

# WINE AND SPIRIT EDUCATION TRUST

England & Wales · Charity number 313766

## Details

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**Other names** WINE AND SPIRIT EDUCATION TRUST LTD, W S E T, WSET

**Status** Registered

**Legal form** Charitable company

**Company number** [00964179](#)

**Registered** 1969-11-27

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** 39 45 Bermondsey Street  
London  
SE1 3XF

**Phone** 02039120543

**Email** [wset@wsetglobal.com](mailto:wset@wsetglobal.com)

**Website** [www.wsetglobal.com](http://www.wsetglobal.com)

## Activities

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**Objects:** THE PROMOTION PROVISION AND DEVELOPMENT OF HIGH QUALITY EDUCATION AND TRAINING IN WINES SPIRITS AND OTHER ALCOHOLIC LIQUORS, IN THE UNITED KINGDOM AND ELSEWHERE, DIRECTED AT: 1) THOSE WHO ARE ENGAGED IN OR CONNECTED WITH THE WINE AND SPIRIT TRADE (INCLUDING ALL TRADES ANCILLARY OR ALLIED THERETO AND EVERY BRANCH OF SUCH TRADE) OR WHO INTEND TO BE SO ENGAGED OR CONNECTED 2) MEMBERS OF THE GENERAL PUBLIC

**Activities:** Promotion provision and development of high quality education and training in wines and spirits, in the United Kingdom and elsewhere, for those who are engaged in the wine and spirit trade or who intend to be so engaged or connected and members of the general public.

## Classification

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- **How:** Provides Services
- **What:** Education/training
- **Who:** Other Defined Groups, The General Public/mankind



## Geography

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- Argentina
- Australia
- Austria
- Belgium
- Brazil
- Bulgaria
- Canada
- Cayman Islands
- Chile
- China
- Colombia
- Croatia
- Cyprus
- Denmark
- Dominican Republic
- Ecuador
- Finland
- France
- Georgia
- Germany
- Greece
- Guernsey
- Hong Kong
- Hungary
- Iceland
- India
- Ireland
- Italy
- Japan
- Kenya
- Lebanon
- Lithuania
- Luxembourg
- Macau

- Macedonia
- Malaysia
- Malta
- Mexico
- Netherlands
- New Zealand
- Nigeria
- Northern Ireland
- Norway
- Paraguay
- Philippines
- Poland
- Portugal
- Puerto Rico
- Qatar
- Romania
- Russia
- Scotland
- Serbia
- Singapore
- Slovenia
- South Africa
- South Korea
- Spain
- Sri Lanka
- Sweden
- Switzerland
- Taiwan
- Thailand
- Turkey
- Ukraine
- United Arab Emirates
- United States
- Vietnam
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£22,658,000	£21,350,000	£8,957,000	183
2024-07-31	£22,947,000	£23,176,000	£8,434,000	192
2023-07-31	£22,141,728	£22,588,062	£10,934,057	182
2022-07-31	£17,243,005	£18,441,935	£13,931,757	171
2021-07-31	£16,158,353	£15,742,826	£16,879,501	146

## Trustees

Name	Role	Appointed
Andrew Francis de Camborne Paynter		2025-12-19
Georgie Bell		2024-07-09
Jolyon Thornton		2021-12-07
Lulie Halstead		2021-12-07
Miles Beale		2021-12-07
Regine Marisa Lee		2024-11-26
Sukhinder Singh		2021-12-07
Tamara Jane Larder		2025-12-19

**WINE AND SPIRIT EDUCATION TRUST**

England & Wales - Charity number 313766

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# Accounts

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**COMPANY NUMBER: 00964179**  
**CHARITY NUMBER: 313766**

**WINE AND SPIRIT EDUCATION TRUST**  
**(COMPANY LIMITED BY GUARANTEE)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

# WINE AND SPIRIT EDUCATION TRUST

## CONTENTS

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	Page
Reference and administrative information	1
Trustees' Report	2-9
Independent Auditor's Report	10-13
Statement of Financial Activities	14
Consolidated Balance Sheet	15
Statement of Cash Flows	16-17
Notes to the Financial Statements	18-36

# WINE AND SPIRIT EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **DIRECTORS AND TRUSTEES**

S McMurtrie (Chairman)  
J Locke (resigned Nov24)  
S Singh  
M Beale  
D Jago  
L Halstead  
J Thornton  
G Bell  
R Lee (appointed Nov 24)

### **Key Management Personnel**

M Brampton - Chief Executive  
I Pogue - Chief Financial Officer

### **Registered Office**

International House  
39-45 Bermondsey Street London SE1 3XF

### **Company Number**

00964179

### **Charity Number**

313766

### **PROFESSIONAL ADVISORS TO THE TRUST**

#### **Auditors**

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

#### **Solicitors**

Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P 3JT

#### **Bankers**

National Westminster Bank Plc, 2 Eastcheap, London EC3

#### **Insurance Brokers**

Gallagher, Portmore House, Yeoman Park, Test Lane, Southampton SO16 9JX

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2025**

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The trustees of the Wine and Spirit Education Trust ("WSET") are pleased to present their annual report together with the financial statements for the year ended 31 July 2025.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

Wine and Spirit Education Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 12th September 1969 and amended to allow for changes in Companies Acts on 29<sup>th</sup> May 2002 and again on 9<sup>th</sup> March 2011. It is registered as a charity with the Charity Commission. There are currently 8 members each of whom agree to contribute £1 in the event of the charity winding up.

##### **Appointment of Trustees**

Each Trustee is elected to serve a term of four years. At the end of the term, Trustees can vote to extend the term by a year, on no more than two occasions, which means that the maximum term a member can serve before standing down is six years. The Chairman of the Board of Trustees may serve additional years (i.e. a maximum term of nine years). The Trustees are appointed as representatives of four industry bodies: up to three Trustees are appointed from members of the Vintners Company, up to three from the members of the Wine and Spirits Trade Association (WSTA), up to one from members of the Worshipful Company of Distillers and up to one from the Institute of Masters of Wine. Nominations for Trustees are sought from these bodies, as each of their representative Trustees retire, with regard to providing valuable service to the Trust through their individual skills, experience and standing in the community.

#### **THE AIMS OF THE WINE AND SPIRIT EDUCATION TRUST**

Extract from the Memorandum and Articles of Association, adopted 9<sup>th</sup> March 2011:

"The primary objects for which the Trust is established are the promotion, provision and development of high-quality education and training in wines and spirits, in the United Kingdom and elsewhere, directed at those who are engaged in or connected with the wine and spirit trade or who intend to be so engaged or connected, plus members of the general public". This includes the provision of education in social responsibility.

The Trust aims to provide first-class educational programmes, with a suite of sought-after examinations, leading to qualifications which fall within the UK Qualifications Framework.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

##### **Public Benefit**

WSET recognises the role it must play in helping to make the global drinks industry a more accessible, inclusive and diverse place in which to work, in particular for individuals from ethnically diverse backgrounds and other underrepresented communities. Bursaries and a programme of charitable initiatives working with local organisations globally have provided access to WSET qualifications, funding and mentorship for many individuals facing hardship and challenges.

During the year 600 beneficiaries were supported through bursaries and programmes across 12+ countries throughout EMEA, UK, APAC and Americas. WSET supported 20 separate social impact projects in collaboration with partners, charities and WSET course providers.

Activities included:

- The WSET Scholarship programme, in collaboration with Diageo, supported 100 females in Zambia and India's hospitality sectors. The initiative aimed to empower participants by providing access to drinks education and professional development, with the aim of supporting career advancement.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2025

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- 93 individuals in the UK received bursaries to take WSET courses in wine, spirits and sake through The Drinks Trusts' Develop programme. The programme aims to help lift people out of long-term hardship and to grow the UK drinks and hospitality industry workforce.
- WSET collaborated with Sullivans and The Wine Education Co. to support skills development in the Solomon Islands. 23 individuals took the Level 1 Award in Wines, helping to build confidence and develop skills required to build a career in the tourism and hospitality sectors.
- 50 students in South Africa were supported to take the WSET Level 2 Award in Wines through the Pinotage Youth Development Academy (PYDA). The PYDA's year-long programme helps young people (18-25) from disadvantaged backgrounds to unlock their potential through drinks education and personal development.

### DIRECTORS AND TRUSTEES

The Directors of the charitable company ("the Trust") are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who served during the year are shown on page 1.

#### Trustee Induction and Training

New Trustees undergo an orientation day to brief them on their legal obligations under charity code of governance and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### Organisation

The Board of Trustees, which has 8 members, administers the charity. The board meets regularly and there is a sub-committee covering finance issues which also meets as required. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment working with the Chief Financial Officer.

The Trustees give their time freely, and no remuneration is paid, except for out of-pocket travel expenses. The Trustees have also confirmed that no person connected to a Trustee has received a Bursary Grant or a Scholarship in the past 12 months.

The remuneration policy for the key management positions within the charity is set by the Trustees on an annual basis and performance is monitored through the annual appraisal system which measures achievement against the Chief Executive's and Chief Financial Officer's personal business objectives.

#### Subsidiaries

On 21<sup>st</sup> of October 2015, WSET Asia-Pacific was incorporated in Hong Kong. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust.

On 17<sup>th</sup> of October 2017, Wine and Spirit Education Trust America Inc. was incorporated in New York. The principal aims of this subsidiary charity are to support the growing market in America. It is 100% owned by the Wine and Spirit Education Trust.

On 1<sup>st</sup> of November 2023, Wine and Spirit Education Trust Australia Limited, a company limited by guarantee, was incorporated in New South Wales, Australia (Australian Company Number 672609773). The principal aims of this company are to support the growing market in Australia. It is 100% controlled by the Wine and Spirit Education Trust.

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## **STRATEGIC REPORT**

### **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

As part of their annual strategy review, the Trustees have reviewed the aims and activities of the WSET and consider that they meet the principles of Public Benefit.

Our purpose is empowering people through inspiring learning experiences all over the world. To achieve this we developed six long-term strategic imperatives:

- **People:** create an inclusive and purposeful culture where our people feel valued, and enhance capabilities in key areas
- **Route to Student (RTS):** build a sustainable multi-channel strategy and commercial model
- **Environmental, Social and Governance (ESG):** establish a meaningful ESG agenda internally and externally
- **Product:** develop our portfolio of learning experiences through a student driven approach
- **Customer Service:** cultivate a global service mindset, underpinned by improved systems and processes
- **Brand:** evolve the WSET brand and build our reputation through credibility and relevance

Key initiatives and achievements against these goals for 2024/25 were:

- **People:** embed leadership capability across the Leadership Team and Senior leaders. Review benefits to international staff and create a recognition programme. Ongoing training and working groups continue to embed leadership capability. A review of benefits to international staff was completed, and the 'Cheers!' staff recognition programme rolled out.
- **Route to Student:** as part of our Global Growth Plan, implement agreed Global market prioritisation for investment. Build Direct to Business capability. Global market prioritisation was implemented and forms the basis for 2025/26 initiatives as set out later. Given economic conditions, and the consequent need to scale back capital investment, the build of system-based Direct to Business capability was delayed, though planning continued.
- **Environmental, Social and Governance (ESG):** promote Partnerships approach and social impact projects. Complete initial ESG analysis and reporting, with data to be published internally in December 2024. We continued to promote our Partnerships approach and social impact projects, as set out earlier in the report. Our first ESG report was published internally in January 2025.
- **Product:** update Level 3 Spirits content and materials to improve educator and student experience. Improve classroom resources for Level 3 Wines to support delivery and exams, and plan for restructure/rewrite of the course. Delivery of all these initiatives was achieved during the year, with restructure/rewrite of Level 3 Wines now forming a key initiative for 2025/26 as set out later.
- **Customer Service:** as part of EXAT, move Levels 3 and 4 exam processing onto our CRM platform. Introduce Digital Certificates on an opt-in basis. Embed new Customer Services team and enquiry management in CRM. Whilst the system build of the Levels 3 and 4 exam processing within CRM was completed within the year, additional time required for testing meant that go-live took place in September 2025. Digital certificates were introduced on an opt-in basis for Levels 1 and 2. Enquiry management was embedded within the CRM and the new Customer Services team developed its role and impact within the organisation very effectively.
- **Brand:** refresh WSET brand to align with our purpose/strategic direction and support future growth. Scope and build a new customer-centric website with an integrated customer portal that embodies our brand and offers a seamless customer journey. Work was completed on the refresh of the WSET brand, to be rolled out from 2025/26. As with the system build of Direct to Business capability, the build of website and portal was delayed to 2025/26.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2025

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Key financial and KPI targets were:

- Growth in exam candidate enrolments to 147,250
- Achieve WSET Group EBITDA of £4.1m
- Meet Exam results processing SLA targets

Actual results were:

- Exam candidate enrolments achieved were 122,279. Economic conditions, particularly within the hospitality industry, meant a significant reduction in candidates compared to the prior year, rather than growth. This was especially acute in the first half of the year, where candidates were down 11% on the prior year, compared to 7% for the second half (overall 9% down).
- WSET Group EBITDA was £3.0m, considerably below target, reflecting the economic conditions noted above, with reductions in income partially mitigated by a cost saving programme.
- At Levels 1 and 2, exams results processing targets were achieved around 95%. Ongoing logistical issues impacted Level 3 achievement, but the migration of processing of this level to our CRM platform in September 2025 will enhance efficiency and we expect performance against targets to improve as a result.

#### **FINANCIAL REVIEW**

WSET delivered a steady financial performance in the year, reporting net income of £1.3m following the upward revaluation of owner-occupied property assets by £0.8m. Investment continued in future growth, with a focus on Product Development and Infrastructure. Macroeconomic conditions, particularly challenges within the drinks industry, impacted turnover, which closed 1% below the prior year.

Operational expenditure was reduced by 8% to £21.3m (2024: £23.2m) through strong cost control, while maintaining investment in strategic priorities. Contributions towards overheads were generated as follows: 12% from the London School, 55% from WSTA Examinations, 9% from Global Digital Learning Services, and 24% from sales of books/materials and investment property rental income.

Net assets at 31 July 2025 stood at £8.9m (2024: £8.4m), reflecting revaluations of both owner-occupied and investment properties. The property market valuation remained mixed, resulting in a net loss of £744k across investment properties.

#### **Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in the best interest of the charity

#### **Reserves Policy**

WSET set reserves policy using a free reserves approach. Free reserves are the total reserves available less those restricted and those designated by trustees for a specific purpose or because they are held in property. The policy is generally reviewed annually, taking into consideration the major risks faced by the charity, their likely effect on income and planned expenditure, and assessment of possible actions to mitigate those risks.

#### **Endowment reserves (£118k)**

These are funds the charity will maintain as specified by the endowed terms of the fund.

#### **Restricted reserves (£25k)**

These are funds the charity will spend on activities specified by the restriction of the fund.

#### **Unrestricted reserves**

These are funds over which the trustees have discretion in how they are used to further the objects of the charity.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2025

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In Accordance with Charity Commission guidance, some of these funds have been designated to mitigate the charity's financial risks and to indicate which reserves are held in property and are therefore not available as 'free' reserves.

#### **Designated Funds (£4.7million)**

This is the value of the property reserve which equates to the amount currently invested in the charity's property, excluding the value of mortgages secured against the property.

#### **General Fund (£4.1million)**

Monthly operational expenditure stands at approximately £1.8m, therefore general reserves provide just over 2.5 months' cover. The WSET has a long-term group reserves policy based on three months' costs, currently £5.4m. It is recognised that the significant period of capital investments in the School refurbishment, completed in 2024, and ongoing investment in technology will impact on achievement of this long-term policy in the next few years. With the completion of our Exams Transformation Programme (EXAT) in early FY25/26, followed by update of the Level 3 Wines core product in FY26/27, capital spend is planned to reduce enabling the build-up of reserves in the subsequent years.

### **FUTURE PLANS**

Key initiatives against our goals for 2025/26 are:

- **People:** embed new brand behaviours and a Health & Safety mindset. Review systems for engagement, HCM and background screening. Implement a strategic approach to training which offers the appropriate training to the right people at the right time. Create a global approach through business partnering.
- **Route to Student:** Focus on markets in line with Global Growth Plan (Accelerate - USA and Germany. Plan, test and learn - India and Japan. Fix - UK & Australia). Build direct delivery capability outside UK including payment gateway. Develop leads capture in CRM. Develop APP segmentation. Strengthen APP communication, partnerships and Diploma Centre engagement.
- **Environmental, Social and Governance (ESG):** continue to promote Partnerships approach and social impact projects. Complete first ESG external report. Undertake trademark review and renewals, given new brand. Develop Awards Supervisory Board, with a new chair and additional members.
- **Product:** Level 3 Wines - complete rewrite and digital student resources creation. Scope and plan for delivery of sustainability products and funding model. Create framework for bespoke courses / business education. Evolve CPD for educators.
- **Customer Service:** embed new CRM system and ways of working. Deliver out of the box Customer Portal. Support digital adoption including certificates, on screen testing, LOFT (linear on the fly testing). Explore print on demand for specific markets. Develop global distribution knowledge and consistent approach.
- **Brand:** implement, launch and leverage refreshed WSET brand – internally and externally. Build a new customer-centric website that embodies our brand, and offers a seamless customer journey. Focus on first party data acquisition and improving student retention. Strengthen and expand our communities. Launch APP awards.

Key financial and KPI targets are:

- Achieve exam candidate enrolments of 121,243
- Achieve WSET Group EBITDA of £3.3m
- Meet Exam results processing SLA targets

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2025

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#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees have approved a risk management policy and process and are responsible for overseeing risk management as a whole and for determining the overall risk management. Trustees' policy is to review the risk register on a regular basis to ensure that the impact of financial, strategic, operational and compliance risks are minimised. Management continually reviews the risks to which the WSET could be exposed. Risks are assessed for likelihood and severity of impact. This information is then used to develop a risk management strategy, including the identification of existing operational controls and any new controls considered necessary.

Several risks and uncertainties have been identified, which are listed below in no particular order or likelihood of occurrence:

#### **People**

Our people are critical to the success of our business and we need to attract, motivate and retain the best talent we can, not only for our current needs, but also looking ahead to the organisation of the future. We undertake annual performance reviews to ensure staff are motivated and retained, and offer a range of benefits. Succession planning is undertaken for senior staff. We provide training for all our staff, including external training where relevant to specialisms.

#### **Information and Computer Systems**

WSET is heavily dependent on the integrity of our IT systems and the management of information including sensitive student and APP information. This can lead to concerns about integrity, security and other data issues. At the same time, cyber-crime is growing in frequency and sophistication and many IT systems are exposed to these threats. We run incremental backups to our onsite backup facility, then incremental/full nightly backups to our cloud-based solution. These are distributed to two geographically separate data centres. In the event of a disaster, we have a Disaster Recovery (DR) plan in place. As the majority of critical services are cloud based there is little impact to the business day to day. However, we can very quickly gain access to our DR sites (data centres) to ensure business can function.

We set out data protection compliance in a framework of policies and procedures. We also monitor compliance with data protection policies and regularly review the effectiveness of data handling/processing activities and security controls.

#### **Business Operations and Supply Chain**

WSET depends on purchasing materials and education technology, on controlled inventory management and the timely supply of our products to our APPs and students. Some of our key products are reliant on one producer or one supplier for educational materials e.g. certificates, pins and suppliers of our digital education offerings (eBook, online exams and online courses). Therefore, where possible we have identified potential alternative suppliers. For critical suppliers which would be difficult to replace quickly, we review and monitor their financial status.

#### **Statutory and regulatory compliance**

WSET's primary object is the promotion, provision and development of high-quality education and training in wines, spirits and sake across the world. Our global reach could lead to non-compliance with statutory and regulatory requirements through lack of oversight, knowledge or training, at both local and group level. Non-compliance can lead to loss of status, recognition, reputation, customers and the imposition of penalties. We therefore employ qualified personnel at group and local levels, as well as using external professionals, and work with regulatory or statutory authorities to ensure compliance by obtaining guidance and instruction and implementing these.

#### **Product Portfolio Development**

The education industry is undergoing rapid new product innovation, digitisation and globalisation, including the rapid development of Artificial Intelligence (AI) tools. The sustainability of our business depends on creating and developing suitable educational products and examinations to meet the needs of our APPs and students to support long-term growth and securing appropriate protection for and defending our

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2025

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intellectual property. To mitigate this, we have a particular focus on developing our digital education tools in the current and future financial years and have an internal team reviewing how we can use AI within our product development. We currently update exams on a 4-year cycle and continue to review how we can improve the update process.

#### **External Environment and Economic Climate**

WSET's APPs and subsidiaries operate in a variety of political, economic, and legal jurisdictions. We may therefore be impacted by legal or budgetary constraints, economic and political considerations, fluctuations in exchange rates and our ability to persuade stakeholders of the economic value of our education. It is difficult to forecast the effects of these complex factors and we therefore aim through our planning to be able to react to negative impacts which might adversely affect our performance. However, the global reach of our operations can mitigate against this risk, as markets with strong conditions can support those in a negative situation. WSET recognises the risks associated with loan covenants and potential interest rates increases and has adopted a comprehensive risk management approach to mitigate both.

#### **Going Concern**

The Trustees have reviewed the financial performance for FY25 and the FY26 budget with a cashflow forecast projection for the next 12 months. Performance in the first quarter of the financial year has been above expectations, with EBITDA at £1.0m (£0.1m up on prior year). Having reviewed all this information along with the funding facilities available to the Trust, the Trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. Key factors in assessing WSET as a going concern include solid EBITDA performance over recent years, a diverse geographic spread across 4 reporting regions (EMEA, APAC, Americas and Australia), continued place as global market leader for wine and spirits education, and subsidiary operations to grow business in Americas, APAC and Australia.

