with the running of specific fundraising events. The College does not use external professional fundraisers or have any commercial participators. All fundraising activities are managed by the Headmaster and are monitored by the Bursar and the Malvernian Society, overseen by the members of the Governing Body.

No complaints relating to fundraising activities have been received by the College during the financial period. However, the College has in place procedures which would be followed in the event of a complaint being received with the initial response being the responsibility of the Bursar. Any continuing issues would then be passed to the Governing Body to determine what further action might be required.

The College does not currently subscribe to any specific fundraising standards or schemes for fundraising regulation but considers that it has set appropriate standards for the operation and management of its fundraising activities. In particular, the College considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion of their privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or property.

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

Related parties

Malvern College Enterprises Limited (MCEL)

Malvern College Enterprises Limited is one of the College's wholly-owned trading subsidiaries and carries out non-charitable trading activities for the College. The results of MCEL are consolidated within the overall College results. Further details of MCEL's activities and performance are given in the Financial Review and Note 4 and Note 23 of the financial statements for details.

Malvern College International Limited (MCIL)

Malvern College International Limited (MCIL) is one of the College's wholly-owned trading subsidiaries and carries out the trading activities of the International Schools. The Governance structure is identical to MCEL. Further details of MCIL's activities and performance are given in the Financial Review and Note 4 and Note 23 of the Financial Statement.

The Malvernian Society Limited

The Malvernian Society Limited is a company limited by guarantee which promotes the work of and education at Malvern College, assists in fund raising and in cases of need, assists pupils in providing bursarial and/or scholarship support. The results of The Malvernian Society Limited are not consolidated with the results of Malvern College because the Society is a separate charity with an independent Board of Directors.

From time to time, the College receives grants towards the cost of scholarships, exhibitions, bursaries and grants for specific projects from The Malvernian Society. See Note 23 of the financial statements for details.

The Downs Malvern

The Downs Malvern (TDM) is the trading name of The Downs, Malvern College Prep School. The results of TDM are not consolidated with the results of Malvern College because the school is a separate charity with an independent Board of Directors. TDM is closely affiliated with the College and the College provides bursarial support to TDM but retains its independence with its own Governing Body. See Note 23 for details.

Abberley Hall

Abberley Hall is the trading name of Abberley Hall Limited. The results of Abberley Hall are not consolidated with the 2019 results of Malvern College because the school was a separate charity with an independent Board of Directors. Abberley Hall is closely affiliated with the College and the College has committed to provide financial and administrative support to Abberley Hall. See Note 23 for details.

Council Members

Council members are related parties of the College. See Note 8 of the financial statements for details of applicable transactions during the year.

Risk management

The Council, as Trustees of the Charity, has examined the principal areas of the College's operations and considered the major risks faced in each of the risk areas by reviewing the Risk Register prepared by the College's SMT. It is the opinion of the Council that the College has established resources and reviewed systems which, under normal operating conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

The major risks are considered to be the occurrence of a critical IT, Health and Safety or management incident or a pupil orientated incident. These risks are recorded on the College's Risk Register. The Council formally reviews the Risk Register on an annual basis. Changes to the College's risk profile are monitored and controlled on an operational basis by the College's SMT, the Bursary Management Team and the Health and Safety Committee. These bodies report specific identified risks and the strategies for managing those risks to the Audit Committee, the College Management Board and Council.

In light of the current climate in relation to the COVID-19 pandemic the Trustees believe that the College's financial resources and contingency planning is sufficient to ensure the ability of the College to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements.

Aims, strategies and objectives

The College's aim is to foster breadth of education and opportunity based on the academic curriculum and pastoral care at the heart of the College, and to ensure that its pupils, of all abilities, benefit from this.

The College has the following strategic objectives, all of which complement the aim stated above:

- To provide an academic curriculum which encourages pupils to learn, challenges them to think, and fosters a desire to be the best they can be.
- To provide a secure, happy, attractive co-educational boarding environment promoting the welfare and fulfilment of all pupils, preparing them for life after leaving the College.
- To provide an environment in which pupils can reflect upon issues of existential significance, develop their understanding of the purpose and meaning of life and consider their place in the wider community with due regard to the diversity of spiritual traditions.
- To encourage creative and sporting endeavour and a sense of self and responsibility towards others within and outside the College community.
- To seek to generate substantial non-fee income from fundraising, commercial activities and franchising.
- To continue to develop the College's communications with current and potential stakeholders.
- To continue to monitor, develop and improve governance, leadership and performance management.
- To have due regard for the Public Benefit guidance issued by the Charity Commission.

The short term plans that were enacted in the year to achieve these objectives were:

- To provide and develop an appropriately broad and rigorous curriculum.
- To enhance pupil well-being whilst developing awareness of safeguarding.
- To enable pupils to reflect on their own and others' religious beliefs and world views.
- To promote representative sport and correspondingly high levels within the performing arts, as well as to encourage participation in these activities at all levels.
- To operate throughout the year with tight control on costs and a thorough and successful pupil recruitment strategy.
- To review bursary levels and other public benefit contributions by the College continually.
- To develop the marketing function and enhance marketing communications.
- To provide the resources required to enable the College to meet its educational, financial, legal and charitable objectives.

The strategies, objectives and plans are included in the College Corporate Plan. This Plan contains detailed departmental action plans which are currently being carried out by College staff. The Plan is reviewed and updated by the College Senior Management Team to ensure that the objectives are being achieved. The fundraising activities are undertaken by the Malvernian Society in conjunction with the

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

College Development Office. The College Management Board and Council reviews the progress of fundraising and future strategies and targets.

Review of the year ended 31 July 2019

- a Pupil numbers
- b Academic matters, including careers and higher education
- c Chapel
- d Cultural and performing arts
- e Sport
- f Other events and aspects of school life
- g New Staff and Staff Changes

(a) Pupil Numbers

At the start of the Autumn Term 2018 there were 650 pupils in the school of whom 365 were boys and 285 girls. The Autumn Term 2019 started with 615 pupils of whom 343 were boys and 272 girls.

(b) Academic Report, including public examination results 2019

International Baccalaureate Results: 2019

The 2019 cohort achieved an impressive average point score of 36, very much in line with the results of the past five years and adding considerable value-added, based on Durham University's ALIS analysis. 17 candidates (27% of the cohort) performed outstandingly, scoring 40 or more IB points, and Giampietro Ghidini achieved the distinction of achieving the maximum 45 points. James Wakefield achieved 44 points and Ellie Calderwood 43 points. Among our top performing subjects compared to world averages were: English Literature A SL (av. 6.00), German A Language & Literature HL (av. 6.0), German B HL (av. 6.43), French B HL (av. 6.56), French B SL (av. 6.50), Spanish B HL (av. 6.17), Spanish B SL (av. 6.29), Spanish ab SL (6.0), Economics HL (av. 6.0), Geography HL (av. 6.14), History SL (av. 6.33), Philosophy HL (6.00), Biology SL (av. 6.0) and Visual Art HL (av. 6.14).

A Level Results: 2019

The Upper Sixth A Level candidates achieved results in excess of those predicted, with 28% A*-A grades and 58% A*-B grades. This was a bit lower than in the past few years but entirely consistent with Durham University's ALIS test results. The strongest results by individual candidates were: Izzy Copestake: A*A*A + EPQ B, Poppy Delingpole: A*AA + AS A, Isabel Wynn: A*AA, Daniel Brierley: AAA + EPQ A, Izzy Hammond: AAA, Ignacio Paris Meseguer: AAAC + EPQ B, Crystal Yip: A*A*B, Sebastian Grace: A*AB + AS A, Jack Haynes: A*AB, Isabelle Chastney: A*AB and Scarlett Shaw: A*AB. Top performing subjects were: Art (100% A*-B), French (100% A*-B), Politics (91% A*-B), Photography (78% A*-B), English Literature (77% A*-B) and History (75% A*-B).

GCSE Results: 2019

For this year's GCSE examinations all bar one subject (English Literature) were graded on the new 9-1 scale. The Hundred achieved an extremely impressive 20% of grades at level 9 and 38% at 9-8, which is the highest percentage recorded by a GCSE cohort at Malvern. 56% of grades were at 9-7.

32 pupils achieved the equivalent of at least six 9/8/A* grades; of whom, 17 achieved eight or more 9/8/A* grades. Georgina Wood achieved ten 9s and one A*, while Shea John achieved nine 9s and one A*. Virginia Lawrence and Millie Page both attained eight 9s, one 8 and one A*. Anni King achieved seven 9s, one 8, one A*, one 7, one 6, and, both Lakshya Joshi and Jyothirmay Baldota secured seven 9s, two 8s and one A.

Top performing subjects were: Art (80% 9-7), Latin (77% 9-7), Spanish (74% 9-7), English Language (68% 9-7), Design Technology - Resistant Materials (68% 9-7), French (67% 9-7), Maths (63% 9-7), Computer Science (63% 9-7), Religious Studies (61% 9-7) and Chemistry (61% 9-7).

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

University Applications: 2019

The Upper Sixth were very successful in securing offers from a range of UK universities for admission in 2019, with 81% of candidates achieving their offers at their first-choice university. Milly Cox met her

offer from Cambridge to read Land Economy. Of the other Russell Group universities, our Upper Sixth were most successful in securing places at Exeter, University College London, King's College, London, Nottingham, Warwick, Cardiff and Edinburgh. 25 pupils received offers from a range of overseas universities including some of the most prestigious European, Canadian and US universities such as Bocconi (Milan), McGill (Montreal) and Northeastern (Boston).

Maths & Physics National Competitions

In the Maths Olympiad, Ben Chen and Natalie Fan (both in the Hundred) received distinctions that placed them in the top 50 students in their year group in the country. In the National Physics Challenge, George Kent (also in the Hundred) achieved a Silver Award and Ben Chen a Gold Award.

Curriculum Developments

September 2018 saw the introduction of Classical Civilisation GCSE and Photography GCSE into the Remove. Both subjects had good initial take-up (11 and 24 respectively). At IB Higher Level, English Language & Literature was introduced successfully with 16 pupils opting for it.

Collaborative Learning & Planning

The major focus in terms of teaching and learning initiatives this academic year was on collaborative learning and collaborative planning. Whole-teaching staff CPD was delivered in September on Collaborative Learning, with departments brainstorming strategies and sharing them. The Teaching & Learning Group chose collaboration as the theme for its CPD meetings this year. A very constructive session on Collaborative Learning, Transferable Skills and Collaborative Planning for all IB Diploma subject Heads of Department was held in November.

Schemes of Work

All departments were required to review and update their Schemes of Work by October, incorporating a set of key requirements and revising Schemes of Work to make them more student-friendly so they can be used as Schemes of Learning rather than just a framework for teaching. All departments duly submitted their updated schemes and these were subsequently audited as part of the Departmental Appraisal system.

