

Malvern International Plc

Annual Report and
Accounts
2024



Contents

Overview

Highlights	1
------------	---

Strategic report

Chairman's statement	3
At a glance	4
Our services	6
Operating review	8
Our strategy	10
Our markets	12
Spotlight on Juniors	14
Business model	16
Spotlight on University of East London Partnership	18
Key performance indicators	20
Financial review	22
Risk management and principal risks	23
Stakeholder engagement	25

Corporate governance

Board of Directors and Executive Management Team	28
Chairman's corporate governance statement	32
Directors' report	35
Nomination and Remuneration Committee report	38
Audit and Risk Management Committee report	41

Financial statements

Independent Auditor's report	43
Consolidated statement of comprehensive income	48
Consolidated and Company statement of financial position	49
Consolidated statement of changes in equity	51
Company statement of changes in equity	52
Consolidated statement of cash flows	53
Company statement of cash flows	54
Notes to the financial statements	55
Company information	80



Visit our website for further information
<https://www.malverninternational.com>

Highlights

"We continue to grow student numbers in the Pathways and Juniors businesses. Students are achieving high levels of attainment, and we are receiving positive feedback on student satisfaction. Our investments in 2024 to leverage our success with the University of East London ("UEL") have resulted in two new partnerships and a pipeline of new opportunities. With both international study centres due to welcome students from September 2025, we will see a period of forward investment, as we prepare to grow international student numbers, creating a significantly larger organisation."

Richard Mace

Chief Executive Officer



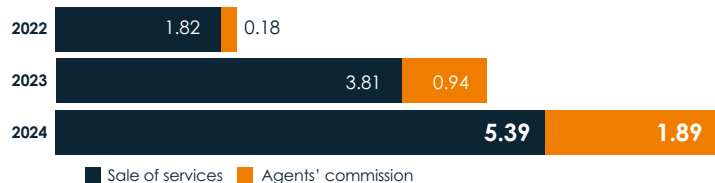
Malvern International is a learning and language skills development partner. Courses are delivered at schools in London and Manchester, and at partner campuses.

Our purpose is to provide students from around the world with opportunities to reach their full potential via access to transformational learning, teaching and support.

Highlights

- Underlying revenue, excluding agent commission income, increased 38.4% to £14.74m (2023: £10.65m); Statutory revenue, excluding agent commission income, for the year was £14.74m (2023: £11.32m)
- Underlying operating profit for the year was £0.22m (2023: £0.51m), with strong performance from Higher Education and Juniors
- Underlying loss for the year was £0.13m (2023 profit: £0.15m), resulting in an Underlying loss per share of 0.53 pence (2023 profit: 0.60 pence) with key contributors to the loss being underperforming Adult English Language Training ("ELT") and forward investment associated with securing new Pathways contracts
- The Statutory loss before tax for the year was £0.15m (2023 loss: £0.14m)
- Group debt reduced from £2.24m to £1.86m in 2024 due to improved cash flows with the remaining balance expected to reduce monthly across 2025
- Continued investment in people, sales and marketing, compliance, and admissions to support future growth

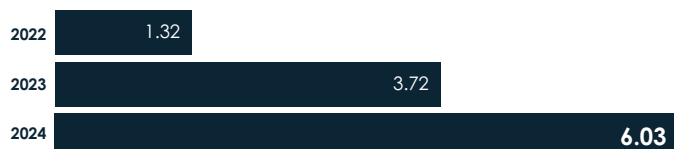
Higher Education revenue (£m)



Adult ELT revenue (£m)



ELT Juniors revenue (£m)



* Underlying numbers exclude the results of the closed Brighton school, the charge for warrants and share-based payments, and the write-back of an historical loan. Refer to note 11 for more details.

Strategic report



Chairman's statement

"We are successfully executing our strategy to build a significant business. While the Board continues to evaluate its approach to Adult ELT, our growth in student numbers and centres is driving positive momentum."

Mark Elliott, Chairman



Our early investments in expanding sales teams and appointing key senior leaders, while maintaining high standards in education and student support, delivered strong top line growth in the Pathways and Juniors businesses. However, the combination of underperformance in Adult ELT and forward investment in securing new Pathways contracts contributed to the loss in 2024.

In Pathways, we saw student growth at UEL in 2024, solidifying its position as one of the UK's largest International Study Centres. Negotiations regarding a new long-term contract with the University of East London (UEL) are progressing at a senior level. In the interim, UEL have confirmed our continued delivery for the September 2025 intake, and we expect the formal agreement for the 2025/26 academic year to be signed shortly. Following the year end, our strategy to expand University Partnerships has progressed with the addition of two new partners: the University of Wolverhampton and the University of Cumbria.

Both universities will welcome international students from September 2025, requiring further investment in our sales and support functions. Importantly, these partnerships allow us to collect a portion of course fees before delivery. As both contracts are delivered on campus, we have no property commitments, ensuring they will be cash flow positive from year one and are expected to contribute to Group profits from FY2026. We have ambitious student targets and expect these partnerships to significantly enhance long-term performance.

In ELT, Juniors had a strong summer season with year-on-year growth. However, the Adult segment faced tough competition, price reductions, and declining student weeks. With low barriers to entry, high fixed property costs, and limited repeat business, our strategy for Adults is under review.

With excellent feedback from our 2024 Junior programme, we are well positioned to expand, adding new centres and offering both ELT and academic programmes beyond London and outside the summer peak season. In 2025, we will add three new Juniors centres, bringing the total to eleven, and with existing capacity, we are targeting further revenue growth from this division.

Going forward, we are focused on improving utilisation across both fixed (Adult ELT) and temporary (Juniors) centres to enhance overall ELT performance. We are in discussions with centre providers to secure multi-year contracts for Juniors programmes, ensuring long-term stability.

For Pathways, we have an established pipeline of opportunities for the coming years and are in discussions about additional partnerships. However, our primary focus for 2025 is successfully delivering our first student cohorts in September, building our partnership with UEL, and ensuring we have the necessary resources to provide exceptional service and outstanding experiences for international students.

We are building a high-quality team that is successfully delivering on our strategy. I would like to take this opportunity to thank our staff for their professionalism, commitment, and dedication to the business.

In conclusion, we are pleased with our progress in creating a much more significant business. While the Board continues to evaluate its approach to Adult ELT, our growth in student numbers and centres is driving positive momentum. Early bookings for the summer peak season are strong, and our two new long-term contracts demonstrate that we are meeting market demand, with a strong pipeline of further opportunities.

Finally, our ability to collect cash upfront is enhancing cash flow stability, enabling us to self-finance the investments needed to achieve our growth plans.

Mark Elliott
Chairman

9 May 2025

At a glance

Global education. Personal success.

At Malvern International, we believe in the transformative power of education, empowering students with the language, academic, and professional skills to achieve their ambitions. Through effective university partnerships, innovative learning, and a supportive global community, we create opportunities for success in education, careers, and personal development.

We offer international students essential academic and English language skills, cultural experiences, and the support they need to thrive in their academic studies, daily life and career development.

50,000+
students trained*

120+
nationalities taught*

* Since foundation.





Higher Education and University Partnerships

We partner with established universities to provide on- and off-campus Pathways programmes, preparing international students to join UK universities for undergraduate and postgraduate degrees.

Depending on our partnership arrangements, we can provide universities with various services, including international student recruitment, education, student support, admissions and orientation.

Our courses include Undergraduate foundation and pre-masters programmes in:

- Business and management
- Accounting and finance
- Humanities and social science
- Engineering and science
- International Year One
- In-sessional and pre-sessional courses

University Partnerships



University of East London

Supporting the growth of the UEL International Study Centre since 2019. See page 18 for more information.



Malvern House London



New International Study Centre opening September 2025



New International College opening September 2025



English Language Training

Adults: British Council accredited and English UK registered ELT at our permanent schools in London and Manchester offering general English, English for Professionals, and exam preparation for International English Language Testing System ("IELTS").

Juniors: Under the Language in Action brand, we host English language and cultural experiences for secondary school students. These are fully immersive, one or two-week residential camps and bespoke group programmes for 13 to 18-year-olds.

Courses are generally focused on improving English language skills, with some offering enhanced academic camps. They are held in various locations in London, with one centre outside the capital. Programmes typically occur over the summer, with some "off-season" courses coinciding with international academic holidays.

See page 13 for more information

Accreditations and memberships

Accredited by the
BRITISH COUNCIL
for the teaching
of English in the UK


UK Visas and Immigration

TRINITY
COLLEGE LONDON
Registered Exam Centre 47529

MEMBER
ENGLISH UK


ISI
Independent
Schools
Inspectorate

el-gazette
Centre of Excellence
2023 -2024



Our services

Student recruitment

Our global agent network remains the backbone of our recruitment strategy, with strong coverage across key ELT and Higher Education markets and clear growth opportunities ahead. In 2024, we continued to expand our network, building our presence in undeserved markets.

Additionally, our UK-based and regional sales teams participate in and organise numerous student recruitment events and roadshows throughout the year, with support from the Marketing Department.

Admissions and compliance

The Admissions and Compliance Department is vital in managing student enrolments, ensuring compliance with regulatory requirements, and supporting our overall recruitment strategy.

The team is responsible for efficiently managing leads and improving conversion rates by providing timely responses to enquiries and guiding prospective students through each stage of the admissions process. Working closely with marketing and recruitment teams, the team ensures a seamless transition from initial enquiry to enrolment.

Compliance remains a key priority, with rigorous processes in place to meet visa regulations and university partner requirements. The department maintains high standards in student verification, pre-Confirmation of Acceptance for Studies ("CAS") checks, and document processing. These measures support student success and safeguard the integrity of our admissions pipeline.

Student orientation, support and pastoral care

We prioritise student welfare through dedicated, trained staff, ensuring comprehensive support and safeguarding. Recognising the importance of Junior student care, we have made substantial investments in their wellbeing, safety, and security, which the British Council has recognised as "excellent."

Our student services team delivers a structured orientation programme to help students integrate academically and socially.

Before arrival, students receive essential information on courses, accommodation, and life in the UK. Upon arrival, induction sessions introduce them to campus facilities, academic expectations, visa compliance, and key support services. To foster a sense of community, we organise activities that help students connect and adjust alongside workshops promoting academic and personal growth. This holistic approach enhances student satisfaction and ensures a positive learning experience.



Teaching and cultural engagement

We currently employ 50 teaching staff in HE and 25 in our ELT divisions, excluding temporary staff employed during peak season for Juniors and Adult ELT.

We recognise that in a world where easy access to English language content is readily available, the experiential element of studying in the UK is an increasingly important driver for students. We aim to ensure that English is a living tool for interaction, personal growth, and cultural discovery throughout their stay.

Teachers lead adult student excursions, integrating language learning with cultural experiences. The academic syllabus and cultural visits are fully integrated for Juniors, combining classroom activities and real-world immersion. From 2025, dedicated tour guides will join the Juniors team, enhancing student engagement and welfare during off-site activities.

Student attainment and progression

For Pathways students, our student services team tracks progress and ensures smooth transitions to university study. By monitoring attendance, assessments, and feedback, we identify students needing support and provide early intervention through tutoring, academic counselling, and pastoral care. To further strengthen university readiness, we provide tailored modules that develop essential academic skills alongside dedicated university application guidance. Close collaboration with university partners ensures that students meet progression requirements. Through these efforts, we enable students to transition seamlessly to higher education, supporting student success and our University Partnerships.

At our English schools, we have a structured approach to progression monitoring to ensure that student development is tracked. Before starting, all students complete an Online English Test and a speaking assessment. Biweekly progress tests allow continuous evaluation and personalised guidance. At course completion, students receive a certificate reflecting their level, formally recognising their progress.

Operating review

“Our investments in 2024 have resulted in two new University Partnerships and we have an established pipeline of new opportunities in Pathways and Juniors.”

Richard Mace, Chief Executive Officer



Higher Education and University Pathways

The student intake at the International Study Centre at the UEL for September 2024 was 489, a 9% increase from the previous year's 447. In 2024, we achieved a 42% increase in revenue, net of agent commission, which passes directly to our agents, and currently have c. 1,000 international students enrolled at UEL.

Students continue to achieve high levels of attainment and satisfaction, and we are continuing our discussions with UEL regarding a potential longer-term contract.

We were delighted to announce two new partnerships post year end with the University of Wolverhampton and the University of Cumbria to expand the universities' international Pathways and pre-masters programmes for international students in preparation for undergraduate and post-graduate degrees. With ambitious growth targets we are aiming to reach over 650 international students annually across both universities within five years.

English Language Training ("ELT")

In ELT, the Juniors division saw another strong summer season with £6.03m revenue from 3,405 students running across eight centres (FY2023: 2,478 students, £3.72m revenue and five centres).

Adult ELT tuition fee revenue, excluding agents' commission, decreased approximately 10% to c. £1.69m (FY2023: £1.88m) as a result of price competition leading to a reduction in course fees and student weeks in the year-round schools. Despite investments in our sales function to increase student numbers and take market share, Adult ELT continues to face tough competition and a high fixed-cost base.

In addition, the industry is still some way off recovering to pre COVID-19 levels (currently 71%). The increase in employers' national insurance contributions from April will further impact operating margins in the business. The Board remains committed to Adult ELT since it shares many resources and sales structures with Juniors and provides the education accreditations required for Juniors and Pathways. However, the Board also recognises that it must operate from a lower cost base to remain viable. The Board is reviewing all options to restore profitability to Adult ELT operations.

Our people

We continue to invest in our teams, bringing in the resources and building a senior leadership team that supports our growth ambitions.

In 2024, we employed 127 members of permanent staff, made up of 61 academic staff and 66 support, sales, and leadership staff. During the peak summer period, this increased by over 50 academic and 40 operation staff.

In the first half, we expanded our sales team with key appointments and welcomed a new Marketing Director, Maya Frost, to strengthen sales and recruitment efforts. In November, we appointed James Findley as Chief Operating Officer. With a strong background in admissions, resource management, and process optimisation, James is leading the Group's strategic operations to drive sustainable growth and innovation. His focus is on delivering meaningful learning experiences for international students while ensuring seamless operations that enhance student experiences and support long-term success.

To support our growing team, we promoted Kelly McGrath to Head of HR. We remain committed to a "right people, right place, right time" approach, ensuring we have the talent needed to drive success. Additionally, we have implemented a robust Talent and Succession process, fostering long-term career growth and development in a positive, rewarding, and innovative work environment.



Financial and student administration

We continue to strengthen and streamline our administrative function. Our admissions and compliance department plays a vital role in managing student conversion and enrolments, ensuring compliance with regulatory requirements, and supporting our recruitment strategy. We maintained high UK visa acceptance rates, reflecting strong quality control in university recruitment and applications.

In 2025, we are investing in new student management software to uphold high standards as application volumes grow. Additionally, we are committed to supporting high student attainment levels by closely monitoring academic progress and ensuring students meet the requirements to progress to their prospective degrees. This is essential for the long-term success of our partnerships and attractiveness of universities to international students.

To achieve this, our centre administrative staff provide both academic and pastoral support, maintaining regular contact with students and implementing early intervention when needed.

Sales and marketing

We created a new Pathways marketing team in 2024, hiring a Marketing Manager and a Marketing Executive. During the year, the team refreshed the Group's marketing strategy. The team was responsible for Malvern's attendance and involvement at over 100 student recruitment events and roadshows across all key regions and has been instrumental in the growth in student numbers.

Outlook

University Pathways continues to grow, with January's intake substantially higher than the previous year at 495 students (January 2024: 319, January 2023: 245 students, January 2022: 80 students). With c. 1,000 students studying on courses for the 2024/25 academic year, UEL is now one of the largest international study centres in the UK.

Our investments in 2024 to leverage our success with UEL have resulted in two new partnerships and we have an established pipeline of new opportunities. With both international study centres due to welcome students from September 2025, we will see a period of forward investment. Both partnerships enable a large proportion of course fees to be collected before course delivery each academic year. Therefore, we expect the partnerships to be cash flow positive in 2025, and contribute to profits from FY2026. We aim to grow international student numbers sustainably at both universities, creating a significantly larger organisation.

In Juniors, we are now taking bookings and will be running eleven centres in 2025, compared to eight in 2024. This includes our first Easter programme and one academic programme to be held at University College London during the summer. These two new programmes align with our strategy to build out-of-season revenues and extend our geographic reach. Our focus for 2025 is to improve centre utilisation across all three divisions.

Against this backdrop, we are focused on delivering increasing revenues and consistent, sustainable profits from long term contracts.

Richard Mace

Chief Executive Officer

9 May 2025

Our strategy

As a global learning and skills development partner, the Group's vision is to invest in and develop its operating businesses in the education sector, to establish centres of excellence, and to deliver long-term revenue and profit growth.

1

Grow revenue through existing business streams

We grow our revenue by increasing the number of international students we recruit and teach, and the time they spend with us.

Objectives

- Leverage our success with UEL to secure new Pathways partnerships with higher education institutions
- Enhance our value proposition to potential partners
- Improve student experience and conversion from application to enrolment
- Optimise our assets to ensure maximum capacity is reached at our centres and programmes
- Develop our agent base while maintaining quality
- Increase direct sales by enhancing our digital presence and lead acquisition strategies
- Build a scalable, multi-site university admissions and compliance function to service existing and future partnerships as a stand-alone service

2

Drive financial performance

This is a key priority. The Group is focused on strengthening its financial position together with revenue and profit growth.

Objectives

- Repay debt to release cash and boost profits
- Improve cash balances
- Apply strong expenditure controls
- Improve reporting and analytics



3

Evolve our services to meet the changing needs of our students and partners

We see growth opportunities in developing new education products and experiences, through organic expansion in our existing settings and exploring new centres to add to our current footprint.

Objectives

- Expanding subject and product mix based on market insights, trends and partner specialisms
- Offer more than just education, including cultural experiences
- Work closely with agents and university partners to understand demand and needs
- Provide university partners with key market insights
- Enhancing student experience. Offering more than just education, such as providing pastoral care, cultural experiences, orientation, accommodation, and ongoing support to international students
- Responding in an agile way to students, agents, and partner requirements. Create an industry-leading student onboarding journey with offers, payment solutions, and communications

4

Ensure a high-performance culture for our people

We develop and engage with our people to offer long-term and rewarding careers and meet the expectations of our students and partners.

Objectives

- Offer competitive pay, terms and conditions, rewards and benefits
- Have a positive, supportive work culture linked to our values
- Recruit talent who are aligned to our values to ensure long-term commitments
- Apply communication strategies to enhance employee engagement
- Develop initiatives to gain "Employer of Choice" accreditation to retain and attract top talent
- Offer talent and leadership programmes, and provide skills training to allow staff to progress
- Establish organisation-wide best practices for team performance management, oversight, and support linked to behaviours and key success indicators

5

Enhance our reputation as a trusted education brand

By building trust with stakeholders and enhancing our reputation as a quality education provider we are able to attract and retain students and secure partnerships.

