

Registered Charity Number: 527578

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

**Annual report and consolidated financial statements
for the year ended 31 July 2020**

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(Incorporated under Royal Charter)**

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Reference and Administrative Information for the year ended 31 July 2020

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
<u>Chairman</u> R K Black Esq *	Governors
<u>Vice Chairman</u> Miss S Duff *	Council
<u>Treasurer</u> C A P Leonard Esq * (attends audit committee)	Council
J C F Barwell OBE (appointed 07-12-2019)	Council
Mrs F Bridge	Army Board
R Brierly (appointed 23-03-2020)	Council
P G Brough Esq	Governors
W Burke III Esq	Lord Lieut. of Gloucestershire
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
A Trotman Esq	Governors
B Walker Esq	Vice-Chancellor of University of Cambridge
T Whittaker Esq# (appointed 23-03-2020)	Council
Dr H Wright	Council

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Reference and Administrative Information for the year ended 31 July 2020 (continued)

* 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.

Secretary to Council: G Ralphs Esq

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.

Officers & key management personnel:

Headmaster	A K Metcalfe Esq
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

Lawyers:

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

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Report of the Council for the year ended 31 July 2020

The Council presents its Annual Report and the Audited Consolidated Financial Statements for the year ended 31 July 2020. 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, the nature of its Constitution and its Charitable Objects.

CHAIRMAN'S STATEMENT

With the arrival of the COVID-19 pandemic in the United Kingdom and the UK Government's instruction that all schools, including the College, should close their buildings and facilities in late March, 2020 has been a year unlike any other, and, looking forward, the political and economic challenges for all independent schools remain significant.

In March 2020, as we tackled the challenges of the lockdown and school closure, the Trustees have taken appropriate steps, alongside the College's Senior Management, to ensure that the educational provision continued for all our pupils through extensive use of digital online learning. I am delighted that the College has received excellent feedback on this provision for pupils and it continues to make use of the systems developed to support those pupils who have been unable to return to the College in the 2020/21 academic year.

The College has continued to provide bursaries and means tested support, increasing its provision to 5.6% (2019: 4.0%) of its gross income to enable it to educate pupils irrespective of circumstances, alongside a hardship fund which was launched to provide short-term financial assistance to those families most affected by the impact of COVID-19. In addition, in order to support our parent body during uncertain times, the Trustees recognised the need to be considerate in the invoicing of the Summer Term fees and to reflect the move to online learning. The College accordingly awarded a temporary fee remission to all parents with fees set at equivalent to 90% of the standard day fees, at a significant cost of £2.2m.

The College has expanded its provision of public benefit in a wide range of services and activities that contribute to the wider community. This year these have included the provision of food and supplies to local charities, supporting the NHS key workers and providing Personal Protective Equipment to our local NHS services.

On the academic front, the College is pleased to report continued high levels of achievement in public examinations for the IB, A levels and GCSEs in 2020 notwithstanding the cancellation of public exams. The IB cohort achieved an average point score of 37 with 33% scoring 40 or more IB points, including three candidates who attained the maximum of 45. The A Level results were very good with 44% A*-A grades and 71% A*-B grades; and the GCSE results saw the Hundred achieving 26% grades at level 9 and 45% at 9-8. Most impressive was the 99% A*-C grade equivalent, the highest ever recorded. This year five pupils were offered an Oxbridge place, with all successfully achieving the required grades. 85% of the Upper Sixth secured places at their first-choice university.

I am delighted to welcome Abberley Hall (AH) into the Malvern Family. AH, which has long been a strong feeder into the College, joins The Downs Malvern (TDM) as part of our close knit group of schools in Worcestershire educating between us over 1,000 children between the ages of 3 and 18. Trustees of the College have been appointed to the boards of both prep schools under the chairmanship of Carey Leonard, the Treasurer of the College Council. For clarity, AH is consolidated into the Group accounts but TDM is not. This is due to differences in the arrangements regarding the appointment of Governors at each of the schools.

Further afield, the growth of Malvern internationally continues to be of great significance to the future of the College here in the UK. The wider Malvern Family has also experienced the impact of the global pandemic but pupil numbers remain strong. The College now educates circa 3,100 pupils (2019: circa 2,000 pupils) in its overseas schools which will continue to increase as the schools mature.

Financially, COVID-19 has had a material negative impact upon the College's performance, with cash generation (as measured by earnings before interest, depreciation and asset sales) significantly lower at £1.57m (2019: £2.81m) and a Net Deficit for the Group (excluding the introduction of the Abberley Hall net assets) of £1.17m (2019: Net Income £0.16m), despite a healthy growth in commercial income and other income/donations and a continued firm grip on costs. Thankfully the long-term performance

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Report of the Council for the year ended 31 July 2020 (continued)

of the College over the last 15 years, coupled with a pro-active response to the closure of the campus, has enabled the College to support both its parent body, its staff and its local community during these challenging times. Net debt at 31 July 2020 was £4.6m (2019: £3.8m) and capital expenditure for the year of £0.9m (2019: £2.1m) included the completion of the refurbishment of House 5.

The College community has reassembled in September 2020 and, whilst the educational and health challenges presented by COVID-19 are still ever-present, our people, systems and processes have adapted to these exceptional times; the Trustees and I are most grateful for all the efforts of the teaching and administrative staff in the College, Abberley Hall and The Downs Malvern. The positive ethos and culture of the Malvern Family of Schools is very much in evidence.

I would like to both welcome Rob Breare to the College who will be joining us as Chief Operating Officer and Clerk to the Council in April 2021 and thank Guy Ralphs who is retiring in December 2020 after nine years of excellent service as Bursar & Clerk to the Council. Finally, the College Council will see a number of Trustees retiring in December 2020 after many years of service and I would like to record my sincere thanks to them all for their wisdom and dedication to the College – their contribution to all that the College has achieved in the last few years is significant and much appreciated.

AIMS, STRATEGIES & OBJECTIVES

The College's aim is to foster a 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 endeavor 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 worldviews.
- 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

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detailed departmental action plans, which are currently being carried out by College staff. The Plan is **Report of the Council for the year ended 31 July 2020 (continued)**

reviewed and updated by the College Senior Management Team to ensure that the objectives are being achieved. The fundraising activities are undertaken by the College Development Office in conjunction with the Malvernian Society. The College Management Board and Council reviews the progress of fundraising and future strategies and targets.

Plans for future periods

The College Council and Management Board formally reviews the 10-year plan annually. The specific objectives for the coming year include:

- To build on the continuing academic success of the past two years;
- To respond appropriately to the ever-changing impact of COVID-19, ensuring the well-being of our pupils, staff and local community are prioritised;
- To transition the retirement of the Bursar and the subsequent appointment of a new Chief Operating Officer;
- To continue with the boarding house refurbishment plan;
- To launch a fundraising appeal to enable the College to start the refurbishment of the Music School, now anticipated for 2021/22; and
- To continue to explore opportunities to extend our international schools programme.

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, albeit subject to the impact of COVID-19. 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.

Public Benefit Objectives

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 include the following projects and programmes.

Widening access to the College

The College Council is acutely conscious that the College must remain accessible to children irrespective of parental means. It is determined to ensure that the funds it has available are directed to cases of the greatest need.

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:

- 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; and
- to meet and if possible exceed the Charity Commission's public benefit requirements applicable from time to time.