#### **RESPONSIBILITIES OF THE TRUSTEES**

The trustees (who are also directors of the Wine and Spirit Education Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the Income and application of resources, including the income and expenditure, of the charitable for that period. In preparing these financial statements, the trustees are required to:

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

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

**WINE AND SPIRIT EDUCATION TRUST  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2025**

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**STATEMENT OF DISCLOSURE TO AUDITORS**

So far as the trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware. Additionally, the trustees have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

**In approving the Trustees' Report the trustees also approve the Strategic Report in their capacity as company directors.**

Approved by the Trustees and signed on their behalf on 3 December 2025.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a long horizontal line with a slight curve at the end.

**Chairman**

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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## **Opinion**

We have audited the financial statements of Wine and Spirit Education Trust for the year ended 31 July 2025 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 July 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

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

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

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST

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## **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:

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context were Charity Commission regulations, Ofqual regulations as an awarding body, taxation matters and General Data Protection Regulation (GDPR).

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, judgements made in the property valuations, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing of documentation relating to income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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

### **Use of our report**

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



### **Dipesh Chhatralia**

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

London

Date: 18 December 2025

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

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating the income and expenditure)**

**FOR THE YEAR ENDED 31 JULY 2025**

	Notes	Unrestricted funds		Endowment & Restricted funds	Total 2025	Total 2024
		General	Designated		£'000	£'000
		£'000	£'000	£'000	£'000	£'000
<b>INCOME FROM</b>						
Charitable activities:						
Courses, examination						
fees and Teaching aids	3	21,550	-	-	21,550	21,801
Donations and legacies		497	-	126	623	401
Investments		34	-	-	34	35
Other trading activities	4	451	-	-	451	710
<b>Total income</b>		<b>22,532</b>	<b>-</b>	<b>126</b>	<b>22,658</b>	<b>22,947</b>
<b>EXPENDITURE ON</b>						
Examination and courses	5	16,702	-	-	16,702	17,449
Teaching costs	5	3,532	-	-	3,532	4,327
Raising funds	5	1,109	-	7	1,116	1,400
<b>Total expenditure</b>		<b>21,343</b>	<b>-</b>	<b>7</b>	<b>21,350</b>	<b>23,176</b>
<b>Net income (expenditure) before transfers</b>		<b>1,189</b>	<b>-</b>	<b>119</b>	<b>1,308</b>	<b>(229)</b>
Transfers	18	(688)	688	-	-	-
<b>Net income/(expenditure)</b>		<b>501</b>	<b>688</b>	<b>119</b>	<b>1,308</b>	<b>(229)</b>
Translation adjustment		(41)	-	-	(41)	(207)
<b>Net movement in funds</b>		<b>460</b>	<b>688</b>	<b>119</b>	<b>1,267</b>	<b>(436)</b>
<b>Investment Property Loss</b>	8	-	(744)	-	(744)	(2,065)
Fund balances brought forward at 1 August 2024	18	3,639	4,771	24	8,434	10,935
<b>Fund balances carried forward at 31 July 2025</b>		<b>4,099</b>	<b>4,715</b>	<b>143</b>	<b>8,957</b>	<b>8,434</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All activities shown are continuing.

Full comparative figures for 2024 are shown in note 26.  
The notes on pages 18 to 36 form part of these financial statements.

**WINE AND SPIRIT EDUCATION TRUST**  
**COMPANY NUMBER: 00964179**  
**BALANCE SHEET AS AT 31 JULY 2025**

	Notes	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
<b>FIXED ASSETS</b>					
Tangible and Intangible assets	7	<b>16,067</b>	15,255	<b>16,067</b>	15,255
Investment property	8	<b>9,186</b>	10,680	<b>9,186</b>	10,680
		<b>25,253</b>	25,935	<b>25,253</b>	25,935
<b>CURRENT ASSETS</b>					
Inventories	12	<b>1,413</b>	917	<b>1,413</b>	917
Debtors	13	<b>3,186</b>	2,898	<b>4,628</b>	4,290
Cash and bank balances		<b>2,146</b>	2,299	<b>1,676</b>	1,869
		<b>6,745</b>	6,114	<b>7,717</b>	7,076
<b>TOTAL ASSETS</b>		<b>31,998</b>	32,049	<b>32,970</b>	33,011
<b>RESERVES AND LIABILITIES</b>					
<b>FUNDS</b>					
Endowment & Restricted funds	18	<b>143</b>	24	<b>143</b>	24
Unrestricted funds	18	<b>8,814</b>	8,410	<b>9,977</b>	9,535
		<b>8,957</b>	8,434	<b>10,120</b>	9,559
<b>LIABILITIES</b>					
Creditors	14, 16	<b>23,041</b>	23,615	<b>22,850</b>	23,452
<b>TOTAL RESERVES AND LIABILITIES</b>		<b>31,998</b>	32,049	<b>32,970</b>	33,011

The financial statements were approved and authorised for issue by the Board of Trustees on 3 December 2025 and were signed on its behalf by:



**Chairman**

The notes on pages 18 to 36 form part of these financial statements.

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2025**

	<b>2025</b>	2024
	<b>£'000</b>	£'000
<b>Net cash inflow from operations:</b>		
Net cash provided by operations	(a) <u>3,031</u>	<u>3,443</u>
<b>Cash flows from investing activities:</b>		
Bank interest and other investment income	34	35
Finance and other costs	(1,330)	(1,364)
Payments to acquire tangible fixed assets	(1,314)	(2,810)
Payments relating to investment property	<u>3</u>	<u>(121)</u>
<b>Net cash used in investing activities</b>	<u>(2,607)</u>	<u>(4,260)</u>
<b>Cash flows from financing activities:</b>		
Loan repayments	(577)	(622)
Bank loan drawdown	-	1,329
Finance lease	-	613
<b>Net cash provided by financing activities</b>	<u>(577)</u>	<u>1,320</u>
Change in cash and cash equivalents in the reporting period	(153)	503
Net cash and cash equivalents at beginning of period	<u>2,299</u>	<u>1,796</u>
Net cash and cash equivalents at end of period	(b) <u>2,146</u>	<u>2,299</u>

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO  
NET CASH INFLOW FROM OPERATIONS

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Net movement in funds	1,267	(436)
Depreciation/Impairment	503	2,632
Bank interest and other investment income	(34)	(35)
Finance and other costs	1,330	1,364
Other costs	-	(2)
Decrease in stocks	253	121
(Increase)/Decrease in debtors	(288)	180
(Decrease) in creditors	<u>-</u>	<u>(382)</u>
Net cash inflow from operations	<u>3,031</u>	<u>3,442</u>

The notes on pages 18 to 36 form part of these financial statements

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2025**

B. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 01-Aug 2024 £'000	Cashflows £'000	Other Changes £'000	At 31-Jul 2025 £'000
<b>Cash and cash equivalents</b>				
Cash	2,299	(153)	-	2,146
	<u>2,299</u>	<u>(153)</u>	<u>-</u>	<u>2,146</u>
<b>Borrowings</b>				
Debt due within one year	19,849	119	(576)	19,392
Debt due after one year	430	(696)	576	310
	<u>20,279</u>	<u>(577)</u>	<u>-</u>	<u>19,702</u>
<b>Total</b>	<u>(17,980)</u>	<u>424</u>	<u>-</u>	<u>(17,556)</u>

# WINE AND SPIRIT EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2025

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#### 1. ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in dealing with items which are considered material in relation to the accounts.

##### **Basis of Preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019. The Trustees have adopted balance sheet Format 2, outlined in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as they feel that this is a fairer representation of the financial position of the Group and Charity.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 July 2025 and the comparative information presented in these financial statements for the year ended 31 July 2024. The financial statements are drawn up under the historical cost convention.

The Trust is a Public Benefit Entity registered as a charity and company in England and Wales, it was registered in 1969 (charity number 313766 and company registration number 964179).

##### **Basis of consolidation**

The accounts consolidated the results of WSET Asia Pacific Limited and WSET Americas Inc., the wholly owned charitable subsidiary companies, and the results of WSET Australia Limited, a wholly controlled charitable company. WSET Asia Pacific Limited was incorporated in Hong Kong on 21 October 2015 and WSET Americas Inc. was incorporated in New York on 17 October 2017. WSET Australia Limited was incorporated in Australia on 1 November 2023. In accordance with Section 408 of the Companies Act 2006, no separate Statement of financial Activities is presented for Wine and Spirit Education Trust Limited. The parent charity net surplus for the year was £561k, (2024: net expenditure £(2,002k)).

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements.

##### **Going Concern**

The Trustees have reviewed the financial performance for FY25 and the FY26 budget with a cashflow forecast projection for the next 12 months. Performance in the first quarter of the financial year has been above expectations, with EBITDA at £1.0m (£0.1m up on prior year). Having reviewed all this information along with the funding facilities available to the Trust, the Trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. Key factors in assessing WSET as a going concern include solid EBITDA performance over recent years, a diverse geographic spread across 4 reporting regions (EMEA, APAC, Americas and Australia), continued place as global market leader for wine and spirits education, and subsidiary operations to grow business in Americas, APAC and Australia.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily

# WINE AND SPIRIT EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2025

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#### 1. ACCOUNTING POLICIES (continued)

apparent from other sources. Significant estimates and judgements are applied in relation to the useful economic life of tangible and intangible assets and the valuation of investment properties. An investment property revaluation exercise was undertaken for this purpose at the end of the year (see note 8 for further details).

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

#### **Income**

All income is recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

#### Fees and similar income

Courses, examination fees, teaching aids and other income receivable are credited to the Statement of Financial Activities in the period when the course or examination takes place. Fees received in advance are deferred on the balance sheet within creditors.

#### Donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Trust is considered probable.

#### Investment and rental income

Rental income, and investment income from dividends, bank balances and fixed interest securities is accounted for on an accrual basis.

#### **Expenditure**

All expenditure is accounted for on an accrual's basis. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Note 5 to these accounts details the method of allocation of such costs.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Staff costs, where attributable to more than one area of activity, are apportioned across categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Support costs include governance costs and other indirect costs. Governance costs comprise all expenditure involving the public accountability of the charity and its compliance with regulation and good practice. These costs include some legal fees, the costs associated with trustees' meetings and the cost of the statutory audit plus an appropriate proportion of management time. Support costs (including Governance costs) are allocated to the costs of Raising Funds and Charitable Activities on income basis.

# WINE AND SPIRIT EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2025

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#### 1. ACCOUNTING POLICIES (continued)

##### *Pension Scheme Costs*

Contributions in respect of the Trust's defined contribution pension scheme are charged to the Statement of Financial Activities for the year in which they are payable to the Scheme.

##### **Tangible and Intangible Fixed Assets**

Tangible assets including any incidental expenses of acquisition are capitalised and recorded at cost. Intangible assets and development costs are recognised in accordance with FRS 102.

Depreciation/amortisation is provided on a straight-line basis as follows:

Freehold and long-term leasehold buildings	- Over 50 years
Refurbishment of leasehold	- Over 10 years
Equipment	- 25%
Computers	- 50%
IT Systems	- 33%
Product development	- Over 5 years

Only purchases over £1,500 are capitalised.

##### **Stocks**

Stocks (books, course materials, wines and spirits) have been valued at the lower of cost and net realisable value.

##### **Financial Instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value, except for investments which are held at fair value through profit or loss. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors and stocks. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

##### **Debtors and creditors**

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

##### **Bank borrowings**

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

##### **Irrecoverable VAT**

Irrecoverable VAT is written off to the expenditure to which it relates.

##### **Investment property**

The Group's investment properties are valued annually on 31 July and carried at fair value. For 2025 this has been determined by an independent, professionally qualified valuer in accordance with the RICS Valuation – Professional Standards (the "Red Book") for Baden Place and International House. Bickel's Yard property valuation was based on its achieved sales price at property auction just before the end of year.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**1. ACCOUNTING POLICIES (continued)**

**Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are considered in arriving at the operating result.

**Funds**

Endowment funds represent assets that must be held permanently in accordance with the terms of the gift. Investment income arising on endowment fund is accounted for as income in the Statement of Financial Activities and allocated to the relevant restricted funds in line with the terms of the endowment. Restricted funds are those where there are specific donor restrictions as to their use. Designated funds are those which have been earmarked by the Trustees for specific purposes. Unrestricted funds can be used at the discretion of the Trustees.

**2. INCOME**

Income attributable to geographical markets outside the United Kingdom was approximately 73% (2024: 75%).

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Courses	<b>6,569</b>	6,230
Examinations	<b>9,980</b>	10,370
Teaching Aids	<b>5,001</b>	5,201
	<b><u>21,550</u></b>	<u>21,801</u>

**4. OTHER TRADING ACTIVITIES**

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Investment income (Rent and service charges)	<b>416</b>	639
Other	<b>35</b>	71
	<b><u>451</u></b>	<u>710</u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**5. ANALYSIS OF TOTAL EXPENDITURE**

	<b>Direct Staff Costs</b>	<b>Other Costs</b>	<b>Depreciation</b>	<b>Support Services</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Examinations & Courses	6,191	3,561	975	5,975	<b>16,702</b>
Teaching Aids	-	1,431	295	1,806	<b>3,532</b>
Raising Funds	462	189	65	400	<b>1,116</b>
<b>Total expenditure</b>	<b>6,653</b>	<b>5,181</b>	<b>1,335</b>	<b>8,181</b>	<b>21,350</b>

**ANALYSIS OF TOTAL EXPENDITURE COMPARATIVE FOR 2024**

	<b>Direct Staff Costs</b>	<b>Other Costs</b>	<b>Depreciation</b>	<b>Support Services</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Examinations & Courses	5,346	3,258	886	7,960	17,450
Teaching Aids	-	1,557	276	2,494	4,327
Raising Funds	547	242	61	549	1,399
<b>Total expenditure</b>	<b>5,893</b>	<b>5,057</b>	<b>1,223</b>	<b>11,003</b>	<b>23,176</b>

Support services are made up of staff costs, overheads, and other costs across non income generating departments and allocated on an income basis.

Other costs include:	<b>2025</b>	2024
	<b>£'000</b>	£'000
Bank loan interest	<b>1,330</b>	1,364
Auditors' remuneration - UK	<b>42</b>	37
Auditors' remuneration - Hong Kong	<b>3</b>	3
Auditors' remuneration - US	<b>21</b>	19
Legal, professional and consultancy fees	<b>61</b>	74

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**6. STAFF COSTS**

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Salaries	<b>8,937</b>	8,946
Social Security Costs	<b>890</b>	818
Pension Contributions	<b>727</b>	724
Other Staff Costs	<b>858</b>	670
	<b>11,412</b>	11,158

Settlement and redundancy costs totalled £38k (2024: £9k). All amounts were settled in the respective years.

The average number of employees was:

	<b>2025</b>	2024
	<b>No.</b>	No.
Management and administration	<b>42</b>	44
Training and education	<b>141</b>	148
	<b>183</b>	192

The number of higher paid employees was:

**Taxable emoluments band:**

£60,001-£70,000	<b>12</b>	<b>8</b>
£70,001-£80,000	<b>6</b>	<b>8</b>
£80,001-£90,000	<b>5</b>	<b>2</b>
£90,001-£100,000	<b>3</b>	<b>2</b>
£100,001-£110,000	<b>2</b>	<b>1</b>
£110,001-£120,000	<b>-</b>	<b>1</b>
£120,001-£130,000	<b>1</b>	<b>1</b>
£130,001-£140,000	<b>1</b>	<b>1</b>
£200,001-£210,000	<b>-</b>	<b>1</b>
£210,001-£220,000	<b>1</b>	<b>-</b>
£220,001-£230,000	<b>-</b>	<b>1</b>
£230,001-£240,000	<b>1</b>	<b>-</b>
	<b>32</b>	<b>26</b>

Total remuneration of the key management personnel, including pension and National Insurance contributions was £475,360 (2024: £456,482).

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**7. TANGIBLE AND INTANGIBLE FIXED ASSETS**

**Group and Charity**

	<b>Assets under construction</b>	<b>Freehold property</b>	<b>Educational &amp; office equipment</b>	<b>IT systems</b>	<b>Product Developm ent</b>	<b>Total</b>
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2024 (Restated)	976	19,619	263	3,190	448	<b>24,496</b>
Additions	1,228	50	-	35	1	<b>1,314</b>
Disposals	-	-	(5)	-	-	<b>(5)</b>
Transfers	(268)	-	-	26	242	-
At 31 July 2025	<u>1,936</u>	<u>19,669</u>	<u>258</u>	<u>3,251</u>	<u>691</u>	<b><u>25,805</u></b>
<b>Depreciation/amortisation</b>						
At 1 August 2024 (Restated)	-	7,862	219	1,096	63	<b>9,240</b>
Charge for year	-	587	27	577	144	<b>1,335</b>
Disposals	-	-	(5)	-	-	<b>(5)</b>
Impairment	-	(832)	-	-	-	<b>(832)</b>
At 31 July 2025	<u>-</u>	<u>7,617</u>	<u>241</u>	<u>1,673</u>	<u>207</u>	<b><u>9,738</u></b>
<b>Net Book Value</b>						
At 31 July 2025	<u>1,936</u>	<u>12,052</u>	<u>17</u>	<u>1,578</u>	<u>484</u>	<b><u>16,067</u></b>
At 31 July 2024	<u>976</u>	<u>11,757</u>	<u>44</u>	<u>2,093</u>	<u>385</u>	<b><u>15,255</u></b>

The opening balances for freehold property, both for asset cost and accumulated depreciation, have been restated by £476k to ensure alignment with the asset register. The restatement has no impact on the net book value of the asset.

Depreciation is charged at cost but not charged on the freehold land.

Depreciation charged to Baden Place based on floor space currently occupied by WSET (11,027 sqft out of 25,466 sqft available) 43.3%.

Assets under construction comprise the development of our qualification products and of a new CRM platform for the WSET to manage Exams.

Impairment reviews are conducted annually on the properties. Professional valuations were obtained for Baden Place and International House. An increase in value of £832,341 was recognised in the year in relation to the fixed asset portion of Baden Place, as the increase was below the total accumulated impairment from past valuations.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**8. INVESTMENT PROPERTY**

	<b>International House</b>	<b>Baden Place</b>	<b>Bickel's Yard</b>	<b>2025 Total</b>	<b>2024 Total</b>
<b>Valuation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2024	<b>1,191</b>	<b>7,711</b>	<b>1,778</b>	<b>10,680</b>	12,743
Transfer from Fixed Assets	-	-	-	-	2
Revaluation	-	<b>284</b>	<b>(1,028)</b>	<b>(744)</b>	(2,065)
Transfer to Inventories	-	-	<b>(750)</b>	<b>(750)</b>	-
<b>At 31 July 2025</b>	<b>1,191</b>	<b>7,995</b>	<b>-</b>	<b>9,186</b>	10,680
<b>Historic cost</b>					
At 31 July 2025	<b>234</b>	<b>14,290</b>	<b>-</b>	<b>14,524</b>	16,194
At 31 July 2024	234	14,290	1,670	16,194	16,194

The investment properties at Baden Place and International House have been valued at fair value as at 31 July determined by an independent, professionally qualified valuer in accordance with the RICS Valuation - Professional Standards (the "Red Book"). The revaluation exercise resulted in an in-year gain on the Baden Place investment property and an increase in the carrying value of its fixed asset element.

Before year-end, Bickel's Yard property was placed for sale on property auction and achieved a sale price of £750k after year-end. The property has been reclassified as inventory within current assets at the balance sheet date. The fair value adjustment loss of £1,028k has been recognised within 'Other gains and losses'. The disposal was completed in September 2025.

The charity has bank loans which are secured by way of a first and second legal charge over the investment property and all other assets of the company. See note 16 for further details.

Investment value of Baden Place and International House is consistent with prior year based on portion of floor space currently not occupied by WSET (Baden Place: 14,439 sqft out of 25,466 sqft available; International House: 1,820 sqft out of 15,302 sqft available).

Historic cost is based on purchase price of each property.

**WINE AND SPIRIT EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025**

**9. INVESTMENT IN SUBSIDIARIES**

**WSET Asia Pacific Limited  
Room1001, 10/F, Spaces,  
8 Queen's Road East  
Wanchai, Hong Kong S.A.R.**

The Charity owns the whole of the share capital of WSET Asia Pacific Limited, a charitable company registered in Hong Kong with number 2298676 which was incorporated on 21 October 2015. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust. Its results for the year are summarised below. All income and expenditure in the period were unrestricted:

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Grant from parent charity	<b>180</b>	260
Total Income	<b>695</b>	637
Total Expenditure	<u><b>(1,235)</b></u>	<u>(1,147)</u>
Net Income	<b>(360)</b>	(250)
Translation adjustment	<u><b>42</b></u>	<u><b>(1)</b></u>
Fund balances brought forward	<u><b>(1,032)</b></u>	<u>(781)</u>
Fund balances carried forward	<u><b>(1,350)</b></u>	<u>(1,032)</u>
Total Assets	<b>255</b>	252
Total Liabilities	<u><b>(1,605)</b></u>	<u>(1,284)</u>
Net Assets	<u><b>(1,350)</b></u>	<u>(1,032)</u>

**WINE AND SPIRIT EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025**

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**10. INVESTMENT IN SUBSIDIARIES (continued)**

**WSET Americas Inc  
71 Raymond Rd.  
West Hartford, CT 06107  
USA**

The Charity owns the whole of the share capital of WSET Americas Inc, a charitable (non-profit private foundation) company registered in New York with number 45-98-81 which was incorporated on 17<sup>th</sup> October 2017. The principal aims of this subsidiary charity are to support the growing market in North and South America. It is 100% owned by the Wine and Spirit Education Trust. Its results for the year are summarised below. All income and expenditure in the period were unrestricted:

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Total Income	<b>4,715</b>	4,735
Total Expenditure	<b>(4,407)</b>	(4,960)
Net Income	<b>308</b>	(225)
Translation adjustment	<b>1</b>	(23)
Fund balances brought forward	<b>(106)</b>	142
Fund balances carried forward	<b>203</b>	(106)
Total Assets	<b>1,159</b>	780
Total Liabilities	<b>(956)</b>	(886)
Net Assets	<b>203</b>	(106)

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**11. INVESTMENT IN SUBSIDIARIES (continued)**

**WSET Australia Limited**  
**Level 24, 1 O'Connell Street**  
**Sydney, New South Wales, 2000**  
**Australia**

WSET Australia Limited, a company limited by guarantee, was incorporated in 1 November 2023 in New South Wales, Australia with number 672609773. The principal aims of this company are to support the growing market in Australia. It is 100% controlled by the Wine and Spirit Education Trust.