Foundation Year Curriculum Review

The FY Curriculum Review Working Group completed its review in the Autumn Term and its recommendations have subsequently been endorsed. From September 2019, in tutorial time there will be a weekly Current Affairs & Global awareness quiz and a weekly Digital skill of the week. Each term every pupil in the FY will develop a new skill, new hobby or interest that will be developed over the course of the year. We shall introduce 'the FY Standard' which will form the basis of an inter-house competition, based on pupils' academic effort and quality of achievement, their contribution to sport and their contribution to co-curricular activities (art, drama, music etc). There will also be a cross-curricular project every term aimed at developing skills like teamwork and collaboration. The FY's achievements and contributions will be recorded in an FY 'Passport' for each pupil. From September 2019, the most able FY pupils will be taken one evening every other week for a presentation/lecture, followed by discussion, on an area of academic interest. In alternate weeks, the same able cohort will meet for a student-led discussion, following on from research they will have been set the previous week.

Departments have been asked to review and reform their subject schemes of work for the FY and reform them, to focus on skills rather than content. The new schemes of work will be in place for September 2020.

FY Cross-Curricular Projects

This academic year, the FY were taken off timetable for several days to take part in a Coding Project (Lent Term) and Skin-Care Project (Summer Term). The objectives were to foster a cross-disciplinary

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

and collaborative approach to learning and to foster independent learning.

Departmental Appraisal

By the end of this academic year, well over half of our Departments had undergone their appraisal under the new Departmental Appraisal System. Members of the Senior Leadership Team have conducted follow-up Learning Walks to check on implementation of the recommendations made as a result of the appraisals. The follow-up Learning Walks have shown that good progress has been made in responding to the appraisal recommendations. We have continued to refine the Appraisal System and have developed a more formal opportunity for Departments to feedback on their appraisal experience, a more detailed briefing document for Departments ahead of their appraisal so they know more fully what to expect and a new, more tailored Management and Leadership review form for teachers to complete on their Head of Department. The new documentation has been approved by the Academic Committee and will be introduced just before Half-term in the Classics Department's Appraisal.

Head of Academic IT

A new post, Head of Academic IT, has been created, with effect from September 2019. The Head of Academic IT's brief is to promote more effective use of digital technology by pupils and staff to enhance teaching and learning.

Careers

As in previous years, Careers Guidance was given to pupils in FY and Remove via briefings and the Inspiring Future's 'Careers Advisor' on-line questionnaire; Careers Profiling assessments were taken by 167 Hundred, Pre 6th and 'new' L6th pupils. The results were made available for pupils and parents and discussed with careers advisors from Inspiring Futures. A new feature this year was an 'exit' interview for all members of the U6th. The annual Careers and Futures evening was held on 14th March, with 15 speakers (11 OMs; 4 current parents) enthusing pupils about careers in law, medicine, finance, art and design, property and surveying, marketing, journalism, retail and sports training. Several pupils have been offered work experience with the Speakers. There were also talks on School Leaver programmes (e.g with EY). Gap Year projects taken up by pupils include working, teaching and travelling in France, Peru, South Africa, NZ and Australia; and helping in Malvern's sister schools in China, Egypt and Hong Kong.

Wheeler-Bennett Society

Sixteen pupils made presentations to the Society this year, and they were, as always, of high quality showing a great deal of depth in the topics covered. Large numbers of Sixth Formers attended the talks and enjoyed participating in the discussions afterwards.

(c) Chapel

During the inter-regnum period over the Michaelmas Term and with the new PA/audio system installed, we welcomed a number of visiting speakers for both mid-week services and the new Saturday Chapel format. These included James Righetti, James Baron, John Bradshaw, Rod Corke, Peter Marshall (OM), Rupert Shelley, Peter Myres and Tim Dossor. In addition, a number of pupils and Common Room spoke on both secular and Christian themes. On Remembrance Day, Lt Col. Henry Bettinson (OM) spoke at both services. The Advent and Christmas services were enhanced by superb singing from the Chamber and Chapel Choirs. In particular, it was moving to hear the late Michael Haynes' setting of 'Adam lay y-bounden' in each of the services.

At the start of the Lent Term, the Bishop of Worcester, Rt Rev John Inge came to licence the new College Chaplain, Rev David Ibbotson, in one of our services. He returned later in the month to preach at the Confirmation Service in which 19 pupils were confirmed. We enjoyed talks from two more visitors: Adrian May and Paul Bolton, and a series of 'Lent Addresses' from Simon Austen. We have been able to gather as a whole community in chapel for the majority of services since January and this has been appreciated by pupils and staff. Our celebrations have included two College Eucharists and Rev Canon Ian Davenport, Chaplain to HM the Queen, preached at one of these in May. The Summer term saw a

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

wonderful Commemoration Service with the choir on sparkling form and an inspiring sermon from our preacher, Rev Ken Madden.

(d) Cultural Matters

Drama

In the Autumn term the Rogers Theatre reopened following refurbishment with a stunning production of Hilary Mantel's 'Wolf Hall', the first production of this play performed by a school. The Musical Theatre Society presented a wonderfully vibrant production of 'Chicago' in March, this marked the official reopening when we welcomed acclaimed actor Simon Callow. Lower School dramatists presented 'Wendy and Peter Pan' in June to appreciative audiences. Speech and Drama pupils scored notable successes in LAMDA examinations. The House Drama Competition weekend in February was a wonderful display of pupil-led performance work.

Music

The Music Department has had a busy and fruitful year. The quality of performing has improved at every level. The re-opening of the refurbished Rogers Theatre has led to the reinstatement of the Unplugged Concerts. The showcase concerts at Advent, Christmas, Summer, Commemoration and Remembrance, in which the main ensembles and the Chapel and Chamber Choirs perform, again demonstrated the high quality of musicianship achieved in the College. This is further evidenced by the popularity of these Concerts in the wider community.

College musicians also played a memorable part in the moving Farewell Service for Antony Clark. Adjustments have been made to the Chapel Choir routine which has resulted in a full turn out for all Services and improved performances.

The House Singing Competition was won by House No. 8 and in second place was House No. 2. The Adjudicator's Prize was won by House No. 5. It was rewarding to see how well all Houses prepared themselves.

House Music for Instruments, was won by House No. 3, in second place was House No. 8 and in third place was House No. 2. There were some exceptional performances including those given by two of the most advanced musicians, Jasper Penrice (No. 1) and Josi Jebens (EH).

The Unplugged category was won by Eily Lo (No.3); second was Lucy Fletcher (No.8) and third was Tom Doherty (No.2).

The results of the practical and theory examinations were as always highly commendable with two outstanding achievements:- Ani King, ABRSM diploma with distinction and Anny Moody, Grade 8 trombone to add to her existing two Grade 8s in orchestral percussion and piano. There were 12 Grade 9 passes, seven distinctions and many other passes and merits.

The annual public Chamber Choir concert for Lunchbox at Malvern Priory was most successful and took place before a large and enthusiastic audience.

The Jazz Band attended an evening of most enjoyable music-making at the the Elms School, Colwall. Three other schools took part and the Elms School choir sang. Our musicians played extremely well and the performances were much appreciated by the audience.

The final event in the musical calendar was the Concerto Concert. There were 12 performances accompanied by the Malvern Invitational Orchestra. The pupils performed a wonderful and varied programme. This was the second year in which, younger musicians took part. Their successful inclusion demonstrates the continuing depth of musical ability in the College and augers well for the future.

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

Art

This year in Art and Design we have enjoyed the continued study of Life Drawing in the Sixth Form with a weekly session running during the Autumn to Lent term. We have continued Open Studio sessions and specialist workshops in Screen Printing, etching, Photoshop, digital Photography and textile techniques. We had the pleasure of welcoming artists to the Department such as Willow artist Kate Risdale, Photographer Richard Batty and Sarah a ballerina who was able to come in to talk about her textile work as well as model for our students. Pupils from the FY up got involved in a successful internal competition in the Autumn term, titled '20x20'.

This summer we have had work exhibited in the Malvern Theatres and 'Young Voices New Visions'. Nikki Stonham's work has been selected to continue further to be shown at the Art House in Worcester. We were pleased to welcome Nick Owen (OM) to give a Lecture 'In the Footsteps of Blake' to our Sixth Form students. February saw the IB Final Show, which was well supported by the College community, as was the Commemoration Show. Our final Summer Show, was an exciting Opening Night on Friday 14th June, and we enjoyed welcoming more parents and guests, as well as Abberley School Year 7s, over the following week.

Outdoor Pursuits (OP)

We have seen growth in participation across all clubs in Outdoor Pursuits. The current programme of activities includes; White Water Kayaking, Sea Kayaking, Kayak Polo, Open Canoeing, Indoor Climbing, Rock Climbing, Mountain Biking, Stand-up Paddle Boarding (SUP) and Horse Riding. Clubs run daily and are supervised by Jay Watts, Justin Major and Sarah Angling. Noticeable visits included; a Kayak Polo tournament in the South-West regional tournaments, White Water kayaking across the UK, mountain biking in the Forest of Dean, Bike Park Wales, Afan Forest, Northumberland and others, Rock climbing in the Peak District and Lake District and finally a Whitewater Kayaking trip and of course the enormous success of Malvern College to Paris 2019 or as it is better known MC2P.

Outdoor Pursuits at Malvern College is becoming very much a core part of the College, no longer seen as fringe activities. The FY now have the 'FY Award', which consists of walking on the Malvern Hills during the field day, a five day outdoor residential in the Isle of Man and two overnight walking expeditions. The department is now offering many OP activities for DofE expeditions; kayaking, canoeing, biking and SUP.

The department gained incredible media coverage following the success of MC2P. We appeared on the front page of The Times and were interviewed on both BBC and Sky News.

In the Summer Term the initiative 'Lost' was run again for a second year. Two pupils from each House in the Remove are blindfolded and dropped off 50km from the College Campus. The pupils are given the challenge of returning to the campus in the quickest time (including staying overnight). The first team to return was awarded £2000 prize money for their House Charity (the funds were raised by the participants). The event was again hugely successful, unique, eye-catching and reached the attention of local media.

Duke of Edinburgh

The Silver Award expedition is taken by Mr Watts with most of the help coming from outside instructors. The two 3 day expeditions take place in the Summer term to minimise the disruption from the weather. The Gold Award water expeditions are taken by Mr Watts with outside instructors. The Gold Walking expeditions (Easter and Summer only) are staffed by the college.

The number of Silver awards achieved was 13. The number of Gold awards achieved was 21.