In 2019/20 the College launched the Clark Scholarship, inspired by the former Headmaster, Antony Clark, whereby a pupil aged 16+ who is academically strong, intellectually curious and who will make the most of the many opportunities the College has to offer, could be awarded up to 100% funding.

Bursaries are reviewed periodically based on a returned and completed financial circumstances form. The Bursary Committee comprising the Headmaster, Bursar, Director of Marketing and Admissions and the Director of Finance considers all bursary applications on a case-by-case basis. Information about fee assistance through bursaries is provided on the College website and is contained within the College scholarship literature.

The College also offers fee concessions for academic, sporting, musical, scientific and artistic excellence in the form of Scholarships and Exhibitions; as well as to children whose parents are in the

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Report of the Council for the year ended 31 July 2020 (continued)

Armed Forces, to families with two or more children at the College, to pupils of The Downs Malvern and Abberley Hall, to children of College employees and to children of Old Malvernians, Old Ellerslie Girls, Old Hillstonians, Old Downians and Old Abberlians. The College Council reviews the levels of these concessions annually and further details are provided on the College website.

During the year the College alone, awarded £3.49m (2019:£3.17m) of scholarships, bursaries and other awards (excluding the COVID-19 discount); with approximately 95 pupils (2019: 93) representing 15% (2019: 14%) of the total school roll being in receipt of some bursarial support.

Community partnerships and services

Malvern College has for some time undertaken a wide range of activities, both in terms of engaging with our local community and developing mutually beneficial partnerships. This year these have included:

- A Community Service Programme where pupils assist in local charity shops;
- Schools Together partnership work where pupils provide weekly tuition in Modern Foreign Languages to local primary school children at Wyche Primary; assist with reading and lessons at Malvern Parish Primary School and The Wells Primary School;
- Growing formal partnership work with Dyson Perrins Secondary School, Malvern including Oxbridge preparation, rugby training, Chaplaincy, shared talks and lectures;
- Environmental projects including an electric car charging project and pond conservation;
- Raising funds for charities, both local and international, selected by the pupils;
- Hosted Magic of Science days for local primary and preparatory school children;
- Free swimming lessons for local children as part of its Swim England teacher training courses;
- Free of charge climbing instruction for Malvern Special Families;
- Reduced health club membership fees were offered for the employees of the local emergency services, NHS and local businesses;
- Following the closure of the campus, donation of food stocks to local charities and the NHS;
- Manufacture of visors by the DT department; and
- Donation of Personal Protective Equipment to local NHS services, some of which were donated to the College by our international parent body.

Prior to lockdown, 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.

During lockdown, the pathways through the College grounds were opened to the local community expressly so that they could take exercise in a spacious and quiet environment with few other people around.

STRUCTURE, GOVERNANCE & MANAGEMENT

The Trustees collectively form the College Council which continues to meet once per term and remains the ultimate decision making body of the College.

Committee Structure

A committee of Council, the Management Board, comprising five or six 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- Curriculum, the Director of Studies, Headmasters of TDM and AH, the Finance Director, the Director of Marketing and Admissions and the Director of Malvern College International. 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.

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Report of the Council for the year ended 31 July 2020 (continued)

A College Audit Committee meets at least three times per year, consisting of two or three members of Council and an independent member appointed by Council. This Committee scrutinises the College's Annual Report and Financial Statements, and its financial procedures and internal controls. The Committee oversees the relationship of the College with its external auditors, formally reporting to the College Council. The Audit Committee also reviews the Risk Register and management's procedures for review of the Register.

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.

The appointment of Council members and membership of the Committees are both identified and reviewed by the Nominations Committee.

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 the full Council. Trustees are appointed to serve for a 5-year term and typically retire after a maximum of three terms.

New Trustees are inducted informally by fellow Council members and the Secretary to the 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 safeguarding training and attendance at College organised Trustee training events. A record of training is maintained for each Trustee.

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. A review of the Code was conducted in 2019 and no changes to the College's governance and standards were deemed necessary. This will be reviewed in 2020-21.

Statement on Fundraising

All fundraising activities for the College are carried out by highly professional College staff with assistance from the Malvernian Society, alongside 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 report into the Headmaster and are monitored by the Bursar, and are overseen by the members of the College Council.

No complaints relating to fundraising activities have been received by the College during the financial period. However, the College has in place procedures that 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 College Council 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 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.

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

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Report of the Council for the year ended 31 July 2020 (continued)

reviewed systems which, under normal operating conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

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 HM Government's instruction that all schools should close their buildings from Friday 20 March 2020. 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 other major risks are considered to be 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.

The key controls used by the College include:

- Formal agendas and papers for all Committee, Management Board and Council meetings, with detailed minutes taken for each;
- Clear and detailed terms of reference for each Committee;
- Comprehensive strategic planning, budgeting and management accounting;
- External auditors' review including controls, policies and procedures;
- Established organisational structures and lines of reporting; and
- Trustees who have designated responsibility for child protection and health and safety.

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.

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 5 and Note 24 of the Financial Statements.

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 5 and Note 24 of the Financial Statements.

Abberley Hall

Abberley Hall is the trading name of Abberley Hall Limited (AH). AH is a prep school located in North Worcestershire, educating approximately 200 children aged between 2 and 13. The results of AH for the eleven months to 31 July 2020 are consolidated into the 2020 results of Malvern College because,

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Report of the Council for the year ended 31 July 2020 (continued)

whilst the school is a separate charity, the College has control of the Board of Trustees. Further details of AH's activities and performance are given in the Financial Review and Note 5 and Note 24 of the Financial Statements. Additional information can be obtained from the schools website: www.abberleyhall.co.uk.

As at 31 July 2020, the College had provided AH with £1.0m of funds for working capital and investment support with an undertaking to provide additional funds of £1.0m, i.e. a total of £2.0m, with a first fixed charge over the freehold properties of the school.

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. The College receives annual grants towards the cost of scholarships, exhibitions, bursaries alongside ad hoc grants for specific projects from The Malvernian Society. See Note 24 of the Financial Statements for further 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 24 of the Financial Statements for details.

Council Members

Council members do not receive any remuneration in the performance of their duties but are related parties of the College. See Note 9 of the Financial Statements for details of applicable transactions during the year.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the College

At the start of the Autumn Term 2019, there were 615 (2018: 650) pupils in the school of whom 343 were boys and 272 girls. The Autumn Term 2020 started with 634 pupils of whom 357 were boys and 277 girls.

Following the unprecedented cancellation of the summer 2020 exams and the impact of COVID-19 on the exam processes and procedures there was considerable uncertainty with outcomes appearing to be ever changing even after the results were published. However, the results achieved by the pupils were exceptional and demonstrated the hard work of both the pupils and the academic staff in very difficult conditions.

International Baccalaureate (IB) Results: 2020

An overview of our 2020 IB results sees them as being part of a consistent trend of excellent performance by our IB candidates over a good number of years. A cohort average points score of 37 is our highest since 2012, 33% of the cohort achieving 40+ points, with three candidates achieving 45 points.

A Level Results: 2020

The Upper Sixth A Level candidates achieved results in excess of those predicted, with 44% A*-A grades and 71% A*-B grades. The A*-C grade percentage was the highest ever at 94%. Six candidates achieved three A* grades and a further four candidates achieved two A*s + 1 A. These were an excellent set of results for the Cohort, with 100% of candidates achieving A*-E grades.