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Total Income	<b>12</b>	-
Total Expenditure	<b>(30)</b>	-
Net Income	<b>(18)</b>	-
Translation adjustment	-	-
Fund balances brought forward	-	-
Fund balances carried forward	<b>(18)</b>	-
Total Assets	<b>12</b>	-
Total Liabilities	<b>(30)</b>	-
Net Assets	<b>(18)</b>	-

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**12. INVENTORIES**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Stocks</b>				
Wine and Spirits	<b>151</b>	185	<b>151</b>	185
Books and other Course Materials	<b>732</b>	844	<b>732</b>	844
Other materials	<b>10</b>	38	<b>10</b>	38
Stock Provision	<b>(230)</b>	(150)	<b>(230)</b>	(150)
	<b>663</b>	917	<b>663</b>	917
<b>Investment property held for sale</b>	<b>750</b>	-	<b>750</b>	-
	<b>1,413</b>	917	<b>1,413</b>	917

The value of stock released to cost of sales in the year was £1,409k (2024: £1,540k).  
The investment property held for sale, Bickel's Yard, was sold after year-end and shown in note 25.

**13. DEBTORS**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade Debtors	<b>1,851</b>	1,870	<b>1,167</b>	1,472
Amounts due from subsidiaries	-	-	<b>2,347</b>	1,934
Prepayments and accrued income	<b>1,048</b>	859	<b>854</b>	743
Other debtors	<b>261</b>	140	<b>260</b>	139
Service Charge	<b>26</b>	27	-	-
Staff loans	-	2	-	2
	<b>3,186</b>	2,898	<b>4,628</b>	4,290

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**14. CREDITORS**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Amounts falling due within one year</b>				
Course Fees Received in Advance (see Note 15)	<b>852</b>	1,070	<b>852</b>	1,070
Trade Creditors	<b>350</b>	616	<b>385</b>	654
Accruals and other creditors	<b>1,593</b>	1,064	<b>1,476</b>	975
Bank Loan (Secured - see Note 16)	<b>19,392</b>	19,849	<b>19,392</b>	19,849
APP Fees in Advance	<b>431</b>	460	<b>322</b>	348
Rentals in advance	<b>15</b>	30	<b>15</b>	30
	<b>22,633</b>	23,089	<b>22,442</b>	22,926
<b>Amounts falling due after more than one year</b>				
Finance lease	<b>310</b>	430	<b>310</b>	430
Tenant deposits	<b>98</b>	96	<b>98</b>	96
	<b>408</b>	526	<b>408</b>	526
	<b>23,041</b>	23,615	<b>22,850</b>	23,452

**15. ANALYSIS OF DEFERRED COURSE FEES**

	<b>2025</b>	2024	<b>2025</b>	2024
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Balance at 1 August 2024	<b>1,070</b>	1,188	<b>1,070</b>	1,188
Amount released to incoming resources	<b>(1,070)</b>	(1,188)	<b>(1,070)</b>	(1,188)
Amount deferred in year	<b>852</b>	1,070	<b>852</b>	1,070
Balance at 31 July	<b>852</b>	1,070	<b>852</b>	1,070

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**16. Borrowings**

	<b>2025</b>	2024
	<b>£'000</b>	£'000
<b>Group and charity</b>		
<b>Repayable:</b>		
Between one and two years	<b>134</b>	119
Between two and five years	<b>176</b>	284
In five years or more	<b>-</b>	27
	<b>310</b>	430
Repayable within one year	<b>19,392</b>	19,849
	<b>19,702</b>	20,279

During FY25, WSET breached the covenants attached to the bank loan as a result of adverse property market valuations and sector-specific economic challenges in the drinks industry which led to lower student enrolments than anticipated in the annual plan. While WSET has since obtained a waiver from the bank, it was issued after the year end. As a result, the carrying amount of the loan (£19.4m) has been classified as a short-term liability in the financial statements. This classification does not affect the organisation's ability to meet its financial obligations or to continue as a going concern, as the waiver reflects the bank's continued support and confidence in the WSET's long-term financial position. The financial statements have been prepared on a going-concern basis, reflecting the expectation of continued support from the lender.

The charity has the following loans:

- A loan was taken out in September 2017 for £3.4 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate. The loan is secured against Baden Place, Crosby Row, London, and its associated assets; and International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan was taken out in September 2017 for £3 million with a final repayment schedule for September 2027. Interest is charged at an agreed fixed rate for a 60-month period and then at 1.75% per annum over Base Rate. The loan is secured against Baden Place, Crosby Row, London, and its associated assets; and International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate. The loan is secured against Baden Place, Crosby Row, London, and its associated assets; and International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at an agreed fixed rate for a 60-month period and then at 1.75% per annum over Base Rate. The loan is secured against Baden Place, Crosby Row, London, and its associated assets; and International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan facility was agreed in October 2022 for £3 million with a final repayment schedule for November 2043. Interest is charged at 1.8% per annum over Base Rate. The loan is secured against Baden Place, Crosby Row, London, and its associated assets; and International House, 39-45 Bermondsey Street, London and its associated assets.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**17. FINANCIAL INSTRUMENTS**

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Financial assets measured at fair value	<b>9,186</b>	10,680

Financial assets measured at fair value comprise of investment properties.

**18. FUNDS – GROUP**

	<b>Balance at 1 August 2024</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Transfers and Gains/ Losses</b>	<b>Balance at 31 July 2025</b>
	£'000	£'000	£'000	£'000	£'000
<b>Endowment Fund</b>					
Merendino Foundation Endowment Fund	-	118	-	-	<b>118</b>
<b>Restricted Funds</b>					
Peter Hampson Memorial Fund	12	-	(3)	-	<b>9</b>
Worshipful Co. Distillers	12	4	(4)	-	<b>12</b>
Merendino Foundation	-	4	-	-	<b>4</b>
	<u>24</u>	<u>126</u>	<u>(7)</u>	<u>-</u>	<u><b>143</b></u>
<b>Unrestricted Fund Designated</b>					
Property Reserve	<u>4,771</u>	<u>-</u>	<u>-</u>	<u>(56)</u>	<u><b>4,715</b></u>
	4,771	-	-	(56)	<b>4,715</b>
<b>General</b>	<u>3,639</u>	<u>22,532</u>	<u>(21,342)</u>	<u>(730)</u>	<u><b>4,099</b></u>
<b>Total unrestricted funds</b>	<u>8,410</u>	<u>22,532</u>	<u>(21,342)</u>	<u>(786)</u>	<u><b>8,814</b></u>
<b>Total Funds</b>	<u>8,434</u>	<u>22,658</u>	<u>(21,349)</u>	<u>(786)</u>	<u><b>8,957</b></u>

**WINE AND SPIRIT EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025**

**18. FUNDS - CHARITY**

	Balance at 1 August 2024	Incoming Resources	Outgoing Resources	Transfers and Gains/ Losses	Balance at 31 July 2025
	£'000	£'000	£'000	£'000	£'000
<b>Endowment &amp; Restricted Funds</b>					
Merendino Foundation					
Endowment fund	-	118	-	-	118
<b>Restricted Funds</b>					
Peter Hampson Memorial Fund	12	-	(3)	-	9
Worshipful Co. Distillers	12	4	(4)	-	12
Merendino Foundation	-	4	-	-	4
	<u>24</u>	<u>126</u>	<u>(7)</u>	<u>-</u>	<u>143</u>
<b>Unrestricted Fund</b>					
<b>Designated</b>					
Property Reserve	4,771	-	-	(56)	4,715
	4,771	-	-	(56)	4,715
<b>General</b>	<u>4,764</u>	<u>19,953</u>	<u>(18,704)</u>	<u>(751)</u>	<u>5,262</u>
<b>Total unrestricted funds</b>	<u>9,535</u>	<u>19,953</u>	<u>(18,704)</u>	<u>(807)</u>	<u>9,977</u>
<b>Total Funds</b>	<u>9,559</u>	<u>20,079</u>	<u>(18,711)</u>	<u>(807)</u>	<u>10,120</u>

**Endowment Fund**

*Merendino Foundation Endowment Fund* – A permanent endowment fund, the investment income of which is used for scholarships in North America.

**Restricted Funds**

*Peter Hampson Memorial Fund* – A fund from which an annual scholarship is awarded.

*Worshipful Co. of Distillers* - Annual donations to be used towards courses and prizes funded in the name of the Distillers.

*Merendino Foundation* – Accumulated investment income, generated from Merendino Foundation Endowment capital, to be used for scholarships in North America.

**Designated Funds**

*Property Reserve* - This represents the fund amount currently invested in the Charity's property excluding the value of the mortgage secured against the property.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Fixed Assets</b>	<b>Net Current Assets</b>	<b>Long Term Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment and Restricted Funds	-	143	-	143
Unrestricted Funds	25,253	(16,031)	(408)	8,814
	<u>25,253</u>	<u>(15,888)</u>	<u>(408)</u>	<u>8,957</u>

**20. PENSION SCHEME**

The Trust contributes towards a pension scheme for most of its employees. The scheme consists of a series of defined contribution pension arrangements. The nature of these arrangements is such that there are no unfunded liabilities. The pension funds are administered by trustees and are independent of the Trust's finances. The contributions paid the year amounted to £726,501 (2024: £723,722).

**21. OPERATING LEASES**

Income from operating leases

As at 31 July the following income was due to the charity and group under the non-cancellable operating leases:

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Due in less than one year	<b>423</b>	401
Due in two to five years	<b>1,278</b>	653
Due after five years	<b>361</b>	454
	<u><b>2,062</b></u>	<u>1,508</u>

Baden Place, Crosby Row was purchased in September 2018 by the Trust as an investment. Of the total area of 25,461 square feet WSET has been occupying 11,022 square feet since August 2019. The remaining space of 14,439 sq ft is in rentable condition and was let approximately for the full year except for Units 1, 13 & 14 (5,053 square feet) which remained unoccupied since 30/01/2023 when the tenant exercised their break clause. We are actively marketing the place for re-letting. The investments returned a rental of £397k in the year ended 31st July 2025. Rental income for the year ended 31st July 2026 is expected to be £423k and for the next four years is expected to provide an income of £1,278k. The expected rental income of £361k after five years reflects the long-term lease secured from letting premises not occupied by the School at International House, Bermondsey Street.

*Operating lease expenditure*

As at 31 July 2025 the group had no annual commitments under non-cancellable operating leases.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

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**22. FINANCE LEASES**

The Charity has hire purchase agreements, that funded the School refurbishment project, with a carrying amount of £577k at the balance sheet date. The future minimum payments under these agreements are £164k within one year, £369k between two and four years.

**23. LEGAL STATUS OF THE TRUST**

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**24. RELATED PARTY TRANSACTIONS**

Miles Beale is a member of the Board of the Wine & Spirit Trade Association, that is a tenant of the WSET for accommodation with a rental value of £55,000 per annum. WSET also donated £12,000 towards Drinks United Fund in the year. WSET purchased £608 worth of subscription services in the year from WSTA.

Joanna Locke and Regine Lee are members and representatives of the Institute of Masters of Wine from whom WSET purchases membership fees and training for its staff totalling £9,669 in the year.

Georgie Bell is a member of the Worshipful Company of Distillers who donated a total of £4,000 to WSET in the year.

There were no claims made from trustees for reimbursement in the year.

Transactions to and from subsidiary entities have been disclosed in Note 9 and Note 11.

**25. POST BALANCE SHEET EVENT**

After the year-end, the Charity completed the disposal of the investment property, Bickel's Yard, for a consideration of £750k in September 2025. The property had been classified as 'Investment property held for sale' within Inventories and recognised at fair value at 31 July 2025. The fair value adjustment loss of £1,028k had been recognised within 'Other gains and losses' at year end.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

**26. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds		Restricted funds	Total 2024
	General	Designated		
	£'000	£'000	£'000	£'000
Income from				
Charitable activities:				
Courses, examination fees and Teaching aids	21,801	-	-	21,801
Donations and legacies	399	-	2	401
Investments	35	-	-	35
Other trading activities	710	-	-	710
Total income	<u>22,945</u>	<u>-</u>	<u>2</u>	<u>22,947</u>
Expenditure on				
Examinations & courses	17,449	-	-	17,449
Teaching aids	4,327	-	-	4,327
Raising funds	1,398	-	2	1,400
Total expenditure	<u>23,174</u>	<u>-</u>	<u>2</u>	<u>23,176</u>
Net (expenditure)/income before transfers	<u>(229)</u>	<u>-</u>	<u>-</u>	<u>(229)</u>
Transfers	<u>311</u>	<u>(154)</u>	<u>(157)</u>	<u>-</u>
Net income	82	(154)	(157)	(229)
Translation adjustment	<u>(207)</u>	<u>-</u>	<u>-</u>	<u>(207)</u>
Net movement in funds	(125)	(154)	(157)	(436)
Investment Property Loss	-	(2,065)	-	(2,065)
Funds balances brought forward at 1 August 2023	<u>3,764</u>	<u>6,990</u>	<u>181</u>	<u>10,935</u>
Fund balances carried forward at 31 July 2024	<u>3,639</u>	<u>4,771</u>	<u>24</u>	<u>8,434</u>

**WINE AND SPIRIT EDUCATION TRUST**

England & Wales - Charity number 313766

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# Accounts

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**COMPANY NUMBER: 00964179**  
**CHARITY NUMBER: 313766**

**WINE AND SPIRIT EDUCATION TRUST**  
**(COMPANY LIMITED BY GUARANTEE)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2024**

# WINE AND SPIRIT EDUCATION TRUST

## CONTENTS

---

	Page
Reference and administrative information	1
Trustees' Report	2-9
Independent Auditor's Report	10-13
Statement of Financial Activities	14
Consolidated Balance Sheet	15
Statement of Cash Flows	16-17
Notes to the Financial Statements	18-35

# WINE AND SPIRIT EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **DIRECTORS AND TRUSTEES**

S McMurtrie (Chairman)  
J Locke  
S Singh  
M Beale  
D Jago  
L Halstead  
J Thornton  
K G Meikle (resigned Dec 23)  
G Bell (appointed Jul 24)

### **Key Management Personnel**

M Brampton - Chief Executive  
I Pogue - Chief Financial Officer

### **Registered Office**

International House  
39-45 Bermondsey Street London SE1 3XF

### **Company Number**

00964179

### **Charity Number**

313766

### **PROFESSIONAL ADVISORS TO THE TRUST**

#### **Auditors**

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

#### **Solicitors**

Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P 3JT

#### **Bankers**

National Westminster Bank Plc, 2 Eastcheap, London EC3

#### **Insurance Brokers**

Gallagher, Portmore House, Yeoman Park, Test Lane, Southampton SO16 9JX

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2024**

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The trustees of the Wine and Spirit Education Trust ("WSET") are pleased to present their annual report together with the financial statements for the year ended 31 July 2024.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

Wine and Spirit Education Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 12th September 1969 and amended to allow for changes in Companies Acts on 29<sup>th</sup> May 2002 and again on 9<sup>th</sup> March 2011. It is registered as a charity with the Charity Commission. There are currently 8 members each of whom agree to contribute £1 in the event of the charity winding up.

##### **Appointment of Trustees**

Each Trustee is elected to serve a term of four years. At the end of the term, Trustees can vote to extend the term by a year, on no more than two occasions, which means that the maximum term a member can serve before standing down is six years. The Chairman of the Board of Trustees may serve an additional year (i.e. a maximum term of seven years). The Trustees are appointed as representatives of four industry bodies: up to three Trustees are appointed from members of the Vintners Company, up to three from the members of the Wine and Spirits Trade Association (WSTA), up to one from members of the Worshipful Company of Distillers and up to one from the Institute of Masters of Wine. Nominations for Trustees are sought from these bodies, as each of their representative Trustees retire, with regard to providing valuable service to the Trust through their individual skills, experience and standing in the community.

#### **THE AIMS OF THE WINE AND SPIRIT EDUCATION TRUST**

Extract from the Memorandum and Articles of Association, adopted 9<sup>th</sup> March 2011:

"The primary objects for which the Trust is established are the promotion, provision and development of high-quality education and training in wines and spirits, in the United Kingdom and elsewhere, directed at those who are engaged in or connected with the wine and spirit trade or who intend to be so engaged or connected, plus members of the general public". This includes the provision of education in social responsibility.

The Trust aims to provide first-class educational programmes, with a suite of sought-after examinations, leading to qualifications which fall within the UK Qualifications Framework.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

##### **Public Benefit**

WSET recognises the role it must play in helping to make the global drinks industry a more accessible, inclusive and diverse place in which to work, in particular for individuals from ethnically diverse backgrounds and other underrepresented communities. Bursaries and a programme of charitable initiatives working with local organisations globally have provided access to WSET qualifications, funding and mentorship for many individuals facing hardship and challenges.

During the year 500 individuals benefited through bursaries and social impact projects across more than 11 countries throughout EMEA, UK, APAC and Americas. We supported 17 separate social impact projects in collaboration with over 25 partners, charities and WSET course providers.

Activities included:

- Sponsoring 24 mentees as part of the Women in Beer mentorship programme to take the WSET Level 1 Award in Beer course (UK). The programme aims to give women starting out in the beer industry the resources and skills to accelerate their career development and build the confidence to pursue new opportunities.

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2024**

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- 240 individuals received bursaries to take WSET courses in wine, spirits and sake through The Drinks Trusts' Develop programme in 2023 (UK). The programme aims to help lift people out of long-term hardship and to grow the UK drinks and hospitality industry workforce.
- Partnering with The Roots Fund to sponsor 15 individuals to take the WSET Level 1 and Level 2 Awards in Spirits (USA). The programme aims to empower and create economic opportunity for communities of colour in the spirits industry.
- 50 students supported to take WSET's Level 2 Award in Wines course through the Pinotage Youth Development Programme (PYDA). 23/24 achieved the programme's best results to date with seven individuals achieving a Distinction and 23 gaining a Merit. The PYDA's year-long programme helps young people (18-25) from under-resourced areas and disadvantaged backgrounds gain employment and meaningful economic opportunities within the wine industry (South Africa).

### **DIRECTORS AND TRUSTEES**

The Directors of the charitable company ("the Trust") are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who served during the year are shown on page 1.

#### **Trustee Induction and Training**

New Trustees undergo an orientation day to brief them on their legal obligations under charity code of governance and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### **Organisation**

The Board of Trustees, which has 8 members, administers the charity. The board meets regularly and there is a sub-committee covering finance issues which also meets as required. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment working with the Chief Financial Officer.

The Trustees give their time freely, and no remuneration is paid, except for out of-pocket travel expenses. The Trustees have also confirmed that no person connected to a Trustee has received a Bursary Grant or a Scholarship in the past 12 months.

The remuneration policy for the key management positions within the charity is set by the Trustees on an annual basis and performance is monitored through the annual appraisal system which measures achievement against the Chief Executive's and Chief Financial Officer's personal business objectives.

#### **Subsidiaries**

On 21<sup>st</sup> of October 2015, WSET Asia-Pacific was incorporated in Hong Kong. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust.

On 17<sup>th</sup> of October 2017, Wine and Spirit Education Trust America Inc. was incorporated in New York. The principal aims of this subsidiary charity are to support the growing market in America. It is 100% owned by the Wine and Spirit Education Trust.

On 1<sup>st</sup> of November 2023, Wine and Spirit Education Trust Australia Limited, a company limited by guarantee, was incorporated in New South Wales, Australia (Australian Company Number 672609773). The principal aims of this company are to support the growing market in Australia. It is 100% controlled by the Wine and Spirit Education Trust.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2024

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#### STRATEGIC REPORT

#### ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

As part of their annual strategy review, the Trustees have reviewed the aims and activities of the WSET and consider that they meet the principles of Public Benefit.

