

Registered Charity Number: 527573

Registered Company Number: 00213672

MALVERNIAN SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022



MALVERNIAN SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

The organisation is a charitable company limited by guarantee, incorporated on 30 April 1926 and registered as a charity on 1 November 1963.

Directors:

Trustees who are Directors for the purpose of company law and Trustees for the purpose of charity law, are as follows:

President: Rt. Hon Sir Stephen Brown PC, GBE (Elected 06/15 - 09/24)

Chairman: T D Straker

Elected:	A S Afolabi	(11/20 – resigned 09/21)
	J C F Barwell	(11/20 – 11/23)
	A M Edwards-Clark	(06/18 - 06/24)
	N C S Engert	(06/15 – resigned 11/22)
	C Fairchild	(06/18 -09/24)
	R J Harris	(06/17 – resigned 03/22)
	J M J Havard	(06/14 - 06/23)
	AR Higgins	(06/20 – 06/23)
	W Maguire	(02/22 – 02/25)

Ex-Officio: A K Metcalfe (Headmaster from 01/04/19)

Nominated: S C Holroyd (nominated by Common Room 06/15 – resigned 06/22)

Vice-Presidents:	H C K Carson
	P J Cartwright
	A R Clark
	R de C Chapman
	M C Frayn
	P C U Jagger
	B T D M Laidlaw
	Lord Maclaurin of Knebworth DL
	H M Robinson

Clerk to the Trustees: R A M Breare

Secretary: P Godsland (resigned 16 October 2021)

Charity number: 527573

Company number: 00213672

Other names: The Society reserves the right to use the title “The Malvern College Foundation”

MALVERNIAN SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

Registered & Principal Office:	Malvern College College Road Malvern Worcestershire WR14 3DF
Independent Auditor:	Crowe U.K. LLP 4th Floor, St James House St James Square Cheltenham Gloucestershire GL50 3PR
Bankers:	Lloyds Bank 48 Belle Vue Terrace Malvern Worcestershire WR14 4QG CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors:	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Investment advisors:	Sarasin & Partners LLP Juxon House 11 St. Paul's Churchyard London EC4M 8BU

MALVERNIAN SOCIETY LIMITED

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MALVERNIAN SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

The Board of Trustees is pleased to present its report together with the audited Financial Statements of the charitable company for the year ended 31 July 2022.

The Malvernian Society Limited is a charitable company limited by guarantee. The charity number, company number, present Trustees (being Directors of the Company) and advisors are provided on the Legal and Administrative Information page.

The Trustees are also Directors for the purpose of company law.

Objectives and activities

The charitable company's objects are primarily to:

1. Promote the work, and assist in the carrying on, of education at the Senior School of Malvern College and,
2. Assist, in cases of need, former pupils of Malvern College in further training.

In furtherance of these objectives, income received from capital projects, investments and donations is applied in making grants mainly to Malvern College for Scholarships, Exhibitions, Bursaries/Assisted Places, Sports Awards and items of educational equipment, and to a very minor degree to individual pupils and former pupils undertaking training projects.

On an exceptional basis, the proceeds of asset sales may be granted to Malvern College from Unrestricted Funds for building purposes. The Society aims to assist the College in the short, medium and long term.

In setting out to achieve our aims, the Society carries out two primary activities in close co-operation with the staff at Malvern College:

1. Developing alumni events, communications, and contact plans, which are intended to broaden and deepen the understanding of the benefits of Malvern College UK and its international schools to previous and existing pupils, and to increase the affinity to Malvern College and the Malvernian Society of Old Malvernians and other constituents.
2. Supporting fundraising activities in support of the College with special focus on alumni and other Friends of Malvern College, such as current parents and parents of former pupils.

Principal funding sources

Income sources include regular and single gifts and legacies, sale of merchandise, rental income and income generated from investments. These are all clearly laid out in the accompanying accounts.

Public Benefit

The Trustees of the Malvernian Society confirm that they have complied with the duty of Section 17 of the Charities Act 2011 to have due regard to the most recent public benefit guidance published by the Charity Commission. The significant activities undertaken to carry out our aims for the public benefit are detailed below.

The principal object of the Malvernian Society is to support Malvern College and its alumni. As such the Society makes a significant annual financial contribution to all the areas of public benefit undertaken by the College, a separate charity. In this regard the Society contributes regularly to Malvern College capital building projects. These facilities are then made available, on occasion, for public use and for the College's outreach services. An example of this is the Science Centre, which has been used to hold 'science exhibition and practical experience' days for local schools. Similarly, the Sports Complex provides much needed indoor sports, fitness and leisure facilities for the local Malvern community. The most recent project, the refurbished Rogers Theatre is also available to local schools and organisations.

MALVERNIAN SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Public Benefit (continued)

The Society cites the following examples of direct public benefit from its activities:

1. The Trustees of the Society manage its Restricted and Unrestricted Funds, accumulated since the Society's foundation in 1895, to provide Scholarships, Bursaries and Assisted Places at Malvern College for talented boys and girls, who the College decides would benefit considerably from a College education, and whose parents would not otherwise be able to afford the school fees. In this way the Society encourages wider access to the outstanding educational opportunities provided by Malvern College to children from a broad spectrum of society. Information about the use of the Society's Funds is contained in its Annual Report and Accounts.
2. The Society offers its Club Room in the College, at no cost, to local organisations in need of a meeting place for their organising Committees. Examples are the 'Malvern Association for the Visually Impaired' and the Malvern Hills branch of the Fine Arts Society.
3. The Society welcomes Friends and members of the public to attend Malvernian Society lectures at the College.

The Society underwrites and subsidises many events throughout the year and throughout the world for the benefit of Old Malvernians and 'Friends' of Malvern College (see below).

Achievements and performance

The Malvernian Society is fortunate to receive ongoing financial support from a range of donors and benefactors, including Old Malvernians, current and former parents, and other Friends of Malvern College. These philanthropic gifts enable the Society to fulfil its charitable objects and to support Malvern College with its strategic plans. In the financial year 2021-22, the Malvernian Society was able to give to the College nearly £370,000 (see page 19), which predominantly supported Assisted Places and bursaries, as well as a substantial improvement of disability access for pupils, staff and visitors to Malvern College, increasing the College's inclusivity substantially; as an example, this included a wheelchair hoist in the College's swimming pool, which will also benefit external and community users of our sports facilities.

Both the College and Society have made a concerted effort to work together ever more closely, which has resulted in a very busy year, with initiatives such as a new-look Development Impact Report as part of the OM Newsletter, new fundraising collateral, and an increase in donors who are leaving a gift in their will, bringing about an all-time high of legacies under management. Staff employed by the Malvernian Society were TUPE'd to Malvern College at the beginning of the financial year – this has been a factor in enabling the Society's achievements over the course of the year with more integrated working between the two parties. Costs borne by the College for the Society's former staff and other expenses are recognised as a gift in kind in these financial statements.

The Malvernian Society succeeded in producing some exciting and well supported events in 2021 despite Covid-19 restrictions, including a No.7 Reunion and Benefactors' Lunch at Malvern College and two events in London including a Reception in the City of London and a Malvern in London Christmas drinks. With restrictions lifted in February 2022 it was full steam ahead with a full programme of events including a concert and reception at Steinway Hall in London on 15 March and our warmly received, remodelled Commemoration Weekend on 19 March. With 'Commem' decoupled from Prize Giving, the focus was purely on OMs who returned to contribute to the AGM; celebrate in Chapel with a service led by OM Revd Stephen Wookey; and then enjoy a convivial lunch in the Gryphon Room. In the afternoon some of the sporting clubs took on the pupils with varying degrees of success.