University Applications: 2020

The Upper Sixth were very successful in securing offers from a range of UK universities for admission in 2020, with 80% of candidates achieving their offers at their first-choice university. All five Oxbridge

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Report of the Council for the year ended 31 July 2020 (continued)

candidates comfortably meeting their entry requirements. 65% of candidates have accepted a Russell Group place and overall 95% of students have accepted a university offer.

GCSE Results: 2020

For this year's GCSE examinations, all subjects were graded on the 9-1 scale. The Hundred achieved an extremely impressive 26% of grades at level 9 and 45% at 9-8, which is the highest percentage recorded by a GCSE cohort at the College. Eight candidates achieved a clean sweep of all grade 9s. 67% of grades were at 9-7. Below the top grades, our 9-4 equivalent to A*-C pass rate was our highest on record at 99%.

There were many other notable achievements outside of the classroom with numerous Cultural and Co-curricular activities taking place. These included;

- The Sixth Form production of "Earthquakes of London" and a musical theatre production of "Jesus Christ Superstar" with pupils from several local schools including Wyche Primary;
- The Music Department continued its programme of Community Concerts and the Chamber Choir qualified for the final of the Barnardo's National Choral Competition at the Royal Festival Hall, London;
- Outdoor Pursuits continues to grow in popularity, building upon the success last year of the Malvern to Paris trip. The extensive range of activities include mountain biking, climbing, canoe polo, white water kayaking and horse riding;
- A dynamic programme of lectures included topics such as Medical Detection Dogs, Hydroponics and Asteroseismology; and
- Workshops focusing on Mental Health, dealing with stress, healthy bodies and self-esteem and anti-bullying.

Whilst the traditional summer sports of cricket, tennis and athletics were cancelled due to COVID-19, the achievements of the department prior to lockdown included:

- Three pupils representing Hereford & Worcestershire at the National Cross Country Championships;
- The Fives Team made up of boys and girls across all age groups competed against a range of schools recording some thrilling wins and close losses;
- Hockey continues to thrive across both boys and girls and all ages. Several girls were selected to train with Regional Performance Teams and three girls were selected to train with their national squads (England, Wales and Spain);
- In Netball, the 1st VII had one of their best seasons to date, making it all the way to the semi-finals of the National Plate competition;
- Rackets saw the team taking part in the Public Schools' Championships at Queens in December; and
- Rugby saw 20 boys representing Worcester Warriors across various age groups and the 1st XV retained the Border Shield.

This is only a small selection of the many academic, cultural and sporting achievements of the College's pupils. Further information can be found on the College's website: www.malverncollege.org.uk.

Financial Review

Financial statements for the year ended 31 July 2020

In a year where UK schools were closed by the Government in response to the COVID-19 pandemic, the financial tolerances of any educational organisation will be tested to extremes. The College was and is, well placed to handle these financial challenges, however COVID-19 has had a material negative impact upon the financial results for the year and the Group recorded a Net Deficit of £1.17m (excluding the introduction of the Abberley Hall Limited net assets), (2019: Net Income £0.16m).

The College responded rapidly to the operational changes required, with online learning platforms quickly established to support our pupils both home and abroad, alongside swift action to support parents by announcing a one-off temporary COVID-19 fee remission applicable to the Summer Term invoices. Finally, the College sought to ensure the financial stability of the Group by raising £5.0m of

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Report of the Council for the year ended 31 July 2020 (continued)

funds through the Government's Business Continuity Funding Scheme, a long term loan repayable over the next six years.

Operationally, the College continued with its good financial management to reduce costs in line with the lost income and to adopt a prudent approach to capital expenditure – a strategy that will continue in the following years.

The professional approach of the College to fundraising and the generosity of the College family resulted in another year of substantial donations, the main donation being the funding of the investment in Steinway Pianos across the campus. Additional fundraising to provide hardship support to parents negatively impacted by COVID-19 has enabled the College to extend its bursarial support in 2020-21.

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 18) and are not consolidated into the financial statements of the College. Over the last 10 years, funds of circa £11m 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 18. The results of Abberley Hall Limited (for the eleven months to 31 July 2020) are consolidated for the first time. The Group results are summarised as follows:

Earnings before interest, depreciation and one-off items	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
College operations	(1,362)	1,385	1,645	2,125	2,567
Abberley Hall operations	(392)	-	-	-	-
Trading net income	1,779	1,129	845	491	243
Furlough scheme grant income	933	-	-	-	-
Donations and other income	609	298	484	446	485
Earnings before interest, depreciation and one-off items	1,567	2,812	2,974	3,062	3,295
Depreciation	(2,427)	(2,245)	(2,217)	(2,317)	(2,281)
SWAP movement	1	(83)	328	498	(541)
Interest & SWAP payments	(345)	(356)	(389)	(412)	(433)
Interest received	37	29	31	53	46
Net (Deficit)/income	(1,167)	157	727	884	86

Earnings before depreciation and interest of £1.6m (2019: £2.8m) were significantly lower than those of previous years in spite of the inclusion of the contribution from the Trading operations of £1.8m (2019: £1.1m) that grew 57% year on year after taking into account the closure of Malvern Active during the lockdown; alongside a substantial increase in Donations & other income which included the Steinway donation of £0.3m. College operations incurred a loss of £1.4m (2019: Surplus £1.4m) due to lower fee income from reduced pupil numbers and an exceptional one off COVID-19 fee remission of £2.2m granted to parents against the Summer 2020 income. However the Group benefitted from grant income of £0.9m from the Government's Job Retention Scheme when the College and Abberley Hall were required by the UK Government to close in March 2020. The results include the first 11 months trading of Abberley Hall which incurred a loss of £0.4m after a similar one off COVID-19 fee remission of £0.3m.

Although these results are disappointing and the Group recorded a Net Deficit for the first time in the last five years, they do reflect an extraordinary year of many challenges in which the College has been adaptive in its educational approach and proactive in managing its cost base.

As a result of the broader economic uncertainties resulting from COVID-19, which are likely to continue in the following years, the College and Abberley Hall are both looking very closely at their respective

Malvern College

(Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2020 (continued)

cost bases and are taking a cautionary view on the future capital programmes. In particular, the Group has temporarily suspended its detailed plan to renovate the Music School and Lindsay Art Centre until 2021/22, with expenditure being instead focused on the core repair and maintenance of the College and Abberley Hall sites. The main operational projects completed prior to March 2020 were the completion of the replacement of an all-weather surface, replacement of several boilers and the completion of the refurbishment of House 5. However, the College Council has determined that the renovation and improvements to the Music and Arts buildings will remain high priorities alongside the on-going refurbishment of the boarding houses.

On the balance sheet, total net assets for the Group, with all land and buildings stated at cost less depreciation, amount to £22.9m (2019: £19.2m). Net current assets at July 2020 were £5.4m (2019: £1.1m) – both now include the assets and liabilities of Abberley Hall. As a result of FRS 102, the valuation of the SWAP is reported on the balance sheet as at July 2020 and 2019 year ends. The movement in the valuations, which were provided by Lloyds Banking Group PLC, are shown in the Statement of Financial Activities.