Objectives

- Maintain strong academic outcomes and attainment levels
- Gain and maintain relevant accreditations, quality assurance, and pass compliance audits for each business unit
- Invest in high-quality environments in our schools where students can maximise their potential
- Select high-quality settings for Juniors courses
- Provide a seamless and responsive student experience from first enquiry through to completion of a course
- Enhance non-academic provision for students such as student support, accommodation and pastoral care
- Set consistent service-level agreements to partners and agents



Our markets

The UK remains the second most popular study destination for international students after the US. The international education market in the UK can be broadly categorised into two segments: Higher Education and English Language Training ("ELT"). Both sectors have promising long-term growth prospects.

The Government's UK International Education Strategy ("IES") aims to enrol 600,000 IHE students each year and increase education exports to £35 bn per year by 2030. The UK has met its international student number ambition for two years running and is on track to meet the export ambition by 2030.

The Government recognises that achieving its 2030 revenue target requires an average annual increase of 3% in education exports. Key to meeting this target is the expansion of IHE at the UK's prestigious institutions and universities, along with supporting all education sub-sectors including ELT and the Juniors market.



International Higher Education ("IHE")

Chart 1: IHE student enrolments – all UK universities

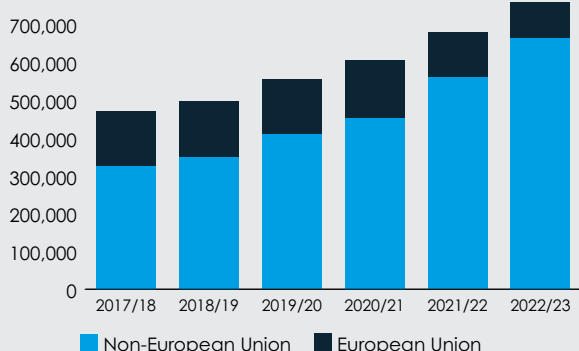
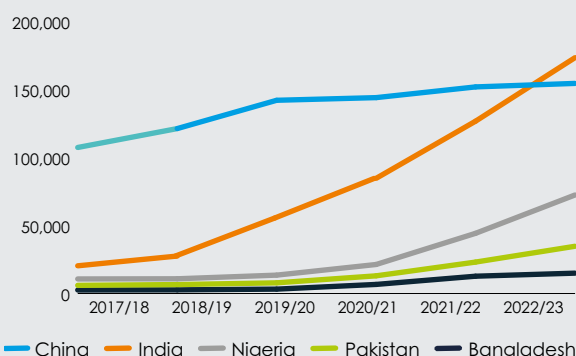


Chart 2: IHE student enrolments – all UK universities



IHE is a growing market in the UK with Government-set student population and revenue targets. The sector is supported by the Government in the form of student visas, which aim to make studying in the UK attractive to international students. UK graduates have the right to stay in the UK to work for two years once they have completed a UK higher education qualification (Bachelors or Masters degree) and three years if they have completed a PhD.

Malvern's sales and marketing strategy focuses on the recruitment of non-European students, which in 2022/23 made up over 85% of total IHE students in the UK (see Chart 1). The Company targets the largest and fastest growing student sending markets, including China, India, and Nigeria. These three countries account for 60% of non-European students (2022/23: 58%). We also attract a high number of Nepalese students, positive testimony to investment in our office presence in the country.

All data above is based on the most up-to-date industry data available.

Sources:

- HESA, Higher Education Student Statistics: UK, 2022/23 – Where students come from and go to study
- BONARD, Quarterly Intelligence Cohort, Executive Summary 2023 and 2024 prepared on behalf of English UK for Q1, Q2, Q3, & Q4
- English UK, 2023
- HM Government International Education Strategy: global potential, global growth, March 2019
- HM Government International Education Strategy, 2023 progress update



English Language Training ("ELT")

Chart 3: Market share and historic trend – all UK ELT providers

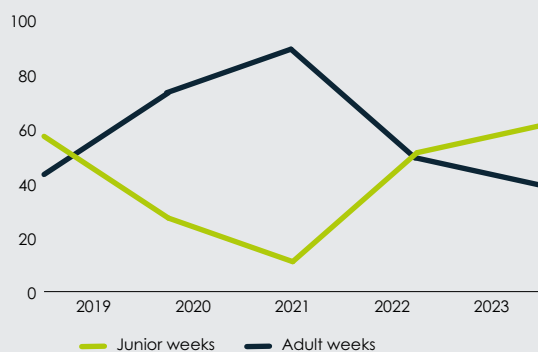
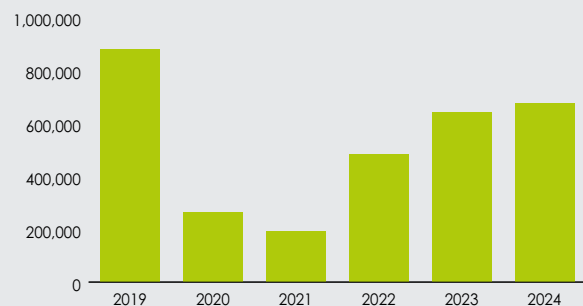


Chart 4: ELT student weeks recovery since 2019



The ELT market comprises two segments: adult courses and junior provision in the form of summer camps. Market research typically groups these two audiences together, despite their differing recruitment strategies and business models. Both segments experience peak seasons during the summer months, but adult ELT is more evenly spread throughout the year. Adult students average stay for 5.4 weeks compared to 1.8 weeks for Juniors, highlighting the predominance of two-week ELT camps for younger students.

The recovery of ELT student numbers in the UK since the pandemic remains slow, reaching 71% of 2019 levels in 2024 (2023: 73%). This sluggish return is attributed to changes in visa policies, economic factors, and increased competition from destinations such as the US and Ireland. In recent years, the UK ELT industry has moved further towards Juniors, accounting for 61% of UK ELT students and 35% of student weeks. This trend is likely to continue in the coming years.

2025 bookings for adult ELT remain a similar level to 2024, but with growth expected from Juniors as we add more programmes. See page 14 for more information on our growth plans.

Our focus for adult ELT is to ensure we maximise our schools' utilisation, through pricing and marketing strategies. A longstanding challenge in the UK ELT market is that students from key source markets are improving their English proficiency through own-country English-language teaching. To remain competitive and to demonstrate the value of studying English in the UK to younger students, Malvern continues to invest in developing specialised academic education programmes tailored to core sending markets.

The UK International Education Strategy recognises the pivotal role UK ELT plays in international trade-led activities. The Department for International Trade and the British Council support this through their networks to promote and support ELT overseas, in collaboration with English UK, of which Malvern is a member.

Spotlight on Juniors



Operating under the Language in Action (LiA) brand, our Juniors division is dedicated to providing inspiring and unforgettable educational experiences for young learners. We offer a range of dynamic programmes that not only teach English but also empower students to grow personally and academically.

Our junior programmes and summer camps are designed to immerse students in vibrant, central locations in London and across the UK. They foster new friendships, inspire growth, and make learning English a truly enriching experience. Celebrating its 10th anniversary this year, LiA is continuing to evolve, regularly ranking among the UK top ten providers, and bucking sector trends to show substantial growth.

Growth ambitions

LiA has achieved considerable growth from 2022 to 2024. During this period, it has evolved from being a base for Italian government-sponsored students in London to a fully international summer camp operator. In 2024 we delivered revenue £6.03m from c. 7,000 student weeks and substantially improved our nationality mix.

We see a substantial opportunity for further growth. In recent years, the UK ELT industry has moved further towards Juniors, which now accounts for 60% of UK ELT student weeks, and this trend is likely to continue in the coming years.

We are in a strong position to capitalise on this growth by:

1. Expanding the number of centres we operate
2. Offering a broader range of locations across the UK outside of London
3. Diversifying our products to include academic and junior leadership programmes in addition to ELT
4. Targeting under-represented nationalities in our student mix compared to the wider market via our own sales team and extensive agent network
5. Seeking multi-year agreements with our university partners
6. Investing in our LiA team to support our ambitious growth



In 2025, we have secured ten summer centres and one spring centre targeting 9,000+ student weeks. Our goal is to grow this to around 12,500 student weeks in 2027 across up to 14 centres, positioning LiA as an industry-leading provider of highly impactful junior programmes.

Our first junior leadership and academic programmes will launch in spring 2025. "Global Futures" is a major milestone in the development of LiA and will extend beyond the summer language camp market to academic and career focused families. As such, the department is being reshaped as a year-round operation that will enable growth and programme enhancement with the addition of two operations and one full-time academic role.

Growth since 2022

	2022	2023	2024
Student weeks	1,960	5,062	6,851
Student numbers	975	2,478	3,405
Number of centres	2	4	8
Number of nationalities	6	6	13
Revenue	£1.35m	£3.72m	£6.03m

Expanding nationality mix

Since 2019, we have diversified our student nationality base from 95% Italian-sponsored students to 63%. In 2024, Asia accounted for 25% of our students, with strong representation from mainland China and Taiwan, where we have established a solid market presence through key partnerships. The MENA region also saw growth, particularly from Saudi Arabia.

With footholds in new territories, we have opportunities to further expand our student demographics in Latin America, Europe (excluding Italy), Turkey, and Central Asia while strengthening our position in China to ensure repeat business.



c.7,000

student weeks
in 2024

3,405

students in 2024

2
weeks

typical length of
camp

15

hours per week in-class
tuition and excursion
programme

8-19

year olds

12-18

students per class

What we offer

Courses for all levels

Language courses for all levels are designed in conjunction with excursions so students can further their language development in real-world situations. We are introducing academic programmes, combining STEM subjects with ELT.

Excellent teaching and student support

Our team are experts in what they do and are on hand to ensure student experiences run smoothly. We integrate UK culture into class experiences and focus on improving speaking confidence.

Range of locations

We offer three styles of centres including city, campus and university experiences. Students can experience living and studying in some of the UK's most prestigious universities and residencies.

Budget to premium packages

Our programmes offer a range of accommodation options, premium packages and budget options, from single en-suite to shared apartments.

Excursions

We provide high-quality excursion schedules led by tour guides, with half-day, full-day, and evening activities. We ensure that each outing is engaging and aligned with class objectives and learning goals.

Student welfare and 24-hour care

We focus on safety and wellbeing and take extra care to ensure the best measures are in place to support and safeguard our students. We provide the whole package including transfers, accommodation, catering and sporting activities.

Locations

- Colindale Campus
- Middlesex University
- Wembley Campus
- Tottenham Hale Village Centre
- University of London, Parry Hall Centre
- University of London, Garden Hall Centre
- University College London Campus, Bloomsbury
- University of Westminster, Marylebone Campus
- University of East London – Docklands Campus
- Dalton-Ellis Hall, University of Manchester
- Oundle School, Peterborough

Business model

We are a student-centred organisation, putting the needs and academic progression of our students first. In doing so, our business is able to thrive, providing new opportunities to form partnerships, employment and career opportunities, and delivering value to our investors.

Group inputs

People

The Group counts over 127 members of permanent staff, made up of 61 academic staff and 66 support, sales and leadership staff. During the ELT peak summer period, we employ 50 extra academic and 57 operational staff.



Premises

Malvern's education centres provide a high-quality focus points for our student body.



Technology

Malvern has made significant investments in our admissions and compliance systems to enhance the end-to-end student journey. Our more robust infrastructure – featuring endpoint technology and API integrations – now enables seamless transitions to university partners, while strengthening data management and information accuracy across the process.



Financial investment

Access to the capital markets enables the Group to grow the business through internal investment on new products, new locations, and acquisitions.



What we offer

Excellent quality, accredited education

Malvern's success and growth is reliant on maintaining its reputation as a quality educator. All our staff have access to training and development and we continually look for ways to improve our educational services.

Flexibility for students

Malvern's courses are available in multiple locations giving students access to a variety of experiences during their learning. Students can choose the time they commit to their education, whether it is part-time, full-time or evening classes.

Sustainable growth in student numbers

The Group aims to grow its student body organically by building its reputation as a quality educator, expanding its product offering, acquiring established complementary education business, and providing an unrivalled student experience.

Underpinned by

A strong culture of innovation and efficiency with no compromise to the quality of education.

Targeting profitable markets while maintaining student nationality mix.

Long-term partnerships

The Group continually improves and expands the range of products and services offered directly or in collaboration with its partners, including universities, corporate customers and accreditors. Its partnerships with regional distribution and sales agent networks are key to student recruitment.

An inclusive community

Many of Malvern's students are living and learning in a foreign country. They rely on Malvern to help find accommodation, organise outings, and social events, and to make the most of their cultural experience. Malvern education centres act as a social, support, and information hub for students and staff bodies.

Strong cost control

The Group maintains tight cost controls across all its operations to ensure efficient use of the resources available.

Varied courses and high-quality and results-driven teaching.

Embedded quality control processes, formalised risk management, and strong IT infrastructure.

Stakeholder outcomes

Students

We create value for students by offering them qualifications and language skills that support them throughout their lives. We are strongly student-centred, ensuring continued progression in learning.



Partners

Our education products and services are an important student recruitment tool for our partners and expand their own geographic reach. We support students so that they are better prepared and have the right qualifications and skills to embark on their chosen courses.



Shareholders

Our aim is to deliver long-term shareholder value through capital gain and, in time, through the payment of dividends.



Staff

We offer long-term career opportunities for our staff in a rewarding and innovative environment.



Spotlight on University of East London partnership

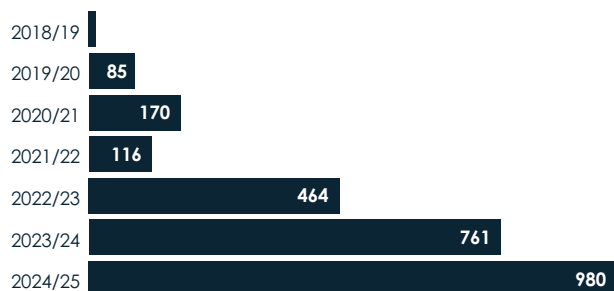


University of
East London

The UEL International Study Centre ("ISC") has reached 980 students in the 2024/25 academic year. Since we began working with UEL in 2019 we have consistently invested in our partnership. We have established relationships across the university, invested in our sales and marketing teams to support recruitment goals, and ensured that progression to the university's substantive programmes are met. As a result, we have over-achieved against recruitment targets and have established an ISC that is amongst the largest in the UK.

Our success

Student enrolments



The success in our partnership and the growth in the size of UEL ISC can be attributed to our continuous investment in recruitment, marketing, and delivery, ensuring both expansion and positive student outcomes. This includes:

- Developing Pathways programmes in response to market demand
- Regularly reviewing and benchmarking entry requirements to align market demand, compliance, and university expectations
- Leveraging the size and scope of our Global Recruitment Team and agent network, providing access to a broader range of agents than UEL works with directly
- Maintaining a strong collaborative approach between Malvern International, the UEL International Office, UEL's Academic Partnership Office, and academic schools
- Employing dedicated admissions and compliance staff who work closely with university counterparts
- Conducting brand-building activities on behalf of UEL in key source markets
- Ensuring fast response times and efficient application processing
- Delivering an excellent student experience with dedicated support from ISC staff throughout the academic year

Focus on quality recruitment

Our global, quality-assured agent network significantly expands recruitment beyond the university's existing agent network.

All agents undergo a rigorous due diligence process and receive regular training on Pathways programmes at the ISC and in-market through the Global Recruitment Team. Our teams participate in hundreds of recruitment activities annually, actively promoting UEL's strengths and career-focused proposition across key source markets.

Prospective students seeking entry into UEL's programmes require a high level of engagement and assurance throughout the admissions process. Our experienced team is well-equipped to manage this applicant funnel, handling high volumes of queries and taking a hands-on approach to guide students through admissions and compliance. This includes continuous engagement with students across multiple platforms throughout the applicant pipeline.

As student numbers have grown, we have expanded our team to support recruitment efforts and ensure fast turnaround times for applications.

360° support

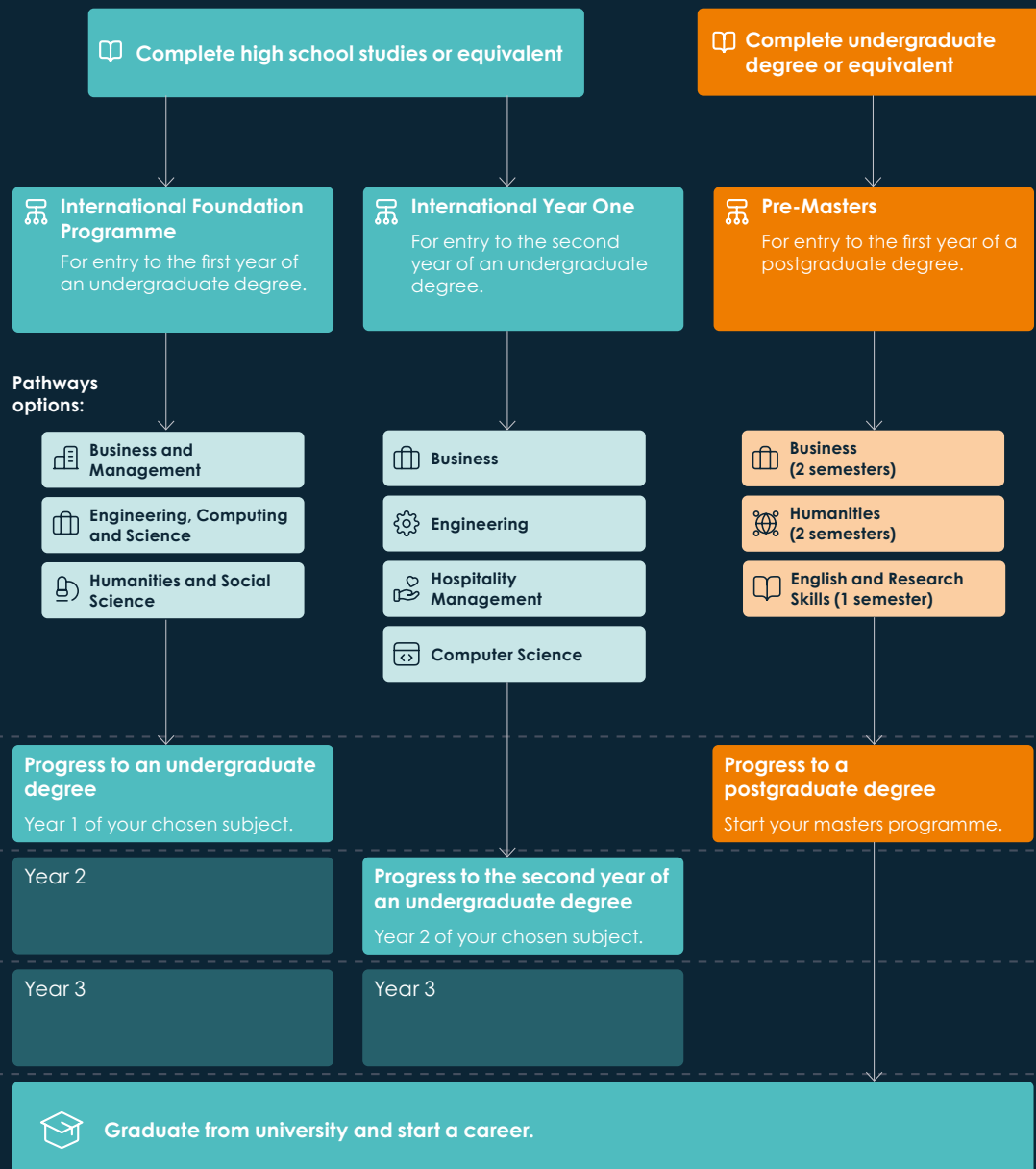
Once students arrive at UEL, we provide a comprehensive range of support services, including:

- **Focused small-group teaching** – Classes of 25 students or fewer for a more personalised learning experience
- **Increased student contact time** – Up to 24 hours of teaching per week over extended terms
- **Regular tutorial and academic support meetings** – Our teaching team is on-site to provide ongoing guidance
- **Dedicated academic support** – Real-time attendance tracking and tailored course-related activities
- **Progression and attainment tracking** – Ensuring students stay on course to achieve their academic goals
- **Non-academic student services** – Including orientation and individualised pastoral care for students facing challenges

Routes to the University of East London

Students can qualify for entry to an undergraduate or postgraduate degree at UEL depending on what Pathways programme is right for them.