The fine weather this summer was the perfect backdrop for a Reception at Blenheim Palace to mark the (Covid-delayed) 80th anniversary of Malvern College's evacuation during World War Two in 1940; the No.4 Reunion and, finally, a dinner in The Grub for 2020 and 2021 Leavers allowing them the chance to enjoy a Leavers' Ball having been deprived of theirs due to lockdowns.

MALVERNIAN SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Achievements and performance (continued)

The 12 clubs and societies within the Malvernian Society had a busy twelve months. Highlights included: Guy Davies overcoming the Number 4, 2 and 1 seeds to become the British Open over-75 squash champion and the OMFC Veterans reaching the quarter-final of the Derrick Moore Trophy. The OMSC finished 11th in the Arrow Trophy on the Solent and the OMGS reached the final of the Grafton Morrish Tournament only to lose on the 18th. The OM Women's Hockey team won the Dean Close Sixes Competition and, finally, the OMRUFC was re-constituted although its first match was delayed to October 2022 due to Covid.

Owing to a reduced number of events, visits and meetings coming out of the Covid pandemic, as well as the restructuring of staff referred to above, income into the Society was less than in the previous financial year. Going forwards, with a strong team now in place and a full calendar of events from autumn 2022, including international events, we fully expect income to rebound. We continue to be in touch with 'cornerstone' prospective donors, who we believe have the capacity to support the Malvernian Society in a substantial way.

We were also pleased to introduce a new initiative to support young OMs with work experience as two internships were offered; their work contributed to significant projects including developing our OM Survey and a new platform for merchandise sales.

Fundraising

The Malvernian Society is registered with the Fundraising Regulator. There have been no issues of non-compliance nor any complaints in 2021-22. The Society has an Ethical Fundraising Policy and complies with the Fundraising Code 1.2 General Principles e)ii) relating to vulnerable people and with the 'Treating Donors' Fairly' Guidance issued by the Institute of Fundraising. We monitor our fundraising activity by making 'Legitimate Interest Assessment' in terms of GDPR and using, for example Due Diligence intermediaries.

Financial review

The Trustees have a reasonable expectation that the charity will continue in existence for the foreseeable future and have, therefore, used the going concern basis in preparing the financial statements.

Income during the year was £756,323, including gifts in kind from Malvern College amounting to £350,000, in respect of staff time and other resources used by the Society for the benefit of the College (2021 - £1,727,363, as restated due to the recognition of a legacy in line with the accounting policy). Total expenditure was £799,660 (2021 - £1,274,511), of which grants awarded to the College amounted to £369,898 (2021 - £941,100); thereby continuing our support to the College. There was a loss on investments during the year of £324,128 (2021 – gain of £699,201). This resulted in net expenditure of £367,465 in 2021-22 (2020-21 – net income of £1,152,053, as restated).

In this year, overall funds were increased by a property revaluation. The company follows accounting guidelines on present market value, which resulted in an increase of £625,000 (2021 - £555,000). Net of the loss on investments of £324,128 (2021 – gain of £699,201), total funds increased to £16,529,886 (2021 - £16,272,351).

We have continued to support the College in other areas of fundraising, such as with the Malvernian Society Assisted Places Scheme, to help attract talented students who otherwise would not be able to come to the College. A specific allocation of £3,005,403 (2021 - £2,651,449) is held in a designated fund for this purpose. The Society has been able to use some long-standing restricted funds to support students in taking full advantage of the opportunities offered at Malvern College, such as help towards the cost of sports tours and expeditions.

There has been further collaboration with Malvern College through the TUPE of staff into Malvern College. This has enabled improved partnership and integrated work with the College over the course of the year which is expected to continue. Our financial protocols have continued to improve with the College's finance team now carrying out the financial operations on behalf of the Society. This has further improved the Society's ability to identify suitable applicants for certain funds.

In 2022-23 we will continue to review our funds and consolidate where possible, to facilitate a modernisation of the support criteria. In some cases we have found it increasingly challenging to make awards from specific funds due to the onerous, historic criteria. It is intended that this will enable the Society to expand the level of support to a wider demographic.

MALVERNIAN SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Financial review (continued)

Total reserves at 31 July 2022 amounted to £16,529,886 (2021 - £16,272,351 as restated). Of this, £276,315 (2021 - £281,577) is permanently endowed, £3,007,464 (2021 - £4,297,551) is restricted in nature, £3,005,403 (2021 - £2,651,449) has been designated by the trustees for specific purposes (as described in the notes to the accounts) leaving £10,240,704 (2021 - £9,041,774, as restated) as general reserves. Of the general reserves, after making due allowance for that amount that could only be realised upon the sale of tangible fixed assets or investments, £1,777,686 (2021 - £1,112,756, as restated) is freely available for use by the Society.

Reserves Policy

Although operating costs, including staffing requirements, are now borne by Malvern College as a Gift in Kind to the Society, we are still committed to maintaining a practical working balance of Free Reserves consistent with these operating costs and our ability to have available funds to support shorter term College requirements.

The Reserves Policy allows us to achieve a minimum balance as required by current accounting regulations. The Trustees have determined a policy of maintaining one year's equivalent of operating costs, as referred to above, plus £50,000 (representing one year of Designated and Committed Funds to the College) as being a sensible level of reserves to keep readily available without causing interference to our aims. The level of reserves required is £400,000.

Following a policy review in 2018, the Trustees have determined that, if required, Unrestricted Funds from bequests would be allocated to cash reserves annually as required in order to maintain the current cash balances required to satisfy the stated policy.

An analysis of reserves is given in the Financial Review section of this report and at 31 July 2022, free reserves (that is those reserves not represented by restricted funds or tangible fixed assets) were £6,564,807 (this includes designated funds of £3,005,403). The level of free reserves is in excess of the reserves policy of £400,000, which is therefore available for the fulfilment of the Society's charitable aims. As a grant making charity, the Society relies on its investments (which are unrestricted in nature) to generate investment income which allows this.

Investment Policy

The Society adopts a cautious investment policy in order to preserve funds for both immediate and future use, as directed by donors. Our annual disbursement plan is aimed to support important College initiatives and in future to increasingly support the Assisted Places Scheme. The majority of our funds are placed with the leading London Investment provider Sarasin & Partners, and within their generalised and cautious fund, named 'The Alpha Common Investment Fund'.

The trustees are confident with the policy adopted however investments have decreased in value this year with reductions of £324,128 (2021 – gains of £699,201) being reported – this is largely due to the current economic climate. The dividends and interest received amounted to £185,767 (2021 - £181,352). Investment additions of £4,560 (2021 - £405,887) are shown, however in the current year this arose from a change in accounting policy to recognise cash balances held by fund managers as investments. This is a net deficit position of £138,361. The Society will continue to work closely with the investment managers. Despite the reduced investment performance from the prior year, the charity holds sufficient reserves (see reserves policy) and has sufficient cash balances and has not needed to utilise any government support during the pandemic.

Plans for Future Periods

Looking ahead our key engagement objectives include to:

- Deliver a survey to the whole database, the results of which will inform our future strategic priorities
- Deliver Malvern College's inaugural Giving Day in June 2023 – a first for the Malvernian Society
- Improve our digital presence and continue with the modernisation of communications
- Update the OM merchandise offer
- Digitalise the Archive to celebrate the heritage of Malvern College

In relation to fundraising, our first goal is to raise an endowment fund capable of funding 10 pupils on 110% support in perpetuity and therefore to raise at least £15 million for 10 new, fully funded Assisted Places over the next 10 years. Long-term, we want Malvern College to be a place where any able and talented pupil can come, regardless of their financial background.