Our purpose is empowering people through inspiring learning experiences all over the world. To achieve this we developed six long-term strategic imperatives:

- People: create an inclusive and purposeful culture where our people feel valued, and enhance capabilities in key areas
- Route to Student (RTS): build a sustainable multi-channel strategy and commercial model
- Environmental, Social and Governance (ESG): establish a meaningful ESG agenda internally and externally
- Product: develop our portfolio of learning experiences through a student driven approach
- Customer Service: cultivate a global service mindset, underpinned by improved systems and processes
- Brand: evolve the WSET brand and build our reputation through credibility and relevance

Key initiatives against these goals for 2023/24 were:

- People: build our values and behaviours into our processes and policies. Evolve our annual review and development process, including talent mapping.  
The organisation continues to focus on ensuring how we operate reflects our values and behaviours. Our annual review process has been streamlined, and talent mapping sessions have been held as part of planning staff development.
- Route to Student (RTS): develop global approach as part of direct model.  
A project group was established to develop this, including production of our Global Growth Plan and development of systems and processes to aid our direct model. Implementation of these initiatives will be in 2024/25 (see below).
- Environmental, Social and Governance (ESG): establish 'charitable initiatives' budget and related processes and responsibilities (includes bursary funds).  
This budget and related processes and responsibilities were established, giving clarity and structure to our 'charitable initiatives' (see Public Benefit section)
- Product: launch Levels 1 and 2 of our Beer qualification in English in February 2024.  
These new qualifications were launched as planned.
- Customer Service: continue our Exams Transformation Programme (EXAT) to mitigate risk around our outdated Awards Database, with Levels 1-4 processing across all product categories moved onto our CRM platform.  
Good progress has been made against this objective, with Levels 1 and 2 moved onto our CRM platform. To try and ensure the success of the move of the higher and more complex Levels 3 and 4, the development and testing period of this phase has been extended, and move is now planned for Spring 2025.
- Brand: plan for delivery of brand review and website development. Focus on candidate retention.  
Plan is in place, with some brand review work carried out for implementation in 2024/25, and a new digital partner was selected to host and develop the website in 2024/25.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2024

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Key financial and KPI targets were:

- Growth in exam candidate enrolments to 155,804
- Achieve WSET Group EBITDA of £3.7m
- Meet Exam results processing SLA targets

Actual results were:

- Exam candidate enrolments achieved were 134,212. It became clear during the year that the record enrolments achieved in 2022/23 were partially due to pent up demand during COVID and the disrupted aftermath across the world, which hampered in-person courses. The enrolments achieved in 2023/24, whilst well below target, were still 17% higher than 2022/23.
- WSET Group EBITDA was £3.5m, just slightly below target.
- Exams results processing SLA targets were largely achieved, with 99% or 100% achieved at most points.

## **FINANCIAL REVIEW**

WSET had a good financial year with net income, before impairment of owner-occupied property assets, totalling £1.2m. The property market remained unfavourable, and impairment after revaluation took our net income to a loss of £0.2m. During the year we continued to invest in future growth specifically on Product Development and Infrastructure. This investment has contributed to the 4% income growth compared to FY23, income up to £22.9m from £22.1m.

Supporting this growth, 2024 saw an increase in expenditure of 3%, £23.2m up from £22.6m. Of the contribution towards overheads, 12% was generated by the activities of the London School, 55% came from the activities of WSET Examinations and 9% from Global Digital Learning Services. The remaining 24% was generated from sales of books/materials and investment property rental income.

WSET maintained a strong balance sheet position reporting net assets of £8.4m at 31<sup>st</sup> July 2024. This is down on the £10.9m reported at 31<sup>st</sup> July 2023 reflecting the owner-occupied and investment property revaluations at fair market value. Loss on revaluation of Investment Properties came to £2.1m. Impairment loss of £1.4m was also recognised in year on the area of Baden Place occupied by WSET.

### **Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in the best interest of the charity

### **Reserves Policy**

WSET set reserves policy using a free reserves approach. Free reserves are the total reserves available less those restricted and those designated by trustees for a specific purpose or because they are held in property. The policy is generally reviewed annually, taking into consideration the major risks faced by the charity, their likely effect on income and planned expenditure, and assessment of possible actions to mitigate those risks.

### **Restricted reserves (£24k)**

These are funds the charity will spend on activities specified by the restriction of the fund.

### **Unrestricted reserves**

These are funds over which the trustees have discretion in how they are used to further the objects of the charity.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2024

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In Accordance with Charity Commission guidance, some of these funds have been designated to mitigate the charity's financial risks and to indicate which reserves are held in property and are therefore not available as 'free' reserves.

#### **Designated Funds (£4.77million)**

This is the value of the property reserve which equates to the amount currently invested in the charity's property, excluding the value of mortgages secured against the property.

#### **General Fund (£3.64million)**

Monthly operational expenditure stands at c£1.8m, therefore general reserves provide just over two months' cover. The WSET has a long-term overall group reserves policy based on three months' costs. It is recognised that the significant period of capital investment in both technology and refurbishment of the Bermondsey School will impact on achievement of this long-term policy in the next few years. The long-term policy would require free group reserves of £5.4m. Following completion of our Exams Transformation Programme (EXAT) in the current year, capital spend will be reduced significantly to allow build up of reserves in the following years.

### **FUTURE PLANS**

Key initiatives against our goals for 2024/25 are:

- **People:** embed leadership capability across the Leadership Team and Senior leaders. Review benefits to international staff and create a recognition programme.
- **Route to Student:** as part of our Global Growth Plan, implement agreed Global market prioritisation for investment. Build Direct to Business capability.
- **Environmental, Social and Governance (ESG):** promote Partnerships approach and social impact projects. Complete initial ESG analysis and reporting, with data to be published internally in December 2024.
- **Product:** update Level 3 Spirits content and materials to improve educator and student experience. Improve classroom resources for Level 3 Wines to support delivery and exams, and plan for restructure/rewrite of the course.
- **Customer Service:** as part of EXAT, move Levels 3 and 4 exam processing onto our CRM platform. Introduce Digital Certificates on an opt-in basis. Embed new Customer Services team and enquiry management in CRM.
- **Brand:** refresh WSET brand to align with our purpose/strategic direction and support future growth. Scope and build a new customer-centric website with an integrated customer portal that embodies our brand and offers a seamless customer journey.

Key financial and KPI targets are:

- Growth in exam candidate enrolments to 147,250
- Achieve WSET Group EBITDA of £4.1m
- Meet Exam results processing SLA targets

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2024**

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#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees have approved a risk management policy and process and are responsible for overseeing risk management as a whole and for determining the overall risk management. Trustees' policy is to review the risk register on a regular basis to ensure that the impact of financial, strategic, operational and compliance risks are minimised. Management continually reviews the risks to which the WSET could be exposed. Risks are assessed for likelihood and severity of impact. This information is then used to develop a risk management strategy, including the identification of existing operational controls and any new controls considered necessary.

Several risks and uncertainties have been identified, which are listed below in no particular order or likelihood of occurrence:

#### **People**

Our people are critical to the success of our business and we need to attract, motivate and retain the best talent we can, not only for our current needs, but also looking ahead to the organisation of the future. We undertake annual performance reviews to ensure staff are motivated and retained, and offer a range of benefits. Succession planning is undertaken for senior staff. We provide training for all our staff, including external training where relevant to specialisms.

#### **Information and Computer Systems**

WSET is heavily dependent on the integrity of our IT systems and the management of information including sensitive student and APP information. This can lead to concerns about integrity, security and other data issues. At the same time, cyber-crime is growing in frequency and sophistication and many IT systems are exposed to these threats. We run incremental backups to our onsite backup facility, then incremental/full nightly backups to our cloud-based solution. These are distributed to two geographically separate data centres. In the event of a disaster, we have a Disaster Recovery (DR) plan in place. As the majority of critical services are cloud based there is little impact to the business day to day. However, we can very quickly gain access to our DR sites (data centres) to ensure business can function.

We set out data protection compliance in a framework of policies and procedures. We also monitor compliance with data protection policies and regularly review the effectiveness of data handling/processing activities and security controls.

#### **Business Operations and Supply Chain**

WSET depends on purchasing materials and education technology, on controlled inventory management and the timely supply of our products to our APPs and students. Some of our key products are reliant on one producer or one supplier for educational materials e.g. certificates, pins and suppliers of our digital education offerings (eBook, online exams and online courses). Therefore, where possible we have identified potential alternative suppliers. For critical suppliers which would be difficult to replace quickly, we review and monitor their financial status.

#### **Statutory and regulatory compliance**

WSET's primary object is the promotion, provision and development of high-quality education and training in wines, spirits and sake across the world. Our global reach could lead to non-compliance with statutory and regulatory requirements through lack of oversight, knowledge or training, at both local and group level. Non-compliance can lead to loss of status, recognition, reputation, customers and the imposition of penalties. We therefore employ qualified personnel at group and local levels, as well as using external professionals, and work with regulatory or statutory authorities to ensure compliance by obtaining guidance and instruction and implementing these.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2024

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#### **Product Portfolio Development**

The education industry is undergoing rapid new product innovation, digitisation and globalisation, including the rapid development of Artificial Intelligence (AI) tools. The sustainability of our business depends on creating and developing suitable educational products and examinations to meet the needs of our APPs and students to support long-term growth and securing appropriate protection for and defending our intellectual property. To mitigate this, we have a particular focus on developing our digital education tools in the current and future financial years and have an internal team reviewing how we can use AI within our product development. We currently update exams on a 4-year cycle and continue to review how we can improve the update process.

#### **External Environment and Economic Climate**

WSET's APPs and subsidiaries operate in a variety of political, economic, and legal jurisdictions. We may therefore be impacted by legal or budgetary constraints, economic and political considerations, fluctuations in exchange rates and our ability to persuade stakeholders of the economic value of our education. It is difficult to forecast the effects of these complex factors and we therefore aim through our planning to be able to react to negative impacts which might adversely affect our performance. However, the global reach of our operations can mitigate against this risk, as markets with strong conditions can support those in a negative situation. WSET recognises the risks associated with loan covenants and potential interest rate increases and has adopted a comprehensive risk management approach to mitigate both.

#### **Going Concern**

The Trustees have reviewed the financial performance for FY24 and the FY25 budget with a cashflow forecast projection for the next 12 months. Performance in the first quarter of the financial year has been below expectations, with EBITDA at £0.9m (£0.2m down on prior year), but latest forecast combined with implementation of a contingency plan indicates that targets for FY25 can still be achieved. Having reviewed all this information along with the funding facilities available to the Trust, the Trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. Key factors in assessing WSET as a going concern include stable financial performance over recent years and income and EBITDA growth in FY24, a diverse geographic spread across 4 reporting regions (EMEA, APAC, Americas and Australia), continued place as global market leader for wine and spirits education, and subsidiary operations to grow business in Americas, APAC and Australia.

#### **RESPONSIBILITIES OF THE TRUSTEES**

The trustees (who are also directors of the Wine and Spirit Education Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the Income and application of resources, including the income and expenditure, of the charitable for that period. In preparing these financial statements, the trustees are required to:

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

**WINE AND SPIRIT EDUCATION TRUST  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2024**

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

**STATEMENT OF DISCLOSURE TO AUDITORS**

So far as the trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware. Additionally, the trustees have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

**In approving the Trustees' Report the trustees also approve the Strategic Report in their capacity as company directors.**

Approved by the Trustees and signed on their behalf on 6 December 2024.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a long, sweeping horizontal line that ends in a small upward curve.

**Simon McMurtrie  
Chairman**

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST

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## Opinion

We have audited the financial statements of Wine and Spirit Education Trust for the year ended 31 July 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 July 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

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

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

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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## **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:

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context were Charity Commission regulations, Ofqual regulations as an awarding body, taxation matters and General Data Protection Regulation (GDPR).

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, judgements made in the property valuations, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing of documentation relating to income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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

### **Use of our report**

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



**Dipesh Chhatralia**

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

London

Date: 11 December 2024

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

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating the income and expenditure)**  
**FOR THE YEAR ENDED 31 JULY 2024**

	Notes	Unrestricted funds		Restricted funds	Total 2024	Total 2023
		General	Designated		£'000	£'000
		£'000	£'000	£'000	£'000	£'000
<b>INCOME FROM</b>						
Charitable activities:						
Courses, examination						
fees and Teaching aids	3	21,801	-	-	21,801	21,025
Donations and legacies		399	-	2	401	371
Investments		35	-	-	35	15
Other trading activities	4	710	-	-	710	731
<b>Total income</b>		<b>22,945</b>	<b>-</b>	<b>2</b>	<b>22,947</b>	<b>22,142</b>
<b>EXPENDITURE ON</b>						
Examination and courses	5	17,449	-	-	17,449	16,761
Teaching costs	5	4,327	-	-	4,327	4,311
Raising funds	5	1,398	-	2	1,400	1,516
<b>Total expenditure</b>		<b>23,174</b>	<b>-</b>	<b>2</b>	<b>23,176</b>	<b>22,588</b>
<b>Net (expenditure) before transfers</b>		<b>(229)</b>	<b>-</b>	<b>-</b>	<b>(229)</b>	<b>(446)</b>
Transfers	18	311	(154)	(157)	-	-
<b>Net income/(expenditure)</b>		<b>82</b>	<b>(154)</b>	<b>(157)</b>	<b>(229)</b>	<b>(446)</b>
Translation adjustment		(207)	-	-	(207)	(283)
<b>Net movement in funds</b>		<b>(125)</b>	<b>(154)</b>	<b>(157)</b>	<b>(436)</b>	<b>(729)</b>
<b>Investment Property Loss</b>	8	-	(2,065)	-	(2,065)	(2,269)
Fund balances brought forward at 1 August 2023	18	3,764	6,990	181	10,935	13,933
<b>Fund balances carried forward at 31 July 2024</b>		<b>3,639</b>	<b>4,771</b>	<b>24</b>	<b>8,434</b>	<b>10,935</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All activities shown are continuing.

Full comparative figures for 2023 are shown in note 25.  
The notes on pages 18 to 35 form part of these financial statements.

**WINE AND SPIRIT EDUCATION TRUST**  
**COMPANY NUMBER: 00964179**  
**BALANCE SHEET AS AT 31 JULY 2024**

		<b>Group</b>	Group	<b>Charity</b>	Charity
		<b>2024</b>	2023	<b>2024</b>	2023
	Notes	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>FIXED ASSETS</b>					
Tangible and Intangible assets	7	<b>15,255</b>	15,077	<b>15,255</b>	15,076
Investment property	8	<b>10,680</b>	12,743	<b>10,680</b>	12,743
		<b>25,935</b>	27,820	<b>25,935</b>	27,819
<b>CURRENT ASSETS</b>					
Stocks	12	<b>917</b>	1,038	<b>917</b>	1,038
Debtors	13	<b>2,898</b>	3,078	<b>4,290</b>	3,919
Cash and bank balances		<b>2,299</b>	1,796	<b>1,869</b>	1,333
		<b>6,114</b>	5,912	<b>7,076</b>	6,290
<b>TOTAL ASSETS</b>		<b>32,049</b>	33,732	<b>33,011</b>	34,109
<b>RESERVES AND LIABILITIES</b>					
<b>FUNDS</b>					
Restricted funds	18	<b>24</b>	181	<b>24</b>	181
Unrestricted funds	18	<b>8,410</b>	10,754	<b>9,535</b>	11,379
		<b>8,434</b>	10,935	<b>9,559</b>	11,560
<b>LIABILITIES</b>					
Creditors	14, 16	<b>23,615</b>	22,797	<b>23,452</b>	22,549
<b>TOTAL RESERVES AND LIABILITIES</b>		<b>32,049</b>	33,732	<b>33,011</b>	34,109

The financial statements were approved and authorised for issue by the Board of Trustees on 6 December 2024 and were signed on its behalf by:



**Simon McMurtrie**  
**Chairman**

The notes on pages 18 to 35 form part of these financial statements.

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2024**

	2024	2023
	£'000	£'000
<b>Net cash inflow from operations:</b>		
Net cash provided by operations	(a) <u>3,443</u>	<u>2,756</u>
<b>Cash flows from investing activities:</b>		
Bank interest and other investment income	35	15
Finance and other costs	(1,364)	(748)
Payments to acquire tangible fixed assets	(2,810)	(2,102)
Payments relating to investment property	<u>(121)</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(4,260)</u>	<u>(2,835)</u>
<b>Cash flows from financing activities:</b>		
Loan repayments	(622)	(638)
Bank loan drawdown	1,329	1,671
Finance lease	613	-
<b>Net cash provided by financing activities</b>	<u>1,320</u>	<u>1,033</u>
Change in cash and cash equivalents in the reporting period	503	954
Net cash and cash equivalents at beginning of period	<u>1,795</u>	<u>841</u>
Net cash and cash equivalents at end of period	(b) <u>2,298</u>	<u>1,795</u>

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO  
NET CASH INFLOW FROM OPERATIONS

	2024	2023
	£'000	£'000
Net movement in funds	(436)	(729)
Depreciation/Impairment	2,632	2,544
Bank interest and other investment income	(35)	(15)
Finance and other costs	1,364	748
Other costs	(2)	1
Decrease in stocks	121	21
Decrease/(increase) in debtors	180	(451)
(Decrease)/increase in creditors	<u>(382)</u>	<u>638</u>
Net cash inflow from operations	<u>3,442</u>	<u>2,757</u>

The notes on pages 18 to 35 form part of these financial statements

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

B. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 01-Aug 2023 £'000	Cashflows £'000	Other Changes £'000	At 31-Jul 2024 £'000
<b>Cash and cash equivalents</b>				
Cash	1,796	503	-	2,299
	<u>1,796</u>	<u>503</u>	<u>-</u>	<u>2,299</u>
<b>Borrowings</b>				
Debt due within one year	485	890	18,474	19,849
Debt due after one year	18,474	430	(18,474)	430
	<u>18,959</u>	<u>1,320</u>	<u>-</u>	<u>20,279</u>
<b>Total</b>	<u>(17,163)</u>	<u>(817)</u>	<u>-</u>	<u>(17,980)</u>

# WINE AND SPIRIT EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2024

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#### 1. ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in dealing with items which are considered material in relation to the accounts.

##### **Basis of Preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019. The Trustees have adopted balance sheet Format 2, outlined in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as they feel that this is a fairer representation of the financial position of the Group and Charity.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 July 2024 and the comparative information presented in these financial statements for the year ended 31 July 2023. The financial statements are drawn up under the historical cost convention.

The Trust is a Public Benefit Entity registered as a charity and company in England and Wales, it was registered in 1969 (charity number 313766 and company registration number 964179).

##### **Basis of consolidation**

The accounts consolidated the results of WSET Asia Pacific Limited and WSET Americas Inc., the wholly owned charitable subsidiary companies. WSET Asia Pacific Limited was incorporated in Hong Kong on 21 October 2015 and WSET Americas Inc. was incorporated in New York on 17 October 2017. There were no income or expenditure for the year in WSET Australia Limited, a wholly controlled charitable company incorporated in Australia on 1 November 2023. In accordance with Section 408 of the Companies Act 2006, no separate Statement of financial Activities is presented for Wine and Spirit Education Trust Limited. The parent charity net expenditure for the year was £(2,002k) (2023: £(330k)).

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements.

##### **Going Concern**

The Trustees have reviewed the financial performance for FY24 and the FY25 budget with a cashflow forecast projection for the next 12 months. Performance in the first quarter of the financial year has been below expectations, with EBITDA at £0.9m (£0.2m down on prior year), but latest forecast combined with implementation of a contingency plan indicates that targets for FY25 can still be achieved. Having reviewed all this information along with the funding facilities available to the Trust, the Trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. Key factors in assessing WSET as a going concern include stable financial performance over recent years and income growth in FY24, a diverse geographic spread across 3 reporting regions (EMEA, APAC and Americas), continued place as global market leader for wine and spirits education, and subsidiary operations to grow business in Americas and APAC.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

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**1. ACCOUNTING POLICIES (continued)**

apparent from other sources. Significant estimates and judgements are applied in relation to the useful economic life of tangible and intangible assets and the valuation of investment properties. An investment property revaluation exercise was undertaken for this purpose at the end of the year (see note 8 for further details).

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**Income**

All income is recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

**Fees and similar income**

Courses, examination fees, teaching aids and other income receivable are credited to the Statement of Financial Activities in the period when the course or examination takes place. Fees received in advance are deferred on the balance sheet within creditors.

**Donations**

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Trust is considered probable.

**Investment and rental income**

Rental income, and investment income from dividends, bank balances and fixed interest securities is accounted for on an accrual basis.

**Expenditure**

All expenditure is accounted for on an accrual's basis. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Note 5 to these accounts details the method of allocation of such costs.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Staff costs, where attributable to more than one area of activity, are apportioned across categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Support costs include governance costs and other indirect costs. Governance costs comprise all expenditure involving the public accountability of the charity and its compliance with regulation and good practice. These costs include some legal fees, the costs associated with trustees' meetings and the cost of the statutory audit plus an appropriate proportion of management time. Support costs (including Governance costs) are allocated to the costs of Raising Funds and Charitable Activities on income basis.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

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**1. ACCOUNTING POLICIES (continued)**

*Pension Scheme Costs*

Contributions in respect of the Trust's defined contribution pension scheme are charged to the Statement of Financial Activities for the year in which they are payable to the Scheme.

**Tangible and Intangible Fixed Assets**

Tangible assets including any incidental expenses of acquisition are capitalised and recorded at cost. Intangible assets and development costs are recognised in accordance with FRS 102. Depreciation/amortisation is provided on a straight-line basis as follows:

Freehold and long-term leasehold buildings	- Over 50 years
Refurbishment of leasehold	- Over 10 years
Equipment	- 25%
Computers	- 50%
IT Systems	- 33%
Product development	- Over 5 years

Only purchases over £1,500 are capitalised.

**Stocks**

Stocks (books, course materials, wines and spirits) have been valued at the lower of cost and net realisable value.

**Financial Instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value, except for investments which are held at fair value through profit or loss. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors and stocks. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

**Debtors and creditors**

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

**Bank borrowings**

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**Irrecoverable VAT**

Irrecoverable VAT is written off to the expenditure to which it relates.