Lecture Highlights

In the academic year 2018-19, the College hosted the following lectures given by Old Malvernians:

- 'Remembrance', Piers Storie-Pugh (9.63-67)
- 'Haematology and the NHS', Peter Dunlop (SH.63-68) and Mark Winter (SH.63-68)
- 'The Chindit Operations', Piers Storie-Pugh (9.63-67)

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

- 'In the Footsteps of Blake', Nick Owen (1.64-69)
- 'D-Day and the Battle of Normandy', Piers Storie-Pugh (9.63-67)
- 'Does the Devil Wear Prada?: a journey into the fashion world', Milly Wall (3.09-14)
- 'Air & Sea Rescue', James Ridout (2.98-03)

The Lucretian Society hosted: Mr Thomas Bragg, (OM, No 4) Consultant Plastic and Sarcoma Surgeon; "Bums, Boobs, Botox; Plastic Surgery Then and Now"; Dr Roland Young (OM, SH),

Laboratoire de Météorologie Dynamique, Sorbonne Université, Paris; "A year exploring the planets from space and in the lab"; Mr Mark Winter & Mr Peter Dunlop, (OM, SH) Mark is a retired Haematologist and works as an advisor to the dept of Health for the contaminated blood enquiry. Peter is a retired oncologist who specialised in treating cancers of the head and neck and brain tumours "A career in Medicine - the life and times of two School House doctors"; Mark Portnoi, Photonic Innovations Lab, Department of Electronic and Electrical Engineering, University College London (UCL), "Photonic Innovations– Engineering applications for light".

Life Skills/Thrive

This year we built on our Life Skills lecture programme, adding lectures on UK Parliament Week; Being Black and British delivered by an OM; The Teenage Cancer Trust – understanding cancer together; Green Light Road Safety – West Mercia Partnership; Memory Mnemonics, Ace Your Exams and Student Elevate – Elevate Education; Consent and Healthy Relationships – it-Happens Education; the Good Lads Initiative, Self-defence and assertiveness- Robert Higgs; 'The boy in the photograph'- anti bullying presentation.

(e) Sport

Athletics

Eighteen athletes, across all age groups, represented the Malvern Hills District at the Worcestershire County Track & Field Championships. They achieved one gold, one silver, and three bronze medals. Two pupils went on to represent Herefordshire & Worcestershire at the Mason Trophy regional athletics competition; they competed valiantly.

Canoe Polo

Both the A's and the B's competed in this seasons South West division canoe polo tournaments, completing another successful year in the League. The teams had an impressive season with both finishing very strongly. The As finished fourth out of the eleven teams competing.

Climbing

A team of four climbers entered the Independent Schools' Climbing Competition. The team finished a very creditable eleventh out of thirty- three teams.

Cricket

One boy was picked for England U19s. The 1st XI have enjoyed a successful 2019 season beating, Shrewsbury, Wellington College, Grey PE, Repton and Clifton. 1st XI Winners of National 20/20, Under 15 Regional Finalists of ESCA 20/20 Competition, Under 14 Regional Finalists in Lord Taverners Trophy. One pupil was picked for Midlands to play in Bunbury Festival, 3 pupils picked for Worcestershire CCC (WCCC) 2nd XI and 3 for the WCCC Academy. There are twelve boys who represent Worcestershire Age group sides and one boy who represents Gloucestershire U14. The Under 14s have had an unbeaten season against school sides.

In girls' Cricket, the 1st XI played a match against the Womens' MCC for a second year. The College hosted the Regional Round of the Shrewsbury T20 National Cup, winning 2/3 matches, beating Oundle in the Quarter finals to make it to the National finals day and finishing fourth. Five girls were selected for County cricket teams: three Remove for Herefordshire U15s, 1 Remove for Worcestershire U15s

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

and 1 L6 for Shropshire U18s.

Cross-Country

Sixteen pupils, across all age groups, represented the Malvern Hills District at the County Cross Country Championships. Three pupils qualified to represent Herefordshire & Worcestershire at the National Cross Country Championships.

Equestrian

One boy from the Hundred was selected to ride in the British Eventing U18 Development Squad at Millstreet in Ireland. One Remove girl was selected to be a part of the England Prince Philip Cup Team Squad at the Windsor Horse Trials in May. The school team consists of one boy and three girls in the FY, two Remove girls, two girls and one boy in the Hundred and one L6 girl who have competed in several competitions. There have been several winning performances. In the Allen's Hill Pinvin NSEA Competition in the 1.10m class with the one Hundred boy winning the 1.10m class and the L6 girl finishing 2nd in the 1.00m class. One Hundred girl competed in the final of the British Show Jumping Bronze League and finished 7th. At the Eventers Challenge, one FY girl came 2nd in the 70 -75cm class and one Hundred girl finished 5th. A team of four won the 85cm class at Allen's Hill and will compete at the National Finals at Addington in October.

Football

Three boys (two L6 and one U6) played for Malvern Town FC U18s and one U6 boy was selected to play for Worcester County U18s team. The 1st XI played 7 fixtures winning 2, drawing 3 and losing 2, scoring a total of 17 goals as well as playing the OMs resulting in 4-4 draw in a thrilling and competitive close match.

The girls U18 XI played 6 matches winning 3 and losing 3 and scoring an impressive 21 goals across all the matches.

Fives

Six girls (five FY and one Hundred) competed at the Fives National Championships held at Marlborough College. One reached the semi- final of the U16 tournament, two made it to the quarter- finals, two competed against each other in the U14 plate final. All three pairs made it to the quarter- finals. The boys team enjoyed a tour in March winning all their matches.

Golf

The College's Golf team competed in ISGA Match play – South West Regional Champions & HMC Foursomes are National Finalists. One girl has been selected for the South West England Squad.

Hockey

Two girls were selected for England U18s (one goalkeeper and one outfield player). One girl was selected for Wales U18s. Two girls were selected to join Spanish training camps. One girl was selected for Italy U18s. Twelve girls were selected for Junior Regional Performance Centre teams with eleven girls and four boys selected for Junior Academy Centres (County) teams. In the outdoor season the U18s reached the quarter-finals of the England Hockey National Cup. The U16s reached the quarter finals of the England National Plate competition. The junior boys enjoyed an enhanced fixture list and the senior boys competed in the local senior boys league and played well.

During the Indoor season, the U18s were County runners up and qualified for the Midlands Finals and missed out by goal difference to making the National Finals. The U16s were county champions, runners up at the Midlands Finals and competed well at the National Finals. The boys U18s indoor team qualified for the Midlands Finals.

Five girls represented Stourport U16's who finished second in the country at National Club Finals at both indoor and outdoor. Four girls represented Stourport at U14 while three girls were rewarded with National League Registrations for Stourport Hockey Club. One girl played in the National League for

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

Bristol University.

Netball

One girl was selected for Severn Stars U19 tournament squad. One girl selected into the Severn Stars Nova squad. Two girls taking part in Gloucestershire County Pathway. 1st

VII achieved record scores against St Edwards, Bromsgrove and Bloxham and were placed third in the U19 County tournament. U14s and U16s won their District tournaments.

Rackets

In the Singles competition at Queens in December. One boy reached the quarter finals of the Renny Cup and another boy also reached the quarter finals. At The Queen's Doubles competition the U15s made it to the quarter finals losing to Eton who were the second seeds and the 1st pair also made it to the quarter finals but lost to the first seeds.

Rugby

Twenty boys represented the Worcester Warriors in various age groups and one in the Gloucester Academy. One boy represented the Welsh Exiles U18s. The 1st XV had a tough season but did manage to dig deep in a difficult match against Monmouth to win the Border Shield, the first time we have ever beaten Monmouth at 1st XV level. U14As lost only 2 matches and the Bs lost only 1 match all season. The U15s reached the 3rd round of the Natwest Cup, drawing 8-8 with Bromsgrove School and going out on the away rule. A very good performance and showed how far this group had come.

Rugby Sevens

One boy was part of the National U15s Sevens squad. We ran three teams for the first time (U18s, U16s and U14s) in the Lent term. The U16s won a trophy at the Stowe School u16s Sevens. The U14s had a very good Sevens season losing in the final at The Old Swinford Sevens to Sir Tommy Rich's School Gloucester. They won their group at Rosslyn Park by despatching Shrewsbury and Colstons and then played well against a very good Marlborough side to go on and win their group.

We once again hosted all of the Warriors Academy residential summer camps and also hosted the RFU academy u16 festival.

Swimming

One girl competed at a meet in Gloucester swimming in six events, achieving six personal best times and a bronze medal in the 100m breaststroke. One boy achieved two qualifying times in the 50m and 100m backstroke event for the West Midlands Regional Long Course Championships and made it into the top twenty in the region in the 50m backstroke.

Tennis

The College hosted four Worcestershire County tournaments on the Firs Courts: the U14 and U16 Boys' County Doubles and the U18 Boys' & Girls' Singles. The U14 and U16 girls competed in the Worcestershire County Doubles tournaments held at MSJ. In the U16 Boys' competition two boys were runners up. The U16 Girls' were runners up and the U14 girls' pairing finished 3rd. In the U18s Boys' Singles, one boy won the Scott Cup and in the U18s Girls' Singles, one girl won the Smythe Cup. Our senior mixed doubles teams were unstoppable with wins against Monmouth, Shrewsbury and Wycliffe.

(f) Other Events and Aspects of School Life

Following the disappointment of cancelling Malvern's two prestigious events in 2018, the annual National Preparatory Schools' Cross Country Championship and the 'Ledder' successfully took place!

Commemoration

The address at this year's Commemoration service in the Priory was given by Reverend Ken Madden (Interim Minister at Bath Abbey, Member of Malvern College Council and Chairman of The Downs Malvern), Dr Dominick Sandbrook (OM, Historian and Writer, Member of College Council) gave the

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

address at Prizegiving. Throughout the morning there were various activities, musical concerts, a gun-run, a presentation by the Wheeler-Bennett Society and “art in action” for parents to see.

Parents’ Forum

The Parents’ Forum which comprises parent representatives from each House has continued to meet with the College SMT on a termly basis to discuss a wide variety of day-to-day issues. This continues to be a very successful venture.

The Leavers’ Ball

The leavers’ ball was another huge success with over 500 people attending. The theme this year was Arabian Nights and our leaving Year 13 pupils their parents and college staff enjoyed a wonderful celebration.

(g) New Staff & Staff Changes

New Staff:

Mair Forde	Part Time Teacher of MFL
Fiona Hardy	Teacher of Economics and DHSM No 6
Emily Parker	Part time, Temporary, Teacher of Geography
Flora Sagers	Part time Teacher of English
Andrew Wilson	Teacher of Economics
James Thomas	Part time, Temporary, Teacher of Music
David Ibbotson	Chaplain
Tom Tuthill	HSM No 9
Keith Metcalfe	Headmaster
Sally Cooper-New	Director of Marketing and Admissions
Mariya Rumney	Russian Tutor

Internal Changes:

Thea Brookes	DHSM No 3
Jonathan Card	DHSM No 2
Jay Watts	DHSM No 2
Rhian Jenkins	Deputy SENCo
Flora Sagers	Asst Head of English
Emily Parker	DHSM No 4
Fran Rix	Classroom Teaching Advisor

Development

Public benefit

Malvern College has for some time undertaken a wide range of activities, both in terms of engaging with our local community and making it possible for bright young people who might otherwise not be able to afford the full fees to benefit from the College’s exceptional education in the broadest sense.