MALVERNIAN SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Plans for Future Periods (continued)

A recent new fundraising focus has been the addition of several new sustainability initiatives that are currently being worked up by the College's Estates department. We believe that these will attract a considerable amount of support, also given that a substantial number of our Alumni and other stakeholders work in the field of sustainability.

The next large-scale capital project focus is the refurbishment of the Music School, which the Society are hoping to raise financial support for.

Our plans are not possible without the philanthropic support from key stakeholders - both the Society and Malvern College are extremely grateful to all Old Malvernians, parents and Friends of the College who help the Society financially, whether through immediate philanthropic gifts or through their legacy planning.

Structure, governance and management

The Society is a company limited by guarantee. It was incorporated on 30 April 1926 and is governed by its Memorandum and Articles of Association. It was registered as a charity on 1 November 1963.

The Board of Trustees is responsible for directing the business of the Society. Day-to-day business is managed by the Operations Director. From October 2021, this falls under the remit of the College's Chief Operating Officer, who reports directly to the Board of Trustees.

All the elected and nominated Trustees of the Board serve a three-year term unless otherwise indicated below. Most Trustees are elected at the Annual General meeting but others are nominated by other groups associated with Malvern College. The categories and method of appointment of Trustees are:

1. The President
2. Up to nine Trustees who retire on a rotational basis, except that the Board of Trustees may co-opt a member of the Society to fill a casual vacancy until the next AGM
3. Two Trustees nominated by the Council of Malvern College
4. The Head of Malvern College, who is a member ex-officio
5. One Trustee nominated by the Common Room of the Senior School of Malvern College
6. Up to two Trustees who are parents of pupils in the Senior School of Malvern College, who are nominated by the Parents' Forum
7. Vice-Presidents who, once elected, hold office for life but are non-voting Trustees

The Chairman of the Board of Trustees is one of the nine elected Trustees.

Once elected the trustees receive training and guidance on the role and responsibility of a trustee from the Board through a prepared Trustee Briefing Pack which includes information about the Society (legal form, history and current material) and guidance from the Charity Commission on the role of a trustee and other best practice issues. At other times regular updates are provided for all trustees.

Responsibilities of the Trustees

The Trustees carry out regular reviews of Malvernian Society plans and activities through official Trustee meetings held in March, June and November each year and through informal contact between meetings, usually either in Malvern or London. Since March 2020 Trustees have become used to meeting via Zoom or Teams. It is the aim of Trustees to add comments and direction to the Operations Director and Chairman of Trustees, with a view to ensuring good practice and effective fund management and disbursement, according to our aims and objectives.

Where a subject of particular focus needs attention, such as the Property Portfolio or our Investment oversight, then a sub-committee is typically formed which can spend additional time to research and propose action to the Trustees as a whole.

MALVERNIAN SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Responsibilities of the Malvernian Society Staff

As at 31 July 2021, 5 members of staff TUPE transferred from the Malvernian Society to Malvern College. Associated costs are incurred by the College as a gift in kind.

These staff carry out all day-to-day activities according to the priorities for the year, and in close association with the senior personnel of the College, such as the Headmaster, the Chief Operating Officer, the Finance Director, the Director of Marketing & Admissions and the Chairman of College Council.

Related Parties and Conflicts of Interests

The Board of Trustees has adopted an appropriate and comprehensive policy to identify all transactions with related parties or other transactions which might involve any conflict of interest.

Risk Management Statement

The Board of Trustees has identified the major risks facing the Society. A Risk Management Register is maintained and the risks highlighted are reviewed regularly by the Operations Director to ensure that they do not pose a threat to the Society. The Register is reviewed at least annually by Trustees.

Risks are categorised as either strategic, operational, financial or compliance. The key risks identified under these headings are the impact on fundraising of economic factors, loss of those key personnel employed by Malvern College that work on the Society's activities, and stock market volatility. Steps are taken to mitigate these risks through establishing clear roles, responsibilities and reporting lines within the Society, effective communication and through on-going monitoring.

Auditor

Crowe U.K. LLP is the appointed auditor for the year ended 31 July 2022.

Disclosure of information to auditor

Each Trustee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Statement of Trustees' Responsibilities

The Trustees, who are also the directors of Malvernian Society Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) (effective 1 January 2019);
- 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 Charitable Company will continue in operation.

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

MALVERNIAN SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

A handwritten signature in black ink, reading "Timothy Straker". The signature is written in a cursive style with a long horizontal line above the first name.

T D Straker (Chairman of the Malvernian Society)
on behalf of the Trustees

Date: 12th November 2022

MALVERNIAN SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MALVERNIAN SOCIETY LIMITED

Opinion

We have audited the financial statements of the Malvernian Society Limited for the year ended 31 July 2022 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 July 2022 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

MALVERNIAN SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MALVERNIAN SOCIETY LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company 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 144 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

MALVERNIAN SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MALVERNIAN SOCIETY LIMITED (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were General data Protection Regulation (GDPR), Anti-Fraud, Bribery and Corruption Legislation.


Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management and the recognition of legacy income. Our audit procedures to respond to these risks included enquiries of management, the Audit, Risk & Compliance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, tests to confirm the accuracy, completeness and cut-off of legacy income, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Guy Biggin (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

4th Floor, St James' House, St James' Square, Cheltenham, Gloucestershire GL50 3PR

Date: 15 March 2023

MALVERNIAN SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE STATEMENT) FOR THE YEAR ENDED 31 JULY 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total As restated 2021 £
Income from:							
Donations & legacies	3	420,835	-	83,758	-	504,593	1,463,915
Other trading activities	4	190	-	-	-	190	11,976
Investments	5	129,880	86,619	33,952	1,089	251,540	251,472
Total income and endowments		550,905	86,619	117,710	1,089	756,323	1,727,363
Expenditure on:							
Raising funds	6	1,962	15,643	21,259	915	39,779	38,346
Charitable activities	7	473,598	-	286,283	-	759,881	1,236,165
Total expenditure		475,560	15,643	307,542	915	799,660	1,274,511
Net (losses) / gains on investments	12	(93,298)	(127,022)	(98,372)	(5,436)	(324,128)	699,201
Net (expenditure) / income before transfers		(17,953)	(56,046)	(288,204)	(5,262)	(367,465)	1,152,053
Gross transfers between funds	13	591,883	410,000	(1,001,883)	-	-	-
Net income / (expenditure)		573,930	353,954	(1,290,087)	(5,262)	(367,465)	1,152,053
Other recognised gains and losses							
Revaluation of tangible fixed assets	15	625,000	-	-	-	625,000	555,000
Net movement in funds		1,198,930	353,954	(1,290,087)	(5,262)	257,535	1,707,053
Fund balances at 1 August 2021	25	9,041,774	2,651,449	4,297,551	281,577	16,272,351	14,565,298
Fund balances at 31 July 2022	25	10,240,704	3,005,403	3,007,464	276,315	16,529,886	16,272,351

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 33 form part of these financial statements.

MALVERNIAN SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE STATEMENT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Prior financial year (as restated)

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
	Notes					
Income from:						
Donations & legacies	3	1,282,020	-	181,895	-	1,463,915
Other trading activities	4	11,976	-	-	-	11,976
Investments	5	72,407	90,816	87,930	319	251,472
Total income and endowments		1,366,403	90,816	269,825	319	1,727,363
Expenditure on:						
Raising funds	6	17,324	14,928	5,857	237	38,346
Charitable activities	7	471,534	-	764,631	-	1,236,165
Total expenditure		488,858	14,928	770,488	237	1,274,511
Net gains on investments	12	206,491	253,171	214,532	25,007	699,201
Net income / (expenditure) before transfers		1,084,036	329,059	(286,131)	25,089	1,152,053
Gross transfers between funds	13	(145,470)	-	145,470	-	-
Net income / (expenditure)		938,566	329,059	(140,661)	25,089	1,152,053
Other recognised gains and losses						
Revaluation of tangible fixed assets	15	555,000	-	-	-	555,000
Net movement in funds		1,493,566	329,059	(140,661)	25,089	1,707,053
Fund balances at 1 August 2020		7,548,208	2,322,390	4,438,212	256,488	14,565,298
Fund balances at 31 July 2021	25	9,041,774	2,651,449	4,297,551	281,577	16,272,351

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 33 form part of these financial statements.