**Investment property**

The Group's investment properties are valued annually on 31 July and carried at fair value. For 2024 this has been determined by an independent, professionally qualified valuer in accordance with the RICS Valuation – Professional Standards (the "Red Book") for Baden Place and International House. A hybrid valuation approach was used for Bickel's Yard, which includes using both a professional valuation (based on International House as a proxy) and comparative data from the property market for similar properties.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**1. ACCOUNTING POLICIES (continued)**

**Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are considered in arriving at the operating result.

**Funds**

Restricted funds are those where there are specific donor restrictions as to their use. Designated funds are those which have been earmarked by the Trustees for specific purposes. Unrestricted funds can be used at the discretion of the Trustees.

**2. INCOME**

Income attributable to geographical markets outside the United Kingdom was approximately 75% (2023: 70%).

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Courses	<b>6,230</b>	5,578
Examinations	<b>10,370</b>	10,160
Teaching Aids	<b>5,201</b>	5,287
	<b><u>21,801</u></b>	<u>21,025</u>

**4. OTHER TRADING ACTIVITIES**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Investment income (Rent and service charges)	<b>639</b>	696
Other	<b>71</b>	35
	<b><u>710</u></b>	<u>731</u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**5. ANALYSIS OF TOTAL EXPENDITURE**

	<b>Direct Staff Costs</b>	<b>Other Costs</b>	<b>Depreciation</b>	<b>Support Services</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Examinations & Courses	5,346	3,258	886	7,960	<b>17,450</b>
Teaching Aids	-	1,557	276	2,494	<b>4,327</b>
Raising Funds	547	242	61	549	<b>1,399</b>
<b>Total expenditure</b>	<b>5,893</b>	<b>5,057</b>	<b>1,223</b>	<b>11,003</b>	<b>23,176</b>

**ANALYSIS OF TOTAL EXPENDITURE COMPARATIVE FOR 2023**

	<b>Direct Staff Costs</b>	<b>Other Costs</b>	<b>Depreciation</b>	<b>Support Services</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Examinations & Courses	5,139	3,044	460	8,118	16,761
Teaching Aids	-	1,430	155	2,726	4,311
Raising Funds	635	272	33	576	1,516
<b>Total expenditure</b>	<b>5,774</b>	<b>4,746</b>	<b>648</b>	<b>11,420</b>	<b>22,588</b>

Support services are made up of staff costs, overheads, and other costs across non income generating departments and allocated on an income basis.

Other costs include:	<b>2024</b>	2023
	<b>£'000</b>	£'000
Bank loan interest	<b>1,364</b>	748
Auditors' remuneration - UK	<b>37</b>	35
Auditors' remuneration - Hong Kong	<b>3</b>	3
Auditors' remuneration - US	<b>19</b>	18
Additional fees incurred for the audit of 2021/22 financial statements	<b>-</b>	29
Legal, professional and consultancy fees	<b>74</b>	264

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**6. STAFF COSTS**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Salaries	<b>8,937</b>	8,737
Social Security Costs	<b>818</b>	773
Pension Contributions	<b>724</b>	614
Other Staff Costs	<b>670</b>	1,218
Redundancy Costs	<b>9</b>	116
	<b>11,158</b>	11,458

Settlement and redundancy costs totalled £9k (2023: £116.3k). All amounts were settled in the respective years.

The average number of employees was:

	<b>2024</b>	2023
	<b>No.</b>	No.
Management and administration	<b>44</b>	42
Training and education	<b>148</b>	140
	<b>192</b>	182

The number of higher paid employees was:

**Taxable emoluments band:**

£60,001-£70,000	<b>8</b>	<b>6</b>
£70,001-£80,000	<b>8</b>	<b>3</b>
£80,001-£90,000	<b>2</b>	<b>4</b>
£90,001-£100,000	<b>2</b>	<b>3</b>
£100,001-£110,000	<b>1</b>	-
£110,001-£120,000	<b>1</b>	<b>1</b>
£120,001-£130,000	<b>1</b>	<b>1</b>
£130,001-£140,000	<b>1</b>	<b>1</b>
£140,001-£150,000	-	<b>1</b>
£200,001-£210,000	<b>1</b>	-
£210,001-£220,000	-	<b>1</b>
£220,001-£230,000	<b>1</b>	-
£320,001-£330,000	-	<b>1</b>
	<b>26</b>	<b>22</b>

Total remuneration of the key management personnel, including pension and National Insurance contributions was £456,482 (2023: £569,974).

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**7. TANGIBLE AND INTANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Assets under construction</b>	<b>Freehold property</b>	<b>Educational &amp; office equipment</b>	<b>IT systems</b>	<b>Product Developm ent</b>	<b>Total</b>
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2023	2,616	18,292	328	1,014	-	<b>22,250</b>
Additions in Year	959	1,310	20	521	-	<b>2,810</b>
Transfers in Year	(2,599)	493	-	1,658	448	<b>0</b>
At 31 July 2024	<u>976</u>	<u>20,095</u>	<u>348</u>	<u>3,193</u>	<u>448</u>	<b><u>25,060</u></b>
<b>Depreciation/amortisation</b>						
At 1 August 2023	-	6,371	271	531	-	<b>7,173</b>
Charge for year	-	558	34	568	63	<b>1,223</b>
Impairment	-	1,409	-	-	-	<b>1,409</b>
At 31 July 2024	<u>-</u>	<u>8,338</u>	<u>305</u>	<u>1,099</u>	<u>63</u>	<b><u>9,805</u></b>
<b>Net Book Value</b>						
At 31 July 2024	<u>976</u>	<u>11,757</u>	<u>43</u>	<u>2,094</u>	<u>385</u>	<b><u>15,255</u></b>
At 31 July 2023	<u>2,616</u>	<u>11,921</u>	<u>57</u>	<u>483</u>	<u>-</u>	<b><u>15,077</u></b>
<b>CHARITY</b>						
<b>Assets under construction</b>	<b>Freehold property</b>	<b>Educational &amp; office equipment</b>	<b>IT systems</b>	<b>Product Developm ent</b>	<b>Total</b>	
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2023	2,616	18,292	243	1,010	-	<b>22,161</b>
Additions in Year	959	1,310	20	521	-	<b>2,810</b>
Transfers in Year	(2,599)	493	-	1,658	448	<b>0</b>
At 31 July 2024	<u>976</u>	<u>20,095</u>	<u>263</u>	<u>3,189</u>	<u>448</u>	<b><u>24,971</u></b>
<b>Depreciation/amortisation</b>						
At 1 August 2023	-	6,371	186	528	-	<b>7,085</b>
Charge for year	-	558	33	568	63	<b>1,222</b>
Impairment	-	1,409	-	-	-	<b>1,409</b>
At 31 July 2024	<u>-</u>	<u>8,338</u>	<u>219</u>	<u>1,096</u>	<u>63</u>	<b><u>9,716</u></b>
<b>Net Book Value</b>						
At 31 July 2024	<u>976</u>	<u>11,757</u>	<u>44</u>	<u>2,093</u>	<u>385</u>	<b><u>15,255</u></b>
At 31 July 2023	<u>2,616</u>	<u>11,921</u>	<u>57</u>	<u>482</u>	<u>-</u>	<b><u>15,076</u></b>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**7. TANGIBLE AND INTANGIBLE FIXED ASSETS (continued)**

Depreciation is charged at cost but not charged on the freehold land.

Depreciation charged to Baden Place based on floor space currently occupied by WSET (11,027 sqft out of 25,466 sqft available) 43.3%.

Assets under construction comprise the development of our qualification products and of a new CRM platform for the WSET to manage Exams.

Impairment reviews are conducted annually on the properties. Professional valuations were obtained for Baden Place and International House. Impairment of £1,409k was recognised in year in relation to fixed asset portion of Baden Place.

**8. INVESTMENT PROPERTY**

	<b>International House</b>	<b>Baden Place</b>	<b>Bickel's Yard</b>	<b>2024 Total</b>	<b>2023 Total</b>
<b>Valuation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2023	1,213	9,752	1,778	12,743	15,012
Transfer from Fixed Assets	2	-	-	2	-
Revaluation	(24)	(2,041)	-	(2,065)	(2,269)
<b>At 31 July 2024</b>	<b>1,191</b>	<b>7,711</b>	<b>1,778</b>	<b>10,680</b>	<b>12,743</b>
<b>Historic cost</b>					
At 31 July 2024	234	14,290	1,670	16,194	16,194
At 31 July 2023	234	14,290	1,670	16,194	16,194

The investment properties at Baden Place and International House have been valued at fair value as at 31 July determined by an independent, professionally qualified valuer, in accordance with the RICS Valuation – Professional Standards (the “Red Book”). The revaluation exercise resulted on an in-year loss on the investment property and an impairment adjustment on the fixed asset element. This places no restrictions on income or proceeds of future disposal. A hybrid valuation approach was used for Bickel's Yard, which includes using both a professional valuation (based on International House as a proxy) and comparative data from the property market for similar properties.

The charity has bank loans which are secured by way of a first and second legal charge over the investment property and all other assets of the company. See note 16 for further details.

Historic cost is based on purchase price of each property.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

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**9. INVESTMENT IN SUBSIDIARIES**

**WSET Asia Pacific Limited**  
**Room1001, 10/F, Spaces,**  
**8 Queen's Road East**  
**Wanchai, Hong Kong S.A.R.**

The Charity owns the whole of the share capital of WSET Asia Pacific Limited, a charitable company registered in Hong Kong with number 2298676 which was incorporated on 21 October 2015. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust. Its results for the year are summarised below. All income and expenditure in the period were unrestricted:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Grant from parent charity	<b>260</b>	405
Total Income	<b>637</b>	588
Total Expenditure	<b>(1,147)</b>	(1,297)
Net Income	<b>(250)</b>	(304)
Translation adjustment	<b>(1)</b>	35
Fund balances brought forward	<b>(781)</b>	(512)
Fund balances carried forward	<b>(1,032)</b>	(781)
Total Assets	<b>252</b>	267
Total Liabilities	<b>(1,284)</b>	(1,048)
Net Assets	<b>(1,032)</b>	(781)

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**10. INVESTMENT IN SUBSIDIARIES (continued)**

**WSET Americas Inc**  
**71 Raymond Rd.**  
**West Hartford, CT 06107**  
**USA**

The Charity owns the whole of the share capital of WSET Americas Inc, a charitable (non-profit private foundation) company registered in New York with number 45-98-81 which was incorporated on 17<sup>th</sup> October 2017. The principal aims of this subsidiary charity are to support the growing market in North and South America. It is 100% owned by the Wine and Spirit Education Trust. Its results for the year are summarised below. All income and expenditure in the period were unrestricted:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Total Income	<b>4,735</b>	5,105
Total Expenditure	<b>(4,960)</b>	(5,161)
Net Income	<b>(225)</b>	(56)
Translation adjustment	<b>(23)</b>	(26)
Fund balances brought forward	<b>142</b>	224
Fund balances carried forward	<b>(106)</b>	142
Total Assets	<b>780</b>	814
Total Liabilities	<b>(886)</b>	(672)
Net Assets	<b>(106)</b>	142

**11. INVESTMENT IN SUBSIDIARIES (continued)**

**WSET Australia Limited**  
**Level 24, 1 O'Connell Street**  
**Sydney, New South Wales, 2000**  
**Australia**

WSET Australia Limited, a company limited by guarantee, was incorporated in 1 November 2023 in New South Wales, Australia with number 672609773. The principal aims of this company are to support the growing market in Australia. It is 100% controlled by the Wine and Spirit Education Trust. Its trading results for the year were £nil.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**12. STOCKS**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Stocks consist of:</b>				
Wine and Spirits	<b>185</b>	287	<b>185</b>	287
Books and other Course Materials	<b>844</b>	805	<b>844</b>	805
Other materials	<b>37</b>	27	<b>37</b>	27
Stock Provision	<b>(150)</b>	(81)	<b>(150)</b>	(81)
	<b>916</b>	1,038	<b>916</b>	1,038

The value of stock released to cost of sales in the year was £1,540k (2023: £1,422k).

**13. DEBTORS**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade Debtors	<b>1,870</b>	2,052	<b>1,472</b>	1,584
Amounts due from subsidiaries	-	-	<b>1,934</b>	1,406
Prepayments and accrued income	<b>859</b>	888	<b>743</b>	814
Other debtors	<b>140</b>	115	<b>139</b>	115
Service Charge	<b>27</b>	<b>22</b>	-	-
Staff loans	<b>2</b>	-	<b>2</b>	-
	<b>2,898</b>	3,077	<b>4,290</b>	3,919

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**14. CREDITORS**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2024</b>	2023	<b>2024</b>	2023
<b>Amounts falling due within one year</b>	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Course Fees Received in Advance (see Note 15)	<b>1,070</b>	1,188	<b>1,070</b>	1,188
Trade Creditors	<b>616</b>	431	<b>654</b>	458
Accruals and other creditors	<b>1,043</b>	1,554	<b>960</b>	1,353
Bank Loan (Secured - see Note 16)	<b>19,849</b>	485	<b>19,849</b>	485
APP Fees in Advance	<b>460</b>	374	<b>348</b>	309
Rentals in advance	<b>30</b>	29	<b>30</b>	29
Other Creditors	<b>21</b>	47	<b>15</b>	38
	<b>23,089</b>	4,108	<b>22,926</b>	3,860
<b>Amounts falling due after more than one year</b>				
Bank loan (Secured)	-	18,474	-	18,474
Finance lease	<b>430</b>	-	<b>430</b>	-
Tenant deposits	<b>96</b>	215	<b>96</b>	215
	<b>526</b>	18,689	<b>526</b>	18,689
	<b>23,615</b>	22,797	<b>23,452</b>	22,549

**15. ANALYSIS OF DEFERRED COURSE FEES**

	<b>2024</b>	2023	<b>2024</b>	2023
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Balance at 1 August 2023	<b>1,188</b>	1,048	<b>1,188</b>	1,048
Amount released to incoming resources	<b>(1,188)</b>	(1,048)	<b>(1,188)</b>	(1,048)
Amount deferred in year	<b>1,070</b>	1,188	<b>1,070</b>	1,188
Balance at 31 July	<b>1,070</b>	1,188	<b>1,070</b>	1,188

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**16. Borrowings**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
<b>Group and charity</b>		
<b>Repayable:</b>		
Between one and two years	<b>119</b>	528
Between two and five years	<b>284</b>	1,169
In five years or more	<b>27</b>	16,777
	<b>430</b>	18,474
Repayable within one year	<b>19,849</b>	485
	<b>20,279</b>	18,959

The covenant attached to the bank loan has not been breached. However, due to the terms of the loan, the bank could require repayment within 12 months after the year-end. We have, therefore, included the bank loan repayment as due within one year, in line with Section 4.7 of FRS 102 regarding unconditional rights to defer settlement.

The charity has the following loans:

- A loan was taken out in September 2017 for £3.4 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate and the loan is secured against International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate and the loan is secured against Baden Place, Crosby Row, London and its associated assets.
- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at an agreed fixed rate for a 60-month period and then at 1.75% per annum over Base Rate. The loan was secured against Baden Place, Crosby Row, London, and its associated assets.
- A loan facility was agreed in October 2022 for £3 million with a final repayment schedule for November 2043. Interest is charged at 1.8% per annum over Base Rate. The loan is secured against Baden Place, Crosby Row, London, and its associated assets; and International House, 39-45 Bermondsey Street, London and its associated assets.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**17. FINANCIAL INSTRUMENTS**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Financial assets measured at fair value	<b>10,680</b>	12,743

Financial assets measured at fair value comprise of investment properties.

**18. FUNDS – GROUP**

	<b>Balance at 1 August 2023</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Transfers and Gains/ Losses</b>	<b>Balance at 31 July 2024</b>
	£'000	£'000	£'000	£'000	£'000
<b>Restricted Funds</b>					
Peter Hampson Memorial Fund	13	-	(1)	-	<b>12</b>
Worshipful Co. Distillers	11	2	(1)	-	<b>12</b>
Building Donations	157	-	-	(157)	<b>-</b>
	<u>181</u>	<u>2</u>	<u>(2)</u>	<u>(157)</u>	<u><b>24</b></u>
<b>Unrestricted Fund Designated</b>					
Property Reserve	6,990	-	-	(2,219)	<b>4,771</b>
	6,990	-	-	(2,219)	<b>4,771</b>
<b>General</b>	<u>3,764</u>	<u>22,945</u>	<u>(23,174)</u>	<u>104</u>	<u><b>3,639</b></u>
<b>Total unrestricted funds</b>	<u>10,754</u>	<u>22,945</u>	<u>(23,174)</u>	<u>(2,115)</u>	<u><b>8,410</b></u>
<b>Total Funds</b>	<u>10,935</u>	<u>22,947</u>	<u>(23,176)</u>	<u>(2,272)</u>	<u><b>8,434</b></u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**18. FUNDS - CHARITY**

	Balance at 1 August 2023 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers and Gains/ Losses £'000	Balance at 31 July 2024 £'000
<b>Restricted Funds</b>					
Peter Hampson Memorial Fund	13	-	(1)	-	12
Worshipful Co. Distillers	11	2	(1)	-	12
Building Donations	157	-	-	(157)	-
	<u>181</u>	<u>2</u>	<u>(2)</u>	<u>(157)</u>	<u>24</u>
<b>Unrestricted Fund</b>					
<b>Designated</b>					
Property Reserve	6,990	-	-	(2,219)	4,771
	6,990	-	-	(2,219)	4,771
<b>General</b>	<u>4,389</u>	<u>20,515</u>	<u>(20,456)</u>	<u>316</u>	<u>4,764</u>
<b>Total unrestricted funds</b>	<u>11,379</u>	<u>20,515</u>	<u>(20,456)</u>	<u>(1,903)</u>	<u>9,535</u>
<b>Total Funds</b>	<u>11,560</u>	<u>20,517</u>	<u>(20,458)</u>	<u>(2,060)</u>	<u>9,559</u>

**Restricted Funds**

*Peter Hampson Memorial fund* - An investment from which an annual scholarship is awarded.

*Worshipful Co. of Distillers* - Annual donations to be used towards courses and prizes funded in the name of the Distillers.

*Building Donations fund*, created from donations received for the acquisition of the freehold in Bermondsey Street, has been transferred to the property reserve as part of streamlining funds of the same purpose.

**Designated Funds**

*Property Reserve* - This represents the fund amount currently invested in the Charity's property excluding the value of the mortgage secured against the property.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed Assets	Net Current Assets	Long Term Liabilities	Total
	£'000	£'000	£'000	£'000
Restricted Funds	-	24	-	24
Unrestricted Funds	25,935	2,180	(19,705)	8,410
	<u>25,935</u>	<u>2,204</u>	<u>(19,705)</u>	<u>8,434</u>

**20. PENSION SCHEME**

The Trust contributes towards a pension scheme for most of its employees. The scheme consists of a series of defined contribution pension arrangements. The nature of these arrangements is such that there are no unfunded liabilities. The pension funds are administered by trustees and are independent of the Trust's finances. The contributions paid the year amounted to £723,722 (2023: £613,807).

**21. OPERATING LEASES**

Income from operating leases

As at 31 July the following income was due to the charity and group under the non-cancellable operating leases:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Due in less than one year	<b>401</b>	523
Due in two to five years	<b>653</b>	792
Due after five years	<b>454</b>	-
	<u><b>1,508</b></u>	<u>1,315</u>

Baden Place, Crosby Row was purchased in September 2018 by the Trust as an investment. Of the total area of 25,461 square feet WSET has been occupying 11,022 square feet since August 2019. The remaining space of 14,439 sq ft is in rentable condition and was let for the full year except for Units 1, 13 & 14 (5,053 square feet) which remained unoccupied since 30/01/2023 when the tenant exercised their break clause. A replacement tenant for these units has not yet been found. The investments returned a rental of £632k in the year ended 31st July 2024. Rental income for the year ending 31st July 2025 is expected to be £401k and for the next four years is expected to provide an income of £653k. The expected rental income of £454k after five years reflects the long-term lease secured from letting premises not occupied by the School at International House, Bermondsey Street.

*Operating lease expenditure*

As at 31 July 2024 the group had no annual commitments under non-cancellable operating leases.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

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**22. FINANCE LEASES**

During the year, the Charity has entered into hire purchase agreement funding the School refurbishment works with a carrying amount of £646k (2023: £nil) at the balance sheet date. The future minimum payments under these agreements are £164k within one year, £533k between two and four years.

**23. LEGAL STATUS OF THE TRUST**

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**24. RELATED PARTY TRANSACTIONS**

Kirsten Grant Meikle is a member of the Worshipful Company of Distillers who donated a total of £2,000 (2023: £1,865) to WSET in the year.

Miles Beale is a member of the Board of the Wine & Spirit Trade Association, that is a tenant of the WSET for accommodation with a rental value of £55,000 (2023: £55,000) per annum. WSET also sold £4,370 (2023: £3,830) worth of educational services to WSTA in the year. WSET purchased £554 (2023: £536) worth of subscription services in the year from WSTA.

Joanna Locke is a member and representative of the Institute of Masters of Wine from whom WSET purchases membership fees and training for its staff totalling £6,810 (2023: £13,356) in the year.

There were no claims made from trustees for reimbursement in the year.