In July 2020, as a precaution against potential adverse economic conditions over the next few years, the College arranged a loan facility of £5.0m with Lloyds Banking Group PLC. The final repayment date of the loan is 6 years after draw down which was 27 July 2020. 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 all facilities at the year-end was £13.1m. With cash and short-term deposits of £8.5m, the net debt at 31 July 2020 was £4.6m (2019: £3.8m). 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 £349k (2019: £416k) to the College, thereby transferring all of its taxable profits to the College. The trading 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 sales. COVID-19 has substantially affected the business with the loss of summer schools, events and hire business due to the closure of the campus. However, as Schools across the UK return the guardianship services should recover. The re-opening of the campus has enabled the membership services to recommence and enquiries for events are increasing. The business will continue to develop and adapt and is forecast to again generate significant income in 2020-21 provided the College facilities remain open to the general public.

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. MCIL will make a gift aid payment of its trading surplus for the current year of £1.4m (2019: £0.7m) 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. The business of MCIL has been largely unaffected by COVID-19, with pupil numbers at all of the overseas schools remaining strong.

Reserves

Unrestricted funds are needed to:

- (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.

Malvern College (Incorporated under Royal Charter)

Report of the Council for the year ended 31 July 2020 (continued)

The unrestricted College fund is £17.6m (2019: £18.4m) and the Group's free reserves are £2.8m (2019: minus £1.5m). Free reserves are unrestricted funds (including designated) after deducting stocks and fixed assets net of borrowing. In the current year (and previous year), 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. This year due to the net deficit, no designation has been made. The amount of this fund is £0.68m (2019: £0.68m) and is intended to help fund bursaries and infrastructure projects. In 2019/20, the continuation of the boarding house refurbishment programme was the major capital investment. In 2019/20, the major investment in the project to refurbish the Music School was postponed until 2021-22 due to COVID-19. The continuation of the Boarding House refurbishment programme will recommence once the longer-term financial impact of COVID-19 are more certain.

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. Whilst the deficit for the year ended 31 July 2020 before one-off items exceeded budget for the year, the performance was in line with the COVID-19 adjusted forecast 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 £0.2m (2019: £0.1m).

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 Auditor

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 18 December 2020



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 2020 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 2020 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 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.

Malvern College (Incorporated under Royal Charter)

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

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.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 17 March 2021

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

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 2020

	Notes	Unrestricted funds General	Unrestricted funds Designated	Restricted funds	Year ended 31 July 20 Total	Year ended 31 July 19 Total
		£	£	£	£	£
INCOME FROM:						
Charitable activities:						
College fees	2	19,390,518	-	-	19,390,518	19,432,355
Ancillary trading income	3	1,224,456	-	-	1,224,456	1,347,554
Other	3	40,157	-	-	40,157	9,343
Trading activities:						
Trading income	5	3,163,474	-	-	3,163,474	2,480,984
Non-ancillary trading income	3	526,139	-	-	526,139	770,725
Investments	6	37,365	-	-	37,365	29,159
Transfer of Abberley Hall Ltd		4,906,558	-	12,177	4,918,735	-
Donations and Grants	4	935,309	-	566,643	1,501,952	297,908
TOTAL		30,223,976	-	578,820	30,802,796	24,368,028
EXPENDITURE ON:						
Raising funds:						
Trading expenses	7	1,312,649	-	-	1,312,649	1,351,584
Financing costs	7	345,286	-	-	345,286	355,631
Charitable activities:						
Provision of Education	7	25,060,980	-	232,097	25,293,077	22,328,555
Donation to TDMCP	7	101,446	-	-	101,446	91,110
TOTAL	7	26,820,361	-	232,097	27,052,458	24,126,880
Net income before fair value movements on financial instruments		3,403,615	-	346,723	3,750,338	241,148
Movement of SWAP liability	17	1,159	-	-	1,159	(83,240)
Net (expenditure)/ income		3,404,774	-	346,723	3,751,497	157,908
Transfers between funds	18	303,481	-	(304,640)	(1,159)	-
Net movement in funds		3,708,255	-	42,083	3,750,338	157,908
RECONCILIATION OF FUNDS						
Fund balances b/f 1 August	18	18,388,470	681,622	113,417	19,183,509	19,025,601
Fund balances c/f 31 July	18	22,096,725	681,622	155,500	22,933,847	19,183,509

The notes on pages 22 to 48 form part of the financial statements.

Malvern College (Incorporated under Royal Charter)

College Statement of Financial Activities for the year ended 31 July 2020

		Unrestricted funds		Restricted	Year ended	Year ended
	Notes	General	Designated	funds	31 July 2020	31 July 2019
		£	£	£	Total	Total
					£	£
INCOME FROM:						
Charitable activities:						
College fees	2	16,795,788	-	-	16,795,788	19,432,355
Ancillary trading income		985,345	-	-	985,345	1,347,554
MCEL Gift Aid	5	349,480	-	-	349,480	425,649
MCIL Gift Aid	5	1,430,513	-	-	1,430,513	713,020
Trading activities:						
Non-ancillary trading income		557,039	-	-	557,039	801,625
Investments		37,312	-	-	37,312	29,159
Donation of Abberley Hall Ltd		4,906,558	-	12,177	4,918,735	-
Donations and Grants	4	748,537	-	564,854	1,313,391	297,908
Other		16,580	-	-	16,580	9,343
TOTAL		25,827,152	-	577,031	26,404,183	23,056,613
EXPENDITURE ON:						
Raising funds:						
Financing costs		332,620	-	-	332,620	355,631
Charitable activities:						
Provision of Education		21,602,349	-	226,267	21,828,616	22,368,724
Donation to TDMCP		101,446	-	-	101,446	91,110
Abberley Hall Investment impairment		388,318	-	4,041	392,359	-
TOTAL		22,424,733	-	230,308	22,655,041	22,815,465
Net income before fair value movements on financial instruments		3,402,419	-	346,723	3,749,142	241,148
Movement of SWAP liability	17	1,159	-	-	1,159	(83,240)
Net (expenditure)/income		3,403,578	-	346,723	3,750,301	157,908
Transfers between funds	18	304,640	-	(304,640)	-	-
Net movement in funds		3,708,218	-	42,083	3,750,301	157,908
RECONCILIATION OF FUNDS						
Fund balances b/f 1 August		18,369,724	681,622	113,417	19,164,763	19,006,855
Fund balances c/f 31 July		22,077,942	681,622	155,500	22,915,064	19,164,763

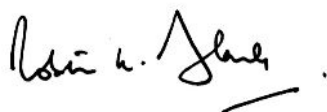
The notes on pages 22 to 48 form part of the financial statements.