MALVERNIAN SOCIETY LIMITED

BALANCE SHEET AS AT 31 JULY 2022

	Notes	2022 £	£	As restated 2021 £	£
Fixed assets					
Tangible assets	14		6,681,300		6,056,300
Investments	16		6,563,561		6,883,129
			<u>13,244,861</u>		<u>12,939,429</u>
Current assets					
Stocks	18	10,975		13,455	
Debtors	19	4,872		23,391	
Cash at bank and in hand		<u>3,305,102</u>		<u>3,335,275</u>	
		<u>3,320,949</u>		<u>3,372,121</u>	
Creditors: amounts falling due within one year	20	<u>(35,924)</u>		<u>(39,199)</u>	
Net current assets			<u>3,285,025</u>		<u>3,332,922</u>
Total assets less current liabilities			<u>16,529,886</u>		<u>16,272,351</u>
Capital funds					
<u>Endowment funds</u>	22		276,315		281,577
<u>Restricted funds</u>					
General restricted funds		3,007,464		3,295,668	
Revaluation reserve		<u>-</u>		<u>1,001,883</u>	
	23		3,007,464		4,297,551
<u>Unrestricted funds</u>					
Designated funds	24	3,005,403		2,651,449	
General unrestricted funds		3,606,299		4,034,252	
Revaluation reserve		<u>6,634,405</u>		<u>5,007,522</u>	
			<u>13,246,107</u>		<u>11,693,223</u>
	25		<u>16,529,886</u>		<u>16,272,351</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 12th November 2022



T D Straker, Chairman
Company Registration No. 00213672

The notes on pages 15 to 33 form part of these financial statements.

MALVERNIAN SOCIETY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (used in) / provided by operations	27		(277,153)		194,470
Investing activities					
Purchase of other investments		(4,560)		(405,887)	
Investment income and rental income received		<u>251,540</u>		<u>251,472</u>	
Net cash provided by / (used in) investing activities			246,980		(154,415)
Net (decrease) / increase in cash and cash equivalents			<u>(30,173)</u>		<u>40,055</u>
Cash and cash equivalents at beginning of year			3,335,275		3,295,220
Cash and cash equivalents at end of year			<u><u>3,305,102</u></u>		<u><u>3,335,275</u></u>

The notes on pages 15 to 33 form part of these financial statements.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Company information

The Malvernian Society Limited, charity number 527573 and company number 00213672, is a charity and private company limited by guarantee incorporated in England and Wales. The company is registered in England and its registered office is Malvern College, Malvern, Worcestershire, WR14 3DF.

Accounting convention

The financial statements have been prepared in accordance with the Society's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and "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 2019)". The Society is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Society. Monetary amounts in these financial statements are rounded to the nearest £.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Charitable funds

Unrestricted funds can be used in accordance with the charitable objects of the Society at the discretion of the Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for scholarships.

Restricted funds are to be used for specific purposes as specified by the donors.

Endowment funds are to be held as capital and the income generated from them to be used for purposes as specified by the donors.

Income

Income is recognised when the Society is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Society has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income except donations and legacies, are included on a receivable basis, i.e. they are recognised in the period in which they are receivable, e.g. rental income.

Income from listed investments are included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the income being payable.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Society has sufficient evidence that a gift has been left to it (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Society, can be reliably measured. Recognition is therefore made on the production of estate accounts.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at valuation.

Freehold land and buildings are revalued to market value annually and any revaluation surplus or deficit is recognised in the statement of financial activities.

Donated assets classified as collectables are held at valuation. The value is reviewed on an annual basis. As a consequence of the regular revaluation policy, depreciation is not charged on tangible fixed assets.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Investments

Fixed asset investments are re-measured to market value at each Balance Sheet date. Gains and losses on re-measurement are recognised in the statement of financial activities for the period.

Impairment of fixed assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income / (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises purchase price and net realisable value is the estimated selling price.

Net realisable value is the estimated selling price less all estimated to be incurred in marketing, selling and distribution.

Debtors

Short term debtors are measured at transaction price, less any impairment.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Financial instruments

The Society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Society's balance sheet when the Society becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade debtors, other debtors, accrued income and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade creditors, other creditors and accruals are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Society's contractual obligations expire or are discharged or cancelled.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Pension costs

The Society makes payments to a pension schemes operated by Malvern college with fixed contributions being paid into these schemes by the society. Once the payments have been made the society has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Society in independently administered funds.

2 Critical accounting estimates and judgements

In the application of the Society's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Society carries its freehold land and buildings at fair value, with changes in fair value being recognised in the SOFA. Fair value is determined by independent valuation specialists as stated in note 14.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

3 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total As restated 2021 £
Donations and gifts	410,265	83,758	-	494,023	1,443,915
Legacies receivable	10,570	-	-	10,570	20,000
	<u>420,835</u>	<u>83,758</u>	<u>-</u>	<u>504,593</u>	<u>1,463,915</u>
Donations and gifts					
Life membership fees	-	-	-	-	132,000
Donations	50,693	75,892	-	126,585	1,292,113
Tax recoverable	9,571	7,867	-	17,438	19,802
	<u>60,264</u>	<u>83,759</u>	<u>-</u>	<u>144,023</u>	<u>1,443,915</u>
Year ended 31 July 2021	<u>1,262,020</u>	<u>181,895</u>	<u>-</u>		<u>1,443,915</u>

4 Other trading activities

	Unrestricted funds General 2022 £	Unrestricted funds General 2021 £
OM Trading	<u>190</u>	<u>11,976</u>

5 Investments

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
Rental income	19,500	-	-	-	19,500	19,500
Income from listed investments	100,740	67,994	8,640	1,089	178,463	177,982
Investment management credits	2,336	18,625	25,312	-	46,273	50,620
Interest receivable	7,304	-	-	-	7,304	3,370
	<u>129,880</u>	<u>86,619</u>	<u>33,952</u>	<u>1,089</u>	<u>251,540</u>	<u>251,472</u>
Year ended 31 July 2021	<u>72,407</u>	<u>90,816</u>	<u>87,930</u>	<u>319</u>		<u>251,472</u>

6 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
Investment management	1,962	15,643	21,259	915	39,779	38,346
Year ended 31 July 2021	<u>17,324</u>	<u>14,928</u>	<u>5,857</u>	<u>237</u>		<u>38,346</u>

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

7 Charitable activities

	2022 £	2021 £
Staff costs	15,944	243,186
Postage	(270)	606
Printing and stationery	-	12,154
Events	23,438	-
Marketing and media	466	6,248
	<u>39,578</u>	<u>262,194</u>
Grant funding of activities (see note 8)	370,498	951,098
Share of support costs (see note 9)	339,432	14,561
Share of governance costs (see note 9)	10,373	8,312
	<u>759,881</u>	<u>1,236,165</u>
Analysis by fund		
Unrestricted funds - general	473,598	471,534
Restricted funds - grant funding expenditure	286,283	764,631
	<u>759,881</u>	<u>1,236,165</u>

