RNS Number : 1472I
Malvern International PLC
12 May 2025

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

12 May 2025

Malvern International plc

("Malvern", the "Company" or the "Group")

Final results for the year ended 31 December 2024

Malvern International plc (AIM: MLVN), the global learning and skills development partner, announces its final results for the year ended 31 December 2024.

Financial 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 of £0.22m (2023: £0.51m), with strong performance from Higher Education ("HE") 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 Pathway 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 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.

Richard Mace, Chief Executive Officer, said: "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 new international study centres in addition to UEL 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."

For further information, please contact:

Malvern International Plc	www.malverninternational.com
Mark Elliott - Chairman	Via our website
Richard Mace - Chief Executive Officer	
Zeus (NOMAD & Broker)	https://zeuscapital.co.uk/
Mike Coe / James Bavister	0203 829 5000

Notes to Editors:

Malvern International is a learning and language skills development partner, offering 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.

University Pathways provides on and off-campus in-sessional and pre-sessional programmes to support international students in progressing to a wide range of universities and undergraduate courses. Malvern assists its university partners with international student recruitment and conversion, admissions, fee collection, and course delivery, including teaching, orientation, and student support.

English Language Teaching is provided to adults at Malvern House Schools, accredited by the British Council and registered in the UK, with centres in London and Manchester. ForJuniors aged 13 to 18, fully immersive residential English language centres and customised language programmes are available at high-quality locations.

For further investor information go to www.malverninternational.com.

CHAIRMAN'S STATEMENT

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 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 programmes, 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 to successfully deliver our first student cohorts with new universities in September, build our partnership with UEL, and ensure 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 and we have a strong pipeline of further opportunities. Early bookings for the summer peak season are strong, and our two new long-term contracts demonstrate that we are meeting market demand.

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

OPERATING REVIEW

Higher Education and University Pathways

The student intake at the International Study Centre at 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 Pathway and pre-masters programmes for international students in preparation for undergraduate and post-graduate degrees. We have ambitious growth targets and are aiming to reach over 650 international students annually across both universities within five years.

English Language Training

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 Adult ELT 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 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 and sustainable profits from long term contracts.

Richard Mace, Chief Executive Officer

FINANCIAL REVIEW

Financial performance

Underlying revenue, excluding agent commission income, increased 38.4% to £14.74m (2023: £10.65m). Statutory revenue for the year excluding agent commission income 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) with key contributors to the loss being underperforming Adult ELT and forward investment associated with securing new Pathway contracts. 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 Pathway 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 Pathway 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 by £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

The cash balance at the end of the financial year was £1.59m (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 Pathway partnership agreements.

Daniel Fisher, Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2024 Underlying	2024 Non-Underlying	2024 Statutory	2023 Underlying	2023 Non-Underlying	2023 Statutory
		£	£	£	£	£	£
Revenue							
Sale of services	3	14,741,924	316	14,742,240	10,650,073	671,767	11,321,840
Agent commission	3	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	4	136,017	-	136,017	51,631	-	51,631
Salaries and employee benefits		(3,894,221)	(308)	(3,894,529)	(2,694,714)	(191,125)	(2,885,839)
Staff restructure payments		-	(42,110)	(42,110)	-	-	-
Depreciation of plant and equipment		(317,431)	884	(316,547)	(311,314)	(223,964)	(535,278)
Other operating expenses	6	(2,764,877)	(62,037)	(2,826,914)	(2,040,566)	(33,610)	(2,074,176)
Share-based payments		-	(4,951)	(4,951)	-	(5,133)	(5,133)
Warrants	6	-	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	5	(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 Underlying	2024 Non-Underlying	2024 Statutory	2023 Underlying	2023 Non-Underlying	2023 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)**

Profit/(loss) per share attributed to equity holders of the Company (in pence)

	Note	2024 Underlying	2024 Non-Underlying	2024 Statutory	2023 Underlying	2023 Non-Underlying	2023 Statutory
		£	£	£	£	£	£
Basic	7	(0.53)	(0.06)	(0.59)	0.60	(1.19)	(0.59)
Diluted	7	(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.