Transactions to and from subsidiary entities have been disclosed in Note 9 and Note 10.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2024**

**25. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds		Restricted funds	Total
	General	Designated		2023
	£'000	£'000	£'000	£'000
Income from				
Charitable activities:				
Courses, examination fees and Teaching aids	21,025	-	-	21,025
Donations and legacies	369	-	2	371
Investments	15	-	-	15
Other trading activities	731	-	-	731
Total income	<u>22,140</u>	<u>-</u>	<u>2</u>	<u>22,142</u>
Expenditure on				
Examinations & courses	16,761	-	-	16,761
Teaching aids	4,311	-	-	4,311
Raising funds	1,515	-	1	1,516
Total expenditure	<u>22,587</u>	<u>-</u>	<u>1</u>	<u>22,588</u>
Net (expenditure)/income before transfers	<u>(447)</u>	<u>-</u>	<u>1</u>	<u>(446)</u>
Transfers	<u>2,051</u>	<u>(2,051)</u>	<u>-</u>	<u>-</u>
Net income	1,604	(2,051)	1	(446)
Translation adjustment	<u>(283)</u>	<u>-</u>	<u>-</u>	<u>(283)</u>
Net movement in funds	1,321	(2,051)	1	(729)
Investment Property Loss	-	(2,229)	(40)	(2,269)
Funds balances brought forward at 1 August 2022	<u>2,443</u>	<u>11,270</u>	<u>220</u>	<u>13,933</u>
Fund balances carried forward at 31 July 2023	<u>3,764</u>	<u>6,990</u>	<u>181</u>	<u>10,935</u>

**WINE AND SPIRIT EDUCATION TRUST**

England & Wales - Charity number 313766

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# Accounts

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**COMPANY NUMBER: 00964179**  
**CHARITY NUMBER: 313766**

**WINE AND SPIRIT EDUCATION TRUST**  
**(COMPANY LIMITED BY GUARANTEE)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

# WINE AND SPIRIT EDUCATION TRUST

## CONTENTS

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	Page
Reference and administrative information	1
Trustees' Report	2-9
Independent Auditor's Report	10-13
Statement of Financial Activities	14
Consolidated Balance Sheet	15
Statement of Cash Flows	16-17
Notes to the Financial Statements	18-34

# WINE AND SPIRIT EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **DIRECTORS AND TRUSTEES**

S McMurtrie (Chairman)  
J Locke  
S Singh  
M Beale  
D Jago  
L Halstead  
J Thornton  
K G Meikle (appointed Dec 22)  
A Gibbons (resigned Dec 22)

### **Key Management Personnel**

M Brampton - Chief Executive  
I Pogue - Chief Financial Officer

### **Registered Office**

International House  
39-45 Bermondsey Street London SE1 3XF

### **Company Number**

00964179

### **Charity Number**

313766

### **PROFESSIONAL ADVISORS TO THE TRUST**

#### **Auditors**

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

#### **Solicitors**

Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P 3JT

#### **Bankers**

National Westminster Bank Plc, 2 Eastcheap, London EC3

#### **Insurance Brokers**

Gallagher, Portmore House, Yeoman Park, Test Lane, Southampton SO16 9JX

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2023**

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The trustees of the Wine and Spirit Education Trust ("WSET") are pleased to present their annual report together with the financial statements for the year ended 31 July 2023.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

Wine and Spirit Education Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 12th September 1969 and amended to allow for changes in Companies Acts on 29<sup>th</sup> May 2002 and again on 9<sup>th</sup> March 2011. It is registered as a charity with the Charity Commission. There are currently 8 members each of whom agree to contribute £1 in the event of the charity winding up.

##### **Appointment of Trustees**

Each Trustee is elected to serve a term of four years. At the end of the term, Trustees can vote to extend the term by a year, on no more than two occasions, which means that the maximum term a member can serve before standing down is six years. The Chairman of the Board of Trustees may serve an additional year (i.e. a maximum term of seven years). The Trustees are appointed as representatives of four industry bodies: up to three Trustees are appointed from members of the Vintners Company, up to three from the members of the Wine and Spirits Trade Association (WSTA), up to one from members of the Worshipful Company of Distillers and up to one from the Institute of Masters of Wine. Nominations for Trustees are sought from these bodies, as each of their representative Trustees retire, with regard to providing valuable service to the Trust through their individual skills, experience and standing in the community.

#### **THE AIMS OF THE WINE AND SPIRIT EDUCATION TRUST**

Extract from the Memorandum and Articles of Association, adopted 9<sup>th</sup> March 2011:

"The primary objects for which the Trust is established are the promotion, provision and development of high-quality education and training in wines and spirits, in the United Kingdom and elsewhere, directed at those who are engaged in or connected with the wine and spirit trade or who intend to be so engaged or connected, plus members of the general public". This includes the provision of education in social responsibility.

The Trust aims to provide first-class educational programmes, with a suite of sought-after examinations, leading to qualifications which fall within the UK Qualifications Framework.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

##### **Public Benefit**

WSET recognises the role it must play in helping to make the global drinks industry a more accessible, inclusive and diverse place in which to work, in particular for individuals from ethnically diverse backgrounds and other underrepresented communities. Bursaries and a programme of charitable initiatives working with local organisations globally have provided access to WSET qualifications, funding and mentorship for many individuals facing hardship and challenges.

Activities include:

- 56 students have been funded to take WSET courses through the DEVELOP programme at The Drinks Trust in 2022 (UK).
- 15 students have taken their Level 2 Award in Wines course through an initiative in collaboration with the International Wine Education Centre located in Cape Town (IWEC) and South African based not-for-profit company the Black Cellar Club (BLACC). This is part of a three-year programme focused on upskilling individuals who would not otherwise be able to access a WSET education (South Africa).

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2023**

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- 30 students funded to take a WSET Level 1 Award in Wines course as part of a three-year initiative with NICI (National Indigenous Culinary Institute), with individuals receiving additional support through extra teaching time, a mentorship programme and work experience days (Australia).
- Continuing to work with our course provider in South Africa - the International Wine Education Centre to fund 50 Pinotage Youth Development Academy (PYDA) students to take a Level 2 Award in Wines as part of a development programme.

#### **DIRECTORS AND TRUSTEES**

The Directors of the charitable company ("the Trust") are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who served during the year are shown on page 1.

#### **Trustee Induction and Training**

New Trustees undergo an orientation day to brief them on their legal obligations under charity code of governance and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### **Organisation**

The Board of Trustees, which has 8 members, administers the charity. The board meets regularly and there is a sub-committee covering finance issues which also meets as required. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment working with the Chief Financial Officer.

The Trustees give their time freely, and no remuneration is paid, except for out-of-pocket travel expenses. The Trustees have also confirmed that no person connected to a Trustee has received a Bursary Grant or a Scholarship in the past 12 months.

The remuneration policy for the key management positions within the charity is set by the Trustees on an annual basis and performance is monitored through the annual appraisal system which measures achievement against the Chief Executive's and Chief Financial Officer's personal business objectives.

#### **Subsidiaries**

On 21<sup>st</sup> of October 2015, WSET Asia-Pacific was incorporated in Hong Kong. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust.

On 17<sup>th</sup> of October 2017, Wine and Spirit Education Trust America Inc. was incorporated in New York. The principal aims of this subsidiary charity are to support the growing market in America. It is 100% owned by the Wine and Spirit Education Trust.

On 1<sup>st</sup> of November 2023, Wine and Spirit Education Trust Australia Limited, a company limited by guarantee, was incorporated in New South Wales, Australia (Australian Company Number 672609773). The principal aims of this company are to support the growing market in Australia. It is 100% controlled by the Wine and Spirit Education Trust.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2023

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#### STRATEGIC REPORT

#### ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

As part of their annual strategy review, the Trustees have reviewed the aims and activities of the WSET and consider that they meet the principles of Public Benefit.

The key strategic objectives identified last year were:

- **Customer Service:** deliver our Exams Transformation Programme (EXAT) to mitigate risk around our outdated Awards Database by enhancing our CRM platform and building a self-service customer portal, enabling us to address strategic risk, reduce cost and deliver further efficiency.  
Good progress was made against these objectives. Work on our CRM platform progressed as planned and within budget, with development work completed to process our Level 1 and 2 products across all categories within CRM (rather than our outdated Awards Database) and go-live in October 2023. Plans for a self-service customer portal were put on hold during the year, as a result of having to use planned capital budget for a refurbishment of our Bermondsey Street School premises ahead of schedule. Whilst this refurbishment was planned for future years, maintenance work identified that in particular the electrical infrastructure was approaching end of life, and therefore a decision was taken to address this issue and carry out refurbishment at the same time.
- **Product:** plan for launch of our Beer qualification through Educator programmes, trial courses and industry networking.  
Plans for the launch of the Beer qualification remain on track, with launch due in February 2024. An initial group of APPs have been selected for launch, Educator programmes are being held in multiple countries, and trial courses have been delivered.
- **Brand:** review 'WSET' branding in the context of new products and markets  
The review of 'WSET' branding has been completed, with changes planned to be implemented in 2024/25 in line with the redevelopment of our corporate website once the main EXAT programme has been completed.
- **Route to Student:** enhance our digital offering  
A number of enhancements have been made to the user experience (UX) of the Online Classroom for students and APPs, to make it more enjoyable in the long-term. These included a significantly refreshed APP resources area on the OC, complete with improved UX and booking forms, and 'how to' videos, to help guide students through accessing their online courses. In addition, Level 2 in Wines was refreshed to bring it in line with the text update, as well as adding more interactivity, allowing students to study on the go. The D3 module of the Level 4 Diploma in Wines also had a similar update, making it more interactive and rationalising activities.

Key financial and KPI targets were:

- Growth in exam candidate enrolments to 146,702
- Achieve WSET Group Net Income of £1.5m
- Achieve APP satisfaction (NPS) and Student Satisfaction (NPS) scores of 60 in the long-term
- Meet Exam results processing SLA targets
- Achieve employee satisfaction (ENPS) score of +1

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2023

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Actual results were:

- Growth in exam candidate enrolments to 142,757 (with deficit against target being due to delay in restarting in China and impact of Covid restrictions in that country)
- WSET Group Net Income of £1.4m, with position managed to achieve EBITDA required to meet banking covenants
- APP satisfaction (NPS) and Student Satisfaction (NPS) scores of 8 and 62 respectively against the long-term target of 60
- Whilst there were very occasional dips in meeting Exam results processing SLA targets across the year, these were largely achieved
- A decision was made to review the approach to monitoring employee satisfaction, therefore this KPI was not tracked throughout the year.

### **FINANCIAL REVIEW**

WSET had a good financial year with net income, before impairment of owner-occupied property assets, totalling £1.4m. The property market however remained unfavourable, and impairment after revaluation took our net income to a loss of £0.4m. During the year we continued to invest in future growth specifically on Product Development and Infrastructure. This investment has contributed to the 28% income growth compared to FY22, income up to £22.1m from £17.2m.

Supporting this growth, 2023 saw an increase in expenditure of 22%, £22.6m up from £18.4m. Of the contribution towards overheads, 9% was generated by the activities of the London Wine and Spirit School, with 56% coming from the activities of WSET Examinations and 8% coming from Global Digital Learning Services. The remaining 27% was generated from sales of books/materials and investment property rental income.

WSET maintained a strong balance sheet position reporting net assets of £10.9m as at 31st July 2023. This is down on the £13.9m reported at 31<sup>st</sup> July 2022 reflecting the owner-occupied and investment property revaluations at fair market value. Loss on revaluation of Investment Properties came to £2.3m. Impairment loss of £1.9m was also recognised in year on the area of Baden Place occupied by WSET.

#### **Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in the best interest of the charity

#### **Reserves Policy**

WSET set reserves policy using a free reserves approach. Free reserves are the total reserves available less those restricted and those designated by trustees for a specific purpose or because they are held in property. The policy is generally reviewed annually, taking into consideration the major risks faced by the charity, their likely effect on income and planned expenditure, and assessment of possible actions to mitigate those risks.

#### **Restricted reserves (£0.2million)**

These are funds the charity will spend on activities specified by the restriction of the fund.

#### **Unrestricted reserves**

These are funds over which the trustees have discretion in how they are used to further the objects of the charity.

In Accordance with Charity Commission guidance, some of these funds have been designated to mitigate the charity's financial risks and to indicate which reserves are held in property and are therefore not available as 'free' reserves.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2023

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#### **Designated Funds (£7.0million)**

This is the value of the property reserve which equates to the amount currently invested in the charity's property, excluding the restricted element in the Building Donation Fund and the value of mortgages secured against the property. The amount of the property funded by restricted donations amounted to £0.16m at 31st July 2023.

#### **General Fund (£3.8million)**

Monthly operational expenditure stands at c£1.7m, therefore general reserves provide approximately two months' cover. The WSET has a long-term overall group reserves policy based on three months' costs. It is recognised that post-Covid, and with a significant period of capital investment in both technology and refurbishment of the Bermondsey School, there will be an impact on achievement of this long-term policy in the next few years. The long-term policy would require free group reserves of £5.1m.

#### **FUTURE PLANS**

As set out last year, the WSET has undertaken a comprehensive review of its strategy during 2022. Our purpose is empowering people through inspiring learning experiences all over the world. To achieve this we developed six long-term strategic imperatives:

- People: create an inclusive and purposeful culture where our people feel valued, and enhance capabilities in key areas
- Route to Student (RTS): build a sustainable multi-channel strategy and commercial model
- Environmental, Social and Governance (ESG): establish a meaningful ESG agenda internally and externally
- Product: develop our portfolio of learning experiences through a student driven approach
- Customer Service: cultivate a global service mindset, underpinned by improved systems and processes
- Brand: evolve the WSET brand and build our reputation through credibility and relevance

Key initiatives against these goals for 2023/24 are:

- People: build our values and behaviours into our processes and policies. Evolve our annual review and development process, including talent mapping.
- Route to Student (RTS): develop global approach as part of direct model.
- Environmental, Social and Governance (ESG): establish 'charitable initiatives' budget and related processes and responsibilities (includes bursary funds).
- Product: launch Levels 1 and 2 of our Beer qualification in English in February 2024.
- Customer Service: continue our Exams Transformation Programme (EXAT) to mitigate risk around our outdated Awards Database, with Levels 1-4 processing across all product categories moved onto our CRM platform.
- Brand: plan for delivery of brand review and website development. Focus on candidate retention.

Key financial and KPI targets are:

- Growth in exam candidate enrolments to 155,804
- Achieve WSET Group EBITDA of £3.7m
- Meet Exam results processing SLA targets

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees have approved a risk management policy and process and are responsible for overseeing risk management as a whole and for determining the overall risk management. Trustees' policy is to review the risk register on a regular basis to ensure that the impact of financial, strategic, operational and

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2023**

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compliance risks are minimised. Management continually reviews the risks to which the WSET could be exposed. Risks are assessed for likelihood and severity of impact. This information is then used to develop a risk management strategy, including the identification of existing operational controls and any new controls considered necessary.

Several risks and uncertainties have been identified, which are listed below in no particular order or likelihood of occurrence:

#### **People**

Our people are critical to the success of our business and we need to attract, motivate and retain the best talent we can, not only for our current needs, but also looking ahead to the organisation of the future. We undertake annual performance reviews to ensure staff are motivated and retained, and offer a range of benefits. Succession planning is undertaken for senior staff. We provide training for all our staff, including external training where relevant to specialisms.

#### **Information and Computer Systems**

WSET is heavily dependent on the integrity of our IT systems and the management of information including sensitive student and APP information. This can lead to concerns about integrity, security and other data issues. At the same time, cyber-crime is growing in frequency and sophistication and many IT systems are exposed to these threats. We run incremental backups to our onsite backup facility, then incremental/full nightly backups to our cloud based solution. These are distributed to two geographically separate data centres. In the event of a disaster we have a Disaster Recovery (DR) plan in place. As the majority of critical services are cloud based there is little impact to the business day to day. However, we can very quickly gain access to our DR sites (data centres) to ensure business can function.

We set out data protection compliance in a framework of policies and procedures. We also monitor compliance with data protection policies and regularly review the effectiveness of data handling/processing activities and security controls. We have recently used an external professional data protection services firm to conduct an audit of our policies and procedures.

#### **Business Operations and Supply Chain**

WSET depends on purchasing materials and education technology, on controlled inventory management and the timely supply of our products to our APPs and students. Some of our key products are reliant on one producer or one supplier for educational materials e.g. certificates, pins and suppliers of our digital education offerings (eBook, online exams and online courses). Therefore, where possible we have identified potential alternative suppliers. For critical suppliers which would be difficult to replace quickly, we review and monitor their financial status.

#### **Statutory and regulatory compliance**

WSET's primary object is the promotion, provision and development of high-quality education and training in wines, spirits and sake across the world. Our global reach could lead to non-compliance with statutory and regulatory requirements through lack of oversight, knowledge or training, at both local and group level. Non-compliance can lead to loss of status, recognition, reputation, customers and the imposition of penalties. We therefore employ qualified personnel at group and local levels, as well as using external professionals, and work with regulatory or statutory authorities to ensure compliance by obtaining guidance and instruction and implementing these.

#### **Product Portfolio Development**

The education industry is undergoing rapid new product innovation, digitisation and globalisation, including the rapid development of Artificial Intelligence (AI) tools. The sustainability of our business depends on creating and developing suitable educational products and examinations to meet the needs of our APPs and students to support long-term growth and securing appropriate protection for and defending our intellectual property. To mitigate this, we have a particular focus on developing our digital education tools in the current and future financial years, and have an internal team reviewing how we can use AI within our product development. We currently update exams on a 4 year cycle, and continue to review how we can improve the update process.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2023

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#### **External Environment and Economic Climate**

WSET's APPs and subsidiaries operate in a variety of political, economic, and legal jurisdictions. We may therefore be impacted by legal or budgetary constraints, economic and political considerations, fluctuations in exchange rates and our ability to persuade stakeholders of the economic value of our education. It is difficult to forecast the effects of these complex factors and we therefore aim through our planning to be able to react to negative impacts which might adversely affect our performance. However, the global reach of our operations can mitigate against this risk, as markets with strong conditions can support those in a negative situation. WSET recognises the risks associated with loan covenants and potential interest rates increases and has adopted a comprehensive risk management approach to mitigate both.

#### **Going Concern**

The Trustees have reviewed the financial performance for FY23 and the FY24 budget with a cashflow forecast projection for the next 12 months. Performance in the first quarter of FY24 has been solid, with EBITDA up 39% on prior year at £1.1m. Having reviewed all this information along with the funding facilities available to the Trust, the Trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. Key factors in assessing WSET as a going concern include stable financial performance over recent years and strong income growth in FY23, a diverse geographic spread across 3 reporting regions (EMEA, APAC and Americas), continued place as global market leader for wine and spirits education, and subsidiary operations to grow business in Americas and APAC.

#### **RESPONSIBILITIES OF THE TRUSTEES**

The trustees (who are also directors of the Wine and Spirit Education Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the Income and application of resources, including the income and expenditure, of the charitable for that period. In preparing these financial statements, the trustees are required to:

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

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

**WINE AND SPIRIT EDUCATION TRUST  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023**

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**STATEMENT OF DISCLOSURE TO AUDITORS**

So far as the trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware. Additionally, the trustees have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

**In approving the Trustees' Report the trustees also approve the Strategic Report in their capacity as company directors.**

Approved by the Trustees and signed on their behalf on 1 December 2023.

A handwritten signature in black ink, appearing to read 'S McMurtrie', followed by a long horizontal line extending to the right.

**Simon McMurtrie  
Chairman**

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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## **Opinion**

We have audited the financial statements of Wine and Spirit Education Trust for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 July 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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## **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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:

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context were Charity Commission regulations, Ofqual regulations as an awarding body, taxation matters and General Data Protection Regulation (GDPR).

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, judgements made in the property valuations, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing of documentation relating to income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

### **Use of our report**

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



### **Dipesh Chhatralia**

Senior Statutory Auditor

For and on behalf of

### **Crowe U.K. LLP**

Statutory Auditor

London

Date: 12 December 2023

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

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating the income and expenditure)**  
**FOR THE YEAR ENDED 31 JULY 2023**

	Notes	Unrestricted funds		Restricted funds	Total 2023	Total 2022
		General	Designated			
		£	£	£	£	£
<b>INCOME FROM</b>						
Charitable activities:						
Courses, examination fees and Teaching aids						
	3	21,024,862	-	-	21,024,862	15,740,941
Donations and legacies						
		368,721	-	1,875	370,596	406,970
Investments						
		15,057	-	-	15,057	9,041
Other trading activities						
	4	731,213	-	-	731,213	943,013
Government grant						
		-	-	-	-	143,040
<b>Total income</b>		<b>22,139,853</b>	<b>-</b>	<b>1,875</b>	<b>22,141,728</b>	<b>17,243,005</b>
<b>EXPENDITURE ON</b>						
Examination and courses						
	5	16,760,705	-	-	16,760,705	13,276,437
Teaching costs						
	5	4,311,543	-	-	4,311,543	3,330,161
Raising funds						
	5	1,514,964	-	850	1,515,814	1,835,337
<b>Total expenditure</b>		<b>22,587,212</b>	<b>-</b>	<b>850</b>	<b>22,588,062</b>	<b>18,441,935</b>
<b>Net (expenditure)/income before transfers</b>		<b>(447,359)</b>	<b>-</b>	<b>1,025</b>	<b>(446,334)</b>	<b>(1,198,930)</b>
Transfers	17	2,050,725	(2,050,725)	-	-	-
<b>Net income/(expenditure)</b>		<b>1,603,366</b>	<b>(2,050,725)</b>	<b>1,025</b>	<b>(446,334)</b>	<b>(1,198,930)</b>
Translation adjustment		(282,682)	-	-	(282,682)	100,906
<b>Net movement in funds</b>		<b>1,320,684</b>	<b>(2,050,725)</b>	<b>1,025</b>	<b>(729,016)</b>	<b>(1,098,024)</b>
<b>Investment Property Loss</b>	8	-	(2,229,134)	(39,550)	(2,268,684)	(2,888,534)
Fund balances brought forward at 1 August 2022	17	2,443,045	11,269,434	219,278	13,931,757	17,918,315
<b>Fund balances carried forward at 31 July 2023</b>		<b>3,763,729</b>	<b>6,989,575</b>	<b>180,753</b>	<b>10,934,057</b>	<b>13,931,757</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All activities shown are continuing.