8 Grants payable

	2022 £	2021 £
Grants to institutions:		
Unrestricted		
Malvern College	556	5,750
Malvern College – Disability access	80,966	-
Malvern College - Covid	-	151,717
Malvern College - Sport	-	19,003
Malvern College - Steinway	2,093	-
OM Clubs	600	9,998
Restricted		
Malvern College Centenary Appeal Fund	79,748	42,445
Assisted Places	27,168	37,167
Assisted Places (Hayter)	30,000	30,000
Bishop John & Arthur Mort Bursary	13,900	-
Marston-Riley Scholarship	1,660	1,660
CTM Dunn	19,977	19,875
Shand-Kydd Special Fund	3,000	-
Nieper Art Scholarship	-	13,277
JMM Memorial Fund	11,613	-
Prize Funds (number of small awards from the various prize funds)	3,000	3,000
Chesterton Cricket Award	2,000	2,000
Steinway	1,270	317,215
James Cox Scholarship	1,000	1,000
Assisted Places (Bowtell)	20,000	20,571
Blake Dunbar	-	1,400
Rachael Heyhoe-Flint	2,000	2,000
Hardship fund	-	157,950
Clark Scholarship	69,947	34,970
Observatory Fund	-	10,100
Cricket nets	-	70,000
	<u>370,498</u>	<u>951,098</u>

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

9 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Staff costs	295,000	-	295,000	-
Audit fees	-	9,860	9,860	5,090
Legal and professional	-	-	-	2,040
Office expenses	42,995	-	42,995	13,203
Administrative expenses	-	513	513	942
Accountancy fees	-	-	-	240
Bank charges	1,437	-	1,437	1,358
	<u>339,432</u>	<u>10,373</u>	<u>349,805</u>	<u>22,873</u>
Year ended 31 July 2021	<u>14,561</u>	<u>8,312</u>		<u>22,873</u>
Analysed between Charitable activities	<u>339,432</u>	<u>10,373</u>	<u>349,805</u>	<u>22,873</u>

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. No expenses were reimbursed to trustees during the year (2021 - £Nil).

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 No.	2021 No.
Administrative	<u>-</u>	<u>6</u>

Employment costs

	2022 £	2021 £
Wages and salaries	13,914	215,877
Social security costs	1,409	17,774
Pension costs	621	9,535
	<u>15,944</u>	<u>243,186</u>

The amount shown above in respect of pension costs represents the total amount payable by the charitable company for the year.

The number of employees whose annual remuneration was £60,000 or more was:

	2022 No.	2021 No.
£60,000 - £70,000	<u>-</u>	<u>1</u>

As described in the Trustees' Report, the staff previously employed by the Society were transferred to Malvern College in August 2021, and are paid through that entity.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

12 Net gains / (losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment Funds 2022 £	Total 2022 £	Total 2021 £
Revaluation of investments	(93,298)	(127,022)	(98,372)	(5,436)	(324,128)	699,201
Year ended 31 July 2021	206,491	253,171	214,532	25,007		699,201

13 Transfers

A transfer of £410,000 was made from unrestricted to designated funds, for support for The Grub refurbishment, and sustainability.

A transfer of £1,001,883 was made from restricted to unrestricted funds, which related to the accumulated revaluation of freehold properties, which had been originally purchased using unrestricted funds.

(2021 - £145,470 from unrestricted to restricted funds).

14 Tangible fixed assets

	Freehold land And buildings £	Collectables £	Total £
Cost or valuation			
At 1 August 2021	6,050,000	6,300	6,056,300
Revaluation	625,000	-	625,000
At 31 July 2022	6,675,000	6,300	6,681,300
Carrying amount			
At 31 July 2022	6,675,000	6,300	6,681,300
At 31 July 2021	6,050,000	6,300	6,056,300

The freehold land and buildings were valued at £6,675,000, by James Higham MRICS of Savills, at 31 July 2022. The Society has adopted the policy of revaluing its freehold land and buildings in accordance with current Financial Reporting Standards.

At 31 July 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £521,719 (2021 - £521,719).

In 2010 Timothy Straker donated the Wisden's Almanac and Cabinet which is shown under collectables. The Trustees have assessed the collection and in their opinion the worth of the collection remains unchanged at £6,300 at the balance sheet date.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

15 Revaluation of fixed assets

	Unrestricted Funds general £	Restricted funds £	Total £
Revaluation in year to 31 July 2021	555,000	-	555,000
Revaluation in year to 31 July 2022	625,000	-	625,000

16 Fixed asset investments

	Listed Investments £
Cost or valuation	
At 31 July 2021	6,883,129
Additions	4,560
Valuation changes	(324,128)
At 31 July 2022	6,563,561
Carrying amount	
At 31 July 2022	6,563,561
At 31 July 2021	6,883,129

Fixed asset investments revalued

All quoted investment valuations are as provided by the Investment advisors. Charities Official Investment Fund valuation is as provided by CCLA Investment Management Limited.

The following investments have a market value greater than 5% of the investment portfolio (excluding cash):-

55.58% - Sarasin Alpha Common Investment Fund for Endowments (2021 – 55.81%)
36.02% - Sarasin Alpha Common Investment Fund for Scholarships (2021 – 36.17%)

17 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Measured at fair value	6,563,561	6,883,129

Financial assets measured at fair value through the profit and loss comprise fixed asset investments.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

18 Stocks

	2022 £	2021 £
Goods for resale	10,975	13,455

19 Debtors

	2022 £	2021 As restated £
Trade debtors	591	26
Prepayments and accrued income	4,281	23,365
	4,872	23,391

20 Creditors: amount falling due within one year

	2022 £	2021 £
Other taxation and social security	-	5,972
Trade creditors	3,128	-
Other creditors	20,328	23,252
Accruals and deferred income	12,468	9,975
	35,924	39,199

21 Retirement benefit schemes

Defined contribution schemes

The Society operated a defined contribution pension scheme for all qualifying employees prior to their transfer to Malvern College. The assets of the scheme are held separately from those of the Society in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £621 (2021 - £9,535).

22 Endowment funds

Endowment funds represent assets which must be held permanently by the Society. Income arising on the endowment funds can be used in accordance with the objects of the Society and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

22 Endowment funds (continued)

	Balance at 1 August 2021 £	Income £	Expenditure £	Investment Gains/losses £	Balance at 31 July 2022 £
Permanent endowments					
James Greenwood Architecture Prize	3,058	-	-	(25)	3,033
Shand-Kydd Special Fund	33,048	-	-	(267)	32,781
EH Moss Exhibition	12,511	-	-	(101)	12,410
Toovey Art Prize	763	-	-	(6)	757
Berridge Chemistry Prize	1,189	-	-	(10)	1,179
HW Smith Exhibition	2,187	-	-	(18)	2,169
Gwynne-Jones Exhibition	1,127	-	-	(74)	1,053
Wright Ingle Exhibition	2,360	-	-	(154)	2,206
Heath Harrison Exhibition	49,321	-	-	(198)	49,123
Wheeler Bennett History Prize	1,717	-	-	(14)	1,703
AR Duff Memorial Fund	31,739	-	-	(256)	31,483
James Cox Scholarship	108,047	825	(693)	(3,269)	104,909
Rackets Fund	34,511	264	(222)	(1,044)	33,509
	<u>281,577</u>	<u>1,089</u>	<u>(915)</u>	<u>(5,436)</u>	<u>276,315</u>

Prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Investment Gains/losses £	Balance at 31 July 2021 £
Permanent endowments					
James Greenwood Architecture Prize	2,681	-	-	377	3,058
Shand-Kydd Special Fund	28,985	-	-	4,063	33,048
EH Moss Exhibition	10,967	-	-	1,544	12,511
Toovey Art Prize	669	-	-	94	763
Berridge Chemistry Prize	1,042	-	-	147	1,189
HW Smith Exhibition	1,917	-	-	270	2,187
Gwynne-Jones Exhibition	-	-	-	1,127	1,127
Wright Ingle Exhibition	-	-	-	2,360	2,360
Heath Harrison Exhibition	46,292	-	-	3,029	49,321
Wheeler Bennett History Prize	1,505	-	-	212	1,717
AR Duff Memorial Fund	27,823	-	-	3,916	31,739
James Cox Scholarship	102,021	242	(180)	5,963	108,047
Rackets Fund	32,586	77	(57)	1,905	34,511
	<u>256,488</u>	<u>319</u>	<u>(237)</u>	<u>25,007</u>	<u>281,577</u>

The Rackets Endowment Fund is to be used to help boys and girls play rackets and compete at Queen's, (whether this is in the form of providing rackets to boys and girls of particular talent or funding the costs of accommodation for selected boys and girls competing at Queen's). The income can also be used to fund the travel expenses of the occasional tour to North America.