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		71,525	68,310	-	-
Intangible asset		16,080	-	-	-
Goodwill		1,419,350	1,419,350	-	-
Investment in subsidiaries		-	-	1,419,350	1,419,350
Right-of-use assets		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		19,625	8,166	-	-
Trade receivables		791,743	440,541	-	-
Other receivables and prepayments		1,565,947	918,994	131,736	116,485
Amounts due from subsidiaries		-	-	-	70,403
Cash and cash equivalents		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**
EQUITY AND LIABILITIES					
Non-current liabilities					
Term loan	9	1,023,238	1,811,784	992,282	1,765,039
Warrants	9	353,963	415,281	353,963	415,281
Lease liabilities	9	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	9	1,462,756	1,495,664	88,310	96,730
Contract liabilities		3,080,256	2,460,265	-	-
Other payables and accruals		1,899,193	1,523,053	292,755	184,781
Amounts due to subsidiary		-	-	5,772,490	3,410,452
Lease liabilities	9	563,460	418,267	-	-
Term loan	9	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

	Note	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Share capital	10	11,323,899	11,323,899	11,323,899	11,323,899
Share premium		6,797,950	6,797,950	6,797,950	6,797,950
Other reserves	11	17,141	12,190	17,141	12,190
Retained earnings		(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).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital * £	Share Premium £	Retained Earnings £
Balance at 1st January 2023	**11,323,899**	**6,797,950**	**(21,762,885)**
Total comprehensive expense for the year	-	-	(160,038)
Add: tax adjustments for prior years	-	-	27,052
Share-based payments (EMI options)	-	-	-
Balance at 31st December 2023	**11,323,899**	**6,797,950**	**(21,895,871)**
Total comprehensive expenses for the year	-	-	(151,131)
Deferred tax adjustments for 2024	-	-	4,559
Share-based payments (EMI options)	-	-	-
Balance at 31 December 2024	**11,323,899**	**6,797,950**	**(22,042,443)**

COMPANY STATEMENT IN CHANGES IN EQUITY

	Share Capital £	Share Premium £	Retained Earnings £
Balance at 1st January 2023	**11,323,899**	**6,797,950**	**(20,617,212)**
Total comprehensive expense for the year	-	-	(2,076,835)
New share from share-based payments (Inc. EMI Options)	-	-	-
Balance at 31st December 2023	**11,323,899**	**6,797,950**	**(22,694,047)**
New share from share-based payment (incl. EMI options)	-	-	-
Total comprehensive expense for the year	-	-	(2,042,440)
Balance at 31st December 2024	**11,323,899**	**6,797,950**	**(24,736,487)**

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	(11,459)	(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/(decrease) 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**

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)/decrease in receivables	(10,421)	(74,714)
Increase/(decrease) 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**

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. There have been no significant changes in the nature of these activities during the year.

2. Significant accounting policies

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 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.

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 offinancial 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 8 for a reconciliation of Statutory information to Underlying information.

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 £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, 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 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.

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 Pathway partners in Q1 2025, with the first intake of students due in September 2025.

In our Pathway division, student numbers are up c. 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 c. £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.

3. 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
	£	£
Agent 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.

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).

4. 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.

5. 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**

6. Operating expenses

	2024	2023
	£	£
Auditor's remuneration:		
- Fees payable to the Company's auditors for statutory audit	**67,345**	51,675
- Fees payable to the Company's auditors for statutory audit of subsidiary company	**55,100**	37,495
- Non-audit fees for taxation compliance fees	**-**	9,500
Consultant Fees:		
- Non-audit fees for taxation compliance fees	**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**

7. 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) attributed to shareholders is 0.59 (2023: statutory loss per share of 0.59).

8. 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 alternative performance measures (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)**

	Sale of services	Agent commission Income	Revenue	Direct costs	Gross profit	Operating profit	Finance costs	(Loss) / profit before tax
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 10 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.

9. 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 12-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 (BBLS), 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 12 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 10 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 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 5-year Government bonds.
- Strike price of £0.10 for the share warrants issued in 2019 and 2020 and strike price if £0.106 for warrants issued thereafter

10. 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 EMI share option scheme for certain Directors and employees.

11. Share-based payments and share options

The Company has an EMI 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 3-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 3-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 3-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 pence, 415,000 (2023: 567,500) options have an exercise price of 22 pence, 385,000 (2023: 425,000) options have an exercise price of 10 pence, 287,500 (2023: 287,500) options have an exercise price of 23.5 pence and 489,434 (2023: 0) options have an exercise price of 18 pence.

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

12. 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.

The annual report and accounts together with the notice of AGM to be held on 11 June 2025, are expected to be uploaded to the Company's website and posted to shareholders in due course.