The College Council confirms 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. The significant activities undertaken to carry out our aims for the Public Benefit and our achievements measured against those aims are provided on pages 20-21 of this report.

Fee Concessions and Bursaries

Where financial circumstances of the pupil’s parents dictate, the College may award a bursary to enable that pupil to attend the school or see a pupil through to the next natural break point in education. This year, significant bursary funds were awarded to meet the aims of the College Bursary Policy which are:

Malvern College

(Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

- to widen pupil access to the College and ensure that a Malvern College education is provided to children from a broad spectrum of society;
- to continue the College's long tradition of providing public benefit;
- to meet and if possible exceed the Charity Commission's public benefit requirements applicable from time to time.

Information about fee assistance through bursaries is provided on the College website and is also contained within the College scholarship literature.

Bursaries are reviewed annually on the basis of a returned and completed financial circumstances form. The Bursary Committee comprising the Headmaster, Bursar, Registrar and Director of Finance considers all bursary applications on a case by case basis.

The College also offers fee concessions for academic, sporting, musical, technology and artistic excellence in the form of Scholarships and Exhibitions. Details are provided on the College website. Fee concessions are also awarded to children whose parents are in the Armed Forces, to families with two or more children at either the College or The Downs Malvern, to children of College employees and to children of Old Malvernians, Old Ellerslie Girls, Old Hillstonians and Old Downians. These will be extended to children at Abberley Hall and children of Old Abberlians. The College Council reviews the levels of these concessions annually.

Other Public Benefit contributions

As part of our Community Service Programme, the College's pupils provide:

- Support in local charity shops.
- Tuition in Modern Foreign Languages to local primary school children through the Language Club at the Wyche Primary School.
- Environmental projects including an electric car charging project and pond conservation.
- Toilet twinning with a charity in Africa.

The College pupils are also involved in raising funds for charities. An organisation within the school, called the 'School Council', comprising 2 teachers and 15 pupils, raised and donated £14,000 to local, national and international charities. The charities are chosen by the School Council and many are chosen due to direct contact between the School Council and the charity.

In addition to the normal programme of preparatory schools' events, the College held two very successful Magic of Science days hosting 230 primary and preparatory school children. This year, the Science Department welcomed University of the Third Age Geology and Fossil Group which may be displayed in a museum in the future. The regular events for prep schools has included a Debating Day, Rugby and Hockey festivals for the U11 age group, an EIGHT8 (limited overs version of a T20 tournament as well as the second equivalent tournament). Unfortunately the girls' tournament was cancelled due to poor weather conditions.

During the year, the College buildings, Theatre, All Weather Pitch, tennis courts and playing fields were made available to maintained schools, charities, members of the public and other organisations at a reduced rate or free of charge.

Specific examples of College involvement in the local and wider community are:

- The College offered free crash course swimming lessons for local children as part of its Swim England teacher training courses.
- Bursaries of £6k were offered to children attending National Schools Symphony Orchestra (NSSO) courses at the College and at The Downs.
- A local state school used the Sports Complex free of charge for weekly PE lessons and another used the Swimming Pool and Climbing Wall free of charge for outdoor pursuit training.

Malvern College

(Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

- A qualifying round of the West Midlands Secondary Schools Swimming Team Relay Championships was hosted free of charge.
- Local football, rugby, cricket, gymnastics, badminton, archery, cycling, hockey, triathlon and swimming clubs and Brownies/Cubs/Sea Scouts used the Sports Complex at reduced charges.
- Reduced charges were offered to the local community to qualify as lifeguards.
- Local primary schools used the sports hall free of charge for sports days (due to bad weather).
- The Primary School Swimming gala was hosted free of charge.
- Free of charge climbing instruction for Malvern Special Families.
- Three A Level Revision conferences are held and charged a considerably reduced fee.

- The Chamber Choir performs an external concert each term in support of a chosen charity.
- The Christmas, Summer, Choral Society and Concerto Concerts were open to the public and charity collections taken. Christmas Midnight Mass and the Town Carol Service are held in the College Chapel.
- The Film Orchestra (Community music making) was hosted at reduced rates.
- Local Sports Clubs (Ledbury and District Swimming Club and Worcester Swimming Club) used meeting rooms at reduced rates or free of charge.
- Reduced health club membership fees was offered for the local emergency services, NHS and local business employees.
- The College hosted the first Malvern College Pastoral Conference on Mental Health and Wellbeing. The event was attended by teachers and pupils from 13 schools.

The significant capital expenditure at the College over recent years has provided modern and extensive sporting and boarding facilities for the pupils. The facilities, while primarily for the College's pupils, have provided greatly increased access to the local community and surrounding schools.

Plans for future periods

The College Council and Management Board formally reviews the 10 year plan annually. Future plans are focused on the continuation of the Boarding House refurbishment programme and the refurbishment of the Music School and the Lindsay Arts Centre. The strategic aims and goals for the medium term are to provide excellent education, secure the College's long term financial strength and to enhance our national and international reputation.

Financial review

Financial statements for the year ended 31 July 2019

Pupil numbers increased from 632 in September 2017 to 650 in September 2018, which was encouraging in an increasingly difficult market place. Operationally the College continued with its good financial management albeit under increasing cost pressures. The professional approach of the College to fundraising and the generosity of the College family resulted in another year of substantial donations, albeit lower than previous years due to projects associated with fundraising being delayed until after the year end.

The College continues to focus on fundraising to support its capital programme and increasingly to provide means tested bursaries - all funds are received by and held in the Malvernian Society Limited until released to the College (as set out in Note 17) and are not consolidated into the financial statements of the College. Over the last 10 years, funds of c. £10m have been raised through direct gifts and legacies from our alumni body for which we are most grateful.

The revenue and expenditure results are set out in the Group Statement of Financial Activities on page 28. These results are summarised as follows:

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

Earnings before interest, depreciation and one-off items	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
College operations	1,385	1,645	2,125	2,567	2,410
Trading net income	1,129	845	491	243	88
Donations and other income	298	484	446	485	432
Earnings before interest, depreciation and one-off items	2,812	2,974	3,062	3,295	2,930
Depreciation	(2,245)	(2,217)	(2,317)	(2,281)	(2,258)
SWAP movement	(83)	328	498	(541)	(257)
Interest & SWAP payments	(356)	(389)	(412)	(433)	(456)
Interest received	29	31	53	46	32
Net income	157	727	884	86	(9)

Earnings before depreciation and interest of £2.81m were slightly lower than the previous year but included a contribution from the trading operations of £1.1m that grew by 34% year on year. This was a milestone in the trading operations performance with £1m being exceeded for the first time, with significant contributions from both MCEL and MCIL. Overall it was a solid performance for the year and encouragingly well ahead of budget.

The College continued with its plan to renovate, repair and maintain the College campus; the main operational projects completed during the year were: the replacement of an all-weather surface, replacement of a number of boilers, refurbishment of House 5 and completion of the House 4 refurbishment. A major refurbishment of Rogers Theatre started in June 2017 and was completed in September 2018.

On the balance sheet, total net assets for the Group, with all land and buildings stated at cost less depreciation, amount to £19.2m (2018: £19m). Net current assets at the end of July 2019 were £1.1m (2018: £1.4m). As a result of the FRS 102, the valuation of the SWAP is reported on the balance sheet as at July 2019 and 2018 year end. The movement in the valuations, which were provided by Lloyds Banking Group PLC, are shown in the Statement of Financial Activities.

In May 2007, the College arranged a loan facility of £13.5m with Lloyds Banking Group PLC. The final repayment date of the loan is 20 years after the Commitment Termination date which was August 2011. A loan of £3.0m was drawn down in December 2012. This loan is being repaid over 14 years and repayment commenced in December 2013. The total combined amount of the drawdown on both facilities at the year-end was £8.7m. With cash and short term deposits of £4.9m the net debt at the year-end was £3.8m (2018: £3.0m). The College is fully compliant with all its banking covenants.

The College places excess funds on deposit with Lloyds Banking Group plc.

Malvern College Enterprises Limited

The College has a majority shareholding (80,899 of 80,900 shares) in its trading subsidiary which carries out non-charitable trading activities for the College. Malvern College Enterprises Limited (MCEL) will make a gift aid payment of £425k (2018: £532k) to the College, thereby transferring all of its taxable profits to the College. The trading operations relating to international schools was transferred to Malvern College International Limited during 2017/18. The remaining operations of MCEL include membership and hiring of the Sports Complex, an in-house guardianship service, the letting of College facilities for holiday sports camps, conferences and weddings and commission from uniform and book

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

sales. All of which continue to develop and generate significant income.

Malvern College International Limited

The College has a 100% shareholding in its trading subsidiary which carries out non-charitable trading activities relating to overseas schools for the College. Malvern College International Limited (MCIL) was incorporated in August 2017. The trading activities relating to the royalty income from the overseas schools was transferred to the company from MCEL during 2017/18. MCIL will make a gift aid payment of £713k (2018: £323k) to the College, thereby transferring all of its taxable profits to the College. The operations of MCIL continue to grow with several new initiatives being considered for the medium to long term.

Reserves

Unrestricted funds are needed (a) to provide funds which can be designated to specific rebuilding and refurbishment projects to enable the College to provide boarding accommodation that complies fully with the National Boarding Standards, and teaching accommodation that meets Independent Schools Inspection standards and (b) to provide a financial cushion that will enable the College to continue to function as an independent school in the event of a significant fall in pupil numbers (and thus fee income). The current level of reserves is considered sufficient to meet the identified needs.

The unrestricted College fund is £18.4m (2018: £18.2m) and the free reserves are minus £1.5m (2018: minus £1.1m). Free reserves are unrestricted funds (including designated) after deducting stocks and fixed assets net of borrowing. In the current year (and previous year (re-stated)), the unrestricted fund, and so free reserves, have been reduced by the recognition of the interest rate swap liability on the Balance Sheet under FRS 102. The level of free reserves is also low because of the College's policy of investing in the infrastructure. Several years ago, the College Council agreed to designate 10% of net income to a designated fund. The amount of this fund is £0.68m (2018: £0.66m) and is intended to help fund bursaries and infrastructure projects. In 2018/19 the refurbishment of an astro-turf facility and the boarding house refurbishment programme were the major capital investments. In 2019/20, the refurbishment of the Music School and the continuation of the Boarding House refurbishment programme will be the focus of our investment activity.

During the development at the College over the last few years, the Trustees considered that the best use of the College's resources was on the projects identified in the Strategic/Business Plan. Several contingency measures were identified which were considered to be realistic and feasible in the event of various targets not being achieved. Various assets (land and buildings) of the College were also identified for sale to raise proceeds many of which have now been sold.