The terms under which the rest of the endowment funds were established are detailed in note 23.

Income earned on the permanent endowment funds is taken to restricted funds and distributed as described in note 23.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers £	Investment Gains/ losses £	Balance at 31 July 2022 £
Restricted endowments (permanent)						
Centenary Appeal Fund	2,684,706	23,687	(96,116)	(1,004,383)	(74,839)	1,533,055
Capt. HL Grant Chesterton Cricket Award	437,616	3,344	(2,809)	-	(13,242)	424,909
Bishop John & Arthur Mort Bursary	71,887	534	(2,448)	-	(2,175)	67,798
Blake Dunbar Music Scholarship	79,901	501	(14,321)	-	(2,418)	63,663
Marston Riley Scholarship	50,830	388	(326)	-	(1,538)	49,354
	59,158	439	(2,029)	-	(1,790)	55,778
Restricted funds						
Shand-Kydd Special Fund	30,820	920	(3,000)	-	-	28,740
EH Moss Exhibition	334	348	-	-	-	682
Gwynne Jones Exhibition	244	254	-	-	-	498
Wright Ingle Exhibition	511	532	-	-	-	1,043
Heath Harrison Exhibition	31,446	683	-	-	-	32,129
AR Duff Memorial Fund	8,954	882	-	-	-	9,836
James Cox Scholarship	20,566	149	(1,125)	-	(622)	18,968
CW Nicholls Memorial Fund	15,146	-	-	-	320	15,466
Running Track Fund	5,105	-	-	-	-	5,105
Bursaries/Assisted Places	-	24,668	(27,168)	2,500	-	-
Assisted Places (Bowtell)	8,655	18,750	(20,000)	-	-	7,405
Assisted Places (Hayter)	152,626	-	(30,000)	-	-	122,626
Bridge Fund	1,365	-	-	-	-	1,365
Chapel Sound System	3,647	250	-	-	-	3,897
Chapel Organ	3,130	-	-	-	-	3,130
CTM Dunn	261	22,000	(19,977)	-	-	2,284
Music Department	502	-	-	-	-	502
Steinway	1,270	-	(1,270)	-	-	-
Theatre	2,034	250	-	-	-	2,284
Nieper Art Scholarship	83,512	-	-	-	-	83,512
RKB Lecture Series	23,580	-	-	-	-	23,580
Golf Facilities	1,174	-	-	-	-	1,174
George Sayer Fellow	7,501	-	-	-	-	7,501
Rackets Fund	1,753	125	-	-	-	1,878
House No.5 Fund	300	-	-	-	-	300

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

23 Restricted funds (continued)

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers £	Investment Gains/ Losses £	Balance at 31 July 2022 £
Clark Scholarship Award	373,863	8,191	(69,947)	-	-	312,107
JMM Memorial Fund	11,613	-	(11,613)	-	-	-
Rachael Heyhoe Flint Award	12,000	-	(2,000)	-	-	10,000
Hardship	-	2,025	-	-	-	2,025
Music School	-	1,500	-	-	-	1,500
Dubai Cricket Tour	-	1,000	-	-	-	1,000
Digitalisation of Archive	-	5,000	-	-	-	5,000
Restricted endowments						
(Permanent) prize funds						
Richard Smith						
Physics Prize	3,455	75	-	-	(22)	3,508
Restricted prize funds						
James Greenwood						
Architecture Prize	1,881	85	(25)	-	-	1,941
Toovey Art Prize	199	21	(100)	-	-	120
Berridge Chemistry Prize	687	33	(25)	-	-	695
HW Smith Exhibition	1,289	61	(25)	-	-	1,325
Wheeler Bennett						
History Prize	1,130	48	-	-	-	1,178
James Richford Cricket Prize	6,330	109	(25)	-	(32)	6,382
Photographic Prize	2,061	36	(25)	-	(11)	2,061
RH Farrar						
Mathematical Prize	12,298	183	(25)	-	(53)	12,403
RWA Manly						
Backstage Prize	992	11	(50)	-	(3)	950
Prize Funds	63,973	468	(2,993)	-	(1,936)	59,512
RK Blumenau Philosophy Prize	4,456	47	-	-	4	4,507
Roger Short Prize	1,252	47	-	-	4	1,303
RH Cobb Mathematical Prize	3,843	66	(25)	-	(19)	3,865
Matthew Hind Golf						
Prize	155	-	(25)	-	-	130
Arvid Pardo Prize	7,540	-	(50)	-	-	7,490
	4,297,551	117,710	(307,542)	(1,001,883)	(98,372)	3,007,464

An amount of £1,001,883 was transferred from Restricted to Unrestricted Funds, which related to the accumulated revaluation of Freehold properties. On investigation the properties were found to have been purchased from Unrestricted Funds, and therefore any revaluation allocated wholly to Unrestricted Funds.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

23 Restricted funds (continued)

Prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers £	Investment Gains/ losses £	Balance at 31 July 2021 £
Restricted endowments (permanent)						
Centenary Appeal Fund	2,555,299	10,124	(46,967)	-	166,250	2,684,706
Capt. HL Grant Chesterton Cricket Award	413,207	995	(739)	-	24,153	437,616
Bishop John & Arthur Mort Bursary	69,764	174	(2,129)	-	4,078	71,887
Blake Dunbar Music Scholarship	75,444	182	(135)	-	4,410	79,901
Marston Riley Scholarship	49,317	116	(1,486)	-	2,883	50,830
	57,426	135	(1,760)	-	3,357	59,158
Restricted funds						
Shand-Kydd Special Fund	29,936	884	-	-	-	30,820
EH Moss Exhibition Gwynne Jones Exhibition	-	334	-	-	-	334
Wright Ingle Exhibition	-	244	-	-	-	244
Heath Harrison Exhibition	-	511	-	-	-	511
AR Duff Memorial Fund	30,790	656	-	-	-	31,446
James Cox Scholarship	8,105	849	-	-	-	8,954
CW Nicholls Memorial Fund	20,363	51	(1,038)	-	1,190	20,566
Running Track Fund	12,759	-	-	-	2,387	15,146
Bursaries/Assisted Places	5,105	-	-	-	-	5,105
Assisted Places (Bowtell)	19,785	14,387	(37,167)	2,995	-	-
Assisted Places (Hayter)	10,476	18,750	(20,571)	-	-	8,655
Bridge Fund	152,741	29,885	(30,000)	-	-	152,626
Chapel Sound System	1,365	-	-	-	-	1,365
Chapel Organ	3,367	280	-	-	-	3,647
CTM Dunn	1,694	1,436	-	-	-	3,130
Music Department	20,136	-	(19,875)	-	-	261
Steinway	502	-	-	-	-	502
Theatre	318,485	-	(317,215)	-	-	1,270
Nieper Art Scholarship	2,034	-	-	-	-	2,034
RKB Lecture Series	96,789	-	(13,277)	-	-	83,512
Golf Facilities	23,580	-	-	-	-	23,580
George Sayer Fellow	1,174	-	-	-	-	1,174
Rackets Fund	7,501	-	-	-	-	7,501
House No.5 Fund	1,628	125	-	-	-	1,753
	300	-	-	-	-	300