A Pathways programme can help students enter a chosen degree by bridging the gap between their current academic and English language qualifications and the knowledge needed for their degree.

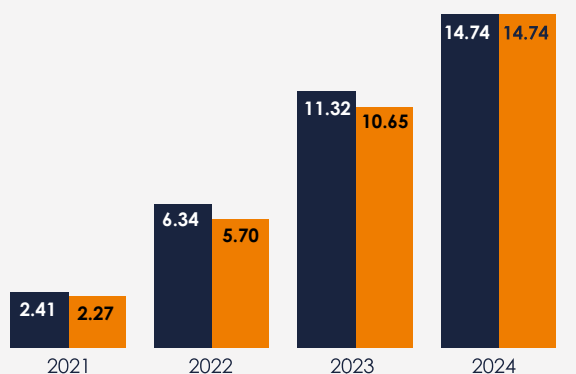


Key performance indicators

Financial KPIs

Financial KPIs are presented as Underlying and Statutory. Underlying excludes the impact of revaluation of warrants and share-based payments, and all of Brighton's revenue and costs. For a breakdown of these Non-Underlying items, please see note 11 for more details.

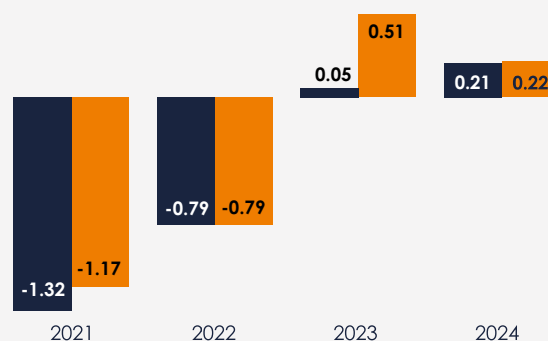
Revenue (£m)



■ Statutory revenue excluding agent commission income
■ Underlying revenue excluding agent commission

Performance: Statutory revenue, excluding agent commission income, increased 38.4% year on year. The strongest performing areas of the Group continues to be HE and Juniors.

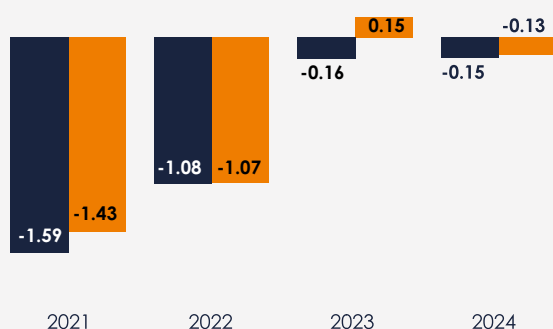
Operating profit/(loss) (£m)



■ Statutory operating profit/(loss)
■ Underlying operating profit/(loss)

Performance: Strong revenue performance from HE and Juniors delivered an Underlying operating profit of £0.22m (2023: £0.51m).

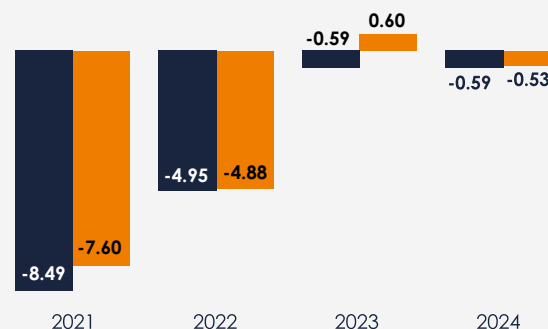
Profit/(loss) year (£m)



■ Statutory profit/(loss)
■ Underlying profit/(loss)

Performance: The Underlying loss for the year was £0.13m (2023 profit: £0.15m). The growth of HE and Juniors are currently the drivers of profitability. Underperforming Adult ELT and forward investment associated with securing new Pathways contracts were the key contributors to the loss in 2024.

Profit/(loss) per share (pence)

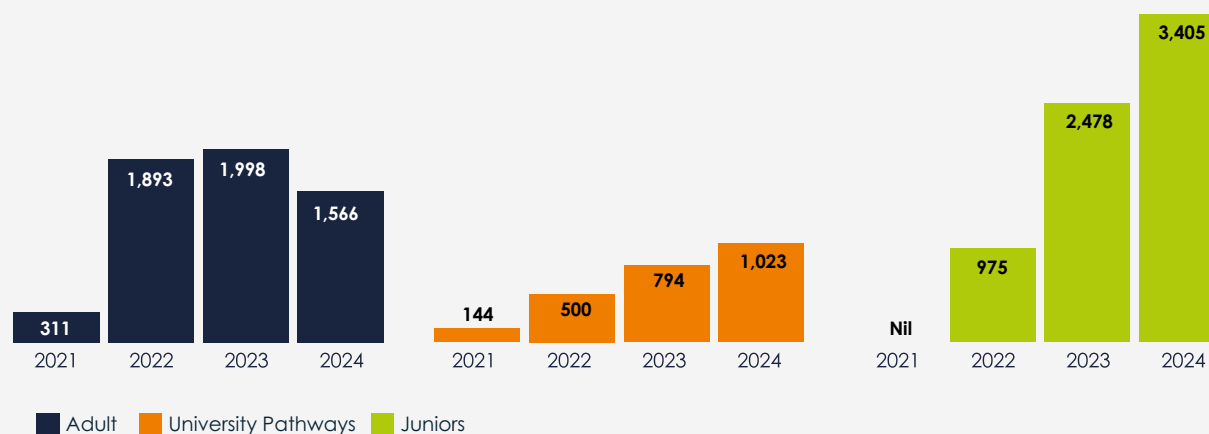


■ Statutory profit/(loss) per share
■ Underlying profit/(loss) per share

Performance: The Statutory loss per share is calculated using weighted average number of shares in issue during the period of 2,442,400 (2023: 2,442,400). The Underlying loss per share was 0.53 p (2023 profit: 0.60 p).

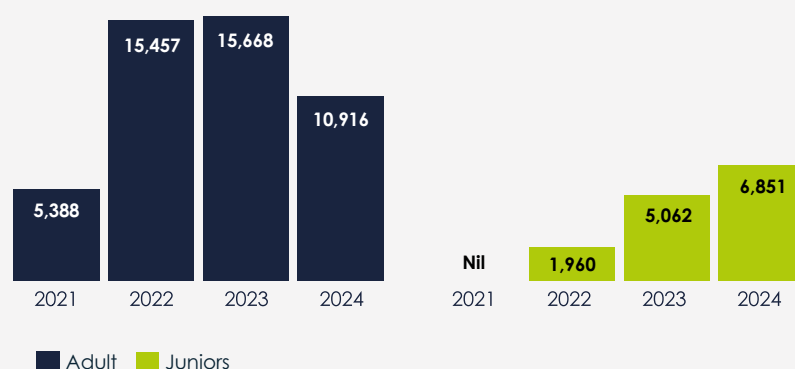
Non-financial KPIs*

Student numbers



Performance: The growth in ELT numbers was due to a strong performance in Juniors, offset by a decline in Adult ELT. University Pathways saw another significant increase in numbers, reflecting Malvern's success with the UEL Partnership.

Student weeks



Total number of weeks delivered to students who undergo a minimum of ten hours per week including in-class and online courses. This metric is relevant to ELT students only.

Performance: The average number of student weeks for ELT fell year on year reflecting an increase in Juniors student numbers, who typically stay for two-week programmes, and a fall in Adult ELT numbers who typically attend courses for four weeks or more.

Financial review

“We continue to make incremental improvements to the balance sheet. Top line revenue growth has translated to an improved cash position. Cash flow is anticipated to improve in 2025 when we begin collecting fees directly from the students under the new Pathways partnership agreements.”

Daniel Fisher, Chief Financial Officer



Financial performance

Underlying revenue, excluding agent commission income, increased 38.4% to £14.74m (2023: £10.65m). Statutory revenue for the year was £14.74m (2023: £11.32m).

The strongest performing areas of the Group continues to be Higher Education (HE) and Juniors. Strong revenue performance from this section of the Group delivered an Underlying operating profit of £0.22m (2023: £0.51m).

The Underlying loss for the year was £0.13m (2023 profit: £0.15m), resulting in an Underlying loss per share of 0.53 pence (2023 profit: 0.60 pence). The growth of HE and Juniors are currently the drivers of profitability. Student numbers increased 28.7% in the 2024/25 HE academic year driving up profits from this part of the Group. Underperforming Adult ELT and forward investment associated with securing new Pathways contracts were the key contributors to the loss in 2024. Despite investments in our sales function to increase student numbers and take market share, Adult ELT continues to face tough competition and a high fixed-cost base.

The Statutory loss for the year was £0.15m (2023 loss: £0.16m). A favourable warrants revaluation (£0.06m) was offset by Non-Underlying costs of finalising the closure of Malvern House Brighton, share-based payments, and ongoing staff restructuring costs across the Group, which together amounted to £0.07m.

Operating costs

Group Underlying salaries and benefits increased in 2024 to £3.89m (2023: £2.69m). This rise can be attributed to forward investment (£0.3m) in staffing in line with the Group's strategy to secure new HE partners and grow student numbers at existing partners. The significant increase in Juniors revenue also resulted in increased delivery costs, including £0.29m in increased centre staff costs. In addition, market challenges around cost of living, salary expectations and staff retention, have also contributed to a rise in our wage bill.

Group Underlying other operating expenses increased to £2.77m in 2024 (2023: £2.04m). A significant proportion of this increase can be attributed to the investment (£0.28m) in growing the Pathways division. This included legal fees

incurred in developing and negotiating new university Pathways contracts, consultants used to accelerate work on winning the new partnerships and exploring the US market, accreditation costs, new systems and website improvements. Travel costs also increased, £0.22m. This spend is having a direct contribution to rising revenues. In-person meetings and events with agents remains a key component to growing student numbers. Travel spend is also important to unlock new markets to diversify our student nationality mix – which is a strategic aim of the Group.

Total Statutory operating expenses were £6.71m (2023: £5.19m).

Consolidated Statement of Financial Position

We continue to make incremental improvements on the Consolidated Statement of Financial Position. Top line revenue growth has translated to an improved cash position. A true representation of this improvement was evidenced during the year when the Group's BOOST&Co. debt was reduced from £2.24m to £1.86m in 2024. We expect to continue to reduce this balance monthly across 2025.

In addition, we continue to reduce the only remaining historical supplier balance from the COVID-19 years – the London rent arrears. In total, £0.09m was paid in 2024, leaving a remaining balance of £0.18m, to be cleared on an agreed payment plan by the end of 2026.

The cash balance at the end of the financial year was £1.39m (2023: £2.20m) – of which £0.91m is payable by the Group for summer accommodation costs due to late invoicing. We continue to manage expenditure tightly. Cash flow is anticipated to improve in 2025 when we begin collecting fees directly from the students under the new Pathways partnership agreements.

Daniel Fisher

Chief Financial Officer

9 May 2025

Risk management and principal risks

To effectively manage risk, the Group maintains a risk register. The risk register serves as a centralised repository documenting all identified risks and the strategies and controls for mitigation. The register allows for ongoing monitoring and review of risks, ensuring proactive measures are in place to mitigate their impact.

Risk review and principal risks	Board	All members of the Board are provided with a copy of the risk register. The register is reviewed in detail at least annually and updated as and when necessary, taking into consideration the nature of risks and the sufficiency of controls.
Risk management and internal controls	The Audit and Risk Management Committee ("ARMC")	The Audit and Risk Management Committee reports to the Board and is responsible for reviewing each business area to monitor the effectiveness of risk management and internal financial controls. Specific financial risks, including those related to foreign currency, interest rates, liquidity, and credit, are evaluated in detail as part of the annual audit.
Risk register	CFO	The CFO maintains a risk register for the Group that identifies key risks categorised into corporate strategy, financial, clients, staff, environmental, and investment community. Within each category, the risks are: <ul style="list-style-type: none"> • Rated based on likelihood and impact • Assigned to a specific individual or department responsible for management • Subject to controls and mitigation measures
Risk identification	Executive Management Team	The Group's risk register is maintained in consultation with the executive management team and the Directors. Staff are regularly reminded to report, anonymously or otherwise, any risks or threats they perceive in the business's operations.

Description

Mitigation

Financial exposures

Risk level: High ↔

The Group faces a number of financial exposures which could potentially impact future operations such as credit risk primarily in respect of its trade receivables, reliance on a small number of customers, margin pressures, currency movements in key markets, and liquidity.

In the last two years, the Group has strengthened its financial systems around cash collection processes, including cash flow forecasts and credit checks. Sales reports and financial performance are reviewed at monthly management meetings. The Group has access to borrowing facilities and fundraising activities. These might be attractive in certain circumstances to provide additional working capital and fund growth opportunities.

The Group is diversifying its student and customer base, through new University Partnerships and a broader sales and agent network.

Regulatory and compliance changes

Risk level: Medium ↔

From time to time, Malvern is subject to regulatory changes and enforcement, which can have a significant impact to the Group through diminished student enrolments.

The Board is mindful that its partners and governing bodies can potentially withdraw accreditation if the Company does not meet the required standards.

Certain staff and third parties have access to market or price sensitive information for which early or untimely release could have a material impact on contract negotiations and/or reputation of the Company.

Management regularly assess exposures in each territory and for each product offering, and takes advice from immigration solicitors specialising in education providers to make adjustments.

The Company ensures it has the correct accreditations in place in order to operate. A register of accreditations and renewal dates is maintained.

An ongoing programme of internal assessment is carried out to ensure the Group maintains standards in an "always-ready" approach for planned and un-planned assessments by governing bodies. Each centre has an individual responsible for quality assurance.

Staff members are regularly appraised of what information is in the public domain and what constitutes price-sensitive information. All staff and third parties where appropriate are subject to confidentiality and non-disclosure agreements.

Risk management and principal risks continued

Description	Mitigation	
Competition and commercial changes		Risk level: Medium ↔
The Group faces the risk of strong short-term competition in the form of intermittent price discounting, loss of major customers to competition, and loss of key staff due to a competitive labour market.	<p>The management closely monitors forward bookings to identify any changes to anticipated sales and monitors competitor pricing, in order to adjust its own pricing and remain competitive.</p> <p>The Group has a strong focus on adding value and reducing costs to customers.</p> <p>Team succession plans are in place and remuneration packages are reviewed regularly to support staff retention.</p>	
Reputational risks		Risk level: Low ↔
Maintaining Malvern's reputation as a quality education provider is vital to the success of the Company. A loss in confidence from accreditors, partners, and customers could have an immediate and profound impact on the business and its ability to recruit and retain staff.	<p>The Board ensures it has the required accreditation and licences to operate (see above for regulatory and compliance changes).</p> <p>The Group has clear policies on responsible and ethical behaviour and has a zero-tolerance policy on corruption and bribery. These policies are displayed in every school and online.</p> <p>The Group provides induction training and regular training to all staff.</p> <p>The Group has clear incident management and crisis management strategies and procedures.</p> <p>The Group has clear student safeguarding procedures and provides pastoral care. Staff with direct student contact undergo necessary safeguarding training and DBS checks.</p>	
Occupational health, safety and wellbeing		Risk level: Medium ↔
Student or staff members are injured in one of our working environments or when under our care.	Risk assessments are undertaken for all working environments. The Group has an accident and incident reporting and investigation process in place. Changes to procedures are communicated and training is carried out regularly.	
Operational risks		Risk level: Medium ↔
The Group collects, maintains, transmits and stores data about its students and employees, including personally identifiable information. However, the Group's security measures may not detect or prevent all attempts to breach such security measures and protocols. A breach of such security measures and protocols could result in third parties gaining unauthorised access to customer and/or employee data stored by the Group, which could expose the Group to litigation, regulatory action and other potential issues.	The Group has a data protection policy and limits the access of users to sensitive information. Group IT is managed by a dedicated IT support company which also manages cyber security. The management will be reviewing its cyber security action plan in 2024.	

Stakeholder engagement

The Board is collectively responsible for the decisions made towards the long-term success of the Company and how the strategic, operational, and risk management decisions have been implemented throughout the business is detailed in this Strategic Report.

The Company's main stakeholders are identified in the business model on page 16, being staff (employees), students (customers), partners (either customers or joint venture partners) and shareholders.

We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible their wishes are duly considered in the Company's decision making, and the formulation of its strategy.

Key activities and decisions in 2024 to meet stakeholder expectations:

- Updated our reporting processes to ensure alignment with the QCA Code 2023 in our FY2024 report
 - Embraced early adoption relating to voting on the re-election of all Directors annually and on Directors' remuneration at the 2024 AGM
- Evolved our people strategy with the following actions:
 - A succession plan was developed in the first quarter of 2024 to follow the deployment of the Company's talent plan
 - Training needs and personal development plans were developed and budgeted
 - The Executive Management Team received soft skills training and membership to professional bodies provided at the Company's expense to ensure the development of key personnel
- Conducted a staff engagement survey and introduced a process of action planning and communicating responses and actions on a quarterly basis
- Enhanced our social activities with the appointment of Corporate Social Responsibility Champions at each site to drive activities, and introduced trackers to monitor progress
- Engaged with existing and potential university partners, securing two additional University Partnerships post year end
- Expanded our agent network, focusing on underserved regions

Staff

As an educational services business, Malvern's strength derives from its employees' commitment, capability, and cultural diversity. The Company adopts a diversity policy at all levels, including candidate selection, role assignment, and individual career development. The Company encourages the participation of all employees in the operation and development of the business by offering open access to senior management, including the Executive Directors, and through regular communications including road shows and the intranet.

An HR-led staff engagement survey provides staff feedback. This survey involves action planning and communicating "you said, we did" actions on a quarterly basis. The Company's reward and recognition scheme also supports staff feedback and performance recognition.

Group policies are regularly reviewed and updated, communicated to all staff, and easily accessed via the Company intranet.

The Group incentivises employees through share-based incentives and the payment of bonuses and commissions linked to performance objectives. Where appropriate, these objectives are linked to profitability.

We continue to focus on enhancing our colleagues' personal development, with performance appraisals leading to a training needs analysis for our each staff member.

The Executive Management Team (see page 30) is charged with driving the delivery of our strategy as set out on page 10.