Full comparative figures for 2022 are shown in note 25.  
The notes on pages 19 to 34 form part of these financial statements.

**WINE AND SPIRIT EDUCATION TRUST**  
**COMPANY NUMBER: 00964179**  
**BALANCE SHEET AS AT 31 JULY 2023**

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
<b>FIXED ASSETS</b>					
Tangible and Intangible assets	7	15,076,828	15,076,330	15,518,685	15,517,036
Investment property	8	12,743,289	12,743,289	15,011,973	15,011,973
		<b>27,820,117</b>	<b>27,819,619</b>	30,530,658	30,529,009
<b>CURRENT ASSETS</b>					
Stocks	10	1,037,990	1,037,990	1,059,348	1,059,348
Debtors	11	3,077,609	3,918,562	2,626,533	3,221,879
Cash and bank balances		1,795,884	1,333,284	841,416	408,946
		<b>5,911,483</b>	<b>6,289,836</b>	4,527,297	4,690,173
<b>CREDITORS:</b> Amounts falling due within one year	13	4,106,433	3,858,125	3,594,948	3,483,049
<b>NET CURRENT ASSETS</b>		<b>1,805,050</b>	<b>2,431,711</b>	932,349	1,207,124
<b>TOTAL ASSET LESS CURRENT LIABILITIES</b>		<b>29,625,167</b>	<b>30,251,330</b>	31,463,007	31,736,133
<b>CREDITORS:</b> Amounts falling due after more than one year	15	18,691,110	18,691,110	17,531,250	17,531,251
<b>NET ASSETS</b>		<b>10,934,057</b>	<b>11,560,220</b>	13,931,757	14,204,882
<b>FUNDS</b>					
Restricted funds	17	180,753	180,753	219,278	219,278
Unrestricted funds					
<i>Designated funds</i>	17	6,989,575	6,989,575	11,269,434	11,269,434
<i>General funds</i>	17	3,763,729	4,389,892	2,443,045	2,716,170
<b>TOTAL FUNDS</b>		<b>10,934,057</b>	<b>11,560,220</b>	13,931,757	14,204,882

The financial statements were approved and authorised for issue by the Board of Trustees on 1 December 2023 and were signed on its behalf by:



**Simon McMurtrie**  
**Chairman**

The notes on pages 19 to 34 form part of these financial statements.

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2023**

	<b>2023</b>	2022
	£	£
<b>Net cash inflow from operations:</b>		
Net cash provided by operations	(a) <u>2,756,426</u>	<u>669,408</u>
<b>Cash flows from investing activities:</b>		
Bank interest and other investment income	15,057	9,041
Finance and other costs	(747,528)	(494,313)
Payments to acquire tangible fixed assets	(2,102,374)	(843,101)
Payments to acquire investment property	-	(111,295)
<b>Net cash used in investing activities</b>	<u>(2,834,845)</u>	<u>(1,439,668)</u>
<b>Cash flows from financing activities:</b>		
Bank loan repayments	(638,184)	(1,128,868)
Bank loan drawdown	1,671,071	-
<b>Net cash provided by/(used in) financing activities</b>	<u>1,032,887</u>	<u>(1,128,868)</u>
Change in cash and cash equivalents in the reporting period	954,468	(1,899,128)
Net cash and cash equivalents at beginning of period	(b) <u>841,416</u>	<u>2,740,543</u>
Net cash and cash equivalents at end of period	(b) <u>1,795,884</u>	<u>841,416</u>

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO  
NET CASH INFLOW FROM OPERATIONS

	<b>2023</b>	2022
	£	£
Net movement in funds	(729,016)	(1,098,024)
Depreciation/Impairment	2,543,713	2,403,759
Bank interest and other investment income	(15,057)	(9,041)
Finance and other costs	747,528	494,313
Other costs	519	(6,877)
Decrease/(Increase) in stocks	21,358	(510,531)
(Increase)/decrease in debtors	(451,076)	(366,892)
Increase/(Decrease) in creditors	638,457	(237,299)
Net cash inflow from operations	<u>2,756,426</u>	<u>669,408</u>

The notes on pages 19 to 34 form part of these financial statements

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**B ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS**

	At 01-Aug 2022 £	Cashflows £	Other Changes £	At 31-Jul 2023 £
<b>Cash and cash equivalents</b>				
Cash	841,416	954,468	-	1,795,884
Deposit accounts	-	-	-	-
	<u>841,416</u>	<u>954,468</u>	<u>-</u>	<u>1,795,884</u>
<b>Borrowings</b>				
Debt due within one year	611,748	(126,972)	-	484,776
Debt due after one year	17,314,535	1,159,858	-	18,474,393
	17,926,283	1,032,886	-	18,959,169
<b>Total</b>	<u>(17,084,867)</u>	<u>(78,418)</u>	<u>-</u>	<u>(17,163,285)</u>

# WINE AND SPIRIT EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2023

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#### 1. ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in dealing with items which are considered material in relation to the accounts.

##### **Basis of Preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 July 2023 and the comparative information presented in these financial statements for the year ended 31 July 2022. The financial statements are drawn up under the historical cost convention.

The Trust is a Public Benefit Entity registered as a charity and company in England and Wales, it was registered in 1969 (charity number 313766 and company registration number 964179).

##### **Basis of consolidation**

The accounts consolidated the results of WSET Asia Pacific Limited and WSET Americas Inc., the wholly owned charitable subsidiary companies. WSET Asia Pacific Limited as incorporated in Hong Kong on 21 October 2015 and WSET Americas Inc. as incorporated in New York on 17/10/2017. In accordance with Section 408 of the Companies Act 2006, no separate Statement of financial Activities is presented for Wine and Spirit Education Trust Limited. The parent charity net expenditure for the year was £(329,586) (2022: £(1,663,407)).

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements.

##### **Going Concern**

The Trustees have reviewed the financial performance for FY23 and the FY24 budget with a cashflow forecast projection for the next 12 months. Performance in the first quarter of FY24 has been solid, with EBITDA up 39% on prior year at £1.1m. Having reviewed all this information along with the funding facilities available to the Trust, the Trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. Key factors in assessing WSET as a going concern include stable financial performance over recent years and strong income growth in FY23, a diverse geographic spread across 3 reporting regions (EMEA, APAC and Americas), continued place as global market leader for wine and spirits education, and subsidiary operations to grow business in Americas and APAC

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. Significant estimates and judgements are applied in relation to the useful economic life of fixed assets and the valuation of investment properties. An investment property revaluation exercise was undertaken for this purpose at the end of the year (see note 8 for further details). The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**1. ACCOUNTING POLICIES (continued)**

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**Income**

All income is recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

**Fees and similar income**

Courses, examination fees, teaching aids and other income receivable are credited to the Statement of Financial Activities in the period when the course or examination takes place. Fees received in advance are deferred on the balance sheet within creditors.

**Donations**

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Trust is considered probable.

**Investment and rental income**

Rental income, and investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

**Government Grants**

Government Grant income is accounted for on an accruals basis and presented as a separate line in the SOFA.

**Expenditure**

All expenditure is accounted for on an accrual's basis. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Note 5 to these accounts details the method of allocation of such costs.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Staff costs, where attributable to more than one area of activity, are apportioned across categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Support costs include governance costs and other indirect costs. Governance costs comprise all expenditure involving the public accountability of the charity and its compliance with regulation and good practice. These costs include some legal fees, the costs associated with trustees' meetings and the cost of the statutory audit plus an appropriate proportion of management time. Support costs (including Governance costs) are allocated to the costs of Raising Funds and Charitable Activities on income basis.

**Pension Scheme Costs**

Contributions in respect of the Trust's defined contribution pension scheme are charged to the Statement of Financial Activities for the year in which they are payable to the Scheme.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**1. ACCOUNTING POLICIES (continued)**

**Tangible and Intangible Fixed Assets**

Depreciation and amortisation is provided on a straight line basis as follows:

Freehold and long term leasehold buildings	- Over 50 years
Refurbishment of leasehold	- Over 10 years
Equipment	- 25%
Computers	- 50%
IT Systems	- 33%

Only purchases over £1,500 are capitalised.

**Stocks**

Stocks (books, course materials, wines and spirits) have been valued at the lower of cost and net realisable value.

**Financial Instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value, except for investments which are held at fair value though profit or loss. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors and stocks. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

**Debtors and creditors**

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

**Bank borrowings**

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**Irrecoverable VAT**

Irrecoverable VAT is written off to the expenditure to which it relates.

**Investment property**

The Group's investment properties are valued annually on 31 July and carried at fair value. For 2023 this has been determined by an independent, professionally qualified valuer in accordance with the RICS Valuation – Professional Standards (the “Red Book”) for Baden Place and International House. The basis of this valuation was adopted to determine the fair value of Bickel's Yard property.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**1. ACCOUNTING POLICIES (continued)**

**Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are considered in arriving at the operating result.

**Funds**

Restricted funds are those where there are specific donor restrictions as to their use. Designated funds are those which have been earmarked by the Trustees for specific purposes. Unrestricted funds can be used at the discretion of the Trustees.

**2. INCOME**

Income attributable to geographical markets outside the United Kingdom was approximately 70% (2022: 70%).

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2023</b>	2022
	£	£
Courses	5,578,173	4,530,675
Examinations	10,159,895	7,419,972
Teaching Aids	5,286,794	3,790,294
	<u>21,024,862</u>	<u>15,740,941</u>

**4. OTHER TRADING ACTIVITIES**

	<b>2023</b>	2022
	£	£
Investment income (Rent and service charges)	696,518	846,373
Other	34,695	96,640
	<u>731,213</u>	<u>943,013</u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**5. ANALYSIS OF TOTAL EXPENDITURE**

	Direct Staff Costs £	Other Costs £	Depreciation £	Support Services £	Total £
Examinations & Courses	5,138,559	3,043,767	460,453	8,117,926	<b>16,760,705</b>
Teaching Aids	-	1,429,860	154,677	2,727,006	<b>4,311,543</b>
Raising Funds	<u>634,736</u>	<u>272,306</u>	<u>32,676</u>	<u>576,096</u>	<b>1,515,814</b>
<b>Total expenditure</b>	<u>5,773,295</u>	<u>4,745,933</u>	<u>647,806</u>	<u>11,421,028</u>	<b>22,588,062</b>

**ANALYSIS OF TOTAL EXPENDITURE COMPARATIVE FOR 2022**

	Direct Staff Costs £	Other Costs £	Depreciation £	Support Services £	Total £
Examinations & Courses	4,050,901	2,502,547	543,304	6,179,685	13,276,437
Teaching Aids	-	1,265,021	120,672	1,944,468	3,330,161
Raising Funds	<u>720,075</u>	<u>237,944</u>	<u>51,264</u>	<u>826,054</u>	<u>1,835,337</u>
Total expenditure	<u>4,770,976</u>	<u>4,005,512</u>	<u>715,240</u>	<u>8,950,207</u>	<u>18,441,935</u>

Support services are made up of staff costs, overheads, and other costs across non income generating departments and allocated on an income basis.

Other costs include:	2023 £	2022 £
Bank loan interest	<b>747,528</b>	494,313
Auditors' remuneration - UK	<b>34,600</b>	28,500
Auditors' remuneration - Hong Kong	<b>2,801</b>	2,591
Auditors' remuneration - US	<b>17,842</b>	15,957
Additional fees incurred for the audit of 2021/22 financial statements	<b>29,000</b>	-
Legal, professional and consultancy fees	<b>235,445</b>	286,845

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**6. STAFF COSTS**

	<b>2023</b>	2022
	£	£
Salaries	<b>8,736,439</b>	5,866,004
Social Security Costs	<b>773,089</b>	639,628
Pension Contributions	<b>613,807</b>	549,767
Other Staff Costs	<b>1,218,001</b>	1,871,614
Redundancy Costs	<b>116,293</b>	38,100
	<b><u>11,457,629</u></b>	<u>8,965,113</u>

Settlement and redundancy costs totalled £116.3k (2022: £38.1k). All amounts were settled in the year.

The average number of employees was:

	<b>2023</b>	2022
	No.	No.
Management and administration	<b>42</b>	39
Training and education	<b>140</b>	132
	<b><u>182</u></b>	<u>171</u>

The number of higher paid employees was:

**Taxable emoluments band:**

£60,001-£70,000	<b>6</b>	4
£70,001-£80,000	<b>3</b>	1
£80,001-£90,000	<b>4</b>	1
£90,001-£100,000	<b>3</b>	2
£100,001-£110,000	<b>-</b>	3
£110,001-£120,000	<b>1</b>	1
£120,001-£130,000	<b>1</b>	-
£130,001-£140,000	<b>1</b>	1
£140,001-£150,000	<b>1</b>	-
£210,001-£220,000	<b>1</b>	-
£320,001-£330,000	<b>1</b>	1
	<b><u>22</u></b>	<u>14</u>

Total remuneration of the key management personnel, including pension and National Insurance contributions was £569,974 (2022: £417,487).

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**7. TANGIBLE AND INTANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Assets under construction</b>	<b>Freehold property</b>	<b>Educational &amp; office equipment</b>	<b>IT systems</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 August 2022	624,318	18,191,888	994,850	1,469,195	<b>21,280,251</b>
Additions in Year	1,991,616	100,597	-	10,161	<b>2,102,374</b>
Disposals in Year	-	-	(666,965)	(465,308)	<b>(1,132,273)</b>
At 31 July 2023	<u>2,615,934</u>	<u>18,292,485</u>	<u>327,885</u>	<u>1,014,048</u>	<b><u>22,250,352</u></b>
<b>Depreciation/amortisation</b>					
At 1 August 2022	-	4,009,901	900,023	851,642	<b>5,761,566</b>
Charge for year	-	465,647	37,556	145,122	<b>648,325</b>
Disposals in Year	-	-	(666,965)	(465,308)	<b>(1,132,273)</b>
Impairment	-	1,895,906	-	-	<b>1,895,906</b>
At 31 July 2023	<u>-</u>	<u>6,371,454</u>	<u>270,614</u>	<u>531,456</u>	<b><u>7,173,524</u></b>
<b>Net Book Value</b>					
At 31 July 2023	<u>2,615,934</u>	<u>11,921,031</u>	<u>57,271</u>	<u>482,592</u>	<b><u>15,076,828</u></b>
At 31 July 2022	<u>624,318</u>	<u>14,181,987</u>	<u>94,827</u>	<u>617,553</u>	<b><u>15,518,685</u></b>
<b>CHARITY</b>					
<b>Assets under construction</b>	<b>Freehold property</b>	<b>Educational &amp; office equipment</b>	<b>IT systems</b>	<b>Total</b>	
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
At 1 August 2022	624,318	18,191,888	871,032	1,465,534	<b>21,152,772</b>
Additions in Year	1,991,616	100,597	10,161	-	<b>2,102,374</b>
Disposals in Year	-	-	(628,212)	(465,308)	<b>(1,093,520)</b>
At 31 July 2023	<u>2,615,934</u>	<u>18,292,485</u>	<u>252,981</u>	<u>1,000,226</u>	<b><u>22,161,626</u></b>
<b>Depreciation/amortisation</b>					
At 1 August 2022	-	4,009,901	777,855	847,981	<b>5,635,737</b>
Charge for year	-	465,647	21,110	160,417	<b>647,174</b>
Disposals in Year	-	-	(628,212)	(465,308)	<b>(1,093,520)</b>
Impairment	-	1,895,906	-	-	<b>1,895,906</b>
At 31 July 2023	<u>-</u>	<u>6,371,454</u>	<u>170,753</u>	<u>543,090</u>	<b><u>7,085,297</u></b>
<b>Net Book Value</b>					
At 31 July 2023	<u>2,615,934</u>	<u>11,921,031</u>	<u>82,228</u>	<u>457,137</u>	<b><u>15,076,330</u></b>
At 31 July 2022	<u>624,318</u>	<u>14,181,987</u>	<u>93,178</u>	<u>617,553</u>	<b><u>15,517,036</u></b>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**7. TANGIBLE AND INTANGIBLE FIXED ASSETS (continued)**

Depreciation is charged at cost but not charged on the freehold land.

Depreciation charged to Baden Place based on floor space currently occupied by WSET (11,027 sqft out of 25,466 sqft available) 43.3%.

Assets under construction represent the development of a new CRM platform for the WSET to manage Exams and the works on refurbishment of International House.

Impairment reviews are conducted annually on the properties. Professional valuations were obtained for Baden Place and International House. Impairment of £1,895,906 was recognised in year in relation to fixed asset portion of Baden Place.

**8. INVESTMENT PROPERTY**

	<b>International House</b>	<b>Baden Place</b>	<b>Bickel's Yard</b>	<b>2023 Total</b>	<b>2022 Total</b>
<b>Valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 August 2022	1,272,873	11,909,100	1,830,000	15,011,973	16,358,373
Transfer from Fixed Assets	-	-	-	-	1,430,839
Revaluation	(59,698)	(2,156,700)	(52,286)	(2,268,684)	(2,888,534)
Additions	-	-	-	-	111,295
<b>At 31 July 2023</b>	<b>1,213,175</b>	<b>9,752,400</b>	<b>1,777,714</b>	<b>12,743,289</b>	<b>15,011,973</b>
<b>Historic cost</b>					
At 31 July 2023	234,059	14,290,176	1,670,240	16,194,475	16,194,475
At 31 July 2022	234,059	14,290,176	1,670,240	16,194,475	16,194,475

The investment properties at Baden Place and International House have been valued at fair value as at 31 July determined by an independent, professionally qualified valuer, in accordance with the RICS Valuation – Professional Standards (the “Red Book”). The basis of this valuation was adopted by WSET to value Bickel's Yard property. The revaluation exercise resulted on an in-year loss on the investment property and an impairment adjustment on the fixed asset element. No restrictions on income or proceeds of future disposal.

The charity has bank loans which are secured by way of a first and second legal charge over the investment property and all other assets of the company. See note 15 for further details.

Historic cost is based on purchase price of each property.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**9. INVESTMENT IN SUBSIDIARIES**

**WSET Asia Pacific Limited**  
**Room1001, 10/F, Spaces,**  
**8 Queen's Road East**  
**Wanchai, Hong Kong S.A.R.**

The Charity owns the whole of the share capital of WSET Asia Pacific Limited, a charitable company registered in Hong Kong with number 2298676 which was incorporated on 21 October 2015. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust. Its results for the year are summarised below. All income and expenditure in the period were unrestricted:

	<b>2023</b>	2022
	<b>£</b>	£
Grant from parent charity	<b>404,980</b>	509,528
Total Income	<b>588,053</b>	356,925
Total Expenditure	<b>(1,297,492)</b>	(1,056,561)
Net Income	<b>(304,459)</b>	(190,108)
Translation adjustment	<b>35,176</b>	(49,479)
Fund balances brought forward	<b>(511,510)</b>	(271,923)
Fund balances carried forward	<b>(780,793)</b>	(511,510)
Total Assets	<b>267,230</b>	296,848
Total Liabilities	<b>(1,048,023)</b>	(808,358)
Net Assets	<b>(780,793)</b>	(511,510)

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**10. INVESTMENT IN SUBSIDIARIES (continued)**

**WSET Americas Inc**  
**71 Raymond Rd.**  
**West Hartford, CT 06107**  
**USA**

The Charity owns the whole of the share capital of WSET Americas Inc, a charitable (non-profit private foundation) company registered in New York with number 45-98-81 which was incorporated on 17<sup>th</sup> October 2017. The principal aims of this subsidiary charity are to support the growing market in North and South America. It is 100% owned by the Wine and Spirit Education Trust. Its results for the year are summarised below. All income and expenditure in the period were unrestricted:

	<b>2023</b>	2022
	£	£
Grant from parent charity	-	1,249,662
Total Income	<b>5,104,996</b>	2,474,830
Total Expenditure	<b>(5,160,817)</b>	(3,073,099)
Net Income	<b>(55,821)</b>	651,393
Translation adjustment	<b>(26,179)</b>	37,826
Fund balances brought forward	<b>223,812</b>	(465,407)
Fund balances carried forward	<b>141,812</b>	223,812
Total Assets	<b>814,278</b>	683,275
Total Liabilities	<b>(672,466)</b>	(459,462)
Net Assets	<b>141,812</b>	223,812

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**11. STOCKS**

	<b>Group</b> <b>2023</b> £	Group 2022 £	<b>Charity</b> <b>2023</b> £	Charity 2022 £
<b>Stocks consist of:</b>				
Wine and Spirits	<b>286,834</b>	317,848	<b>286,834</b>	317,848
Books and other Course Materials	<b>804,635</b>	781,099	<b>804,635</b>	781,099
Other materials	<b>27,050</b>	10,401	<b>27,050</b>	10,401
Stock Provision	<b>(80,529)</b>	(50,000)	<b>(80,529)</b>	(50,000)
	<b><u>1,037,990</u></b>	<u>1,059,348</u>	<b><u>1,037,990</u></b>	<u>1,059,348</u>

The value of stock released to cost of sales in the year was £1,421,763 (2022: £983,252).