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

23 Restricted funds (continued)

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers £	Investment Gains/ losses £	Balance at 31 July 2021 £
Clark Scholarship Award	298,278	110,556	(34,971)	-	-	373,863
JMM Memorial Fund	11,613	-	-	-	-	11,613
Rachael Heyhoe Flint Award	14,000	-	(2,000)	-	-	12,000
Observatory	10,000	-	(10,100)	100	-	-
Cricket Nets	2,363	22,962	(70,000)	44,675	-	-
Hardship	5,000	55,250	(157,950)	97,700	-	-
Restricted endowments						
(Permanent) prize funds						
Richard Smith Physics Prize	3,051	72	-	-	332	3,455
Restricted prize funds						
James Greenwood Architecture Prize	1,820	81	(20)	-	-	1,881
Toovey Art Prize	234	20	(55)	-	-	199
Berridge Chemistry Prize	675	32	(20)	-	-	687
HW Smith Exhibition	1,251	58	(20)	-	-	1,289
Wheeler Bennett History Prize	1,085	45	-	-	-	1,130
James Richford Cricket Prize	5,761	105	(20)	-	484	6,330
Photographic Prize	1,884	35	(20)	-	162	2,061
RH Farrar Mathematical Prize	11,331	176	(20)	-	811	12,298
RWA Manly Backstage Prize	951	11	(20)	-	50	992
Prize Funds	63,003	146	(2,858)	-	3,682	63,973
RK Blumenau Philosophy Prize	4,403	47	-	-	6	4,456
Roger Short Prize	1,203	47	-	-	2	1,252
RH Cobb Mathematical Prize	3,499	64	(15)	-	295	3,843
Matthew Hind Golf Prize	175	-	(20)	-	-	155
Arvid Pardo Prize	7,560	-	(20)	-	-	7,540
	<u>4,438,212</u>	<u>269,825</u>	<u>(770,488)</u>	<u>145,470</u>	<u>214,532</u>	<u>4,297,551</u>

Restricted Endowments (Permanent)

The Centenary Appeal Fund was set up in 1965 to provide a maintenance & improvement fund for the College, with a reserve fund to endow scholarships.

The Capt. H L Grant Fund was set up in 1955 for sons of regular officers in the Royal Artillery, or sons of regular army officers generally, whose circumstances were such that they could not, without assistance, be sent to Malvern. The Bursary must be awarded by the recommendation of the Headmaster and the Chairman of the Malvernian Society Committee. This fund was amalgamated with the EH Moss Exhibition fund, and the criteria widened to allow it to be awarded to children whose parents work in the public services.

The Chesterton Cricket Awards' income from the principal sum is to be used to provide an award to a senior school student of Malvern College who is not only a cricketer with outstanding prospects but also has shown acceptable academic standards.

The Bishop John & Arthur Mort Bursary was set up in 1998 to provide a bursary to fee-paying parents unable to continue paying fees owing to an unforeseen change of circumstances.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

23 Restricted funds (continued)

The Blake Dunbar Music Scholarship is to be used to encourage a pupil to join the college who has a particular interest in music.

The Marston Riley Scholarship is a general scholarship to be awarded to a pupil as agreed by the Headmaster and Trustees of the Malvernian Society.

The following Restricted Endowments (Permanent) have associated restricted funds:

The Shand-Kydd Special Fund was set up in 1977 to apply grants to Malvern College not related to bricks and mortar or scholarships. Initially grants were made to assist the Malvern Schools and Industry project. Nowadays it is used to support pupils, at the Society's discretion, to participate in overseas language trips and work experiences. From 2020 the College careers department is asked to recommend a pupil to be supported on STEM-based work experience to the value of £300 each year.

The EH Moss Exhibition was set up in 1946, as part of the 'War Memorial Fund'; the parameters for making an award were in order of preference: 1. To the son of an OM, killed in the 2nd World War, with preference for the RAF. 2. To the son of any other deceased OM. 3. To the son of any other OM. 4. Any other boy (sic), who wouldn't otherwise be able to come to the College. This fund was amalgamated with the Capt. HL Grant Fund, and the criteria widened to allow it to be awarded to children whose parents work in the public services.

The Gwynne-Jones Exhibition was set up in 1919 to fund awards to former pupils of Malvern College who have gone to the universities of Oxford, Cambridge or to the Royal Military Academy, Woolwich. A preference was made for the intellectual qualifications of the candidate, but also a preference for a No. 2 boy. In 2017 the fund was amalgamated with the Wright-Ingle and Heath Harrison Funds to make awards to successful Oxbridge candidates. From 2021 the award was available to OMs from Malvern College UK or its sister schools abroad.

The Wright Ingle Exhibition was set up in 1918, to give non-recurring grants to candidates for the purpose of covering initial expenses at Brasenose College, Oxford, or Pembroke College, Cambridge. In 2017 the fund was amalgamated with the Gwynne Jones and Heath Harrison Funds to make awards to successful Oxbridge candidates. From 2021 the award was available to OMs from Malvern College UK or its sister schools abroad.

The Heath Harrison Exhibition was set up in 1898, to give non-recurring grants to candidates for the purpose of covering initial expenses at Brasenose College, Oxford or Pembroke College, Cambridge. In 2017 the fund was amalgamated with the Gwynne-Jones and Wright-Ingle Funds to make awards to successful Oxbridge candidates. From 2021 the award was available to OMs from Malvern College UK or its sister schools abroad.

The Alan Duff Memorial Fund was set up in 1989 to help pupils to take part in sporting or other worthwhile scientific or educational activities which they would not otherwise be able to afford.

The James Cox Scholarship was set up in 2003 to fund an award made for all-round excellence (not just academic) to a pupil on entry to The Downs (ex-Hillstone) year 7 (whether from within the Downs or not) tenable for seven years through to the U6.

The Society also manages the following Restricted Funds:

The Colin Nicholls Memorial Fund was set up in 1988 to help pupils to take part in educational trips.

The Running Track Fund is a project not pursued by the College in recent years. The funds are being held until such time as Malvern College wishes to move ahead with the project.

Bursaries/ Assisted Places is income received from the Gryphon Fund that is granted to the college on an annual basis.

The Bridge Fund is in support of Bridge activities at the College, to promote the game of Bridge amongst pupils and staff.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

23 Restricted funds (continued)

The Chapel Sound System Fund is to enhance the College Chapel Sound System. This project was part of the 2015 Annual Fund campaign.

The Chapel Organ Fund is to be used for the Chapel organ.

The CTM Dunn Fund is an Assisted Places scheme which aims to provide financial support to pupils, who might not otherwise be able to come to Malvern.

The Music Department Fund is in support of the Music Department to be used at the discretion of the Head of Department.

The Steinway Fund is to support the College in purchasing instruments to become an "All Steinway School".

Theatre Funds are held for the renovation of Malvern College's Rogers Theatre.

The Richard Nieper Art Scholarship Fund is in memory of Richard Nieper (Old Malvernian) to support an Art Scholarship which is designed to enable Arts candidates to come to Malvern College who may not otherwise be able to do so. To be awarded to pupils who show outstanding talent or potential talent, predominantly in Fine Art. The fund is envisaged to be spent down over a period of ten years.

The Blumenau Lecture Series Fund is to support an annual lecture on European History at the College.