The College Council carefully and regularly monitors the College's financial performance against budget including inter alia pupil numbers (gross fee income), operating costs and capital expenditure on the capital projects – the surplus for the year ended 31 July 2019 before one-off items exceeded budget for the year.

The College's policy on restricted funds is to record separately donations, grants and other sources of fundraising where restrictions are imposed that are narrower than the College's overall objectives. Restricted funds are £0.1m (2018: £0.1m).

Asset cover for funds

Notes 17 and 18 to the financial statements set out an analysis of the assets attributable to the various funds and a description of the funds. These assets are sufficient to meet the College's obligations in respect of each individual fund.

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2019 (continued)

Statement of Council Members' responsibilities

The Council members are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England & Wales requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing these financial statements, the Council members are required to:

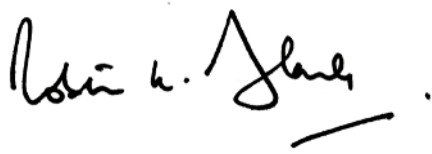
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures 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 charity will continue in business.

The Council members are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and Group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution, are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors

Crowe U.K. LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Council on 21 July 2020.

A handwritten signature in black ink, appearing to read 'Robin K. Black', is written over a horizontal line. A vertical yellow line is positioned to the right of the signature.

**Robin K Black
Chairman**

Malvern College (Incorporated under Royal Charter)

Independent Auditor's report to the Trustees of Malvern College

Opinion

We have audited the financial statements of Malvern College for the year ended 31 July 2019 which comprise the Group Statement of Financial Activities, the College Statement of Financial Activities, the Group and College Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 July 2019 and of the group's incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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

Malvern College (Incorporated under Royal Charter)

Independent Auditor's report to the Trustees of Malvern College (continued)

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Malvern College
(Incorporated under Royal Charter)

Independent Auditor's report to the Trustees of Malvern College (continued)

Crowe UK LLP.

Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: **27 July 2020**

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Malvern College (Incorporated under Royal Charter)

Group Statement of Financial Activities for the year ended 31 July 2019

	Notes	Unrestricted funds General	Unrestricted funds Designated	Restricted funds	Year ended 31 July 19 Total	Year ended 31 July 18 Total
		£	£	£	£	£
INCOME FROM:						
Charitable activities:						
College fees	2	19,432,355	-	-	19,432,355	18,551,962
Ancillary trading income	3	1,347,554	-	-	1,347,554	1,507,900
Other	3	9,343	-	-	9,343	2,927
Trading activities:						
Trading income	4	2,480,984	-	-	2,480,984	2,181,721
Non-ancillary trading income	3	770,725	-	-	770,725	927,457
Investments	5	29,159	-	-	29,159	31,052
Donations		401	-	297,507	297,908	484,238
TOTAL		24,070,521	-	297,507	24,368,028	23,687,257
EXPENDITURE ON:						
Raising funds:						
Trading expenses	4	1,351,584	-	-	1,351,584	1,336,650
Financing costs	6	355,631	-	-	355,631	388,569
Charitable activities:						
Provision of Education	6	22,191,187	-	137,368	22,328,555	21,452,947
Donation to TDMCP	6	91,110	-	-	91,110	109,952
TOTAL	6	23,989,512	-	137,368	24,126,880	23,288,118
Net income before fair value movements on financial instruments		81,009	-	160,139	241,148	399,139
Movement of SWAP liability	16	(83,240)	-	-	(83,240)	327,856
Net (expenditure)/ income		(2,231)	-	160,139	157,908	726,995
Transfers between funds	17	136,024	24,115	(160,139)	-	-
Net movement in funds		133,793	24,115	-	157,908	726,995
RECONCILIATION OF FUNDS						
Fund balances b/f 1 August	17	18,254,677	657,507	113,417	19,025,601	18,298,606
Fund balances c/f 31 July	17	18,388,470	681,622	113,417	19,183,509	19,025,601

The notes on pages 32 to 58 form part of the financial statements.

Malvern College

(Incorporated under Royal Charter)

College Statement of Financial Activities for the year ended 31 July 2019

		Unrestricted funds		Restricted	Year ended	Year ended
	Notes	General	Designated	funds	31 July 2019	31 July 2018
		£	£	£	Total	Total
		£	£	£	£	£
INCOME FROM:						
Charitable activities:						
College fees	2	19,432,355	-	-	19,432,355	18,551,962
Ancillary trading income	3	1,347,554	-	-	1,347,554	1,507,900
MCEL Gift Aid	4	425,649	-	-	425,649	532,358
MCIL Gift Aid	4	713,020	-	-	713,020	322,587
Trading activities:						
Non-ancillary trading income		801,625	-	-	801,625	958,357
Investments	5	29,159	-	-	29,159	31,052
Donations		401	-	297,507	297,908	484,238
Other	3	9,343	-	-	9,343	2,927
TOTAL		22,759,106	-	297,507	23,056,613	22,391,381
EXPENDITURE ON:						
Raising funds:						
Financing costs		355,631	-	-	355,631	389,174
Charitable activities:						
Provision of Education		22,231,356	-	137,368	22,368,724	21,493,116
Donation to TDMCP		91,110	-	-	91,110	109,952
TOTAL		22,678,097	-	137,368	22,815,465	21,992,242
Net income before fair value movements on financial instruments		81,009	-	160,139	241,148	399,139
Movement of SWAP liability	16	(83,240)	-	-	(83,240)	327,856
Net (expenditure)/income		(2,231)	-	160,139	157,908	726,995
Transfers between funds	17	136,024	24,115	(160,139)	-	-
Net movement in funds		133,793	24,115	-	157,908	726,995
RECONCILIATION OF FUNDS						
Fund balances b/f 1 August		18,235,931	657,507	113,417	19,006,855	18,279,860
Fund balances c/f 31 July		18,369,724	681,622	113,417	19,164,763	19,006,855

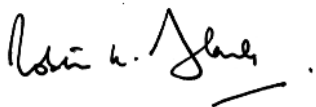
The notes on pages 32 to 58 form part of the financial statements.

Malvern College (Incorporated under Royal Charter)

Group and College Balance Sheets as at 31 July 2019

	Notes	Group		College	
		2019 £	2018 £	2019 £	2018 £
Fixed assets					
Tangible assets	9	29,084,330	29,251,124	29,084,330	29,251,124
Investments	10	-	-	90,801	90,801
Total fixed assets		29,084,330	29,251,124	29,175,131	29,341,925
Current assets					
Stocks	11	138,634	47,727	135,300	45,353
Debtors	12	1,468,691	1,311,075	2,274,824	1,717,161
Current asset investments		2,520,000	2,500,000	2,520,000	2,500,000
Cash at bank & in hand		2,416,907	3,883,553	859,648	2,781,575
Total current assets		6,544,232	7,742,355	5,789,772	7,044,089
Creditors: amounts falling due within one year	13	(5,448,788)	(6,308,187)	(4,803,876)	(5,719,468)
Net current assets		1,095,444	1,434,168	985,896	1,324,621
Total assets less current liabilities		30,179,774	30,685,292	30,161,027	30,666,546
Creditors: amounts falling due after more than one year	14	(10,996,265)	(11,659,691)	(10,996,264)	(11,659,691)
Total net assets		19,183,509	19,025,601	19,164,763	19,006,855
Total funds of the group/college:					
Restricted funds	17	113,417	113,417	113,417	113,417
Unrestricted funds					
College fund	17	18,369,724	18,235,931	18,369,724	18,235,931
Designated fund	17	681,622	657,507	681,622	657,507
Non-charitable trading fund	17	18,746	18,746	-	-
Total unrestricted funds		19,070,092	18,912,184	19,051,346	18,893,438
Total group funds		19,183,509	19,025,601	19,164,763	19,006,855

The financial statements on pages 28 to 58 were approved and authorised for issue by the Council on 21 July 2020 and were signed on its behalf by:



R K Black
Chairman

The notes on pages 32 to 58 form part of the financial statements.

Malvern College
(Incorporated under Royal Charter)

Group Statement of Cash Flows
for the year ended 31 July 2019

		2019		2018	
	Notes	£	£	£	£
Cash flows from operating activities:					
Net cash provided by operating activities	20		1,721,164		3,752,262
Cash flows from investing activities:					
Investment income		29,159		31,052	
Payments to acquire tangible fixed assets		(2,077,806)		(4,349,157)	
Receipts from sales of fixed assets		9,343		2,927	
Net cash used in investing activities			(2,039,304)		(4,315,178)
Cash flows from financing activities:					
Financing costs		(355,630)		(388,568)	
Movement on finance leases		(17,632)		(26,228)	
Repayment of bank loans		(755,244)		(753,687)	
Net cash used in financing activities			(1,128,506)		(1,168,483)
Change in cash and cash equivalents in the reporting period			(1,446,646)		(1,731,399)
Cash and cash equivalents at the beginning of the reporting period			6,383,553		8,114,952
Cash and cash equivalents at the end of the reporting period	21		4,936,907		6,383,553

The notes on pages 32 to 58 form part of the financial statements.

Malvern College

(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019

Charity information

Malvern College was incorporated in the United Kingdom under Royal Charter in 1929 and has no share capital. The College is registered as a charity with the Charity Commission England and Wales (registered no: 527578). Its registered and principal office is College Road, Malvern, Worcestershire, WR14 3DF. This is also the registered address of its trading subsidiaries.

1. Principal accounting policies

The consolidated financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The College meets the definition of a public benefit entity under FRS 102.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Going Concern

The College Council have considered the College's ten year financial forecasts to consider its ability to meet its liabilities as they fall due. They have considered the expectations of pupil numbers, forecast operating costs and current assets and do not believe there are material uncertainties over its ability to continue as a going concern. Accordingly the financial statements have been prepared on a going concern basis.

In light of the current climate in relation to the COVID-19 pandemic the Trustees have undertaken planning and forecasting and continue to closely monitor the developing situation. Despite the current circumstances the Trustees believe that the College's financial resources and contingency planning is sufficient to ensure the ability of the College to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, with the exception of the derivative financial instrument held at fair value.

Basis of consolidation

The Group Statement of Financial Activities, the Group Balance Sheet and the Consolidated Statement of Cash Flows include the financial statements of the College and its subsidiary undertakings made up to 31 July 2019, on a line-by-line basis. Intra group transactions and profits are eliminated fully on consolidation.

The College has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Statement of Cash Flows and certain disclosures about the charity's financial instruments.

Donations

Donations and legacies are credited to revenue when the College has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Malvern College

(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

1. Principal accounting policies (continued)

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided and it is probable that the income will be received. Fees receivable are stated after deducting allowances, scholarships, grants, bursaries and exhibitions allowed by the College.

Trading income

MCEL and MCIL's trading income is accounted for in the period in which the income is earned. The College's ancillary and non-ancillary trading income is accounted for in the period in which the income is earned.