The Nomination and Remuneration Committee oversees and recommends executive remuneration and any long-term share-based incentives. The Board encourages management to improve employee engagement and provide necessary training so that employees can use their skills in the relevant areas of the business.

Students

Our purpose, mission, and values place our students at the heart of all of our operations, and their success is key to our future strategic developments. We proactively seek student feedback around every aspect of our operations, including regular surveys and informal discussions with individuals and groups of students.

Stakeholder engagement continued

We integrate this continual informal feedback with more formal mechanisms, such as student representative groups and course committees and similar forums in our University Partnerships. We report back to our students as to how their views have informed developments within our centres via regular two-way dialogue, and ensure the closeness of relationships between staff and students continues to be identified within accreditation and inspection reports as a strength within Malvern.

Partners

The Board acknowledges that a strong business relationship with partners, customers, and agents is a vital part of our growth strategy. These relationships are informed by our interactions with our students as detailed above.

Within our student recruitment function, we are in continuous contact with our agent and sponsor partners. We arrange to meet with key partners on a regular basis, and take part in industry events to help facilitate joint discussions.

We are members of a range of educational organisations, such as English UK, where we meet with peers and discuss areas of common concern and key developments for our business. We are looking to expand our reach in terms of partner organisations to help realise our strategic goals.

Within our University Partnerships division, we continue to solidify joint governance and management arrangements with our partners. We continue to participate in regular joint operations meetings covering China, admissions, space, student performance, and recruitment. These meetings will ensure that recruitment, admissions and compliance are working efficiently to maximise student numbers, progression and to ensure a quality student experience. Our meetings ensure alignment between our role as a service provider and UEL's goals, and enable us to discuss opportunities and challenges collectively.

Whilst day-to-day business operations are delegated to the Executive Management Team, the Board sets directions with regard to new business ventures and initiatives.

Suppliers

The Board upholds ethical business behaviour across the Group and encourages management to seek comparable business practices from all suppliers doing business with the Company. For more information please see the Corporate social responsibility section on pages 36-37.

Community

The Board recognises its responsibility towards the community and environment, and it is Group policy to be a good corporate citizen wherever it operates.

The Group adopts a proactive approach towards community education-driven initiatives, particularly where they involve the education of those less fortunate. The Group is currently involved with Refu-Aid, offering free language courses to refugees.

More detail can be found in the Corporate social responsibility section in this report on pages 36-37.

Shareholders and debtholders

The Board places equal importance on all investors and recognises the significance of transparent and effective communications. As an AIM listed company we are required to provide fair and balanced information in a way that is understandable to all stakeholders and particularly our shareholders, with clear information on the Group's activity, strategy and financial position. Details of how the Company communicates with its shareholders can be found in the Chairman's Corporate Governance Statement on page 32.

Corporate governance



Board of Directors and Executive Management Team

The Board of Directors

The Board is responsible for formulating, reviewing and approving the Group's strategy, budget, and corporate actions.



Mark Elliott
Non-Executive Chairman

Date of appointment: 1 July 2019

Mark is a Chartered Accountant who has had a long executive career in the education, technology, and corporate finance sectors, including finance and management roles operating in Europe, the USA, and South Africa. He has extensive AIM experience having brought two technology companies to the market together with associated fund raises. He brings with him a strong knowledge in governance, public markets, and investor relations.

External appointments: Chairman of AIM listed Journeo Plc and trustee of two charities, the Clockmakers' Charity, and the Metropolitan Drinking Fountain and Cattle Trough Association.

Committees: Audit and Risk (Chairman) and Nomination and Remuneration



Richard Mace
Chief Executive Officer

Date of appointment: 30 June 2020

Richard Mace was formerly the co-owner of the Communicate School of English, Manchester which he co-founded in 2013 before it was acquired in July 2018 by Malvern. He was responsible for overseeing year-on-year growth in the business in terms of student numbers, revenue, and EBITDA. In addition he successfully built a well-trusted brand, established an international B2B sales agency network, set up digital marketing strategies, introduced and developed IT systems, and successfully gained British Council and Independent Schools Inspectorate accreditations.

Prior to founding Communicate, Richard worked in telecoms for large organisations such as Vodafone.



Daniel Fisher
Chief Financial Officer

Date of appointment: 6 December 2021

Daniel Fisher was appointed to the Board of Directors having worked as Malvern's Head of Finance since January 2021. Before joining Malvern, Daniel held a number of financial leadership roles including European Financial Controller of Newell Brands plc, Group Financial Controller of QANTM Intellectual Property Ltd., and Head of Finance/ Financial Controller of FPA Patent Attorneys Pty. In addition to leading an SME in Australia through a successful IPO as Head of Finance, Daniel's listed company experience at group level also includes management of audits for a multinational SME and merger and acquisition transactions.

Daniel attends Audit and Risk Committee meetings by invitation.



Alan Carroll
Non-Executive Director

Date of appointment: 1 October 2019

Alan has over 30 years' experience in the information systems industry, including working in a senior capacity in the development of the Ministry of Defence's Information System Strategy and then as a senior sales manager and adviser to a number of major software and systems integration companies. He is the founder and Managing Director of Ultris Limited, a niche software and services organisation operating in the confidential government sector. In addition, he was appointed as an independent Non-Executive Director at Ideagen Plc when it listed in July 2012 at a market capitalisation of £13m and was a Board member chairing the audit and remuneration committees until the company was acquired by HG Capital for £1.3bn in July 2022. He was also a non-executive director at Goal Group Limited, a private UK listed company. Alan was voted Non-Executive Director of the year in the May 2019 Money Week Mello awards.

External appointments: Ultris Limited

Committees: Nomination and Remuneration (Chairman) and Audit and Risk

Board of Directors and Executive Management Team continued

Executive Management Team (“EMT”)

In addition to the CEO and CFO, the EMT consists of senior members of Malvern's management team, who all have significant experience working in the international education sector and are charged with delivering the Group strategy as set out on page 12.

The EMT is dedicated to help drive the strategic growth of the organisation with an unwavering focus on delivering quality education and student experience. With a clear vision and mission to continue to change the lives of international students through the power of education, the EMT works to ensure that quality curricula, teaching and partnerships are central to every aspect of the business.

The EMT is in daily communication and meets formally fortnightly to discuss progress against set objectives, raise any concerns and potential risks to the business, and discuss business development and performance against internal budgets. Any material concerns are raised and communicated to the Board and, where necessary, are discussed at scheduled Board meetings.

To facilitate the execution of the Group Strategy, staff accountable for Malvern's business divisions and functional areas hold Monthly Business Review (MBR) meetings, involving staff from each area, to report and review progress being made and key developments.



James Findley
Chief Operating
Officer

Appointed in November 2024, James Findley leads strategic operations, driving growth, efficiency, and the development of new education centres. With a strong background in admissions, resource management and process optimisation, he ensures seamless operations that enhance student experiences and drive long-term success.

Previously, James held senior roles at Cambridge Education Group and Coventry University, spearheading operational improvements, scaling new learning centres, and implementing strategies to enhance student recruitment and retention. He holds an Executive MBA from the University of Birmingham and a Law with Criminology degree from the University of Derby. A Chartered Manager Fellow (CMgr FCM), he is also certified in PRINCE2 project management and NEBOSH health and safety.



Stephen Harvey
Chief Development Officer

Stephen Harvey is responsible for growing Malvern's global network of University and Higher Education partnerships.

With 40 years of successful teaching, research, policy, governance and senior management experience in the global education sectors, Stephen has held the positions of Non-Executive Director at Sannam S4, Founder and Global Managing Director of Cambridge Education Group's ONCAMPUS Higher Education Pathways Division, Head of Higher Education Advisory Services at KPMG UK, Project Manager UK Government Department for Education Strategy and Innovation Unit, and UK Managing Director of Study Group. He is currently a Trustee of Cumberland Lodge.



Ashleigh Veres
Senior Director, University
Recruitment and Partnerships

Ashleigh is responsible for nurturing and developing new University Partnerships and leads an inspiring team responsible for student recruitment to our university partners. Working closely with university partners to realise their internationalisation goals, Ashleigh has developed strong partnerships that advocate for the opportunities that international education provides our students. As part of her remit, Ashleigh develops and operationalises recruitment strategy, working cross functionally with colleagues at Malvern and our university partners to ensure that recruitment targets are achieved and we build sustainable recruitment pipelines. Ashleigh joined Malvern International in 2020 and has a previous track record of success at INTO University Partnerships and the University of Bradford.



Emiliano Sallustri
Managing Director of ELT

Emiliano is Malvern's strategic lead for the growth and development of our ELT division adult and junior centres ("Language in Action"). With a strong background in the travel language industry, Emiliano works closely with key sponsors and partners to ensure that we offer exciting and innovative learning opportunities for individuals and groups.

Emiliano was the co-founder of the Language In Action brand of junior schools that came into the Malvern Group in 2019.



Maya Frost
Marketing Director

Maya joined us in 2024 as Marketing Director, bringing a wealth of expertise to redefine our marketing strategy. With a sharp focus on our priorities in Pathways and ELT, she is driving brand enhancement and market expansion to fuel our growth ambitions.

With over 17 years of experience in marketing – specialising in digital strategy – Maya has held key roles at leading organisations, including Cambridge Education Group and the British Council. A recognised leader in international marketing and the Higher Education sector, she has spearheaded award-winning campaigns such as the Study UK campaign, which generated hundreds of millions of pounds in revenue. Her strategic vision and proven track record position her as a key force in elevating our brand and impact on a global scale.



Kelly McGrath
MCIP, Head of HR

Kelly has over 15 years of HR experience and is a Member of the Chartered Institute of Personnel Development. She is responsible for the development and delivery of the People Strategy. Kelly works with the Executive Team to define and deliver business growth plans. A true HR generalist and People Partner, Kelly gained experience within the Manufacturing and Aerospace industries before making the move to education and supports all areas of the business, but is particularly passionate about people development and engagement.

Chairman's corporate governance statement

Dear Shareholder,

As Non-Executive Chairman, I am responsible for instilling high standards of corporate governance within the Company. It is my responsibility to ensure the effectiveness of the Board on all aspects, including good governance in dealing with all of our stakeholders. This includes ensuring that Board meetings are held in an open manner, that the Directors receive accurate, timely, and clear information, and allowing sufficient time for agenda items to be discussed. I am also responsible for ensuring the Company has effective communications with shareholders and relaying any shareholder concerns to fellow Directors.

The Board is committed to applying high standards of corporate governance and evolving them as the business grows. The Company has adopted the Quoted Companies Alliance Code ("QCA") 2023 to provide a framework against which to do this, it being the most appropriate recognised governance code for the size and structure of the Group.

Workings of the Board

The Directors consider seriously the effectiveness of the Board, its Committees, and individual performance. The Board is responsible for formulating, reviewing, and approving the Company's strategy, budgets, and corporate actions.

At the date of the report, the Board has four members, comprising two Non-Executive Directors and two Executive Directors. Biographies and roles of the Directors are set out on page 28.

The Directors believe that the Board as a whole has a range of commercial and professional skills which enable it to discharge its duties and responsibilities effectively. The independent Non-Executive Directors ensure that independent judgement is brought to Board discussions and decisions. All Directors are encouraged to use their independent judgement and to challenge all matters whether strategic or operational.

The Board meets formally at least twelve times a year with additional ad-hoc Board meetings as the business demands. The Board is responsible for setting and monitoring Group strategy, reviewing trading performance, and formulating policy on key issues. The time commitment formally required by the Group is an overriding principle that each Director will devote as much time as is required to carry out the roles and responsibilities that the Director has agreed to take on.

There is a strong flow of communication between the Directors. Board meeting agendas are set in consultation with both the CEO and Chairman, with consideration being given to both standing agenda items and the strategic and operational needs of the business. Comprehensive Board papers are circulated well in

advance of meetings, giving Directors ample time to review the documentation and enabling an effective meeting. Minutes are drawn up to reflect a true record of the discussions and decisions made. Resulting actions are tracked for appropriate delivery and follow-up. The Board maintains close dialogue by email, telephone, and conference calls between scheduled meetings. The frequency of communications at Board level in 2024 was maintained at a similar level of the previous year. The Board was in regular consultation with regards to the Group's cash resources in order to monitor and manage cash outflows, implementing strict cash control measures and remaining in close contact with our debt provider.

The Non-Executive Directors ensure that their knowledge of best practices and regulatory developments, including governance requirements, is continually up to date by attending relevant seminars and conferences.

Attendance at meetings during 2024

Director	Board meetings (12 meetings held)	Audit and Risk Committee (3 meetings held)	Nomination and Remuneration Committee (3 meetings held)
Mark Elliott	12	3	3
Alan Carroll	12	3	3
Richard Mace	12	—	—
Daniel Fisher	12	—	—

Strategy and risk management

A description of the Group's business model and strategic priorities can be found on pages 16 and 10 and the key challenges in their execution are detailed in the Chairman's Statement on page 3 and Operating Review on page 8. The Board is responsible for establishing and maintaining the Group's systems of internal financial controls and importance is placed on maintaining robust operational controls.

The Audit and Risk Management Committee (see page 41) has responsibility for the oversight of the Group's risk management, internal controls and procedures, and for determining the adequacy and efficiency of internal control and risk management systems. The Board continuously monitors and upgrades its internal control procedures and risk management mechanisms, and conducts an annual review, where it assesses both for effectiveness. This process enables the Board to determine if the risk exposure has changed during the year and these disclosures are included in the Annual Report. In setting and implementing the Group's strategies, the Board, having identified the risks, seeks to limit the extent of the Group's exposure to them having regard to both its risk tolerance and risk appetite. Further details on the Group's risk management and internal controls can be found on pages 23 to 24.

Matters reserved for the Board

The Board has a formal schedule of matters reserved for its specific approval which includes:

- *Strategy and management*: review and approval of long-term Group strategic, operational, and financial matters such as proposed acquisitions and divestments
- *Financial reporting*: approval of the Annual Accounts and Interim Report, the annual budget, significant transactions, and major capital expenditure
- *Internal controls*: ensuring maintenance of a sound system of internal control and risk management
- *Finance*: raising new capital or major financing facilities, operating and capital expenditure budgets
- *Communications*: approval of resolutions put forward to shareholders, approval of circulars, and approval of press releases concerning matters decided by the Board
- *Board membership* and other appointments
- *Delegation of authority*: division of responsibilities between the Chairman, CEO and CFO, including the CEO's and CFO's authority limits and the establishment of Board committees and approval of terms of reference of Board committees

The Board delegates specific responsibilities to two Committees:

- The Audit and Risk Management Committee
- The Nomination and Remuneration Committee

Both committees have formal written terms of reference. These terms of reference are available on the Group's website.

The Audit and Risk Management Committee

The Audit and Risk Management Committee comprises the two Non-Executive Directors, Mark Elliott (Chairman) and Alan Carroll. The Committee meets at least three times a year. Details of the responsibilities of the Committee are set out on page 41. Where necessary, specialist external consultants are used to assist the Committee. The Audit and Risk Management Committee Report is set out on page 41.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises the two Non-Executive Directors, Mark Elliott and Alan Carroll (Chairman). Details of the Committee's responsibilities are set out on page 38. Where necessary, external recruitment consultants assist the Committee. The Committee Report is set out on page 38.

Election and re-election of Directors

Directors, including those appointed since the last Annual General Meeting, submit themselves for re-election each year at the Annual General Meeting, as set out in the Directors' Report on page 35 and in the separate Notice of Annual General Meeting sent to all shareholders.

Board evaluation

A Board evaluation process led by the Chairman takes place at least annually. It consists of informal discussions relating to contributions made, roles to be fulfilled, and effectiveness in a number of areas including general supervision and oversight, business risks and trends, succession and related matters, communications, ethics and compliance, corporate governance and individual contribution.

We have considered the use of external facilitators in Board evaluations, however based on our current scale of operations and the frequent contact that exists between all Board members, maintaining our current approach is considered the more appropriate and effective form of evaluation.

Succession planning

As the business expands, the Executive Directors will be challenged to identify potential internal candidates who could potentially occupy Board positions and set out development plans for these individuals. To support this, the Company developed a succession plan in 2024 for senior leaders as part of a wider Company Talent Plan. Any roles that cannot be filled internally will be recruited from outside the organisation. Benchmarking and labour market reviews are carried out to support recruitment if and when necessary.

Corporate culture and social responsibility

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and, therefore, the Group's performance. The Board is aware that the tone and culture it sets greatly impact all aspects of the Group and the way that employees behave.

The corporate governance arrangements that the Board has adopted are designed to ensure that shareholders can express their views and expectations for the Group in a manner that encourages open dialogue with the Board.

The Group's activities are centred on addressing customer needs. Therefore, sound ethical values and behaviours, as well as open and respectful dialogue with employees, customers, and other stakeholders, are crucial to the Group's ability to achieve its corporate objectives successfully. The Board places great importance on these aspects of corporate governance and seeks to ensure that they flow through all the Group's activities.

Chairman's corporate governance statement continued

The Board assesses the culture within the Group as one that respects all individuals, encourages open dialogue amongst all levels of staff and individuals, and is committed to providing the best service possible to the Group's customers.

The Group is committed to ensuring that the highest quality teaching and education standards are embedded in the services it provides. The Group provides the highest service standards to maintain long-term partnerships with its customers and sales agents. This is reflected in the growth of the customer base and the ability to maintain existing and form new partnerships that support the overall growth of the business.

The Group has a range of policies to ensure these standards are maintained and that the Group's corporate culture is well understood by all individuals and adopted into everyday behaviours. These policies form part of the Group's Employee Handbook and are updated and reviewed regularly.

Details on corporate social responsibility can be found on page 36.

Internal controls

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness. Internal control systems and procedures are reviewed annually and are designed to meet the needs of the Group and the risks to which it is exposed. The procedures are designed to manage rather than eliminate risk faced by the Group, and can only provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Directors have established with a view to providing effective internal controls are as follows:

Management structure and delegated authority

Authority is delegated to the EMT through Group authorisation limits on a structured basis, ensuring that proper management oversight exists at the appropriate level. The composition of the EMT with biographies can be found on page 30. EMT meetings are held fortnightly and are attended by other senior management members as required. Regular updates are provided by the heads of divisions and operations. Any key issues from these meetings are reported to the Group Board.

Control environment

The Group's control environment is the responsibility of the Directors and managers at all levels. A review of the key risks facing the business and the effectiveness of the Group's internal controls is performed annually.

Monitoring systems used by the Board

The Board reviews the Group's performance against budgets on a monthly basis. The Group's cash flow is monitored monthly by the Board.

Shareholder communications

The Board attaches great importance to providing shareholders with clear and transparent information on the Group's activities, strategy, and financial position, and regards regular communications with shareholders as one of its key responsibilities. The Group is committed to engaging with shareholders, and the Chairman and CEO lead this effort.

A clearly laid-out investor relationship strategy is in place. The primary communication tool with shareholders is the Regulatory News Service ("RNS") on regulatory matters and matters of material substance.

The Group's website provides details of the Company's Annual Report and Notices of Annual General Meetings ("AGM") are available to all shareholders along with the Interim Report and investor presentations.