Malvern College (Incorporated under Royal Charter)

Group and College Balance Sheets as at 31 July 2020

	Notes	Group		College	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Tangible assets	10	32,927,653	29,084,330	27,621,814	29,084,330
Investment in Abberley Hall Limited		-	-	4,526,376	-
Investments	11	-	-	90,801	90,801
Total fixed assets		32,927,653	29,084,330	32,238,991	29,175,131
Current assets					
Stocks	12	122,290	138,634	90,838	135,300
Debtors	13	2,092,390	1,468,691	3,816,733	2,274,824
Current asset investments		-	2,520,000	-	2,520,000
Cash at bank & in hand		8,461,834	2,416,907	6,221,023	859,648
Total current assets		10,676,514	6,544,232	10,128,594	5,789,772
Creditors: amounts falling due within one year	14	(5,232,550)	(5,448,788)	(4,109,934)	(4,803,876)
Net current assets		5,443,964	1,095,444	6,018,660	985,896
Total assets less current liabilities		38,371,617	30,179,774	38,257,651	30,161,027
Creditors: amounts falling due after more than one year	15	(15,437,770)	(10,996,265)	(15,342,587)	(10,996,264)
Total net assets		22,933,847	19,183,509	22,915,064	19,164,763
Total funds of the Group/College:					
Restricted funds	18	155,500	113,417	155,500	113,417
Unrestricted funds					
College fund	18	17,559,739	18,369,724	17,559,702	18,369,724
Abberley Hall fund	18	4,518,240	-	4,518,240	-
Designated fund	18	681,622	681,622	681,622	681,622
Non-charitable trading fund	18	18,746	18,746	-	-
Total unrestricted funds		22,778,347	19,070,092	22,759,564	19,051,346
Total Group funds		22,933,847	19,183,509	22,915,064	19,164,763

The financial statements on pages 18 to 48 were approved and authorised for issue by the Council on 18 December 2020 and were signed on its behalf by:



R K Black
Chairman

The notes on pages 22 to 48 form part of the financial statements.

Malvern College
(Incorporated under Royal Charter)

Group Statement of Cash Flows
for the year ended 31 July 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities:					
Net cash provided by operating activities	21		28,895		1,721,164
Cash flows from investing activities:					
Investment income		37,365		29,159	
Payments to acquire tangible fixed assets		(879,572)		(2,077,806)	
Receipts from sales of fixed assets		284,738		9,343	
Acquisition of Abberley Hall (cash balance)		29,221			
Net cash used in investing activities			(528,248)		(2,039,304)
Cash flows from financing activities:					
Financing costs		(345,286)		(355,630)	
Movement on finance leases		(7,310)		(17,632)	
Repayment of bank loans		(623,124)		(755,244)	
Funds advanced by new bank loan		5,000,000			
Net cash used in financing activities			4,024,280		(1,128,506)
Change in cash and cash equivalents in the reporting period			3,524,927		(1,446,646)
Cash and cash equivalents at the beginning of the reporting period			4,936,907		6,383,553
Cash and cash equivalents at the end of the reporting period	22		8,461,834		4,936,907

The notes on pages 22 to 48 form part of the financial statements.

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020

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. Abberley Hall Limited is a private company limited by shares, incorporated in England and Wales (company no: 00602279). Abberley Hall Limited is registered as a charity with the Charity Commission England and Wales (charity no: 527598). Its registered and principal office is Abberley Hall, Abberley, Worcester, Worcestershire, WR6 6DD.

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 2020, on a line-by-line basis. Intra group transactions and profits are eliminated fully on consolidation.

The Group figures include the Abberley hall figures for the first time and therefore the Group numbers are not comparative year on year.

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 2020 (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 and Abberley Hall Limited (the School).

Trading income

MCEL and MCIL's trading income is accounted for in the period in which the income is earned. The College and Abberley Hall'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 and the School 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 or School whereupon the fees for each 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 or the School, which are offset against fees and disbursements due for the last term each pupil attends. All deposits are held as deferred revenue.

Government Grants: Job Retention Scheme

Income from government grants, whether 'capital' grants or 'revenue' grants, is recognised when the College or School has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlements occurs before income is received, the income is accrued. Where income is received in advance of the College or School having entitlement to the funds the income is deferred.

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 or School 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 or school fees at the College and School are treated as a reduction in those fees.

Support costs

Support costs comprise the direct costs, including staff, attributable to college or school 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 and School in the Statement of Financial Activities depending on the type of expenditure.

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020 (continued)

1. Principal accounting policies (continued)

The College 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.

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 and School is considered to be GBP because that is the currency of the primary economic environment in which the College and School 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 or School 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 and School contributes to the Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the Council by the Scheme Administrator. The College and School 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 2020 (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	1.8-10.0
Computer equipment	25.0-33.0
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 uniform, 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.

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.

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020 (continued)

1 Principal accounting policies (continued)

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 10 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 13 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.

2. Fee income

Tuition fee income comprised:	Group		College	
	Year ended 31 July 2020 £	Year ended 31 July 2019 £	Year ended 31 July 2020 £	Year ended 31 July 2019 £
Gross fees	26,079,175	22,605,454	22,513,200	22,605,454
Less: allowances, grants	(4,372,888)	(3,280,177)	(3,716,729)	(3,280,177)
Less: COVID-19 fee concession	(2,539,036)	-	(2,223,950)	-
	19,167,251	19,325,277	16,572,521	19,325,277
Add back: Allowances paid for by restricted funds	223,267	107,078	223,267	107,078
	19,390,518	19,432,355	16,795,788	19,432,355

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020 (continued)

3. Other income

Group	Year ended 31 July 2020	Year ended 31 July 2019
	£	£
Non-ancillary trading income		
Lettings and other income	526,139	770,725
Profit on sale of fixed asset	-	-
	526,139	770,725
Ancillary trading income		
Music, speech and drama income	586,378	410,120
Book sales	97,192	112,167
Registration fees, trip income and other income	540,886	825,267
	1,224,456	1,347,554
Other income		
Gain on sale of fixed assets	40,157	9,343

4. Grants and donations

	Group		College	
	Year ended 31 July 2020 £	Year ended 31 July 2019 £	Year ended 31 July 2020 £	Year ended 31 July 2019 £
Furlough grant income	933,105	-	748,097	-
Restricted donations and gifts	566,643	297,467	564,854	297,467
Unrestricted donations and gifts	2,204	440	440	440
	1,501,952	297,907	1,313,391	297,907

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020 (continued)

5. 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 2020, as extracted from the audited financial statements, are summarised below:

	Results per subsidiary financial statements £	Consolidation entries £	Year ended 31 July 2020 £	Year ended 31 July 2019* £
Turnover	1,256,146	-	1,256,146	1,487,970
Inter-group income	40,169	(40,169)	-	-
Cost of sales	(259,283)	-	(259,283)	(203,473)
Gross profit	1,037,032	(40,169)	996,863	1,284,497
Administration	(656,652)	171	(656,481)	(868,117)
Inter-group expenses	(30,900)	30,900	-	-
Operating profit	349,480	(9,098)	340,382	416,380
Profit before tax and Gift Aid	349,480	(9,098)	340,382	416,380
Gift Aid	(349,480)	349,480	-	-
Retained profit for the year	-	340,382	340,382	416,380

* After consolidation adjustments

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

	2020 £	2019 £
Current assets	854,420	1,291,140
Creditors: amounts falling due within one year	(744,874)	(1,181,594)
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 2020 (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 2020, as extracted from the audited financial statements, are summarised below:

	Results per subsidiary financial statements £	Consolidation entries £	Year ended 31 July 2020 £	Period ended 31 July 2019 £
Turnover	1,827,263	-	1,827,263	991,083
Inter-group income	-	-	-	-
Cost of sales	(56,409)	-	(56,409)	(104,879)
Gross profit	1,770,854	-	1,770,854	886,204
Administration	(340,305)	-	(340,305)	(175,115)
Inter-group expenses	(36)	36	-	-
Operating profit	1,430,513	36	1,430,549	711,089
Interest receivable	-	-	-	1,931
Profit before tax and Gift Aid	1,430,513	36	1,430,549	713,020
Gift Aid	(1,430,513)	1,430,513	-	-
Retained profit	-	1,430,549	1,430,549	713,020