Other income

Non-fee but educational income is accounted for in the period in which the income is earned.

Investment income

Bank interest earned on funds on deposit is accounted for in the period in which the investment income is earned.

Advanced fees

The College offers parents the opportunity to pay for tuition fees in advance in accordance with a written contract. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the College whereupon the fees for each College term is charged against the remaining balance and taken to income.

Final term deposits

Final term deposits are deposits placed when pupils join the College which are offset against fees and disbursements due for the last term each pupil attends. All deposits are held as deferred revenue.

Grants receivable

Grants receivable are credited to the Statement of Financial Activities in the period in which they are receivable.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. There are no costs which cannot be directly attributed to particular headings.

Termination payments

Termination payments are accounted for as soon as the College is aware of the obligation to make the payment.

Bursaries, grants and allowances payable

Grants from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds towards college fees at the College are treated as a reduction in those fees.

Support costs

Support costs comprise the direct costs, including staff, attributable to college activities, an appropriate apportionment of indirect costs and the school's governance costs. These support costs are all allocated to the activities of the College in the Statement of Financial Activities depending on the type of expenditure.

The governance costs comprise the cost of external audit, the costs of Management Board and Council meetings and strategic salary costs. The strategic salary costs include the costs of preparing the statutory financial statements and the costs of senior staff involvement in the strategic management of the College.

Malvern College

(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

1 Principal accounting policies (continued)

Irrecoverable VAT

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the Balance Sheet date.

The functional and presentational currency of the College is considered to be GBP because that is the currency of the primary economic environment in which the College operates.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Council in furtherance of the general objectives of the College and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the College for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Pension costs

The College contributes to the Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the Council by the Scheme Administrator. The College contributes to one defined contribution scheme for non-teaching staff. Amounts paid in relation to these Schemes are charged to the Statement of Financial Activities when they fall due. All pension costs are allocated to unrestricted funds.

Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease terms.

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

1 Principal accounting policies (continued)

Tangible fixed assets

Assets with a cost below £1,000 are not capitalised.

Land is not depreciated. Depreciation of other assets is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. Assets in the course of construction are not depreciated until they are brought into use. Expenditure on certain historic buildings with a net book value of £1.9m at 1 August 2006 is being written off over its estimated remaining life of 14 years. The principal annual rates, applied on a straight line basis on other assets, used for this purpose are:

	%
Buildings	2.5-10.0
Computer equipment	25.0
Motor vehicles	25.0
Equipment and furniture	10.0-25.0

Investments

Investments in subsidiary undertakings are stated at cost, but are written down to their realisable value if it is considered that there has been a permanent diminution in their value.

Stocks

Stocks comprise books, stationery & food stores which are stated at the lower of cost and net realisable value.

Debtors

Short term debtors are initially measured at transaction price, less any impairment. Prepayments are measured at the amount prepaid.

Cash

Cash is represented by cash in hand and deposits with financial institutions.

Creditors

Creditors are initially measured at the transaction price.

Basic financial instruments

The College 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.

Derivative financial instruments

The College uses derivative financial instruments to reduce exposure to interest rate movements. The College does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the Statement of Financial Activities immediately.

Malvern College

(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

1 Principal accounting policies (continued)

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique. The value of the interest rate swap has been provided by Lloyds Bank.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

The items in the financial statements where these estimates and judgements have been made include the following:

Useful economic lives of intangible and tangible assets

The annual amortisation and depreciation charges for the intangible and tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 9 for the tangible assets and Note 1 for the useful lives for each class of assets.

Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 12 for the net carrying amount of the debtors and associated impairment provision.

SWAP liability

The value of the SWAP obligation was established by Lloyds Banking Group PLC.

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

2. College fees

The College's tuition fee income comprised:	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Gross fees	22,605,454	21,488,816
Less: allowances, grants etc	(3,066,021)	(3,032,949)
	19,539,433	18,455,867
Add back: Allowances paid for by restricted funds	(107,078)	96,095
	19,432,355	18,551,962

3. Other income

Group	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Non-ancillary trading income		
Lettings and other income	770,725	552,457
Profit on sale of fixed asset	-	375,000
	770,725	927,457
Ancillary trading income		
Music, speech and drama income	410,120	452,964
Book sales	112,167	119,027
Registration fees, trip income and other income	825,267	928,323
Grants	-	7,586
	1,347,554	1,507,900
Other income		
Gain on sale of fixed assets	9,343	2,927

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

4. Subsidiary undertakings

a. Malvern College Enterprises Limited

The College owns 80,900 of the total ordinary share capital, consisting of 80,900 ordinary shares of £0.01 each, of Malvern College Enterprises Limited (Company no: 02706656), which is engaged in the business of letting facilities at the College, providing a guardianship service and supplying uniforms and sportswear to the College and its pupils via a third party. The remaining share is held by the Malvernian Society Ltd. The subsidiary donates most or all of its taxable profits to the College each year. Its trading results for the year to 31 July 2019, as extracted from the audited financial statements, are summarised below:

	Results per subsidiary financial statements £	Consolidation entries £	Year ended 31 July 2019 £	Year ended 31 July 2018* £
Turnover	1,487,970	-	1,487,970	1,669,566
Inter-group income	40,169	(40,169)	-	-
Cost of sales	(203,473)	-	(203,473)	(150,818)
Gross profit	1,324,666	(40,169)	1,284,497	1,518,748
Administration	(868,117)	-	(868,117)	(996,264)
Inter-group expenses	(30,900)	30,900	-	-
Operating profit	425,649	(9,269)	416,380	522,484
Inter-group interest receivable	-	-	-	-
Profit before tax and Gift Aid	425,649	(9,269)	416,380	522,484
Gift Aid	(425,649)	425,649	-	-
Retained profit for the year	-	416,380	416,380	522,484

* After consolidation adjustments

The assets and liabilities of the subsidiary, Malvern College Enterprises Limited were:

	2019 £	2018 £
Current assets	1,291,140	1,183,198
Creditors: amounts falling due within one year	(1,181,594)	(1,073,652)
Net current assets	109,546	109,546
Representing:		
Share capital	809	809
Share premium	89,991	89,991
Profit and loss account	18,746	18,746
Total shareholders funds	109,546	109,546

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

4. Subsidiary undertakings (continued)

b. Malvern College International Limited

The College owns 100% of the total ordinary share capital, consisting of 1 ordinary shares of £1.00 each, of Malvern College International Limited (Company no: 10907441), which is engaged in the business of overseas franchised schools. The company commenced trading in August 2017. The subsidiary donates most or all of its taxable profits to the College each year. Its trading results for the year to 31 July 2019, as extracted from the audited financial statements, are summarised below:

	Results per subsidiary financial statements £	Consolidation entries £	Year ended 31 July 2019 £	Period ended 31 July 2018 £
Turnover	991,083	-	991,083	512,155
Inter-group income	-	-	-	-
Cost of sales	(104,879)	-	(104,879)	(99,216)
Gross profit	886,204	-	886,204	412,939
Administration	(175,115)	-	(175,115)	(90,352)
Inter-group expenses	-	-	-	-
Operating profit	711,089	-	711,089	322,587
Interest receivable	1,931	-	1,931	-
Profit before tax and Gift Aid	713,020	-	713,020	322,587
Gift Aid	(713,020)	713,020	-	-
Retained profit	-	713,020	713,020	322,587

* After consolidation adjustments

The assets and liabilities of the subsidiary, Malvern College International Limited were:

	2019 £	2018 £
Current assets	854,533	516,344
Creditors: amounts falling due within one year	(854,532)	(516,343)
Net current assets	1	1
Representing:		
Share capital	1	1
Profit and loss account	-	-
Total shareholders funds	1	1

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

5. Investment income

Group	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Bank and building society interest	29,159	31,052

6. Expenditure

Group	Staff costs	Other costs	Depreciation	Year ended 31 July 2019	Year ended 31 July 2018
	£	£	£	£	£
Raising funds					
Trading expenses	453,336	898,248	-	1,351,584	1,336,650
Financing costs	-	355,631	-	355,631	388,569
	453,336	1,253,879	-	1,707,215	1,725,219
Charitable activities					
Teaching	7,713,700	1,418,844	-	9,132,544	9,208,830
Welfare	1,371,055	2,447,328	-	3,818,383	3,682,904
Premises	702,588	2,353,918	2,244,600	5,301,106	5,018,212
Support costs of schooling	2,412,146	1,664,376	-	4,076,522	3,543,001
School's operating costs	12,199,489	7,884,466	2,244,600	22,328,555	21,452,947
Donation to TDMCP	-	91,110	-	91,110	109,952
Total	12,652,825	9,229,455	2,244,600	24,126,880	23,288,118

Included within support costs are governance costs of £41,154 (2018: £59,412) which mainly comprise the costs of administering the charity, audit and tax fees and Council's meeting expenses.

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

7. Net income

Group	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Net income is stated after charging/(crediting):		
Depreciation	2,244,600	2,217,199
Operating lease rentals – equipment	66,140	66,998
Operating lease rentals – property	19,200	28,260
Fees payable to the College’s auditor for the audit of the parent charity and the consolidated financial statements	39,280	20,100
Fees payable to the College’s auditor for the audit of the College’s subsidiaries pursuant to legislation	6,570	6,000
Fees payable to the College’s auditor for non-audit services	8,100	8,010
Gain on disposal of fixed assets	(9,343)	(2,927)
Finance charges on finance lease	3,558	3,558

8. Staff costs

Group	Year ended 31 July 2019	Year ended 31 July 2018
	Number	Number
The monthly average headcount of persons employed by the group during the year was:		
Teaching	161	152
Pastoral	33	33
Domestic	70	71
Administration	147	149
Trading	22	20
	433	425

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

8. Staff costs (continued)

Group	Year ended 31 July 2019 £	Year ended 31 July 2018 £
Wages and salaries	10,535,753	10,253,430
Social security costs	1,011,820	983,060
Pension contributions (note 19)	1,072,320	1,026,359
Apprenticeship levy	32,932	34,254
	12,652,825	12,297,103

The number of employees whose emoluments exceeded £60,000 was:

Group	Year ended 31 July 2019 Number	Year ended 31 July 2018 Number
£230,001 - £240,000	-	1
£190,001 - £200,000	1	-
£160,001 - £170,000	1	1
£90,001 - £100,000	1	1
£80,001 - £90,000	4	1
£70,001 - £80,000	2	3
£60,001 - £70,000	8	6

For those staff whose emoluments exceed £60,000 pension contributions amounting to £27,797 (2018: £125,963) were paid by the College. 10 (2018: 7) of the above staff members have benefits accruing under a defined benefit scheme and 6 (2018: 5) have benefits accruing under a money purchase scheme.

During the year, the Charity made redundancy/termination payments amounting to £78,166 (2018: £nil).