To gauge shareholder sentiment, the Company typically meets with the key shareholders every six months, normally at the time of the final and interim results and when necessary.

The Board is aware of the need to protect the interests of minority shareholders and balancing these interests with those of more substantial shareholders. The Company holds an open Q&A session at every AGM and encourages all existing and potential shareholders to contact Board members at other times of the year. This communication allows the Board to understand shareholders' views, and to ensure that the strategies and objectives of the Group are aligned with shareholders. In its decision making, the Board has regard to the ascertained expectations and needs of its shareholders in accordance with its statutory and fiduciary duties.

The Company welcomes shareholder contact at any time, and contact details can be found on the website at www.malverninternational.com

Mark Elliott
Chairman

9 May 2025

Directors' report

The Directors present their report and the audited accounts for the year ended 31 December 2024.

The principal activities of Malvern International Plc are to provide quality education services, preparing students and learners to meet the demands of a professional life. Courses are delivered in the UK and focus on preparing students for higher education and English language teaching.

A detailed explanation of the Company's principal activities can be found on page 6.

Business model

The Company's business model is to:

- Form long-term partnerships with higher education institutions to deliver Pathways pre-university foundation classes on behalf of its partners. We aim to offer our services more efficiently than our partners can themselves
- Provide language teaching direct to its students through its two UK-based language schools
- Grow its language student base through direct sales and via third-party agents
- Provide short immersive English language and cultural camps year round generally to foreign high school students

We compete in the market by offering excellent quality and competitively priced education. The Company's growth is driven by organic growth through the acquisition of new customers and, when appropriate, acquiring established businesses operating in the same or related markets.

Additional details of the Company's business model can be found on page 16. The Company benefits from operating in a market which has long-term growth prospects. More information on our markets can be found on page 12.

Strategic priorities

As a global learning and skills development partner, the Group's vision is to invest in and develop its operating businesses in the education sector, to establish centres of excellence, and to deliver long-term growth and sustainable profit.

Each year the Board and management set strategic priorities, and monitors performance against them throughout the year. The strategy and strategic priorities are set out on page 10.

Review of the business and future developments

A review of the business and its outlook, including commentary on the key performance indicators, can be found in the Strategic Report on page 20. The principal risks and uncertainties facing the Company are included on page 23. The Company's social, environmental, and ethical policies are set out in the Chairman's Corporate Governance Statement on page 32. A summary of the outlook for the Group is given within the Chairman's Statement on page 3.

Group results

The Group Underlying loss before taxation for the year was £0.13m (2023 Underlying profit: £0.15m). Statutory loss before taxation for the year was £0.15m (2023 Statutory loss before tax: £0.14m).

Dividends

The Directors do not recommend a dividend (2023: nil).

Capital structure

The Company has ordinary shares of 1 p and deferred shares of 5 p, 1 p and 0.1 p in issue. The shares are listed on AIM, a sub-market of the London Stock Exchange. Holders of ordinary shares are entitled to vote at Company meetings, to receive dividends and to the return of their capital in the event of liquidation.

Holders of deferred shares have limited rights. Limitations on the rights of deferred shares include no entitlement to vote at general meetings and deferred shares are not freely transferrable.

Going concern

The financial statements have been prepared on a going concern basis. The Directors consider the going concern basis to be appropriate having paid due regard to the Group and Company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of loan facilities, and mitigating actions that can be taken during that period.

Boost&Co. is the Group's Term Loan provider. The current debt in the accounts of Malvern International Plc is £1.86m. BOOST&Co. Limited, acting on behalf of IL2 (2018) Sarl, have again provided a letter of comfort to provide ongoing financial support to the Company for any short-term working capital requirement should that become necessary. It is the present policy of BOOST&Co. to ensure that the Company has adequate financial resources to meet their obligations and to enable it to

Directors' report continued

continue as a going concern for a period of at least 12 months from the date of the signing of the financial statements.

The Company has not required any cash from BOOST&Co., or shareholders in the past two years, which highlights the sustained growth and the Company's significantly improved financial position post COVID-19.

The significant revenue growth seen in 2024, in combination with the visibility of University Pathways revenue in H1, 2025 gives the Board confidence about Malvern's short and long-term prospects. In addition, the Company signed two new Pathways partners in Q1 2025, with the first intake of students due in September 2025.

In our Pathways division, student numbers are up circa 32% on the prior academic year (2023/24 v 2024/25), which reflects the significant investment in this division. Our Juniors summer camps continue to experience rapid growth, delivering circa £6.03m (2023: £3.7m) in revenue to the Company. Pre-bookings for 2025 summer camps are very encouraging and revenue growth is expected as an outcome.

Profit and cash flow projections for the Company indicate that the Company is expected to be profitable in 2025. The Directors therefore continue to adopt the going concern basis in preparing the financial statements.

Despite significant revenue growth in 2024 and forecasts for 2025, UK and global macroeconomic factors continue to create uncertainty in the Group's forecasts. The continued commitment from the Group's lenders in the

form of the letter of support provides confidence to the Group in respect of future funding. However, there still remains a material uncertainty with respect to the going concern status of the Group.

Subsequent events

Details of subsequent events can be found in note 28 of the financial statements.

Directors

Biographical information for each of the Directors is set out on page 28, together with details of the date of appointment, membership of Board committees, and any external appointments.

The Company's Articles of Association require that each Director retire from office and seek re-election after the general meeting at which they were last appointed and every year thereafter.

Directors' interests in shares

The Directors' beneficial interest in the ordinary share capital of the Company are set out within the Remuneration Report on page 38.

Significant shareholders

As at 31 December 2024 the Company was aware of the following major shareholders representing 3% or more of voting rights attached to the issued ordinary share capital of the Company.

	Number of ordinary shares 1p	Percentage held
Lombard Odier Asset Management (Europe) Limited	2,601,018	10.64%
Chris Woodgate	2,005,169	8.20%
IL2 (2018) – BOOST&Co.	1,996,187	8.17%
Mr Richard Mace	1,844,802	7.55%
Edward Roskill	1,201,754	4.92%
Alan Carroll	751,826	3.08%

Directors' and officers' liability insurance and indemnity

The Company has purchased insurance to cover its Directors and officers against their costs in defending themselves in any legal proceedings taken against them in that capacity and in respect of damages resulting from the unsuccessful defence of any proceedings.

Corporate social responsibility

The Directors are aware of the Company's responsibilities to the communities within which they operate and are keen to adopt a proactive approach towards community education-driven initiatives, particularly where they involve the education of those less fortunate members of the respective communities. The Group continues to be involved with Refu-Aid, offering free language courses and education camps to refugees, as well as supporting local charities.

The Group's responsibilities to stakeholders including staff, suppliers, shareholders, and customers, as well as wider society are also recognised. The Board has regard to the feedback of all stakeholders in its decision making and the formulation of strategy.

The environmental impact of the Group's activities is carefully considered, and the maintenance of high environmental standards is a priority.

CSR Champions are appointed at each site to drive activities, supported by HR and the EMT. Trackers are in place to monitor progress against objectives.

Political donations

There were no political donations made by the Group during the year (2023: nil).

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards and applicable law.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period.

In preparing each of the Group and parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations. They are also responsible for ensuring that the Strategic Report and the Directors' Report and other information included in this Annual Report and financial statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Malvern International Plc website is the responsibility of the Directors; the work carried out by the auditor does not involve the consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Auditor

Cooper Parry Group Limited ("Cooper Parry") is the Company's appointed external auditor and responsible for auditing the Company's financial statements for the financial year to 31 December 2024.

Statement of disclosure to the Independent Auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that so far as that Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware. Each Director has confirmed that they have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Annual General Meeting

The resolutions to be proposed at the AGM will appear in the Notice of the Annual General Meeting together with the explanatory notes. This will be circulated with the Annual Report when sent to all shareholders.

ON BEHALF OF THE BOARD

Mark Elliott

Chairman

9 May 2025

Nomination and Remuneration Committee report

The Nomination and Remuneration Committee is a standing committee of the Board of the Company and is comprised of two Non-Executive Directors, Alan Carroll (Chairman) and Mark Elliott.

The Committee's primary objectives are to ensure that remuneration arrangements are aligned with the strategy and culture of the Company and its subsidiaries. To this end, it ensures the Company's remuneration policy encourages and rewards performance against strategic priorities, as well as the right behaviours, values, and culture.

The Committee also ensures that there is a robust process for the appointment of new Board Directors and senior management positions. It works closely with the Company's Board of Directors and external advisers to identify the skills, experience, personal qualities, and capabilities required for the next stage in the Company's development, linking the Company's strategy to future changes on the Board.

Within the terms of reference for the Nomination and Remuneration Committee, as approved by the Board, the responsibilities of the Committee are as follows:

- To consider the nomination and appointment, remuneration and bonus plans of the Group CEO and Group CFO
- To review any letter of resignation from the Group CEO or Directors of the Company, and any questions of resignation or dismissal
- To review whether there is reason (supported by grounds) to believe that the Senior Managers of the Group are not suitable for continued employment
- To review the statement with regard to the Remuneration and Nomination policies of the Group for inclusion in the Annual Report and report the same to the Board
- To consider any other functions as may be agreed between the Committee and the Board
- To review the Board and Board Committees' effectiveness. The Committee members keep themselves fully informed of all relevant developments and best practice by reference to the QCA's Remuneration Committee guide

Attendance at meetings

Details of attendance at meetings by the committee members can be found on page 32.

Matters considered in 2024

During the year, the Committee considered the following matters:

- The issuance of share options to key staff as part of the Group incentive plan
- Review of Executive Director remuneration

Remuneration policy

Malvern aims to recruit, motivate, and retain high-calibre executives capable of achieving the objectives of the Group and to encourage and reward appropriate superior performance in a manner that enhances shareholder value.

The Company operates a remuneration policy which ensures that there is a clear link to the delivery of the Company's purpose, business model, strategy, and culture, as well as close alignment with shareholder interests and current best practice.

The policy aims to ensure that senior executives are rewarded fairly for, and commensurate to, their respective individual contributions to the Group's performance. The Directors continue to focus on the Group's short, medium, and longer-term commercial viability. Remuneration has been set at levels consistent with achieving this aim. Overall remuneration is below market average for those charged with ensuring the success of the Group's transition from a position of a continuum of losses to one of consistent and growing profitability, and will be subject to regular review as the Group achieves its targets. Despite positive progress in Pathways and Juniors for FY2024, the overall Group loss sustained as a result of under performance in English Language Training has resulted in no bonus being paid to Executive Directors this year. Details of remuneration for Executive and Non Executive Directors are set out on page 39.

Consistent with the QCA Code 2023, the Directors' Remuneration Report is voted on annually at the AGM. Additionally, the Directors' remuneration policy will be put to vote every three years commencing with the 2025 AGM. It should be noted that in both instances the vote is of advisory status and not binding.

Non-Executive Directors' remuneration

The Board determines the remuneration of all Independent Non-Executive Directors with the fees being set at a level to attract individuals with the necessary experience and ability to contribute to the Group. Details of all emoluments paid to Non-Executive Directors of the Company are set out on page 29. Remuneration for FY2025 is on page 40.

The Non-Executive Directors do not receive bonuses and are entitled to be reimbursed for reasonable expenses incurred by them in carrying out their duties as Directors of the Company.

The Board, with the assistance of the Nomination and Remuneration Committee, reviews the remuneration level of Non-Executive Directors on an annual basis to ensure it remains competitive in attracting suitable talent. All Board appointments are made subject to the Company's Articles of Association.

Directors' service contracts

Contractual arrangements for Directors are as follows:

	Contract date	Notice period
Richard Mace	30 June 2020	6 months
Daniel Fisher	6 December 2021	6 months

Contractual arrangements for Non-Executive Directors are as follows:

	Date of letter of appointment	Notice period
Mark Elliott	1 July 2019	3 months
Alan Carroll	2 October 2019	3 months

All Directors are subject to re-election at the AGM every year.

Other than the notice periods afforded to the Directors, there are no special provisions for compensation in the event of loss of office. The Remuneration Committee considers the circumstances of individual cases of early termination and determines compensation payments accordingly.

Directors' remuneration

Details of individual Directors' emoluments and remuneration who served in 2024 are as follows:

	Salary and fees £	Benefits £	Pension £	Other £	Share-based payments £	Total 2024 £	Total 2023 £
Richard Mace	140,000	—	—	—	445	140,445	111,472
Alan Carroll	45,000	—	—	—	—	45,000	30,000
Mark Elliott	70,000	—	—	—	—	70,000	50,000
Daniel Fisher	110,000	—	—	—	575	110,575	91,065
Total	365,000	—	—	—	1,020	366,020	282,537

Share option scheme

In order to retain, incentivise, and align the interests of employees with certain performance targets and strategic goals, the Company introduced an EMI share option scheme in 2020. All options are settled in equity, automatically lapse five years after the date of grant, and generally lapse if an option holder ceases to be a Company employee.

The Company awarded 489,434 ordinary shares of 1 p each in the capital of the Company, pursuant to the Company's EMI share option scheme (the "EMI Options") to certain employees during the year. The EMI Options granted, when added to the previously granted EMI Options of 2,246,934, represent 9.19% of the existing issued share capital of the Company.

As at 31 December 2024, options under these schemes, including those held by Directors, were outstanding over:

	2024		2023	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding at beginning of the year	2,140,000	17.01p	1,965,000	15.54p
Issued during the year	489,434	18.00p	287,500	23.50p
Forfeited during the year	382,500	—	112,500	—
Outstanding at the end of the year	2,246,934	19.70p	2,140,000	17.01p

Nomination and Remuneration Committee report continued**Executive Directors' remuneration for FY2025**

	Salary/Bonus £
Richard Mace	140,000/40,000
Daniel Fisher	113,300/20,000

Bonus to be awarded on achievement of budgeted revenue and profit targets.

Non-Executive Directors' annual fees for FY2025

	Fees £
Mark Elliott	72,100
Alan Carroll	46,350

Directors' interest in shares

The beneficial interests of the Directors who served during the year and their families in the ordinary share capital of the Company are shown below:

Direct interests

	At beginning of the year	At end of the year
Richard Mace	1,775,802	1,775,802
Alan Carroll	480,600	487,300
Mark Elliott	582,277	582,277
Daniel Fisher	68,750	68,750

Indirect interests

	At beginning of the year	At end of the year
Marzena Mace	69,000	69,000
Louise Carroll	264,526	264,526

Audit and Risk Management Committee report

The Audit and Risk Committee is a sub-committee of the Board and comprises two Non-Executive Directors, with Mark Elliott as Chairman.

The Audit and Risk Management Committee meets at least three times a year. The external auditor and Executive Directors attend when appropriate at the invitation of the Committee. The external auditor meets separately with the Audit Committee on request, without the presence of the Executive Directors, to ensure open communication. The primary objectives of the Committee are to assist the Board in discharging its statutory duties and responsibilities relating to the accounting and financial reporting practices of the Group and to assist the Board in its responsibilities to identify, assess, and monitor key business risks to mitigate adverse impacts on achieving strategic objectives with a view to safeguard shareholders' investments and the Group's assets. In addition, the Committee assists the Board in:

- Complying with specified accounting standards and required disclosure as administered by AIM, relevant accounting standards bodies, and any other laws and regulations as amended from time to time
- Presenting a balanced and understandable assessment of the Group's position and prospects
- Establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditor, and overseeing and appraising the quality of audit conducted by the Company's external auditor and reviewing the independence of the external auditor
- Determining the adequacy of the Group's administrative, operating, accounting, and financial controls and internal controls

Attendance at meetings

Attendance at the meetings can be found in the table on page 32.

External auditor

In order to ensure an appropriate balance between audit quality, objectivity and independence, and cost effectiveness, the Audit and Risk Management Committee reviews the nature of all services, including non-audit work, provided by the external auditor each year. In 2024, the Company reappointed Cooper Parry Group Limited (Cooper Parry) as its auditor to conduct the audit of the Company's financial statements for the financial year to 31 December 2024.

Significant issues relating to the financial statements and Board reporting

The Audit Committee reviewed the following issues for the year under review:

- Review of the information provided to monthly Board meetings
- Reviewed the Annual and Interim Report and financial statements of the Group, and the clarity of disclosures made
- Oversaw the relationship with the external auditor, including a review of the external auditor's findings during the audit in relation to the year ended 31 December 2023
- Reviewed the Group's Risk Register
- Reviewed the external auditor's Audit Plan in relation to the year ended 31 December 2023

Going concern

The Committee reviewed forecasts and analysis prepared by executive management in support of the Going Concern Statement and agreed with management's approach and findings.

Financial statements



Independent Auditor's report to the members of Malvern International Plc

Opinion

We have audited the financial statements of Malvern International plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 group and parent 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 as applied to listed entities, 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.

Our approach to the audit

We adopted a risk-based audit approach. We gained a detailed understanding of the group's business, the environment it operates in and the risks it faces.

The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of the financial statement level risks and considered the risk of material misstatement at the assertion level of the consolidated financial statements to determine the planned audit responses based on a measure of materiality.

Independent Auditor's report continued

Risk Description	Our response to the risk
<p>Revenue recognition</p> <p>As detailed in note 4 to the financial statements, Significant Accounting Policies, the group's revenue is generated from the provision of education services and comprises a number of related income streams.</p> <p>Due to the timing of course payments there is often an element of deferred income arising from differences between the timings of cash flows and provision of services. As a result, there is some complexity with regards to revenue recognition for the group.</p>	<p>We have assessed accounting policies for appropriateness and consistency with the financial reporting framework and in particular that revenue was recognised when performance obligations were fulfilled.</p> <p>We have obtained an understanding of processes through which the businesses initiate, record, process and report revenue transactions.</p> <p>We performed walkthroughs of the processes as set out by management, to ensure controls appropriate to the size and nature of operations are designed and implemented correctly throughout the transaction cycle.</p> <p>A sample of course bookings throughout the year have been vouched from the booking system to attendance records, sales invoices and to nominal postings, including recalculating any deferred income required at year end across the trading subsidiaries.</p> <p>We tested for understatement of deferred income in sales transaction testing and for overstatement of deferred income in valuation testing of liabilities.</p> <p>Manual journals impacting revenue nominal codes have been selected for further testing when certain risk criteria have been met.</p> <p>We performed analytical review of revenue against the prior year and any known expectations.</p> <p>Our procedures did not identify any material misstatements in the revenue recognised during the year.</p>
<p>Going concern</p> <p>The group was heavily impacted by the global pandemic and resulting restrictions, in particular for overseas travel which impacted student numbers attending courses, and the industry is still recovering from the impact of these restrictions.</p> <p>With the additional impact of general macroeconomic conditions, such as the cost of living crisis, the group continues to be loss making.</p>	<p>We have obtained the assessment made by management and the Board regarding the group's ability to continue as a going concern.</p> <p>We have reviewed the letter of support from the provider of external financial backing.</p> <p>We have reviewed the assumptions used in management's assessment and sensitised key assumptions used.</p> <p>We reviewed debt agreements currently in place to assess compliance with repayment terms.</p> <p>We discussed with management and the Board any additional industry factors or other issues which could impact the group's ability to continue as a going concern.</p> <p>We reviewed the relevant disclosures included in the Annual Report for consistency with our knowledge of the business.</p> <p>We concur with management's assessment that the business is a going concern, but draw attention to the material uncertainty highlighted within our audit report.</p>

Risk Description

Valuation of non-current assets

The group balance sheet has a goodwill asset of £1.4m as well as right-of-use assets of £1.9m. Since the group continues to be loss making and there remain challenging economic conditions, judgement continues to exist in respect of recoverability of non-current assets, as well as significant levels of estimation involved in the calculation of their value in use.