* After consolidation adjustments

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

	2020 £	2019 £
Current assets	1,566,651	854,533
Creditors: amounts falling due within one year	(1,566,650)	(854,532)
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 2020 (continued)

c. Abberley Hall Limited

In June 2019, an association between Malvern College and Abberley Hall Limited (Company Number: 00602279 Charity Number: 527598) was agreed. Malvern College have now appointed 50% of the Abberley Hall Governors and the Chair. The new Board was constituted in September 2019 and The College is therefore deemed to have control of Abberley Hall. The results are consolidated into the College's results from 1st August 2019. The subsidiary retains all of its profits. Its trading results for the eleven months to 31 July 2020, as extracted from the audited financial statements, are summarised below:

	Results per subsidiary financial statements £	Consolidation entries £	Year ended 31 July 2020 £
Income			
Charitable activities	2,833,841	-	2,833,841
Trading activities	80,065	-	80,065
Other income	23,630	-	23,630
Donations and grants	188,561	-	188,561
Total income	3,126,097	-	3,126,097
Expenditure			
Raising funds	12,666	-	12,666
Charitable activities	3,505,790	-	3,505,790
Total Expenditure	3,518,456	-	3,518,456
Net expenditure	(392,359)	-	(392,359)
Funds balances b/f 1 September	4,918,735	-	4,918,735
Funds balances c/f 31 July	4,526,376	-	4,526,376

* After consolidation adjustments

The assets and liabilities of the subsidiary, Abberley Hall Limited were:

	2020 £
Fixed assets	5,305,839
Current assets	933,392
Creditors: amounts falling due within one year	(617,671)
Net current assets	315,721
Creditors: amounts falling due after more than one year	(1,095,184)
Total net assets	4,526,376
Representing:	
Restricted funds	8,136
Unrestricted funds	4,518,240
Total shareholders funds	4,526,376

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020 (continued)

6. Investment income

Group	Year ended 31 July 2020	Year ended 31 July 2019
	£	£
Bank and building society interest	37,365	29,159

7. Expenditure

Group	Staff costs	Other costs	Depreciation	Year ended 31 July 2020	Year ended 31 July 2019
	£	£	£	£	£
Raising funds					
Trading expenses	634,566	678,083	-	1,312,649	1,351,584
Financing costs	-	345,286	-	345,286	355,631
	634,566	1,023,369	-	1,657,935	1,707,215
Charitable activities					
Teaching	9,836,996	1,192,195	-	11,029,191	9,132,544
Welfare	1,783,189	2,180,766	-	3,963,955	3,818,383
Premises	857,762	2,473,056	2,426,982	5,757,800	5,301,106
Support costs of schooling	2,693,673	1,848,458	-	4,542,131	4,076,522
School's operating costs	15,171,620	7,694,475	2,426,982	25,293,077	22,328,555
Donation to TDMCP	-	101,446	-	101,446	91,110
Total	15,806,186	8,819,290	2,426,982	27,052,458	24,126,880

Included within support costs are governance costs of £67,049 (2019: £41,154) 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 2020 (continued)

8. Net income

Group	Year ended 31 July 2020	Year ended 31 July 2019
	£	£
Net income is stated after charging/(crediting):		
Depreciation	2,426,982	2,244,600
Operating lease rentals – equipment	71,173	66,140
Operating lease rentals – property	19,500	19,200
Fees payable to the College’s auditor for the audit of the parent charity and the consolidated financial statements	27,400	39,280
Fees payable to the College’s auditor for the audit of the College’s subsidiaries pursuant to legislation	16,850	6,570
Fees payable to the College’s auditor for non-audit services	6,570	8,100
Gain on disposal of fixed assets	(40,167)	(9,343)
Finance charges on finance lease	3,558	3,558

9. Staff costs

Group	Year ended 31 July 2020	Year ended 31 July 2019
	Number	Number
The monthly average headcount of persons employed by the Group during the year was:		
Teaching	211	161
Pastoral	62	33
Domestic	90	70
Administration	158	147
Trading	21	22
	542	433

Group	Year ended 31 July 2020	Year ended 31 July 2019
	£	£
Wages and salaries	12,862,396	10,535,753
Social security costs	1,185,003	1,011,820
Pension contributions (note 20)	1,722,393	1,072,320
Apprenticeship levy	36,394	32,932
	15,806,186	12,652,825

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020 (continued)

9. Staff costs (continued)

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

Group	Year ended 31 July 2020	Year ended 31 July 2019
	Number	Number
£210,001-£220,000	1	-
£190,001 - £200,000	-	1
£180,001-£190,000	1	-
£160,001 - £170,000	1	1
£100,001-£110,000	1	-
£90,001 - £100,000	-	1
£80,001 - £90,000	4	4
£70,001 - £80,000	2	2
£60,001 - £70,000	18	8

For those staff whose emoluments exceed £60,000 pension contributions amounting to £357,416 (2019: £167,551) were paid by the College. 22 (2019: 10) of the above staff members have benefits accruing under a defined benefit scheme and 5 (2019: 6) have benefits accruing under a money purchase scheme.

During the year, the Charity made redundancy/termination payments amounting to £148,044 (2019: £78,166).

No Council members received remuneration in either accounting period. 8 Council members have received reimbursements totalling £3,983 for travel expenses (2019: 10 Council members received £7,258). Mrs S Duff was paid £1,604.95 by Abberley Hall Limited for consultancy services during the year.

Senior Management Team Remuneration

	Year ended 31 July 2020 £	Year ended 31 July 2019 £
Senior Management Team Remuneration	1,063,366	698,429

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

Council Members

No members (2019: one member) of the Council had children/grandchildren at the College in the year. Last year one of these pupils received a scholarship which was awarded at arms' length (2019: one). In the previous 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. No further payments were made in the current year.

Malvern College
(Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020 (continued)

10. Tangible fixed assets

GROUP	Freehold land & buildings	Computer equipment	Motor vehicles	Equipment & furniture	Assets under construction	Total
	£	£	£	£	£	£
Cost						
31 July 2019	46,418,517	2,455,012	407,744	2,466,660	353,796	52,101,729
Additions	55,099	155,122	500	177,656	491,197	879,574
Additions of AH assets	5,576,520	503,975	-	151,067	-	6,231,562
Transfers	635,050	-	-	-	(635,050)	-
Disposals	(246,520)	-	-	(109,656)	-	(356,176)
31 July 2020	52,438,666	3,114,109	408,244	2,685,727	209,943	58,856,689
Accumulated Depreciation						
31 July 2019	18,584,653	2,146,243	314,266	1,972,237	-	23,017,399
Addition of AH	159,600	379,431	-	56,056	-	595,087
Charge in year	2,063,478	149,756	29,774	183,974	-	2,426,982
Disposals	(776)	-	-	(109,656)	-	(110,432)
31 July 2020	20,806,955	2,675,430	344,040	2,102,611	-	25,929,036
Net book values						
31 July 2020	31,631,711	438,679	64,204	583,116	209,943	32,927,653
31 July 2019	27,833,864	308,769	93,478	494,423	353,796	29,084,330

The net book value of equipment held on finance leases for the charity was £nil (2019: £7,310).