The George Sayer Fellow Fund was established to recognise George Sayer's inspirational teaching. The Fund is used to allow the English Department to invite writers to the College on an annual basis to work with the pupils.

Outdoor Pursuits - a fund received and full disbursed in the year to further outdoor pursuits at the College.

The Clark Scholarship Award was created in 2019 in honour of the former Headmaster, Antony Clark. From 2020 the award has been given to an academically strong Sixth Form candidate from a family whose financial circumstances would not normally allow them to consider Malvern. A boarder and a day pupil are chosen in alternate years.

The Michael McNevin Memorial Fund was created in 2019 in honour of Michael McNevin, former Housemaster of No.2. The Fund is to support improvements to No.2. and Cwm Llwh.

The Rachael Heyhoe Flint Award was created by Ben Flint in memory of his mother. The fund is awarded annually to promising girl cricketers on entry to the College.

Observatory: The College already has a good telescope; however, because it has no permanent 'home', it needs setting up, i.e. aligning with the stars and dismantling every time it is used. As this takes a good hour at the start and end of a session, it is used only infrequently. The College has decided to house the telescope within a refurbished observatory, so it will be set up permanently and left in place, allowing our pupils and staff to use it much more frequently. Astronomy in school is introduced in the Foundation Year. It is part of the IGCSE syllabus for the Hundred as well as an option in the IB syllabus.

Cricket Nets: Malvern College has a distinguished record in cricket providing county and national teams with quality players since the early years of the 20th century. In recent years, Malvern cricket has seen the benefits of a partnership with Worcestershire County Cricket Club whereby the county coaches seek to draw talented young cricketers into their academy, and the growth of girls' cricket has further enriched Malvern's reputation as a crucible of cricketing talent. The College has commissioned ELS to provide four new practice nets and Durantcricket to install their industry-leading 'Dream Netting System' replacing the temporary nets with 10 retractable nets.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

23 Restricted funds (continued)

The Golf Facilities Fund is to be used for improvements to the College's golf facilities.

Hardship Fund: The Covid-19 pandemic affected us all. The Society promised to support the College as much as possible by raising funds for the Hardship Fund through our generous donors, to assist those families whose children would otherwise have to leave Malvern College.

Capital Restricted Prize Funds

The Richard Smith Physics Prize is to be awarded annually to the top Physics student in the U6.

Restricted Prize Funds

The following Restricted Endowments (Permanent) Prize Funds have associated Restricted Funds:

The James Greenwood Architecture Prize is a prize for a piece of work by a pupil showing study and understanding of some aspect of Architecture. The work should be concerned with the aesthetics of Architecture and not primarily with social or technical aspects. From 2020 a £300 grant is offered every two years to a pupil nominated by the Head of Art to travel to study architecture (classical or modern).

The Toovey Art Prize is an annual prize for the best sketch or drawing from nature by an art student. In 2020 a one-off £300 grant is awarded to a pupil nominated by the Head of Art to travel to study art (classical or modern).

The Berridge Chemistry Prize is for proficiency in the study of Chemistry. From 2021 £60 is awarded to the candidate with the highest score at Chemistry A level or 1B.

The HW Smith Exhibition is awarded by examination or otherwise to a pupil or pupils in the Classical Fifth Form at the College for excellence in Classical Studies or English Literature, excluding History. To be means-tested at the Headmaster's discretion. Any unspent income to be added to the capital.

The Wheeler Bennett History Prize is awarded for the best essay(s) on European or General, but not English History. From 2021 £100 is awarded to the candidate with the highest score at History A level or 1B.

The James Richford Cricket Prize is awarded to the pupil who has shown the greatest improvement in cricket in the course of the season.

The Photographic Prize is awarded to a pupil for outstanding achievement in Photography.

The RH Farrar Mathematical Prize is awarded to a pupil for outstanding achievement in Mathematics.

The RW Manly Backstage Prize is awarded to the pupil who has made an outstanding contribution to backstage theatre work.

Prize Funds is an amalgamation of many small prize funds. These prizes are distributed annually. The RK Blumenau Philosophy Prize is awarded to the most outstanding pupil in ~Philosophy.

The Roger Short Prize is awarded to pupils submitting the best IB Extended Essay.

The R H Cobb Mathematical Prize is awarded to a pupil for outstanding achievement in Mathematics. The Matthew Hind Golf Prize is awarded to a pupil for outstanding achievement in Golf.

The Arvid Pardo Statistics Prize is awarded to one A level and one IB pupil for outstanding achievement in Statistics.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers £	Investment Gains/ losses £	Balance at 31 July 2022 £
Scholarship	2,651,449	86,619	(15,643)	410,000	(127,022)	3,005,403

Prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers £	Investment Gains/ losses £	Balance at 31 July 2021 £
Scholarship	2,322,390	90,816	(14,928)	-	253,171	2,651,449

The Scholarship Fund fulfils the purpose of providing grants to Malvern College. It is viewed as a permanent investment, the income from which will be used to fully fund education at Malvern College where circumstances are deserving of the same

25 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 July 2022					
Tangible assets	6,681,300	-	-	-	6,681,300
Investments	1,781,718	2,363,672	2,163,794	254,377	6,563,561
Current assets / (liabilities)	1,777,686	641,731	843,670	21,938	3,285,025
	10,240,704	3,005,403	3,007,464	276,315	16,529,886

Prior year (as restated)

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 July 2021					
Tangible assets	6,056,300	-	-	-	6,056,300
Investments	1,872,718	2,488,432	2,262,166	259,813	6,883,129
Current assets / (liabilities)	1,112,756	163,017	2,035,385	21,764	3,332,922
	9,041,774	2,651,449	4,297,551	281,577	16,272,351

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2022 £	2021 £
Aggregate remuneration	14,744	70,196

During the year the Charitable Company received services to the value of £nil (2021 - £6,000) from Social Bubble, an entity in which S Godsland, wife of the Operations Director has an interest.

MALVERNIAN SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Malvern College

At the end of July 2022, £158 (2021: £26) was owed by the Society to Malvern College for amounts paid by Malvern College on behalf of the Society.

As at 31 July 2021, 5 members of staff TUPE transferred from the Malvernian Society to Malvern College. Costs incurred by the College in relation to the Society (including those in relation to staff) were £350,000 (2021: £nil). This represents a gift in kind from the College.

Donations of £366,897 (2021: £938,850) were made by the Society to the School during the year – the majority of this was for bursary support however there were also donations including for disability adaptations and prizes.

27 Cash generated from operation

	2022 £	As restated 2021 £
(Deficit) / Surplus for the year	(367,465)	1,152,053
Adjustments for:		
Investment income recognised in profit or loss	(251,540)	(251,472)
Fair value losses / (gains) on investments	324,128	(699,201)
Movements in working capital:		
Decrease/(increase) in stocks	2,480	(136)
Decrease/(increase) in debtors	18,519	(7,270)
(Increase)/decrease in creditors	(3,275)	496
Cash generated from operations	(277,153)	194,470

28 Analysis of changes in net funds

The Society had no debt during the year.

29 Prior year adjustment

Whilst preparing the 2022 accounts, it was concluded that in accordance with the accounting policy on legacies, a legacy amounting to £20,000 should have been recognised in the prior year.

The effect of the adjustment on prior year fund balances is as follows:

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 July 2021					
(as previously stated)	9,021,774	2,651,449	4,297,551	281,577	16,252,351
Prior year adjustment	20,000	-	-	-	20,000
 Fund balances at 31 July 2021 (as restated)	 <u>9,041,774</u>	 <u>2,651,449</u>	 <u>4,297,551</u>	 <u>281,577</u>	 <u>16,272,351</u>