Our response to the risk

We have obtained and reviewed the impairment review prepared by management in relation to non-current assets.

We have assessed the key assumptions used in those impairment review calculations, being the discount rate applied and growth assumptions within trading forecasts, by comparing to industry data and historical group financial performance.

We have performed sensitivity analysis over the key assumptions listed above and reviewed available headroom and/or indications of impairment arising from the use of different assumptions.

We have reviewed the completeness and consistency of disclosures in relation to non-current assets within the annual report.

Overall, based on the findings from our audit procedures, we are satisfied that the carrying values of goodwill and non-current assets on the consolidated balance sheet are not impaired as at 31 December 2024.

The group audit was scoped by obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We performed a full-scope audit of the financial statements of the parent company, Malvern International plc, and the two UK trading subsidiaries, Malvern House International Limited and Communicate English School Limited, providing 100% coverage of revenues and results before tax for these components. The operations that were subject to full-scope audit procedures made up 100% of consolidated revenues, 100% of total assets and 100% of consolidated loss before taxation. We applied analytical procedures to the Statements of Financial Position and Income Statements of the entities comprising the remaining operations of the group, focusing on applicable risks identified as above, and their significance to the group's balances. Component performance materiality was calculated for each of the components where audit procedures are performed on financial information that is disaggregated.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the

allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

The materiality for the group financial statements as a whole was set at £253,500. This has been determined with reference to the benchmark of the group's revenue which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 1.5% of group revenue. Performance materiality has been set at 80% of group materiality. We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £12,700, in addition to other identified misstatements that warranted reporting on other qualitative grounds.

The materiality for the parent company financial statements as a whole was set at £66,500 and performance materiality represents 80% of materiality. This has been determined with reference to the parent company's net assets, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries. Materiality represents 1% of net assets as presented on the face of the parent company's Statement of Financial Position.

Independent Auditor's report continued**Material uncertainty relating to going concern**

We draw attention to note 2 (v) in the financial statements which indicates that due to the current and developing impact on the business of the current UK and worldwide macroeconomic environment, these circumstances create uncertainty in the profit and cash flow projections of the group. As stated in note 2 (v), these events or conditions, along with other matters set out in note 2 (v), indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- challenging management on key assumptions included in their forecasts including performing sensitivity analysis;
- considering the potential impact of forecast scenarios on the forecast cash position;
- reviewing debt agreements currently in place to check terms have been appropriately considered and modelled in the cash flow forecasts;
- reviewing the letter of support provided by third parties;
- reviewing management's disclosures in the financial statements.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information included in the annual report. 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 37, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our assessment focused on key laws and regulations the group has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion;
- obtaining an understanding of the legal and regulatory framework applicable to the group and how the entity is complying with that framework;
- obtaining an understanding of the group's policies and procedures and how the group has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the group's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating

the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addresses the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Justine Hughes

Senior Statutory Auditor

For and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Sky View

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

Date: 9 May 2025

Consolidated statement of comprehensive income

		2024			2023		
	Note	Underlying £	Non- Underlying £	Statutory £	Underlying £	Non- Underlying £	Statutory £
Revenue							
Sale of services	4	14,741,924	316	14,742,240	10,650,073	671,767	11,321,840
Agent commission	4	1,890,258	—	1,890,258	936,089	—	936,089
Total revenue		16,632,182	316	16,632,498	11,586,162	671,767	12,257,929
Direct costs							
Cost of services sold		(7,719,088)	16,034	(7,703,054)	(5,191,668)	(429,722)	(5,621,390)
Agent commission expense		(1,848,132)	20,180	(1,827,952)	(893,784)	(21,473)	(915,257)
Total direct costs		(9,567,220)	36,214	(9,531,006)	(6,085,452)	(451,195)	(6,536,647)
Gross profit		7,064,962	36,530	7,101,492	5,500,710	220,572	5,721,282
Other income	5	136,017	—	136,017	51,631	—	51,631
Salaries and employee benefits	6	(3,894,221)	(308)	(3,894,529)	(2,694,714)	(191,125)	(2,885,839)
Staff restructure payments	6	—	(42,110)	(42,110)	—	—	—
Depreciation of plant and equipment	12	(317,431)	884	(316,547)	(311,314)	(223,964)	(535,278)
Other operating expenses	8	(2,764,877)	(62,037)	(2,826,914)	(2,040,566)	(33,610)	(2,074,176)
Share-based payments	6	—	(4,951)	(4,951)	—	(5,133)	(5,133)
Warrants	8	—	61,318	61,318	—	(225,518)*	(225,518)*
Operating profit/(loss)		224,450	(10,674)	213,776	505,747	(458,778)	46,969
Finance costs	7	(355,134)	(3,696)	(358,830)	(359,921)	168,170	(191,751)
Profit/(loss) before tax		(130,684)	(14,370)	(145,054)	145,826	(290,608)	(144,782)
Income tax charge		—	(6,077)	(6,077)	—	(15,256)	(15,256)
Profit/(loss) for the year being total comprehensive income/(expenses) attributable to owners of the parent		(130,684)	(20,447)	(151,131)	145,826	(305,864)	(160,038)

	Note	2024			2023		
		Underlying £	Non- Underlying £	Statutory £	Underlying £	Non- Underlying £	Statutory £
Total comprehensive income/(expense) for the year		(130,684)	(20,447)	(151,131)	145,826	(305,864)	(160,038)
Attributable to:							
Equity holders of the parent		(130,684)	(20,447)	(151,131)	145,826	(305,864)	(160,038)

	Note	2024			2023		
		Underlying £	Non- Underlying £	Statutory £	Underlying £	Non- Underlying £	Statutory £
Profit/(loss) per share attributed to equity holders of the Company (in pence)							
Basic	10	(0.53)	(0.06)	(0.59)	0.60	(1.19)	(0.59)
Diluted	10	(0.53)	(0.06)	(0.59)	0.60	(1.19)	(0.59)

* The warrants for the prior year have been separately disclosed from the Other Operating expenses.

The notes on pages 55 to 79 form an integral part of these financial statements.

Consolidated and Company statement of financial position

	Note	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
TOTAL ASSETS					
Non-current assets					
Property, plant, and equipment	12	71,525	68,310	—	—
Intangible asset	13	16,080	—	—	—
Goodwill	15	1,419,350	1,419,350	—	—
Investment in subsidiaries	14	—	—	1,419,350	1,419,350
Right-of-use assets	12	1,406,850	1,710,534	—	—
Total non-current assets		2,913,805	3,198,194	1,419,350	1,419,350
Current assets					
Inventories		19,624	8,166	—	—
Trade receivables	16	791,743	440,541	—	—
Other receivables and prepayments	17	1,565,947	918,994	131,736	116,485
Amounts due from subsidiaries		—	—	—	70,403
Cash and cash equivalents	18	1,391,605	2,196,499	4,733	2,273
Total current assets		3,768,920	3,564,200	136,469	189,161
Total assets		6,682,725	6,762,394	1,555,819	1,608,511

Consolidated and Company statement of financial position continued

	Note	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
EQUITY AND LIABILITIES					
Non-current liabilities					
Term Loan	22	1,023,238	1,811,784	992,282	1,765,039
Warrants	22	353,963	415,281	353,963	415,281
Lease liabilities	22	1,532,549	2,086,428	—	—
Total non-current liabilities		2,909,750	4,313,493	1,346,245	2,180,320
Current liabilities					
Trade payables	19	1,462,756	1,495,664	88,310	96,730
Contract liabilities	20	3,080,256	2,460,265	—	—
Other payables and accruals	21	1,899,193	1,523,053	292,755	184,781
Amounts due to subsidiary		—	—	5,772,490	3,410,452
Lease liabilities	22	563,460	418,267	—	—
Term Loan	22	670,763	313,484	653,516	296,236
Total current liabilities		7,676,428	6,210,733	6,807,071	3,988,199
Total liabilities		10,586,178	10,524,226	8,153,316	6,168,519
Equity attributable to equity holders of the Company					
Share capital	23	11,323,899	11,323,899	11,323,899	11,323,899
Share premium	24	6,797,950	6,797,950	6,797,950	6,797,950
Other reserves		17,141	12,190	17,141	12,190
Retained earnings	24	(22,042,443)	(21,895,871)	(24,736,487)	(22,694,047)
Total equity		(3,903,453)	(3,761,832)	(6,597,497)	(4,560,008)
Total equity and liabilities		6,682,725	6,762,394	1,555,819	1,608,511

The Statutory loss for the year as per the financial statements of the parent company on 31 December 2024 was £2,042,440 (2023: Loss £2,076,836).

The notes on pages 55 to 79 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 9 May 2025 and were signed on its behalf by:

Richard Mace

Director

Consolidated statement of changes in equity

	Share capital £	Share premium £	Retained earnings £	Other reserves	Total £
Balance at 1 January 2023	11,323,899	6,797,950	(21,762,885)	7,057	(3,633,979)
Total comprehensive expense for the year	—	—	(160,038)	—	(160,038)
Add: Tax adjustments for prior years	—	—	27,052	—	27,052
Share-based payments (EMI Options)	—	—	—	5,133	5,133
Balance at 31 December 2023	11,323,899	6,797,950	(21,895,871)	12,190	(3,761,832)
Total comprehensive expenses for the year	—	—	(151,131)	—	(151,131)
Deferred tax adjustments for 2024	—	—	4,559	—	4,559
Share-based payments (EMI Options)	—	—	—	4,951	4,951
Balance at 31 December 2024	11,323,899	6,797,950	(22,042,443)	17,141	(3,903,453)

The notes on pages 55 to 79 form an integral part of these financial statements.

Company statement of changes in equity

	Share capital £	Share premium £	Retained earnings £	Other reserves	Total £
Balance at 1 January 2023	11,323,899	6,797,950	(20,617,212)	7,057	(2,488,306)
Total comprehensive expense for the year	—	—	(2,076,835)	—	(2,076,835)
New share from share-based payments (Inc. EMI Options)	—	—	—	5,133	5,133
Balance at 31 December 2023	11,323,899	6,797,950	(22,694,047)	12,190	(4,560,008)
New share from share-based payment (incl. EMI Options)	—	—	—	4,951	4,951
Total comprehensive expense for the year	—	—	(2,042,440)	—	(2,042,440)
Balance at 31 December 2024	11,323,899	6,797,950	(24,736,487)	17,141	(6,597,497)

The notes on pages 55 to 79 form an integral part of these financial statements.

Consolidated statement of cash flows

	2024 £	2023 £
Cash flows from operating activities		
Loss after income tax from	(151,131)	(160,038)
Adjustments for:		
Depreciation of tangible assets	328,067	523,938
Fair value movements – Warrants	(61,318)	225,518
Fair value movements – Loan write-back	—	(94,216)
Share-based payments	4,951	5,133
Profit/(loss) on disposal of tangible assets	—	1,141
Impairment of trade receivables	158,702	23,116
Increase in stocks	(11,458)	(8,166)
Taxation adjustment	4,559	—
Finance cost	354,854	191,752
Interest paid	(140,726)	(142,610)
Tax paid	—	16,771
	486,499	582,339
Changes in working capital:		
(Increase)/decrease in receivables	(1,152,026)	158,389
Increase in payables	694,716	1,219,396
Net cash flows generated by operating activities	29,189	1,960,124
Cash flows from investing activities		
Purchases of property, plant, and equipment	(27,597)	(58,184)
Investment in website design	(16,080)	—
Net cash used in investing activities	(43,677)	(58,184)
Cash flows from financing activities		
Repayment of lease liabilities	(297,739)	(557,017)
Additional loan	22,336	43,679
Term Loan	(515,003)	(373,734)
Net cash used in financing activities	(790,406)	(887,072)
Net change in cash and cash equivalents	(804,894)	1,014,868
Cash and cash equivalents at the beginning of the year	2,196,499	1,181,631
Exchange losses on cash and cash equivalents	—	—
Cash and cash equivalents at the end of the year	1,391,605	2,196,499

The notes on pages 55 to 79 form an integral part of these financial statements.

Company statement of cash flows

	2024 £	2023 £
Cash outflows from operating activities		
Loss before income tax	(2,042,440)	(2,076,836)
Share-based payments	4,951	5,133
Fair value movements – Warrants	(61,318)	225,518
Fair value movements – Loan write-back	—	(94,216)
Finance cost	195,836	58,609
Interest paid	(139,267)	—
	(2,042,238)	(1,881,792)
Change in working capital		
Increase in receivables	(10,421)	(74,714)
Increase in creditors	99,555	183,739
Decrease in amounts owed by Group undertakings	70,403	—
Increase in amounts due to subsidiaries	2,362,037	2,077,641
Net cash generated by operating activities	479,336	304,874
Cash flows from financing activities		
Repayment of Term Loan	(499,212)	(359,381)
New loan	22,336	43,679
Net cash used in financing activities	(476,876)	(315,702)
Cash Flows used in investing activities	—	—
Net increase/(decrease) in cash and cash equivalents	2,460	(10,828)
Cash and cash equivalents at the beginning of the year	2,273	13,101
Cash and cash equivalents at the end of the year	4,733	2,273

The notes on pages 55 to 79 form an integral part of these financial statements.

Notes to the financial statements

1. General information

Malvern International Plc (the "Company") is a public limited company incorporated in England and Wales on 8 July 2004. The Company was admitted to the AIM on 10 December 2004. Its registered office is 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT. The registration number of the Company is 05174452.

The principal activity of the Group is to provide an educational offering that is broad and geared principally towards preparing students to meet the demands of business and management. The specific principal activities of the subsidiary companies are set out in note 14 to the financial statements. There have been no significant changes in the nature of these activities during the year.

2. Significant accounting policies

i) Basis of preparation

These financial statements of the Group and Company are prepared on a going concern basis, in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations issued by the International Accounting Standards Board ("IASB") and adopted by the United Kingdom, in accordance with the Companies Act 2006.

The parent company's financial statements have also been prepared in accordance with UK-adopted IFRS and the Companies Act 2006. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

ii) Basis of consolidation

The Group financial statements consolidate the accounts of Malvern International Plc and all of its subsidiary undertakings made up to 31 December 2024. The Consolidated Statement of Comprehensive Income includes the results of all subsidiary undertakings for the period from the date on which control passes. Control is achieved where the Company (or one of its subsidiary undertakings) obtains the power to govern the financial and operating policies of an investee entity so as to derive benefits from its activities.

iii) New Standards adopted for the year ended 31 December 2024

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2024, which had a significant effect on the Group's financial statements.

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments, or Interpretations have been adopted early by the Group.

Management anticipate that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments, and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

iv) Alternative performance measures ("APMs")

The consolidated financial statements include APMs as well as Statutory measures. The APMs used by the Group are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures. All APMs relate to the current year's results and comparative periods where provided. This presentation is also consistent with the way that financial performance is measured by management and reported to the Board, the basis of financial measures for senior management's compensation schemes, and provides supplementary information that assists the user in understanding the financial performance, position, and trends of the Group. See note 11 for a reconciliation of Statutory information to Underlying information.

Notes to the financial statements continued**v) Going concern**

The financial statements have been prepared on a going concern basis. The Directors consider the going concern basis to be appropriate having paid due regard to the Group and Company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of loan facilities, and mitigating actions that can be taken during that period.

The Group produced an Underlying loss for the year of £130,684 (2023: Underlying profit £145,826).

Boost&Co. is the Group's Term Loan provider. The current debt in the accounts of Malvern International Plc is £1.86m. BOOST&Co. Limited, acting on behalf of IL2 (2018) Sarl, has again provided a letter of comfort to provide ongoing financial support to the Company for any short-term working capital requirement should that become necessary. It is the present policy of BOOST&Co. to ensure that the Company has adequate financial resources to meet its obligations and to enable it to continue as a going concern for a period of at least twelve months from the date of the signing of the financial statements.

The Company has not required any cash from BOOST&Co. or shareholders, in the past two years, which highlights the sustained growth and the Company's significantly improved financial position post COVID-19.

The significant revenue growth seen in 2024, in combination with the visibility of University Pathways revenue in H1 2025, gives the Board confidence about Malvern's short- and long-term prospects. In addition, the Company signed two new Pathways partners in Q1 2025, with the first intake of students due in September 2025.

In our Pathways division, student numbers are up circa 32% on the prior academic year (2023/24 v 2024/25), which reflects the significant investment in this division. Our junior summer camps continue to experience rapid growth, delivering circa £6.03m (2023: £3.7m) in revenue to the Company. Pre-bookings for 2025 summer camps are very encouraging and revenue growth is expected as an outcome.

Profit and cash flow projections for the Company indicate that the Company is expected to maintain profitability in 2025. The Directors therefore continue to adopt the going concern basis in preparing the financial statements.

Despite significant revenue growth in 2024 and forecasts for 2025, UK and global macroeconomic factors continue to create uncertainty in the Group's forecasts. The continued commitment from the Group's lenders in the form of the letter of support provides confidence to the Group in respect of future funding. However, there still remains a material uncertainty with respect to the going concern status of the Group.

vi) Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency in the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the Consolidated Statement of Comprehensive Income in the year of acquisition.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All significant intra-group transactions, balances, income, and expenses are eliminated on consolidation.

vii) Subsidiary company

Investment in subsidiaries is stated in the financial statements of the Company at cost less any provision for impairment losses. The financial statements of subsidiaries acquired are consolidated in the financial statements of the Group from the date that control commences until the date control ceases, using the acquisition method of accounting.

viii) Functional and presentational currency

The consolidated financial statements have been presented with Pounds Sterling as the presentational currency, as the Company is incorporated in England and Wales with Sterling denominated shares which are traded on the Alternative Investment Market ("AIM").

Items included in the financial statements of each subsidiary of the Group are measured using the currency of the primary economic environment in which the subsidiary operates ("the functional currency"). The primary functional currency of the Group is UK Pound Sterling.

ix) Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated using the exchange rate prevailing at the date of the Statement of Financial Position. Non-monetary assets and liabilities are measured using the exchange rates prevailing at the transaction dates, or in the case of the items carried at fair value, the exchange rates ruling when the values were determined. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and translation of foreign currency denominated assets and liabilities are recognised in the Statement of Comprehensive Income.

Assets and liabilities of the entities having functional currency other than the presentational currency are translated into Sterling equivalents at exchange rates ruling at the Statement of Financial Position date. Revenues and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of transactions. All resultant differences are taken directly to equity. On the disposal of a foreign entity, accumulated exchange differences were recognised in the Statement of Comprehensive Income as part of the gain or loss on disposal.

x) Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation policy, useful lives, and residual values are reviewed at least annually, for all asset classes to ensure that the current method is the most appropriate.