Included within tangible fixed assets above are assets with a net book value of £72,454 (2019: £48,620) 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 2020 (continued)

10. Tangible fixed assets (continued)

COLLEGE	Freehold land & buildings	Computer equipment	Motor vehicles	Equipment & furniture	Assets under construction	Total
	£	£	£	£	£	£
Cost						
31 July 2019	46,418,517	2,455,012	407,744	2,466,660	353,796	52,101,729
Additions	55,099	141,278	500	160,064	491,197	848,138
Transfers	635,050	-	-	-	(635,050)	-
Disposals	-	-	-	(109,656)	-	(109,656)
31 July 2020	47,108,666	2,596,290	408,244	2,517,068	209,943	52,840,211
Accumulated Depreciation						
31 July 2019	18,584,653	2,146,243	314,266	1,972,237	-	23,017,399
Charge in year	1,977,095	134,452	29,774	169,333	-	2,310,654
Disposals	-	-	-	(109,656)	-	(109,656)
31 July 2020	20,561,748	2,280,695	344,040	2,031,914	-	25,218,397
Net book values						
31 July 2020	26,546,918	315,595	64,204	485,154	209,943	27,621,814
31 July 2019	27,833,864	308,769	93,478	494,423	353,796	29,084,330

The net book value of equipment held on finance leases for the charity was £nil (2019: £7,310).

Included within tangible fixed assets above are assets with a net book value of £72,454 (2019: £48,620) 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 2020 (continued)

11. Fixed asset investment

College	2020 £	2019 £
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.

The College holds no shares in Abberley Hall Limited which is consolidated due to control not share ownership.

12. Stocks

	Group		College	
	2020 £	2019 £	2020 £	2019 £
Stationery and consumables	122,290	138,634	90,838	135,300

13. Debtors

	Group		College	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	592,674	501,536	-	-
Fee debtors	313,904	432,395	209,122	432,395
Amounts owed by Group undertakings	-	-	2,794,200	1,342,472
Other debtors	259,769	108,338	82,773	108,339
Prepayments	716,467	403,705	628,808	368,901
Accrued income	209,576	22,717	101,830	22,717
	2,092,390	1,468,691	3,816,733	2,274,824

Included in the Amounts owed by group undertakings is a £1m loan made to Abberley Hall Limited. This loan is repayable in more than 12 months time.

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020 (continued)

Included in other debtors is an amount of £30,199 (2019: £27,553) which represents loans to staff, of which £8,713 (2019: £17,727) is repayable after more than one year.

Trade, fee and other debtors are stated after impairment provisions totalling £487,670 (2019: £138,755).

14. Creditors: amounts falling due within one year

	Group		College	
	2020 £	2019 £	2020 £	2019 £
Bank loan (note 16)	773,093	759,848	773,093	759,848
Trade creditors	1,025,664	1,431,223	856,984	1,393,164
Amounts owed to Group undertakings	-	-	14,928	70,354
Entrance fee deposits	477,243	433,518	441,771	433,518
Advanced fees (note 16)	1,493,145	1,149,109	1,327,221	1,149,109
Taxation and social security	297,331	254,714	186,790	244,129
Other creditors	357,714	209,178	-	-
Finance lease (note 23)	-	7,310	-	7,310
Accruals	718,829	910,451	497,028	746,446
Deferred income	89,531	293,437	12,119	-
	5,232,550	5,448,788	4,109,934	4,803,878

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

	Group		College	
	2020 £	2019 £	2020 £	2019 £
Bank Loan	12,292,352	7,928,721	12,292,352	7,928,721
SWAP obligation (note 17)	1,205,477	1,206,637	1,205,477	1,206,637
Entrance fee deposits	1,831,704	1,579,612	1,784,495	1,579,612
Advanced fees (note 16)	108,237	281,295	60,263	281,295
	15,437,770	10,996,265	15,342,587	10,996,265

The College had total bank borrowings of £13,065,445 as at 31 July 2020 (2019: £8,688,569).

Malvern College (Incorporated under Royal Charter)

Notes to the financial statements for the year ended 31 July 2020 (continued)

15. 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.

A loan of £5.0m (CBIL) was drawn down in July 2020. This loan is being repaid over 5 years commencing in July 2021. The bank loan % to value of secured assets is 35% (2019: 25%).

Bank loan maturity statement

Group and College	2020	2019
Bank loan maturity analysis	£	£
In less than one year	773,093	759,848
In more than one year but not more than two years	1,777,226	765,183
In more than two years but not more than five years	5,355,718	2,328,289
In more than five years	5,159,408	4,835,249
	13,065,445	8,688,569

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 168 consecutive monthly instalments which commenced on 5 December 2013.

CBIL – the bank loan is repayable in 60 consecutive monthly instalments which commence on 29 August 2021.

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.

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16. 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 2020 £	Group 2019 £	College 2020 £	College 2019 £
Within two to five years	-	60,264	-	60,264
Within one to two years	108,237	221,031	60,263	221,031
Over one year	108,237	281,295	60,263	281,295
Within one year	406,897	213,597	240,973	213,597
	515,134	494,892	301,236	494,892

Also included in advanced fees in creditors due within one year (note 13) are credit balances, of £1,086,248 (2019: £935,512) within the fees ledger.

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

	Group £	Group £	College £	College £
At 1 August 2019		494,892		494,892
Abberley Hall contracts	489,390			
New contracts	38,908		38,908	
Terminated contracts	-		-	
Amounts accrued to contracts	4,277		4,277	
		532,575		43,185
Amounts utilised in payment of fees to the College		(512,333)		(236,841)
At 31 July 2020		515,134		301,236

17. Financial instruments

	Group 2020 £	Group 2019 £	College 2020 £	College 2019 £
Financial liabilities measured at fair value	1,205,478	1,206,637	1,205,478	1,206,637

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

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18. Funds

Group

	At 1 August 2019 £	Income £	Expenditure £	Transfers, other recognised gains/losses £	At 31 July 2020 £
Restricted funds					
Restricted donations	76,229	564,854	(226,267)	(304,640)	110,176
Restricted grants	37,188	-	-	-	37,188
Abberley Hall	-	13,966	(5,830)	-	8,136
	113,417	578,820	(232,097)	(304,640)	155,500
Unrestricted income funds					
Designated fund	681,622	-	-	-	681,622
College fund	18,369,724	19,109,701	(21,993,927)	2,074,241	17,559,739
Abberley Hall	-	8,030,866	(3,512,626)	-	4,518,240
Trading companies	18,746	3,083,409	(1,312,649)	(1,770,760)	18,746
Total General funds (excluding Designated fund)	18,388,470	30,223,976	(26,819,202)	303,481	22,096,725
Total Group unrestricted funds	19,070,092	30,223,976	(26,819,202)	303,481	22,778,347
Total funds	19,183,509	30,802,796	(27,051,299)	(1,159)	22,933,847

Transfers –

Restricted donations – The transfer relates to funds moving to the College fund representing contributions to the purchase of Steinway Pianos, which have been paid for but we are awaiting delivery at the year end.