No Council members received remuneration in either accounting period. 10 Council members have received reimbursements totalling £7,258 for travel expenses (2018: 11 Council members received £6,993) and £nil for recruitment (2018: £1,834).

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

8. Staff costs (continued)

Senior Management Team Remuneration

	Year ended 31 July 2019 £	Year ended 31 July 2018 £
Senior Management Team Remuneration	<u>698,429</u>	<u>691,653</u>

The above amounts include employers' National Insurance and pension contributions.

Council Members

One member (2018: one member) of the Council had children/grandchildren at the College in the year. One of these pupils received a scholarship which was awarded at arms' length (2018: one). During the year the College paid £1,000 to HMC for Mentoring Support to the Headmaster. Some of this payment was subsequently paid by HMC to Andrew Trotman Consulting.

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

9. Tangible fixed assets

Group and College	Freehold land & buildings	Computer equipment	Motor vehicles	Equipment & furniture	Assets under construction	Total
	£	£	£	£	£	£
Cost						
31 July 2018	40,825,017	2,286,718	343,136	2,205,155	4,395,335	50,055,361
Additions	506,099	168,294	89,583	182,825	1,131,005	2,077,806
Transfers	5,087,401	-	-	85,143	(5,172,544)	-
Disposals	-	-	(24,975)	(6,463)	-	(31,438)
31 July 2019	46,418,517	2,455,012	407,744	2,466,660	353,796	52,101,729
Accumulated Depreciation						
31 July 2018	16,679,662	1,994,200	320,477	1,809,898	-	20,804,237
Charge in year	1,904,991	152,043	18,764	168,802	-	2,244,600
Disposals	-	-	(24,975)	(6,463)	-	(31,438)
31 July 2019	18,584,653	2,146,243	314,266	1,972,237	-	23,017,399
Net book values						
31 July 2019	27,833,864	308,769	93,478	494,423	353,796	29,084,330
31 July 2018	24,145,355	292,518	22,659	395,257	4,395,335	29,251,124

The net book value of equipment held on finance leases for the charity was £7,310 (2018: £24,945).

Included within tangible fixed assets above are assets with a net book value of £48,620 (2018: £20,792) which meet the definition of intangible fixed assets.

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

10. Fixed asset investment

College	2019 £	2018 £
Investment in subsidiary companies	90,801	90,801

Malvern College has a majority shareholding in Malvern College Enterprises Limited (see note 4). In July 2013, 80,000 shares of £0.01 were issued and allotted to Malvern College. Malvern College paid £0.01 per share and paid £800 in total. In January 2016, 900 shares of £0.01 were issued and allotted to Malvern College. Malvern College paid £100 per share and paid £90,000 in total. The transaction generated share premium of £89,991.

Malvern College has a 100% shareholding in Malvern College International Limited (see note 4). In August 2017, 1 share of £1.00 was issued and allotted to Malvern College. Malvern College paid £1 per share and paid £1 in total. The transaction generated share premium of £nil.

11. Stocks

	Group		College	
	2019 £	2018 £	2019 £	2018 £
Stationery and consumables	138,634	47,727	135,300	45,353

12. Debtors

	Group		College	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	501,536	262,910	-	-
Fee debtors	432,395	325,223	432,395	325,223
Amounts owed by group undertakings	-	-	1,342,472	854,361
Other debtors	108,338	308,405	108,339	189,031
Prepayments	403,705	379,499	368,901	319,261
Accrued income	22,717	35,038	22,717	29,285
	1,468,691	1,311,075	2,274,824	1,717,161

Included in other debtors is an amount of £27,553 (2018: £35,496) which represents loans to staff, of which £17,727 (2018: £24,404) is repayable after more than one year.

Trade, fee and other debtors are stated after impairment provisions totalling £138,755 (2018: £135,326).

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

13. Creditors: amounts falling due within one year

	Group		College	
	2019 £	2018 £	2019 £	2018 £
Bank loan (note 14)	759,848	753,001	759,848	753,001
Trade creditors	1,431,223	787,465	1,393,164	736,238
Amounts owed to group undertakings	-	-	70,354	-
Entrance fee deposits	433,518	463,030	433,518	463,030
Advanced fees (note 15)	1,149,109	2,180,258	1,149,109	2,180,258
Taxation and social security	254,714	38,734	244,129	(13,861)
Other creditors	209,178	148,004	-	-
Finance lease (note 22)	7,310	21,931	7,310	21,931
Accruals	910,451	1,647,226	746,446	1,531,163
Deferred income	293,437	268,538	-	47,708
	5,448,788	6,308,187	4,803,878	5,719,468

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

Group and College	2019 £	2018 £
Bank Loan	7,928,721	8,690,812
SWAP obligation	1,206,637	1,123,396
Entrance fee deposits	1,579,612	1,590,291
Advanced fees (note 15)	281,295	252,178
Finance lease (note 22)	-	3,014
	10,996,265	11,659,691

The College had total bank borrowings of £8,688,569 as at 31 July 2019 (2018: £9,443,813).

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

14. Creditors: amounts falling due after more than one year (continued)

In May 2007, the College arranged, with Lloyds Banking Group plc, bank borrowing consisting of a loan facility of £13,500,000. The final repayment date of the loan is 20 years after the Commitment Termination date which was August 2011 (Facility 1). A Swap transaction has also been entered into with Lloyds Banking Group plc to protect against adverse interest movements during the period of significant borrowing.

A loan of £3.0m (Facility 2) was drawn down in December 2012. This loan is being repaid over 14 years which commenced in December 2013. The bank loan % to value of secured assets is 39% (2018: 39%).

Bank loan maturity statement

Group and College	2019	2018
	£	£
Bank loan maturity analysis		
In less than one year	759,848	753,001
In more than one year but not more than two years	765,183	740,150
In more than two years but not more than five years	2,328,289	2,319,519
In more than five years	4,835,249	5,631,143
	8,688,569	9,443,813

Facility 1 – the bank loan is repayable in 80 consecutive quarterly instalments which commenced on 15 November 2011.

Facility 2 – the bank loan is repayable in 56 consecutive quarterly instalments which commenced on 5 December 2013.

The Swap transaction fixed the interest rate for 75% of the total borrowing at 4.44% and the interest on remaining 25% is charged at 0.5% above the bank base rate or LIBOR.

Lloyds Banking Group plc has a first charge over the freehold land and buildings of Malvern College and a first charge over Other Asset known as negative pledge dated 28th April 1982.

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

15. Advanced fees

Parents may pay to the College tuition fees in advance. Such payments may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils remain in the advanced fees payment scheme, payments will be applied to offset fees as follows:

Group and College	2019 £	2018 £
Within 2 to 5 years	60,264	142,381
Within 1 to 2 years	221,031	109,797
Over one year	281,295	252,178
Within 1 year	213,597	214,935
	494,892	467,113

Also included in advanced fees in creditors due within one year (note 13) are credit balances of £935,512 (2018: £1,963,704) within the fees ledger.

The advanced fees balance represents the accrued liability under the contracts. The capital movements during the year were:

Group and College	£	£
At 1 August 2018		467,113
New contracts	305,327	
Terminated contracts	(46,122)	
Amounts accrued to contracts	3,680	
		262,885
Amounts utilised in payment of fees to the College		(235,106)
At 31 July 2019		494,892

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

16. Financial instruments

	Group		College	
	2019	2018	2019	2018
	£	£	£	£
Financial assets measured at settlement value	6,001,893	7,260,346	5,285,570	6,679,476
Financial liabilities measured at settlement value	2,558,162	2,552,856	2,217,274	2,292,347
Financial liabilities measured at amortised cost	8,688,569	9,443,813	8,688,569	9,443,813
Financial liabilities measured at fair value	1,206,637	1,123,396	1,206,637	1,123,396

Financial assets measured at settlement value comprise cash, trade and fee debtors, other debtors (including staff loans), accrued income and amounts due from group undertakings (for College).

Financial liabilities measured at settlement value comprise trade creditors, accrued charges, other creditors, finance leases and amounts due to group undertakings (for College).

Financial liabilities measured at amortised cost comprise bank loan.

Financial liabilities measured at fair value comprise the interest rate swap.

The Group and College income, expenses, gains and losses in respect of financial instruments are summarised below:

Group & College	2019	2018
	£	£
Interest income and expense		
Total interest expense for financial liabilities at settlement value and amortised cost	141,508	123,048
Fair value gains and losses		
Fair value (loss)/gain on the interest rate swap	(83,240)	327,856

Impairment losses charged to financial assets measured at settlement value in the year amounted to £3,429 (2018: £nil).

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

17. Funds

Group and College

	At 1 August 2018 £	Income £	Expenditure £	Transfers, other recognised gains/losses £	At 31 July 2019 £
Restricted funds					
Restricted donations	76,229	293,788	(133,649)	(160,139)	76,229
Restricted grants	37,188	3,718	(3,718)	-	37,188
	113,417	297,507	(137,368)	(160,139)	113,417
Unrestricted income funds					
Designated fund	657,507	-	-	24,115	681,622
College fund	18,235,931	21,589,537	(22,637,928)	1,182,184	18,369,724
Trading companies	18,746	2,480,984	(1,351,584)	(1,129,400)	18,746
Total General funds (excluding Designated fund)	18,254,677	24,070,521	(23,989,512)	52,784	18,388,470
Total Group unrestricted funds	18,912,184	24,070,521	(23,989,512)	76,899	19,070,092
Total funds	19,025,601	24,368,028	(24,126,880)	(83,240)	19,183,509

Transfers –

Restricted donations – The transfer relates to funds moving to the College fund representing contributions to the Rogers Theatre project and bursarial support for pupils.

Designated fund – The transfer relates to 10% of net income from the College fund.

Trading Company – The profit before tax and gift aid of Malvern College Enterprises Ltd and Malvern College International Ltd.

College fund – The transfer relates to the designated fund transfer and the trading company transfer. The negative SWAP movement for the period of £83k is also included within the College funds transfer column.

Restricted funds –

Restricted donations/grants – The balance is represented by donations and grants not yet spent which have specific restrictions imposed by donors, the majority of which relates to donations for the Rogers Theatre project.

Designated Fund –

The Designated Fund represents 10% of net income to provide funds to help fund bursaries and infrastructure projects over a ten year time span.

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

17a Comparative Funds

Group and College

	At 1 August 2017	Income	Expenditure	Transfers, other recognised gains/losses	At 31 July 2018
	£	£	£	£	£
Restricted funds					
Restricted donations	584,774	480,384	(125,014)	(863,915)	76,229
Restricted grants	37,188	-	-	-	37,188
	621,962	480,384	(125,014)	(863,915)	113,417
Unrestricted income funds					
Designated fund	617,593	-	-	39,914	657,507
College fund	17,040,305	21,025,152	(21,826,454)	1,996,928	18,235,931
Trading company	18,746	2,181,721	(1,336,650)	(845,071)	18,746
Total General funds (excluding Designated fund)	17,059,051	23,206,873	(23,163,104)	1,151,857	18,254,677
Total Group unrestricted funds	17,676,644	23,206,873	(23,163,104)	1,191,771	18,912,184
Total funds	18,298,606	23,687,257	(23,288,118)	327,856	19,025,601

Transfers –

Designated fund – The transfer relates to 10% of net income from the College fund.