Expenditure incurred after the property, plant, and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Comprehensive Income. Expenditure for additions, improvements, and renewals is capitalised when it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be realised from the use of the items of property, plant, and equipment beyond their originally assessed standard of performance.

Depreciation is calculated based on the straight line method to write off the cost of property, plant, and equipment less their estimated residual value over their estimated useful economic lives as follows:

- Classroom and office equipment is depreciated over four years according to the estimated life of the asset
- Leasehold improvements are depreciated over the period of the lease up to a maximum of 25 years
- Property with lease terms of 50 years or less are depreciated over the remaining period of the lease

xi) Intangible Assets

Software which can be separately identified is capitalised to intangible assets at cost of acquisition and amortised over the estimated useful economic lives of between three and five years on a straight-line basis into administrative expenses.

xii) Impairment of tangible and intangible assets excluding goodwill

An assessment is made at Statement of Financial Position date as to whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its fair value less costs to sell. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Comprehensive Income in the period in which it arises unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the Statement of Comprehensive Income in the year in which it arises unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation increase.

Notes to the financial statements continued**xiii) Goodwill**

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities recognised. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating sub-groups expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent years.

xiv) Financial assets, loans, and receivables**Financial assets**

Financial assets are recognised on the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Financial assets are amortised when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the Statement of Comprehensive Income.

Financial assets at amortised cost

Financial assets held within a business model whose objective is to collect contractual cash flows which are solely payments of principals and interest are classified and subsequently measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The Group's financial assets at amortised cost comprise "trade and other receivables", related parties, and cash and cash equivalents included in the Consolidated Statement of Financial Position.

xv) Impairment of financial assets

The Group assesses the expected credit losses for all debt instruments (other than those categorised at fair value through profit or loss) on a forward-looking basis.

An impairment loss in respect of financial assets is recognised in the Statement of Comprehensive Income and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income.

The Group has adopted the simplified expected credit loss model for its trade receivables and contract assets, as required by IFRS 9 to assess impairment, for further information see note 16.

xvi) Revenue recognition

Revenue is recognised on the following basis:

Courses are provided over time based on period stated on the contract with students. As such revenue for various services is recognised in the following way:

- Course/accommodation fees – revenue is spread over the duration of the course as stated in the contract, as this fairly represents the value of services provided. Deposits received in respect of future courses/accommodation fees are treated as deferred income at the point of receipt. Contract liabilities relate to course and accommodation fees received in advance and are recognised in the Statement of Comprehensive Income based on classes conducted and accommodation provided.
- Agent commission income – agent commission income is spread over the duration of the course as stated in the contract, as this fairly represents the value of services provided.
- Registration/application/examination fees/course materials – revenue is spread over the duration of the course as stated in the contract, as this fairly represents the value of services provided.
- Student activities are recognised at the point in time that the activity takes place.

The transaction price is the course fee net of any discounts and third-party commission. Any variable consideration is constrained in estimating contract revenue if it is highly probable that there will not be a future reversal in the amount of revenue recognised when the final amounts of any variations have been determined.

In certain circumstances refunds may be granted as per the Group's refunds terms and conditions. Consideration will be given to the length of the course studied. Deferred income is adjusted for any undelivered study. In some cases, a course may be deferred.

Students are required to pay fees in advance unless a payment plan has been agreed.

xvii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits with an initial maturity of less than three months. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

xviii) Trade and other payables

Trade and other payables, which are normally settled on a 30 to 90-day term, are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

xix) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax movements.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the Statement of Financial Position.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised based on tax rates and tax laws that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

xx) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

Notes to the financial statements continued

xxi) Employees' benefits**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave because of services rendered by employees up to the year end.

xxii) Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share premium.

Where ordinary shares will be issued as part of deferred purchase consideration then:

- Where the number of shares to be issued has been fixed, then such deferred consideration will be classified as equity
- Where the number of shares to be issued is dependent on certain performance criteria being met, then such deferred consideration will be classified as liability at inception

xxiii) Borrowing costs

Borrowing costs incurred to finance the development of property, plant, and equipment are capitalised during the period that is required to complete and prepare the asset for its intended use. The capitalised costs are depreciated over the useful life of the property, plant, and equipment.

Other borrowing costs, including interest cost and foreign exchange differences, on short-term borrowings are recognised on a time-apportioned basis in the Statement of Comprehensive Income using the effective interest method.

xxiv) Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segmental results are reported to the Board and include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

xxv) Warrants

In certain circumstances the Group will issue warrants over shares. The warrants currently in issue are carried at fair value through profit and loss ("FVPL") and are categorised under level 3 of the fair value hierarchy. The judgements and estimates made in respect of calculating the fair value for these warrants are disclosed further in this section.

xxvi) Share-based payments and share options

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate or the probability of equity instruments eventually vesting, with a corresponding increase in equity. Fair value is measured using the Black-Scholes or Monte Carlo pricing model as appropriate, according to the nature of the relevant scheme. The resulting charge to the Statement of Comprehensive Income requires assumptions to be made regarding future events and market conditions. Due to the complexity of the Monte Carlo model, the Group utilises a third-party option valuation service to run the simulation.

The number of options expected to vest is adjusted only for expectations of leavers prior to vesting. The impact of the revision of the original estimates, if any, is recognised in the Statement of Comprehensive Income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods, or the counterparty renders the service.

See note 27 for additional information on these schemes.

xxvii) Other income

Other income relates to all income not incurred in the ordinary trading activities of the Group.

Rental and related income is recognised on an accruals basis in the period it relates to.

Research and development credits are recognised in the period the benefit is received as that is considered to be the point at which the amount can be reliably estimated.

Grants are accounted under the accruals model. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

xxviii) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements, estimates, and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates, and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

xxix) Stock and inventory

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Work in progress is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

xxx) Leases

The Group's leases primarily relate to properties and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Property leases will often include extension and termination options, open market rent reviews, and uplifts.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the individual lessee company's incremental borrowing rate considering the duration of the lease.

The lease liability is subsequently measured at amortised cost using the effective interest method, with the finance cost charged to Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. It is remeasured when there is a change in future lease payments arising from a change in index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. The lease liability is recalculated using a revised discount rate if the lease term changes as a result of a modification or reassessment of an extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is typically depreciated on a straight line basis over the lease terms.

Judgements**Useful lives of assets**

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant, and equipment and finite life intangible assets. The useful lives could change significantly because of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to the financial statements continued**Goodwill and other indefinite life intangible assets**

The Group tests annually, or more frequently, if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. The specific estimates used in calculating impairment are detailed in note 16.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate several key estimates and assumptions. The specific estimates used in calculating impairment are detailed in note 13.

Evaluation of contract liabilities (deferred income)

The Group reviews the fees raised at the end of relevant periods to evaluate those amounts that cover the future provision of education not yet delivered to estimate and evaluate the amount of contract liabilities/deferred income to be recognised in a future period.

Impairment of receivables

The Group and Company reviews the impairment of its financial assets, including the trade receivables balance. The Group estimates and evaluates impairment methodology using the simplified approach of the expected credit loss model based on default rate percentage of similar product type assets (provision matrix) and grouping the trade receivables based on shared characteristics, including line of business.

Classification of items as non-Underlying

The Underlying measures represent trading results before non-Underlying items which are defined in note 11. The Directors believe that the presentation of the Group's results in this way is relevant to assist the user in understanding the financial performance, position, and trends of the Group, as non-Underlying items are identified by virtue of their size, nature, and/or incidence. This presentation is consistent with the way that financial performance is measured by management and reported to the Board, the basis of financial measures for senior management's compensation schemes, and provides supplementary information that assists the user in understanding the Underlying trading results. In determining whether an event or transaction is non-Underlying, the Directors consider both quantitative and qualitative factors such as the nature of the item and the frequency or predictability of occurrence. The decision to classify items as either Underlying or non-Underlying is judgemental and requires careful consideration to ensure that the accounts provide a useful indicator of the performance of the Group.

Income taxes

Significant judgement is required in determining the capital allowance, deductibility of certain expenses, and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. Judgement is made in the evaluation in respect of the fair value of any deferred tax asset recognised in respect of taxable losses carried forward.

Warrants

The Group determines the fair value of warrants using appropriate modelling. Judgement is required in determining a model to use to fair value warrants. Based on the nature of warrants, the Group has determined that the Black-Scholes model is an appropriate model to use. The specific estimates used in calculating fair value are detailed in note 22.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The resulting charge to the Statement of Comprehensive Income requires assumptions to be made regarding future events and market conditions. Judgement is required in determining the most appropriate valuation model and the most appropriate inputs into the model including the level of volatility of the Group's share price, market conditions, and the expected life of the option.

3. Lessee accounting

The Group reviews its lease periods annually and extends periods where a lease extension is reasonably certain or reduces periods where a lease termination is reasonably certain.

i) Amounts recognised in the Statement of Comprehensive Income:

	2024 £	2023 £
Interest expense and similar charges		
Interest expense	358,830	(10,836)
Operating and administrative expenses		
Depreciation of right-of-use assets	292,344	504,542
Total expensed to Statement of Comprehensive Income	651,174	493,706

ii) Right-of-use assets

	At 31 December 2024 £	At 31 December 2023 £
Balance as at the beginning of the year	1,710,534	2,215,076
Depreciation of right-of-use-assets	(292,344)	(504,542)
Accrual release adjustment for Brighton lease	(11,340)	—
Balance as at the end of the year	1,406,850	1,710,534

iii) Lease liabilities

	At 31 December 2024 £	At 31 December 2023 £
Current liability	563,460	418,267
Non-current liability	1,532,549	2,086,428
Total liability	2,096,009	2,504,695

iv) Lease payments

The total rent amount payable (excl. VAT) in the year was £579,470 (2023: £553,925). The total amount paid in the year was £603,635 (2023: £557,017).

4. Revenue

i) Sale of services

	2024 £	2023 £
Course fees	13,137,635	9,753,210
Application fees, registration, and examination fees	122,320	170,468
Training fees, course materials, and others	122,307	125,264
Accommodation fees	1,359,978	1,272,898
	14,742,240	11,321,840

ii) Agent Commission Income

	2024 £	2023 £
Agents Commission Income	1,890,258	936,089

Agent commission is received from a university partner. A significant portion is then passed directly to the Group's agents.

Notes to the financial statements continued**iii) Segments**

The Directors consider that the Group has a single business segment, being the sale of education services. The operations of the Group are managed centrally with Group-wide functions covering sales and marketing, finance, and administration. Geographically, operations are all UK-based. Revenue from customers who individually accounted for more than 10% of total Group revenue amounted to £7,058,850 (2023: £4,366,043).

5. Other income

	2024 £	2023 £
Rental income	137,069	32,400
R&D credits*	(19,182)	19,231
Interest income	16,674	—
Other income	1,456	—
	136,017	51,631

* A R&D credit was refunded to HMRC during the year.

6. Staff remuneration and benefits

	2024 £	2023 £
Staff* salaries and related costs**	3,488,199	2,557,433
Directors' remuneration (Executive Directors)	250,001	200,063
Directors' fees (Non-Executive Directors)	115,000	80,000
Staff training and welfare	43,557	14,609
Pension	44,833	33,734
	3,941,590	2,885,839
Share-based remuneration – staff***	3,931	2,659
Share-based remuneration – Directors***	1,020	2,474
	4,951	5,133
Highest paid Director		
Remuneration and benefits	140,445	111,472

Average number of employees	Number	Number
Lecturers	61	72
Marketing staff	12	22
Operational and administration staff	54	46
	127	140

* Staff here includes both employees and contract staff. While contract staff are not employees, they make up a significant portion of the total workforce, therefore the staff costs make more sense with contractors included.

** Salaries and related costs are not inclusive of lecturers.

*** Share-based remuneration expenses related to EMI Options note 27

The average number of employees is calculated based on the number of full or part-time employees on the payroll each month.

7. Finance costs

	2024 £	2023 £
Interest in leases (IFRS 16)	157,559	147,084
Brighton Interest charge and adjustment for early lease termination	—	(168,170)
Interest in Term Loan	197,292	212,694
Other finance costs	3,979	143
	358,830	191,751

8. Operating expenses

	2024 £	2023 £
Auditor's remuneration:		
– Fees payable to the Company's auditor for Statutory audit	67,345	51,675
– Fees payable to the Company's auditor for Statutory audit of subsidiary company	55,100	37,495
– Non-audit fees for taxation compliance	—	9,500
Consultants fees:		
– Non-audit fees for taxation compliance	8,500	—
Administrative and marketing expenses	2,360,413	1,887,783
Expected credit losses – Trade receivables	335,556	181,939
Fair value movement – Warrants	(61,318)	225,518
Fair value movement – Loan write-back	—	(94,216)
	2,765,596	2,299,694

9. Income tax

Tax expense attributable to the results is made up of:

	2024 £	2023 £
Current year tax	—	—
Deferred taxation charge	(6,077)	(15,256)
	(6,077)	(15,256)

Notes to the financial statements continued

The reconciliation of the current year tax expense and the product of accounting profit multiplied by the Statutory tax rate is as follows:

	2024 £	%	2023 £	%
Accounting loss before tax from continuing operations	(145,054)		(144,782)	
Profit/(loss) before tax from discontinued operations	—		—	
Loss for the year before tax	(145,054)		(144,782)	
Income tax at the Statutory rate	(36,263)	25.0	(34,023)	23.5
Adjustments of income tax in respect of prior years				
Expenses not deductible	1,521		—	
Deferred tax asset not recognised	34,742		44,403	
Other adjustments in relation to deferred tax	—		(25,535)	
Income tax charge	(6,077)		(15,256)	
Income tax charge in the Consolidated Statement of Comprehensive Income	(6,077)		(15,256)	

The Group's income tax liability is subject to agreement by the tax authorities of the respective countries in which the companies in the Group operate. Temporary differences arising from investment in subsidiary and associated companies are considered insignificant to the Group.

	2024 £	2023 £
Analysis of provision for deferred taxation:		
Balance at the beginning of the year*	—	10,279
Deferred taxation for the year	—	(10,279)
Balance at the end of the year	—	—
Deferred tax asset	—	—
Deferred tax liability	—	—
Balance at the end of the year	—	—

* The deferred tax liability was recognised in 2019 in Communicate English School.

The Group has tax losses in excess of £8.13m (2023: £5.66m) which are available to offset against future profits.

10. Loss per share

The basic and diluted Statutory loss per share attributable to equity holders of the Company is based on the Statutory loss attributable to shareholders of £151,131 (2023: Statutory loss of £160,038). The weighted average number of ordinary shares in issue during the year is 24,442,400 shares (2023: 24,442,400 shares). The Statutory loss per share (in pence) before income tax charge attributed to shareholders is 0.59 (2023: Statutory loss per share of 0.59).

11. Reconciliation of Statutory information to Underlying information

Underlying information is provided because the Directors consider that it provides assistance in understanding the Group's underlying performance. Further details in relation to APMs are contained within note 2.

The following table includes details of non-Underlying items and reconciles Statutory information to Underlying information:

	Sale of services £	Agent Commission Income £	Revenue £	Direct costs £	Gross profit £	Operating profit £	Finance costs £	(Loss)/Profit before tax £
2024								
Statutory results	14,742,240	1,890,258	16,632,498	(9,531,006)	7,101,492	213,776	(358,830)	(145,054)
Malvern House Brighton ^(a)	316	—	316	36,214	36,530	(24,931)	(3,696)	(28,628)
Share-based payments ^(b)	—	—	—	—	—	(4,951)	—	(4,951)
Warrants ^(c)	—	—	—	—	—	61,318	—	61,318
Staff restructure payments ^(e)	—	—	—	—	—	(42,110)	—	(42,110)
Underlying results	14,741,924	1,890,258	16,632,182	(9,567,220)	7,064,962	224,450	(355,134)	(130,684)
2023								
Statutory results	11,321,840	936,089	12,257,929	(6,536,647)	5,721,283	46,969	(191,751)	(144,782)
Malvern House Brighton ^(a)	671,767	—	671,767	(451,195)	220,572	(325,392)	168,170	(157,222)
Share-based payments ^(b)	—	—	—	—	—	(5,133)	—	(5,133)
Warrants ^(c)	—	—	—	—	—	(225,518)	—	(225,518)
Loan write-back ^(d)	—	—	—	—	—	97,265	—	97,265
Underlying results	10,650,073	936,089	11,586,162	(6,085,452)	5,500,711	505,747	(359,921)	145,826

(a) Malvern House Brighton

During the year, the Malvern House Brighton was closed. The decision was made following a review of the viability of the school, informed by current operations, overhead costs, projected student numbers, financial performance, and the further investment required for the school to achieve profitability, which it had yet to do.

(b) Share-based payments

The Company has an Enterprise Management Incentive share option scheme for certain Directors and employees. Under the scheme, participants have been awarded options to acquire up to a prescribed level of shares.

(c) Warrants

As part of the Term Loan, BOOST & Co. was issued warrants over 1,840,949 shares. These warrants are exercisable at the Strike Price at any time over the following ten years since the inception of Term Loan in August 2019. The warrants are revalued at fair value annually, any movement is expensed in the Consolidated Statement of Comprehensive Income.

(d) Loan write-off

A loan associated with the Group's past business activities in Malaysia was written off during the prior year.

(e) Staff restructure payments

The management of the Group are completing a staff review to ensure that we are using our resources as efficiently as possible.

Notes to the financial statements continued

12. Property, plant, and equipment

	Classroom and office equipment	Equipment and property Right-of-use assets property	Total
	£	£	£
Cost			
Opening balance, 1 Jan 2023	421,721	3,544,655	3,966,376
Additions	58,184	—	58,184
Disposals	(1,320)	—	(1,320)
Closing balance, 31 Dec 2023	478,585	3,544,655	4,023,240
Additions	27,598	—	27,598
Write-off during 2024**	(363,478)	(395,898)	(759,376)
Disposals	—	—	—
Closing balance, 31 Dec 2024	142,705	3,148,757	3,291,462
Accumulated depreciation			
Opening balance, 1 Jan 2023	391,059	1,329,579	1,720,638
Charge for the year	19,216	323,529	342,745
Disposals	—	181,013	181,013
Closing balance, 31 Dec 2023	410,275	1,834,121	2,244,396
Charge for the year	24,383	303,684*	328,067
Write-off during 2024**	(363,478)	(395,898)	(759,376)
Closing balance, 31 Dec 2024	71,180	1,741,907	1,813,087
Net book value			
At 31 December 2024	71,525	1,406,850	1,478,375
At 31 December 2023	68,310	1,710,534	1,778,844

* The Lease in Brighton terminated in March 2024. The accrual adjustment only impacts the Depreciation expenses and Accruals and not the Accumulated Depreciation. The ROU and lease liability have been adjusted in December 2023 to give the effect of the termination.