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 companies transfer. The positive SWAP movement for the period of £1k is also included within the College funds transfer column.

Restricted funds –

Restricted donations – The balance is represented by donations not yet spent which have specific restrictions imposed by donors, the majority of which relates to donations for the hardship fund and some smaller fixed asset purchases.

Restricted grants – The balance is represented by grants not yet spent which have specific restrictions imposed by the donors for example prize funds.

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. This year due to the net deficit position no transfer to the fund has been made.

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Notes to the financial statements for the year ended 31 July 2020 (continued)

18a Comparative 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.

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Notes to the financial statements for the year ended 31 July 2020 (continued)

19. 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	2020 Fund balances
	£	£	£	£
Restricted funds	37,190	118,310	-	155,500
General funds:				
College funds	27,584,624	4,317,701	(14,342,586)	17,559,739
Abberley Hall funds	5,305,839	307,585	(1,095,184)	4,518,240
Designated funds	-	681,622	-	681,622
Non-charitable trading funds	-	18,746	-	18,746
	32,927,653	5,443,963	(15,437,770)	22,933,847

19a 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	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

20. 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 £1,516,702 (2019: £884,683) and at the year-end £nil (2019 - £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.

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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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 the consultation and the cost cap mechanism review are completed 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 scheme on behalf of its employees. The cost to the College of these schemes is £205,691 (2019: £187,637).

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Notes to the financial statements for the year ended 31 July 2020 (continued)

21. Reconciliation of cash flows from operating activities

Group	2020	2019
	£	£
Net (expenditure)/income for the year	(1,167,236)	157,908
Adjustments for:		
Investment income	(37,365)	(29,159)
Depreciation of tangible fixed assets	2,426,982	2,244,599
Financing costs	345,286	355,630
Surplus on disposal of current/fixed assets	(40,157)	(9,343)
Movement on SWAP liability	(1,159)	83,240
(Increase)/Decrease in stocks	50,826	(90,907)
Increase in debtors	(198,745)	(157,616)
Increase/(decrease) in creditors	(1,349,537)	(833,188)
Net cash provided by operating activities	28,895	1,721,164

22. Analysis of net debt

	31 July 2019 £	Cash flow £	31 July 2020 £
Net cash:			
Cash on short term deposit	2,520,000	(2,520,000)	-
Cash at bank and in hand	2,416,907	6,044,927	8,461,834
	4,936,907	3,524,927	8,461,834
Loans falling due within one year	(759,848)	(13,245)	(773,093)
Loans falling due after one year	(7,928,721)	(4,363,631)	(12,292,352)
	(8,688,569)	(4,376,876)	(13,065,445)
Hire purchase leases	(7,310)	7,310	-
Net debt	(3,758,972)	(838,704)	(4,603,611)

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

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Notes to the financial statements for the year ended 31 July 2020 (continued)

23. Commitments

Operating leases

At 31 July 2020 the Group and the College had future total minimum lease payments under non-cancellable operating leases for each of the following periods:

Group	Land & Buildings 2020 £	Other 2020 £	Land & Buildings 2019 £	Other 2019 £
Not later than one year	19,200	58,972	19,200	36,127
Later than one year and not later than five years	65,707	182,057	76,800	5,315
Later than five years	-	-	8,153	-
	84,907	241,029	104,153	41,442

College	Land & Buildings 2020 £	Other 2020 £	Land & Buildings 2019 £	Other 2019 £
Not later than one year	19,200	43,701	19,200	36,127
Later than one year and not later than five years	65,707	144,870	76,800	5,315
Later than five years	-	-	8,153	-
	84,907	188,571	104,153	41,442

Finance leases

At 31 July 2020 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 2020 £	31 July 2019 £
Not later than one year	-	7,310
Later than one year and not later than five years	-	-
	-	7,310

Capital commitments

The Group and the College had capital commitments at 31 July 2020 of £nil (2019: £653,270); The 2019 figures can be broken down as follows: £59,950 in respect of the Rogers Theatre project, £479,459 in respect of the refurbishment of House 4 and House 5 and £113,861 in respect of the Astro-Pitch project.

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Notes to the financial statements for the year ended 31 July 2020 (continued)

24. 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 £487,196 from The Malvernian Society. £304,640 was received for the purchase of Steinway Pianos, £179,556 was received for Assisted Places and £3,000 towards annual prizes.

Last 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.

At the year-end, £nil (2019: £11,451) was due from The Malvernian Society Limited. The College has also contributed £131,000 to The Malvernian Society (2019: £132,000) 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 2019/20 and the rent paid from the College to the Malvernian Society Limited in the year was £19,200 (2019: £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 £101,446 (2019: £91,110) 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 (2019: £90,000) was received from TDMCP during the year for the provision of bursarial services. An additional £21,000 (2019: £21,224) was received from TDMCP for additional ad hoc services such as IT support and IT subscriptions.

At the end of July 2020, £nil was owed to TDMCP by the College (2019: £1,034).

Malvern College Enterprises Limited (MCEL)

The College invoiced £589,657 (2019: £928,734) to MCEL and MCEL invoiced £58,853 (2019: £105,823) 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, £353,926 (2019: £635,463) was owed by MCEL to the College and £2,178 (2019: £63,558) was owed by the College to MCEL.

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Notes to the financial statements for the year ended 31 July 2020 (continued)

Malvern College International Limited (MCIL)

The College invoiced £187,400 (2019: £54,391) to MCIL and MCIL invoiced £32,853 (2019: £78,426) 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, £1,430,600 (2019: £717,582) was owed by MCIL to the College and £12,751 (2019: £16,959) was owed by the College to MCIL.

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 had agreed to contribute £1.0m to Abberley Hall over the next four years via a capital grant. However during the year the Governors decided to advance the full £1m in the form of a loan in order to fund the short-term working capital and capital expenditure needs of AH. These funds have been provided to AH in the form of a £1m loan, which was advanced prior to the year-end. The College have appointed 50% of the AH Governors and the first meeting of the new Board was held on 13 September 2019. AH is a separate registered charity however the College has a second fixed charge over the land and buildings of AH.

At the year end, £1,000,825 (2019: £nil) was owed by AH to the College and £nil (2019: £nil) was owed by the College to AH.

At the year end, £4,250 (2019: £nil) was owed by AH to Malvern College International Limited. This related to cost recharges associated with recruitment costs.

25. 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.

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26. Comparative Consolidated Statement of Financial Activities

	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	5	2,480,984	-	-	2,480,984	2,181,721
Non-ancillary trading income	3	770,725	-	-	770,725	927,457
Investments	6	29,159	-	-	29,159	31,052
Donations	4	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	5	1,351,584	-	-	1,351,584	1,336,650
Financing costs	7	355,631	-	-	355,631	388,569
Charitable activities:						
Provision of Education	7	22,191,187	-	137,368	22,328,555	21,452,947
Donation to TDMCP	7	91,110	-	-	91,110	109,952
TOTAL	7	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	17	(83,240)	-	-	(83,240)	327,856
Net (expenditure)/ income		(2,231)	-	160,139	157,908	726,995
Transfers between funds	18	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	18,254,677	657,507	113,417	19,025,601	18,298,606
Fund balances c/f 31 July	18	18,388,470	681,622	113,417	19,183,509	19,025,601