Trading Company – The profit before tax and gift aid of Malvern College Enterprises Ltd and Malvern College International Ltd.

College fund – The transfer relates to the designated fund transfer and the trading company transfer. The positive SWAP movement for the period of £328k is also included within the College funds transfer column.

Restricted funds –

Restricted donations/grants – The balance is represented by donations and grants not yet spent which have specific restrictions imposed by donors, the majority of which relates to donations for the Rogers Theatre project.

2000 Appeal – The income is allocated to bursaries in accordance with the aims of the Appeal.

Designated Fund –

The Designated Fund represents 10% of net income to provide funds to help fund bursaries and infrastructure projects over a ten year time span.

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

18. Analysis of the net assets between funds

The net assets are held for the various funds as follows:

Group and College

Net assets/(liabilities) of the group's funds	Fixed assets	Net current assets	Long term liabilities	2019 Fund balances
	£	£	£	£
Restricted funds	37,190	76,227	-	113,417
General funds:				
College funds	29,047,140	318,849	(10,996,265)	18,369,724
Designated funds	-	681,622	-	681,622
Non-charitable trading funds	-	18,746	-	18,746
	29,084,330	1,095,444	(10,996,265)	19,183,509

18a Comparative analysis of the net assets between funds

The net assets are held for the various funds as follows:

Group and College

Net assets/(liabilities) of the group's funds	Fixed assets	Net current assets	Long term liabilities	2018 Fund balances
	£	£	£	£
Restricted funds	37,190	76,227	-	113,417
General funds:				
College funds	29,213,934	681,688	(11,659,691)	18,235,931
Designated funds	-	657,507	-	657,507
Non-charitable trading funds	-	18,746	-	18,746
	29,251,124	1,434,168	(11,659,691)	19,025,601

19. Pensions

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £884,683 (2018: £870,068) and at the year-end £nil (2018 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Malvern College

(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Other pension schemes

The College contributes to one defined contribution pension schemes on behalf of its employees. The cost to the College of these schemes is £187,637 (2018: £156,291).

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

20. Reconciliation of cash flows from operating activities

Group	2019	2018
	£	£
Net income for the year	157,908	726,995
Adjustments for:		
Investment income	(29,159)	(31,052)
Depreciation of tangible fixed assets	2,244,599	2,217,199
Financing costs	355,630	388,569
Surplus on disposal of current/fixed assets	(9,343)	(2,927)
Movement on SWAP liability	83,240	(327,856)
(Increase)/Decrease in stocks	(90,907)	43,697
Increase in debtors	(157,616)	(146,875)
Increase/(decrease) in creditors	(833,188)	884,512
Net cash provided by operating activities	1,721,164	3,752,262

21. Analysis of net debt

	31 July 2018 £	Cash flow £	31 July 2019 £
Net cash:			
Cash on short term deposit	2,500,000	20,000	2,520,000
Cash at bank and in hand	3,883,553	(1,466,646)	2,416,907
	6,383,553	(1,446,646)	4,936,907
Loans falling due within one year	(753,001)	(6,847)	(759,848)
Loans falling due after one year	(8,690,812)	762,091	(7,928,721)
	(9,443,813)	755,244	(8,688,569)
Hire purchase leases	(24,945)	17,635	(7,310)
Net debt	(3,085,205)	(673,767)	(3,758,972)

All the movements from the opening to closing components above result from the cash flows of the group.

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

22. Commitments

Operating leases

At 31 July 2019 the group and the College had future total minimum lease payments under non-cancellable operating leases for each of the following periods:

Group and College	2019		2018	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Not later than one year	19,200	36,127	19,200	67,149
Later than one year and not later than five years	76,800	5,315	76,800	41,442
Later than five years	8,153	-	27,353	-
	104,153	41,442	123,353	108,591

Finance leases

At 31 July 2019 the group and the College had future minimum lease payments at the end of the reporting period for each of the following periods:

	31 July 2019	31 July 2018
	£	£
Not later than one year	7,310	21,931
Later than one year and not later than five years	-	3,014
	7,310	24,945

Capital commitments

The group and the College had capital commitments at 31 July 2019 of £653,270; £59,950 in respect of the Rogers Theatre project (2018: £297,526), £479,459 (2018: £463,809) in respect of the refurbishment of House 4 and House 5 and £113,861 (2018: £nil) in respect of the Astro-Pitch project.

23. Related party transactions

The Malvernian Society Limited

The Malvernian Society Limited is a company limited by guarantee that promotes the work and education at the College, assists in the carrying on of a school or schools and in cases of need assists pupils in further training. A number of members of The Malvernian Society Limited's Committee are also members of Malvern College's Council.

This year, the College received £261,795 from The Malvernian Society. £141,500 was received for the refurbishment of the Rogers Theatre, £98,657 was received for Assisted Places, £14,456 was received to purchase Outdoor Pursuits equipment, £3,000 towards annual prizes and £4,183 towards cricket covers.

Malvern College

(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

Last year, the College received £468,265 from The Malvernian Society including £354,904 towards the refurbishment of the Rogers Theatre, £92,361 was received for Assisted Places £6,000 was received to purchase Outdoor Pursuits equipment, £5,000 was received for other classroom equipment, £5,000 was received for the Sixth Form Centre, £3,000 towards annual prizes and £2,000 towards a cricket award.

At the year-end, £11,451 (2018: £16,785) was due from The Malvernian Society Limited and the balance is included in debtors. The College has also contributed £132,000 to The Malvernian Society (2018: £126,728) for subscriptions for life long membership of the Society for Upper Sixth leavers and a contribution towards their operating costs.

The Malvernian Society Limited owns some of the land and buildings within the College grounds. In 2010/11, the College sold a property to the Malvernian Society Limited and leased back that property for College use. That arrangement continued in 2018/19 and the rent paid from the College to the Malvernian Society Limited in the year was £19,200 (2018: £19,200).

The results of The Malvernian Society Limited are not included in the consolidated financial statements. Whilst they are deemed to be "related" they do not meet the Charities SORP definition of "Connected" and as such their results are not presented within these financial statements.

The Downs Malvern

The Downs Malvern (TDM) is the trading name of The Downs Malvern College Prep School (TDMCP). In June 2007, the College agreed to contribute £5.5m to The Downs Malvern College Prep School. TDMCP is a separate registered charity.

A donation of £91,110 (2018: £109,952) was made by the College to TDMCP during the year in recognition of the net effect of staff concessions offered to staff at the College by TDMCP and offered to staff at TDMCP by the College. A Management Fee of £90,000 (2018: £90,000) was received from TDMCP during the year for the provision of bursarial services. An additional £21,224 (2018: £23,000) was received from TDMCP for additional ad hoc services such as IT support and IT subscriptions.

At the end of July 2019, £1,034 was owed to TDMCP by the College (2018: £654).

Malvern College Enterprises Limited (MCEL)

The College invoiced £928,734 (2018: £913,026) to MCEL and MCEL invoiced £105,823 (2018: £97,672) to the College in the current year. The sales invoices from the College related to cost recharges, VAT transactions and commercial trading sales.

The College and MCEL have a licence and lease back agreement for the use of the current all-weather pitch. The College receives £30,900 for the licence fee and pays £40,169 for the lease costs.

At the year end, £635,463 (2018: £549,354) was owed by MCEL to the College and £63,558 (2018: £17,395) was owed by the College to MCEL.

Malvern College International Limited (MCIL)

The College invoiced £54,391 (2018: £2,382) to MCIL and MCIL invoiced £78,426 (2018: £155) to the College in the current year. The sales invoices from the College related to cost recharges, VAT transactions and commercial trading sales.

At the year end, £717,582 (2018: £322,610) was owed by MCIL to the College and £16,959 (2018: £nil) was owed by the College to MCIL.

Malvern College

(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

Abberley Hall

Abberley Hall (AH) is the trading name of Abberley Hall Limited. In June 2019, as part of the agreement whereby AH has joined the Malvern family of schools, the College agreed to contribute £1.0m to Abberley Hall over the next four years. Subsequent to the year end, in June 2020, the College has agreed to increase its financial support to AH by a further £0.5m which will be used for certain capital expenditure projects and working capital. The College have now appointed 50% of the AH Governors and the first meeting of the new Board was held on 13 September 2019. At the year end no contributions had been paid and no transactions between the entities had taken place. AH is a separate registered charity however the College has a second fixed charge over the land and buildings of AH.

24. Taxation

The College was a registered charity throughout the year and, as such, was not liable to corporation tax on the surplus of income over expenditure for the year, or to capital taxes on gains arising from the disposal of assets, carried out in the furtherance of the College's primary obligations.

The College, Malvern College Enterprises Limited and Malvern College International Limited are registered together in a VAT group. Malvern College Enterprises Limited and Malvern College International Limited gifts most or all of their taxable profits to the College and are subject to corporation tax on any remainder of taxable profits.

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2019 (continued)

25. Comparative Consolidated Statement of Financial Activities

	Notes	Unrestricted funds General	Designated	Restricted funds	Year ended 31 July 18 Total
		£	£	£	£
INCOME FROM:					
Charitable activities:					
College fees	2	18,551,962	-	-	18,551,962
Ancillary trading income	3	1,507,900	-	-	1,507,900
Other	3	2,927	-	-	2,927
Trading activities:					
Trading income	4	2,181,721	-	-	2,181,721
Non-ancillary trading income	3	927,457	-	-	927,457
Investments	5	31,052	-	-	31,052
Donations		3,854	-	480,384	484,238
TOTAL		23,206,873	-	480,384	23,687,257
EXPENDITURE ON:					
Raising funds:					
Trading expenses	4	1,336,650	-	-	1,336,650
Financing costs	6	388,569	-	-	388,569
Charitable activities:					
Provision of Education	6	21,327,933	-	125,014	21,452,947
Donation to TDMCP	6	109,952	-	-	109,952
TOTAL	6	23,163,104	-	125,014	23,288,118
Net income before fair value movements on financial instruments		43,769	-	355,370	399,139
Movement of SWAP liability	16	327,856	-	-	327,856
Net income		371,625	-	355,370	726,995
Transfers between funds	17	824,001	39,914	(863,915)	-
Net movement in funds		1,195,626	39,914	(508,545)	726,995
RECONCILIATION OF FUNDS					
Fund balances b/f 1 August	17	17,059,051	617,593	621,962	18,298,606
Fund balances c/f 31 July	17	18,254,677	657,507	113,417	19,025,601