** Assets which are fully depreciated are written off from the books of accounts. However, assets are still in use.

13. Intangible assets

	Development assets £
Acquisition costs	
Opening balance, 1 Jan 2024	—
Addition	16,080
Closing balance, 31 Dec 2024	16,080
Accumulated amortisation	
Opening balance, 1 Jan 2024	—
Amortisation	—
Closing balance, 31 Dec 2024	—
Net book value on 31 Dec 2024	16,080

14. Investment in subsidiary companies

Company	2024 £	2023 £
Investment in subsidiaries		
Unquoted equity shares, at cost		
As at the beginning of the year	7,681,847	7,681,847
As at the end of the year	7,681,847	7,681,847
Provision against the cost of investment in subsidiaries		
As at the beginning of the year	6,262,497	6,262,497
As at the end of the year	6,262,497	6,262,497
Net book value at the end of the year	1,419,350	1,419,350

The Company owns 100% ordinary share capital of the following companies:

Communicate English School Limited (UK).

Malvern HE Partnerships Limited.

Malvern House Group Limited (UK).

Malvern House International Limited (UK) is 100% owned by Malvern House Group Limited.

The registered address for all of the above companies is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT.

For the purpose of Malvern House Group Limited, the Group has decided to take advantage of parental corporate guarantees under s479A of the Companies Act, allowing entities to take audit exemptions and present unaudited Statutory financial statements.

In liquidation

Malvern International Academy Pte Ltd (Singapore).

Malvern Language Academy Pte Ltd (Singapore).

15. Goodwill

	2024 £	2023 £
Cost		
Balance as at the beginning of the year	1,419,350	1,419,350
Balance as at the end of the year	1,419,350	1,419,350

Goodwill arose on the acquisition of Communicate English School Limited in 2018. Annual impairment reviews are undertaken each year using discounted future cash flows to ensure the carrying value is recoverable.

The recoverable amount of this cash-generating unit is in excess of the carrying value of £1,419,350, therefore no impairment is required. The following assumptions were used to calculate the amount recoverable:

- Discounted Cash Flow model produced modelling cashflow for Communicate over five years
- Terminal value applied to cash flow from year 6 onwards
- Discount rate of 13.75% (2023: 10%) applied reflecting the WACC of the Group
- Dynamic growth rate applied, ranging from 6% (2023: 6%) in 2026, reflecting additional growth of the anticipated bounce-back from lockdown impacted trade, to 3% (2023: 3%) annual growth at the end of the five-year time horizon, consistent with industry data
- Sensitivities around the model: a 0.1% (2023: 0.1%) increase in the discount rate has an impact of approximately £62k (2023: £34k) in headroom

Notes to the financial statements continued

16. Trade receivables

	2024 £	2023 £
Trade receivables	791,743	440,541

On 31 December 2024, the exposure to credit risk for trade receivables was as follows:

	2024 £	2023 £
Trade receivables are denominated in the following currencies:		
UK – Pound Sterling	791,743	440,541
	2024 £	2023 £
Not yet due and not impaired	42,974	74,598
Past due but not impaired		
– Past due 0 to 3 months	525,567	267,781
– Past due 3 to 6 months	125,388	31,134
– Past due over 6 months	97,814	67,028
	791,743	440,541
Impaired trade receivables	206,048	200,231
Less: Allowances for impairment loss	(206,048)	(200,231)
	791,743	440,541

A reconciliation of changes in the record of impairments of receivables is provided below.

	2024 £	2023 £
Balance at the beginning of the year	200,231	223,347
Movement in the year	5,817	(23,116)
Balance as at the end of the year	206,048	200,231

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

These are no contract assets within trade and other receivables.

17. Other receivables and prepayments

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Rent deposits	36,500	36,500	—	—
Prepayments and accrued income	1,463,060	850,481	85,925	88,946
Other debtors	66,387	32,013	45,811	27,539
	1,565,947	918,994	131,736	116,485

18. Cash and cash equivalents

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Cash and cash equivalents	1,391,605	2,196,499	4,733	2,273

19. Trade payables

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Trade payables	1,462,756	1,495,664	88,310	96,730

20. Contract liabilities

Contract liabilities are deferred revenue representing amounts billed on account of revenues where performance obligations have not been met for recognition of revenue. Contract liabilities relate to course fees received in advance and recognised in the Statement of Comprehensive Income based on classes and examinations conducted in the subsequent financial year.

The amount of £2,460,265 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the year ended 31 December 2024.

	2024 £	2023 £
Contract liabilities	3,080,256	2,460,265
		2024 £
Opening balance		2,460,265
Deferred income recognised during the year		(2,460,265)
Course fees received in respect of subsequent financial year		3,080,256
Closing balance		3,080,256

21. Other payables and accruals

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Other payables	256,574	204,457	162,800	94,629
Payroll Tax and Other Statutory Liabilities	453,508	335,389	71,700	54,687
Accrued expenses	1,189,111	983,207	58,255	35,465
	1,899,193	1,523,053	292,755	184,781

Notes to the financial statements continued

22. Financial liabilities

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Non-current liabilities				
Term Loan	1,023,238	1,811,784	992,282	1,765,039
Warrants	353,963	415,281	353,963	415,281
Lease liabilities	1,532,549	2,086,428	—	—
	2,909,750	4,313,493	1,346,245	2,180,320
Current liabilities				
Term Loan	670,763	313,484	653,515	296,236
Lease liabilities	563,460	418,267	—	—
Trade and other payables	1,462,756	1,495,664	88,310	96,730
	2,696,979	2,227,415	741,825	392,966
Total	5,606,729	6,540,908	2,088,070	2,573,286

Term Loan

In August 2019, Malvern received a Term Loan from BOOST&Co. for £2,600,000. This loan originally carried an interest rate as the higher of (a) 10% per annum, or (b) 8% per annum plus LIBOR. The loan was restructured in March 2022, the new terms includes a twelve-month payment and interest holiday with monthly payments commencing from March 2023 over a five-year period, with the interest being set at 7% for the first two years and 10% for the subsequent three years. There are no early repayment penalties on this facility.

During 2020, the Group took advantage of the Government-backed Bounce Back Loan Scheme ("BBS"), benefiting from a total of £100,000 to be repaid over a six-year period with a 2.5% fixed rate of interest. The first twelve months of this lending facility are free of any obligation to pay capital or interest. The balance outstanding at 31 December 2024 is £48,203 (2023: £63,993).

Warrants

As part of the Term Loan, BOOST&Co. were issued warrants over 1,840,949 shares. These warrants are exercisable at the Strike Price at any time over the following ten years since the inception of the Term Loan in August 2019.

As at the date of the financial position, the Group has fair valued these warrants at £353,963 (2023: £415,281). The following estimates were used to calculate this fair value:

- Annualised volatility of 65% (2023: 83%), which is consistent with a lifetime and post COVID-19 adjustment. This is a reduction on last year but the pandemic related volatility can now be viewed as an outlier and not consistent with the expected long-term evolution of the share price
- Maturity of 56 months applied, reflecting the duration over which BOOST&Co. could exercise these warrants
- Risk free rate of 4.014% (2023: 3.64%), being the Yield on UK five-year Government bonds
- Strike price of £0.10 for the share warrants issued in 2019 and 2020 and strike price of £0.106 for warrants issued thereafter

23. Share capital

	Allotted, called up, and fully paid				
	No. of ordinary shares	Nominal value of ordinary shares	No. of deferred shares	Nominal value of deferred shares	Nominal value of all shares
At 31 December 2023					
0.1p ordinary shares and 0.1p, 1p & 5p deferred shares	24,442,400	244,424	3,025,620,350	11,079,475	11,323,899
Additions during the year	—	—	—	—	—
At 31 December 2024					
0.1p ordinary shares and 0.1p, 1p & 5p deferred shares	24,442,400	244,424	3,025,620,350	11,079,475	11,323,899*

* Excludes the accumulated share-based payment balance. The share-based payments are booked in to equity under Other Reserves for £17,141 (2023: £12,190).

The Company has an Enterprise Management Incentive share option scheme for certain Directors and employees.

24. Reserves

The Company has the following types of reserves:

(i) Share premium reserve

	2024 £	2023 £
Balance as at the beginning of the year	6,797,950	6,797,950
Issue of new shares	—	—
Balance as at the end of the year	6,797,950	6,797,950

The share premium reserve arises where shares have been issued at a price more than the nominal value of 1p less any costs of the issue.

(ii) Retained earnings

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
At the beginning of the year	(21,895,871)	(21,762,885)	(22,694,047)	(20,617,212)
Tax adjustments from prior year	4,559	27,052	—	—
Loss for the year	(151,131)	(160,038)	(2,042,440)	(2,076,835)
At the end of the year	(22,042,443)	(21,895,871)	(24,736,487)	(22,694,047)

Retained earnings represent the accumulated surplus or deficit of distributable reserves.

25. Related party transactions

Details of key management personnel and Directors' fees and emoluments were as follows:

	2024 £	2023 £
Key management personnel		
Directors' remuneration:		
– Salaries and bonuses	250,000	200,063
– Directors' fees	115,000	80,000
– Share-based payments	1,020	2,474
	366,020	282,537

Notes to the financial statements continued

26. Financial instruments

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group holds the following financial instruments:

	Notes	Pound Sterling
2024		
Financial assets at amortised cost		
Cash and cash equivalent	18	1,391,605
Trade receivables	16	791,743
Other debtors	17	1,565,947
Total financial assets		3,749,295
Financial liabilities at amortised cost		
Trade and other payables	19	1,462,756
Borrowings	22	1,694,001
Lease liabilities	22	2,096,009
Financial liabilities at FVPL		
Warrants	22	353,963
Total financial liabilities		5,606,729
Net position		(1,857,434)
2023		
Financial assets at amortised cost		
Cash and cash equivalent	18	2,196,499
Trade receivables	16	440,541
Other debtors	17	918,995
Total financial assets		3,556,035
Financial liabilities at amortised cost		
Trade and other payables	19	1,495,664
Borrowings	22	2,125,268
Lease liabilities	22	2,504,695
Financial liabilities at FVPL		
Warrants	22	415,281
Total financial liabilities		6,540,908
Net position		(2,984,873)

(i) Credit risk

Exposure to the credit risks are monitored on an ongoing basis. The Group does not require collateral in respect of financial assets.

The carrying amount of trade and other receivables and related party balances and cash represent the Group's maximum exposure to credit risk. Cash and cash balances are placed with reputable financial institutions. Therefore, credit risk arises mainly from the inability of customers to make payments when due. 16% (2023: 34%) of the Group's account receivables are made up of individual students, 84% (2023: 66%) relates to large funding organisations such as universities. All trading activities are concentrated in Europe. The analysis of aging debtors is provided in note 16.

(ii) Liquidity risk

The Group seeks to adopt a prudent liquidity risk management by maintaining sufficient cash and having adequate amounts of credit facilities. Due to the nature of the Group's operations, the Group aims at maintaining flexibility in funding by keeping committed credit facilities available.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay.

	On demand or within 1 year £	Within 2 to 10 years £
2024		
Trade payables	1,462,756	—
Other payables and accruals	1,899,193	—
Term Loan	670,763	1,023,238
Lease liabilities	563,460	1,532,549
Warrants	—	353,963
Total	4,596,172	2,900,750
2023		
Trade payables	1,495,664	—
Other payables and accruals	1,523,053	—
Term Loan	313,484	1,811,784
Lease liabilities	418,267	2,086,428
Warrants	—	415,281
Total	3,750,468	4,313,493

(iii) Foreign currency risk

The Group's investments in overseas subsidiaries and associated companies which have been closed/discontinued after announcement in August 2020 and therefore group exposure is no longer a material risk. The differences arising from such translation are recorded under the foreign currency translation reserve. The Group does not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions as the Directors believe that the risks arising from fluctuations in foreign currency exchange rates are not significant.

Notes to the Financial Statements continued

(iv) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's bank overdraft facility and Term Loan. A change in interest rate at the reporting date would not materially affect income or reserves. For 2024, there was none to report.

The tables below set out the Group's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Fixed rate interest bearing £	Non-interest bearing £	Total £
At 31 December 2024			
Assets			
Trade and other receivables	—	2,357,690	2,357,690
Cash and bank balances	—	1,391,605	1,391,605
Total assets	—	3,749,295	3,749,295
At 31 December 2024			
Liabilities			
Trade and other payables	—	3,361,949	3,361,949
Borrowings	1,694,001	—	1,694,001
Lease liabilities	2,096,009	—	2,096,009
Warrants	—	353,963	353,963
Total liabilities	3,790,010	3,715,912	7,505,922
At 31 December 2023			
Assets			
Trade and other receivables	—	1,359,535	1,359,535
Cash and bank balances	—	2,196,499	2,196,499
Total assets	—	3,556,034	3,556,034
At 31 December 2023			
Trade and other payables	—	3,018,716	3,018,716
Borrowings	2,125,268	—	2,125,268
Lease liabilities	2,504,695	—	2,504,695
Warrants	—	415,281	415,281
Total liabilities	4,629,963	3,433,997	8,063,960

(v) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, and short-term borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of other financial assets and liabilities are as disclosed in the respective notes.

(vi) Reconciliation of liabilities arising from financing activities

	1 January 2024	Additional loan	CASH		Fair value movement	NON-CASH			31 December 2024
			Net financing cash flows	Interest paid		Reclassified	Pre-payment component	Unwinding of interest	
Term Loan	2,125,268	22,336	(515,002)	(140,726)	—	(65,940)	4,831	263,234	1,694,001
Warrants	415,280	—	—	—	(61,318)	—	—	—	353,962
IFRS 16 – Lease Liability	2,504,695	—	(554,360)	—	—	(8,188)	—	153,862	2,096,009

	1 January 2023	Additional loan	CASH		Fair value movement	NON-CASH			31 December 2023
			Net financing cash flows	Interest paid		Reclassified	Pre-payment component	Unwinding of interest	
Term Loan	2,489,149	43,679	(373,734)	1,790	(94,216)	—	—	58,600	2,125,268
Warrants	189,762	—	—	—	225,518	—	—	—	415,280
IFRS 16 – Lease Liability	3,075,518	—	(557,017)	—	—	(187,072)	—	173,266	2,504,695

(vii) Capital risk management policies and objectives

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, cash and bank balances, and equity attributable to holders of ordinary shares of the Company comprising issued capital, other reserves, and retained earnings as disclosed in the financial statements. The Board of Directors reviews the capital structure regularly and at the minimum on a yearly basis.

The Group monitors its debt-to-equity ratio which is calculated as follows.

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Loans	1,694,001	2,125,268	1,645,798	2,061,275
Lease liabilities	2,096,009	2,504,695	—	—
Total debt	3,790,010	4,629,963	1,645,798	2,061,275
Less: Cash and cash equivalents	(1,391,605)	(2,196,499)	(4,733)	(2,273)
Net debt	2,398,405	2,433,463	1,641,065	2,059,002
Total equity	(3,903,453)	(3,761,832)	(6,597,497)	(4,560,008)
Debt to equity	0.61	0.65	0.25	0.45

Financial assets are disclosed in notes 16 to 18. The Group's principal financial assets are bank balances, trade, and other receivables.

Loan covenants

The Group's does not have any specific financial covenants to comply with its major debt provider.

Notes to the financial statements continued

27. Share-based payments and share options

The Company has an Enterprise Management Incentive share option scheme for certain directors and employees. Under the scheme, participants have been awarded options to acquire up to a prescribed level of shares following a three-year vesting period if the Company's share price has met the pre-determined target conditions. There are two market-based conditions, each accounting for 50% of the share options awarded to the employee. In addition, the mid-market share price of the Company on the AIM Market of the London Stock Exchange, must stay at or above the exercise price, for 40 consecutive business days.

The Group used the Black-Scholes valuation framework for all share options awarded pre-2024. These options have also been valued using the Monte Carlo valuation method to validate the reasonableness of the results. The results from the Monte Carlo valuation were not considered materially different from the Black-Scholes valuation.

The inputs into the Black-Scholes model as at 31 December 2024 are as follows:

Grant date	EMI Options	Exercise price (pence)	Strike price on grant date (pence)	Vesting period (years)	Expected volatility	Risk free rate	Fair value	Deemed probability of achieving market condition
02/12/2020	308,750	50	15	3	12.30%	0.35%	0.34	5.02%
02/12/2020	308,750	90	15	3	12.30%	0.35%	0.74	0.37%
18/01/2022	60,000	50	15	3	11.98%	0.35%	0.35	5.30%
18/01/2022	60,000	90	15	3	11.98%	0.35%	0.75	0.37%
01/09/2022	223,750	60	22	3	10.45%	0.26%	0.38	1.10%
01/09/2022	223,750	110	22	3	10.45%	0.26%	0.87	0.00%

As with options containing performance-based market targets, the probability of achieving the set condition is factored into the determination of the value. These will not be re-measured at subsequent reporting dates.

The vesting probabilities presented are products of lognormal distribution modelling over a three-year period to determine the likelihood of the vesting condition being reached, based off the scaled mean and standard deviation from a prior 365-day period.

The Group has used the Monte Carlo valuation framework for all share options awarded in 2024.

The inputs into the Monte Carlo model as at 31 December 2024 are as follows:

Grant date	EMI Options	Hurdles (pence)	Strike price on grant date (pence)	Expiry (years)	Volatility	Option price (pence)	Share price (pence)
30/11/2022	192,500	60	10	5	50%	2.93	12
30/11/2022	192,500	110	10	5	50%	1.34	12
15/11/2023	143,750	115	23.5	5	70%	10.4	24.5
15/11/2023	143,750	150	23.5	5	70%	10.4	24.5
11/10/2024	244,717	115	18	5	66%	6.6	18
11/10/2024	244,717	150	18	5	66%	5.6	18

For options with hurdles, early exercise is assumed to take place as soon as the 40-day hurdle requirement is triggered after the three-year vesting period. The Monte Carlo simulation uses 50,000 iterations to enhance the accuracy of the predicted outcome.

Year ended 31 December 2024

	Number of options	Weighted average strike price
Outstanding at 1 January 2024	2,140,000	17.01p
Granted during the year	489,434	18p
Exercised during the year	—	—
Forfeited during the year	(382,500)	—
Outstanding at 31 December 2024	2,246,934	19.70p
Exercisable	—	—

Of the options outstanding at 31 December 2024, 670,000 (2023: 860,000) options have an exercise price of 15 p, 415,000 (2023: 567,500) options have an exercise price of 22 p, 385,000 (2023: 425,000) options have an exercise price of 10 p, 287,500 (2023: 287,500) options have an exercise price of 23.5 p and 489,434 (2023: 0) options have an exercise price of 18 p.

The aggregate charge for share options recognised in the Group financial statements in the year was £4,951 (2023: £5,133).

28. Subsequent events

Malvern International Plc has entered into new long-term partnerships with the University of Wolverhampton and the University of Cumbria post year end 2024.

Company information

Shareholder information

Registered office

3rd Floor
1 Ashley Road
Altrincham
Cheshire
WA14 2DT

Head office

200 Pentonville Road
London
N1 9JP

Website

www.malverninternational.com

Registered number

05174452

Listing information

AIM:MLVN

Date of Annual General Meeting

11 June 2025

Advisers and registrars

Nominated adviser and broker

WH Ireland Limited
24 Martin Lane
London
EC4R 0DR

Solicitors

Knights Plc
Two St Peter's Square
Manchester
M2 3AA

Auditor

Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Registrar

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

Shareholder enquiries

Our website contains a wide range of information of interest to investors, including: latest news, press releases, and Annual Reports. For further information please contact info.plc@malvernplc.com

Designed and
printed by:



perivan.com