**12. DEBTORS**

	<b>Group</b> <b>2023</b> £	Group 2022 £	<b>Charity</b> <b>2023</b> £	Charity 2022 £
Trade Debtors	<b>2,096,812</b>	1,890,418	<b>1,618,240</b>	1,483,341
Amounts due from subsidiaries	-	-	<b>1,405,750</b>	1,070,622
Prepayments and accrued income	<b>888,256</b>	741,649	<b>813,775</b>	674,095
Other debtors	<b>115,121</b>	21,306	<b>114,505</b>	20,661
Service Charge	<b>21,750</b>	-	-	-
Staff loans	<b>299</b>	(3,073)	<b>299</b>	(3,073)
Bad debt provision	<b>(44,629)</b>	(23,767)	<b>(34,007)</b>	(23,767)
	<b><u>3,077,609</u></b>	<u>2,626,533</u>	<b><u>3,918,562</u></b>	<u>3,221,879</u>

**13. CREDITORS: amounts falling due within one year**

	<b>Group</b> <b>2023</b> £	Group 2022 £	<b>Charity</b> <b>2023</b> £	Charity 2022 £
Course Fees Received in Advance (see Note 14)	<b>1,187,778</b>	1,048,240	<b>1,187,778</b>	1,048,240
Trade Creditors	<b>430,625</b>	554,573	<b>458,151</b>	575,267
Accruals and other creditors	<b>1,553,724</b>	969,113	<b>1,351,520</b>	868,075
Bank Loan (Secured - see Note 15)	<b>484,776</b>	611,748	<b>484,776</b>	611,748
APP Fees in Advance	<b>373,917</b>	344,817	<b>308,719</b>	313,262
Rentals in advance	<b>28,758</b>	68,347	<b>28,758</b>	68,347
Other Creditors	<b>46,855</b>	(1,890)	<b>38,423</b>	(1,890)
	<b><u>4,106,433</u></b>	<u>3,594,948</u>	<b><u>3,858,125</u></b>	<u>3,483,049</u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**14. ANALYSIS OF DEFERRED INCOME**

	2023 £	2022 £	2023 £	2022 £
Balance as at 1 August 2022	1,048,240	927,819	1,048,240	927,819
Amount released to incoming resources	(1,048,240)	(927,819)	(1,048,240)	(927,819)
Amount deferred in year	<u>1,187,778</u>	<u>1,048,240</u>	<u>1,187,778</u>	<u>1,048,240</u>
Balance at 31 July	<u>1,187,778</u>	<u>1,048,240</u>	<u>1,187,778</u>	<u>1,048,240</u>

Deferred income relates to course fees, APP fees and rental income received in advance.

**15. CREDITORS: amounts falling due after more than one year**

	2023 £	2022 £
<b>Group and charity</b>		
Bank Loan (Secured)	18,474,393	17,314,535
Tenant deposits	<u>216,717</u>	<u>216,715</u>
	<u>18,691,110</u>	<u>17,531,250</u>

The bank loan is analysed as:

	2023 £	2022 £
<b>Repayable:</b>		
Between one and two years	528,077	1,486,891
Between two and five years	1,169,085	2,973,782
In five years or more	<u>16,777,231</u>	<u>12,853,862</u>
	18,474,393	17,314,535
Repayable within one year	<u>484,776</u>	<u>611,748</u>
	<u>18,959,169</u>	<u>17,926,283</u>

The charity has the following loans:

- A loan was taken out in September 2017 for £3.4 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate and the loan is secured against International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate and the loan is secured against Baden Place, Crosby Row, London and its associated assets.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**15. CREDITORS: amounts falling due after more than one year (continued)**

- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at an agreed fixed rate for a 60-month period and then at 1.75% per annum over Base Rate. The loan was secured against Baden Place, Crosby Row, London, and its associated assets.
- A loan facility was agreed in October 2022 for £3 million with a final repayment schedule for November 2043. Interest is charged at 1.8% per annum over Base Rate. The loan is secured against Baden Place, Crosby Row, London, and its associated assets; and International House, 39-45 Bermondsey Street, London and its associated assets.

**16. FINANCIAL INSTRUMENTS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Financial assets measured at fair value	<b>12,743,289</b>	15,011,973

Financial assets measured at fair value comprise of investment properties.

**17. FUNDS – GROUP**

	<b>Balance at</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>1 August</b>	<b>Resources</b>	<b>Resources</b>	<b>and Gains/ Losses</b>	<b>31 July</b>
	<b>2022</b>				<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>					
Peter Hampson Memorial Fund	14,158	-	(850)	-	<b>13,308</b>
Worshipful Co. Distillers	8,690	1,875	-	-	<b>10,565</b>
Building Donations	196,430	-	-	(39,550)	<b>156,880</b>
	<u>219,278</u>	<u>1,875</u>	<u>(850)</u>	<u>(39,550)</u>	<u><b>180,753</b></u>
<b>Unrestricted Fund</b>					
<b>Designated</b>					
Property Reserve	11,269,434	-	-	(4,279,859)	<b>6,989,575</b>
	11,269,434	-	-	(4,279,859)	<b>6,989,575</b>
<b>General</b>	<u>2,443,045</u>	<u>22,139,853</u>	<u>(22,587,212)</u>	<u>1,768,043</u>	<u><b>3,763,729</b></u>
<b>Total unrestricted funds</b>	<u>13,712,479</u>	<u>22,139,853</u>	<u>(22,587,212)</u>	<u>(2,511,816)</u>	<u><b>10,753,304</b></u>
<b>Total Funds</b>	<u>13,931,757</u>	<u>22,141,728</u>	<u>(22,588,062)</u>	<u>(2,551,366)</u>	<u><b>10,934,057</b></u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**17. FUNDS - CHARITY**

	Balance at 1 August 2022	Incoming Resources	Outgoing Resources	Transfers and Gains/ Losses	Balance at 31 July 2023
	£	£	£	£	£
<b>Restricted Funds</b>					
Peter Hampson Memorial Fund	14,158	-	(850)	-	13,308
Worshipful Co. Distillers	8,690	1,875	-	-	10,565
Building Donations	196,430	-	-	(39,550)	156,880
	<u>219,278</u>	<u>1,875</u>	<u>(850)</u>	<u>(39,550)</u>	<u>180,753</u>
<b>Unrestricted Fund</b>					
<b>Designated</b>					
Property Reserve	11,269,434	-	-	(4,279,859)	6,989,575
	11,269,434	-	-	(4,279,859)	6,989,575
<b>General</b>	<u>2,716,170</u>	<u>19,527,823</u>	<u>(19,858,434)</u>	<u>2,004,333</u>	<u>4,389,892</u>
<b>Total unrestricted funds</b>	<u>13,985,604</u>	<u>19,527,823</u>	<u>(19,858,434)</u>	<u>(2,275,526)</u>	<u>11,379,467</u>
<b>Total Funds</b>	<u>14,204,882</u>	<u>19,529,698</u>	<u>(19,859,284)</u>	<u>(2,315,076)</u>	<u>11,560,220</u>

**Restricted Funds**

*Peter Hampson Memorial fund* - An investment from which an annual scholarship is awarded.

*Building donation Fund* - Created from donations received for the acquisition of the freehold in Bermondsey Street. It is being amortised over the 50-year life of the building.

*Worshipful Co. of Distillers* - Annual donations to be used towards courses and prizes funded in the name of the Distillers.

**Designated Funds**

*Property Reserve* - This represents the fund amount currently invested in the Charity's property, excluding the restricted element in the Building Donation Fund and the value of the mortgage secured against the property.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Restricted Funds	156,880	23,873	-	180,753
Unrestricted Funds	<u>27,663,237</u>	<u>1,781,177</u>	<u>(18,691,110)</u>	<u>10,753,304</u>
	<u>27,820,117</u>	<u>1,805,050</u>	<u>(18,691,110)</u>	<u>10,934,057</u>

**19. PENSION SCHEME**

The Trust contributes towards a pension scheme for most of its employees. The scheme consists of a series of defined contribution pension arrangements. The nature of these arrangements is such that there are no unfunded liabilities. The pension funds are administered by trustees and are independent of the Trust's finances. The contributions paid the year amounted to £613,807 (2022: £549,767).

**20. OPERATING LEASES**

Income from operating leases

As at 31 July the following income was due to the charity and group under the non-cancellable operating leases:

	2023 £	2022 £
Due in less than one year	<b>523,197</b>	804,930
Due in two to five years	<b>792,235</b>	1,676,511
	<u><b>1,315,432</b></u>	<u>2,481,441</u>

Baden Place, Crosby Row was purchased in September 2018 by the Trust as an investment. Of the total area of 25,461 square feet WSET has been occupying 11,022 square feet since August 2019. The remaining space of 14,439 sq ft is in rentable condition and was let for the full year except for Units 1, 13 & 14 (5,053 square feet) which was let to one tenant until 30/01/2023 when the tenant exercised their break clause. A replacement tenant for these units has not yet been found. The investments returned a rental of £644k in the year ended 31st July 2023. Rental income for the year ended 31st July 2024 is expected to be £523k and for the next four years is expected to provide an income of £0.8m. This reduction in rental income against prior year is reflective of the lease exit at Baden Place and assumes a replacement tenant cannot be found.

*Operating lease expenditure*

As at 31 July 2023 the group had no annual commitments under non-cancellable operating leases.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**21. LEGAL STATUS OF THE TRUST**

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**22. RELATED PARTY TRANSACTIONS**

Allen Gibbons and Kirsten Grant Meikle are members of the Worshipful Company of Distillers who donated a total of £1,865 to WSET in the year.

Miles Beale is a member of the Board of the Wine & Spirit Trade Association, that is a tenant of the WSET for accommodation with a rental value of £55,000 per annum. WSET also sold £3,830 worth of educational services to WSTA in the year. WSET purchased £536 worth of subscription services in the year from WSTA.

Joanna Locke is a member and representative of the Institute of Masters of Wine from whom WSET purchases membership fees and training for its staff totalling £13,356 in the year.

There were no claims made from trustees for reimbursement in the year.

Transactions to and from subsidiary entities have been disclosed in Note 9

**23. Commitments**

WSET has a contractual commitment of £1,004K in respect of works on refurbishment of International House.

**24. Subsequent events**

On 1<sup>st</sup> of November 2023, Wine and Spirit Education Trust Australia Limited, a company limited by guarantee, was incorporated in New South Wales, Australia (Australian Company Number 672609773). The principal aims of this company are to support the growing market in Australia. It is 100% controlled by the Wine and Spirit Education Trust.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**25. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds		Restricted funds £	Total 2022 £
	General £	Designated £		
Income from				
Charitable activities:				
Courses, examination fees and Teaching aids	15,740,941	-	-	15,740,941
Donations and legacies	397,974	-	8,996	406,970
Investments	9,041	-	-	9,041
Other trading activities	943,013	-	-	943,013
Government grant	143,040	-	-	143,040
<b>Total income</b>	<b>17,234,009</b>	<b>-</b>	<b>8,996</b>	<b>17,243,005</b>
Expenditure on				
Examinations & courses	13,276,437	-	-	13,276,437
Teaching aids	3,330,161	-	-	3,330,161
Raising funds	1,832,881	-	2,456	1,835,337
<b>Total expenditure</b>	<b>18,439,479</b>	<b>-</b>	<b>2,456</b>	<b>18,441,935</b>
Net (expenditure)/income before transfers	(1,205,470)	-	6,540	(1,198,930)
Transfers	5,555,733	(5,549,781)	(5,952)	-
<b>Net income</b>	<b>4,350,263</b>	<b>(5,549,781)</b>	<b>588</b>	<b>(1,198,930)</b>
Translation adjustment	100,906	-	-	100,906
<b>Net movement in funds</b>	<b>4,451,169</b>	<b>(5,549,781)</b>	<b>588</b>	<b>(1,098,024)</b>
Investment Property Loss	(2,888,534)	-	-	(2,888,534)
Funds balances brought forward at 1 August 2021	880,410	16,819,215	218,690	17,918,315
<b>Fund balances carried forward at 31 July 2022</b>	<b>2,443,045</b>	<b>11,269,434</b>	<b>219,278</b>	<b>13,931,757</b>

**WINE AND SPIRIT EDUCATION TRUST**

England & Wales - Charity number 313766

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# Accounts

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**COMPANY NUMBER: 00964179**  
**CHARITY NUMBER: 313766**

**WINE AND SPIRIT EDUCATION TRUST**  
**(COMPANY LIMITED BY GUARANTEE)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

# WINE AND SPIRIT EDUCATION TRUST

## CONTENTS

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	Page
Reference and administrative information	1
Trustees' Report	2-9
Independent Auditor's Report	10-13
Statement of Financial Activities	14
Consolidated Balance Sheet	15
Charity Balance Sheet	16
Statement of Cash Flows	17-18
Notes to the Financial Statements	19-40

# WINE AND SPIRIT EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **DIRECTORS AND TRUSTEES**

S McMurtrie (Chairman)  
J Locke  
A Gibbons  
S Singh (appointed Dec 21)  
M Beale (appointed Dec 21)  
D Jago  
L Halstead (appointed Dec 21)  
J Thornton (appointed Dec 21)  
T Christensen (resigned Dec 21)  
S McCraith (resigned Dec 21)  
R Connor (resigned Dec 21)  
M Turner (resigned Dec 21)

### **Key Management Personnel**

M Brampton - Chief Executive  
I Harris – Chief Executive (retired May 22)  
I Pogue - Chief Financial Officer

### **Registered Office**

International House  
39-45 Bermondsey Street London SE1 3XF

### **Company Number**

00964179

### **Charity Number**

313766

### **PROFESSIONAL ADVISORS TO THE TRUST**

#### **Auditors**

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

#### **Solicitors**

Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P 3JT

#### **Bankers**

National Westminster Bank Plc, 2 Eastcheap, London EC3

#### **Insurance Brokers**

Gallagher, Portmore House, Yeoman Park, Test Lane, Southampton SO16 9JX

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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The trustees of the Wine and Spirit Education Trust ("WSET") are pleased to present their annual report together with the financial statements for the year ended 31 July 2022.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

Wine and Spirit Education Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 12th September 1969 and amended to allow for changes in Companies Acts on 29<sup>th</sup> May 2002 and again on 9<sup>th</sup> March 2011. It is registered as a charity with the Charity Commission. There are currently 8 members each of whom agree to contribute £1 in the event of the charity winding up.

##### **Appointment of Trustees**

Each Trustee is elected to serve a term of four years. At the end of the term, Trustees can vote to extend the term by a year, on no more than two occasions, which means that the maximum term a member can serve before standing down is six years. The Chairman of the Board of Trustees may serve an additional year (i.e. a maximum term of seven years). The Trustees are appointed as representatives of four industry bodies: three Trustees are appointed from members of the Vintners Company, three from the members of the Wine and Spirits Trade Association (WSTA), one from members of the Worshipful Company of Distillers and one from the Institute of Masters of Wine. Nominations for Trustees are sought from these bodies, as each of their representative Trustees retire, with regard to providing valuable service to the Trust through their individual skills, experience and standing in the community.

#### **THE AIMS OF THE WINE AND SPIRIT EDUCATION TRUST**

Extract from the Memorandum and Articles of Association, adopted 9<sup>th</sup> March 2011:

"The primary objects for which the Trust is established are the promotion, provision and development of high quality education and training in wines and spirits, in the United Kingdom and elsewhere, directed at those who are engaged in or connected with the wine and spirit trade or who intend to be so engaged or connected, plus members of the general public". This includes the provision of education in social responsibility.

The Trust aims to provide first-class educational programmes, with a suite of sought-after examinations, leading to qualifications which fall within the UK Qualifications Framework.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

##### **Public Benefit**

WSET recognises the role it must play in helping to make the global drinks industry a more accessible, inclusive and diverse place in which to work, in particular for individuals from ethnically diverse backgrounds and other underrepresented communities. Bursaries and a programme of charitable initiatives working with local organisations globally have provided access to WSET qualifications, funding and mentorship for many individuals facing hardship and challenges.

Activities include:

- Partnering with the National Indigenous Culinary Institute (NICI) to support 150+ indigenous students to take a WSET qualification over a three-year period (2022-2024), helping them to develop careers in the Australian Drinks Industry.
- Working with local charity Run HK to provide courses for refugees and asylum seekers in Hong Kong, making hospitality education and employment opportunities accessible to local underprivileged and ethnically diverse communities.
- Supporting 120 individuals through the Equal Measures Project in the UK, developing the skills and knowledge needed to build rewarding industry careers through access to spirits courses and mentorship.

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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- Working with Moët Hennessey USA to deliver free Level 1 Award in Spirits courses to 100 members of the LGBTQIA+ community in the USA.
- Enabling 200 students to take WSET courses in the Asia Pacific region, who without the financial support would not be able to study.

#### **DIRECTORS AND TRUSTEES**

The Directors of the charitable company ("the Trust") are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who served during the year are shown on page 1.

#### **Trustee Induction and Training**

New Trustees undergo an orientation day to brief them on their legal obligations under charity code of governance and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### **Organisation**

The Board of Trustees, which has 8 members, administers the charity. The board meets regularly and there is a sub-committee covering finance issues which also meets as required. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment working with the Chief Financial Officer.

The Trustees give their time freely, and no remuneration is paid, with the exception of out of-pocket travel expenses. The Trustees have also confirmed that no person connected to a Trustee has received a Bursary Grant or a Scholarship in the past 12 months.

The remuneration policy for the key management positions within the charity is set by the Trustees on an annual basis and performance is monitored through the annual appraisal system which measures achievement against the Chief Executive's and Chief Financial Officer's personal business objectives.

#### **Subsidiaries**

On 21<sup>st</sup> of October 2015, WSET Asia-Pacific was incorporated in Hong Kong. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust.

On 17<sup>th</sup> of October 2017, Wine and Spirit Education Trust America Inc. was incorporated in New York. The principal aims of this subsidiary charity are to support the growing market in America. It is 100% owned by the Wine and Spirit Education Trust.

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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#### **STRATEGIC REPORT**

#### **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

As part of their annual strategy review, the Trustees have reviewed the aims and activities of the WSET and consider that they meet the principles of Public Benefit.

The key strategic objectives identified last year were:

- to drive revenue to return the business to a sure financial footing
- to raise the WSET trade profile through digital content and digital event spaces
- investment in digital education in support of the development of eBooks, online courses and digital exams (computer-based testing)
- to prepare all markets for launch of Beer qualification in 2022/23
- growth in Spirits education as APPs look to diversify following the disruption of Covid-19

Good progress was made against these objectives. Revenue increased from £16.2m to £17.2m, whilst exam candidate enrolments achieved a record level of 116,992 which was an 8% increase on prior year. Exam candidate enrolments for Spirits qualifications increased by 15%. Substantial work has been done on Beer qualification, though given the IT transformation programme currently being undertaken (see Future Plans), launch has been postponed until the 23/24 financial year.

In the academic year 2021/2022 the members of the Board of Trustees of WSET were very pleased with the way WSET emerged from the negative effects of the Covid-19 pandemic. There was growth in the number of centres (Approved Programme Providers, or 'APPs') delivering WSET qualifications around the world - with 903 APPs as at 31 July 2022. Of these, 670 were based in international markets (outside UK), and 233 were based in the UK.

Towards the end of 2021/22 WSET was able to resume operations in Mainland China following the suspension of activities in January 2021. The Board of Trustees therefore expects that WSET's international candidate share will grow significantly in 2022/2023. In 2021/22, 83% of all candidates who sat for a WSET qualification took their examinations in countries outside the UK.

The number of students attending courses at WSET's London Wine and Spirit School exceeded expectations and budget, with examinations taken by School students up 5% in the year. There was continued growth globally in courses using the online distance learning (digital) options (developed in order to provide more open access at all levels of qualification), with these courses available to WSET's external Approved Programme Providers, who were able to provide the examination venue for students, but who were unable to attend classroom-based courses.

The WSET London Wine and Spirit School also continued to run programmes for students with disabilities, as well as students from disadvantage and minority backgrounds.

There were a number of applicants for the bursary fund, which had been set up to allow open access to WSET courses, and during the year this fund was supplemented with contributions from several major multinational companies. People who would not have been able to afford courses were provided with bursary funding to take WSET programmes around the world. These applicants were reviewed by the trustees, and grants awarded based on means-tested evidence of financial hardship

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2022

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In 2021/22 all of the available space of the Trust's premises in Baden Place was successfully let, thus ensuring that we maximise our return on investment. 39-45 Bermondsey Street is used exclusively by WSET with exception of ground floor unit which continues to be let. The office accommodation at Bickel's Yard remains vacant, and has been classified now as an investment property in the accounts,

The WSET APAC office now has a permanent staff of 12. This is a rented office in Hong Kong, which also has facilities for WSET to run Educator Programmes on site – a key initiative for the development of the Asia-Pacific business.

The WSET Americas team now comprises permanent staff of 19 working remotely and from rented office space in Hartford, CT.

#### **FINANCIAL REVIEW**

Financial performance in 2021/22 was stable following the impact of Covid-19. Whilst Net Income is stated at a loss of (£1.2m), this is primarily due to impairment of owner-occupied property assets following revaluation, with Net income excluding these revaluations of c£0.5m. At the start of Covid-19 restrictions coming into force globally, WSET was able to cut all non-essential spend from the business and shift the bulk of its offerings online. During 2021/22 WSET started to invest again in future growth specifically Research and Development and Infrastructure. This investment has contributed to the 7% income growth FY21, up to £17.2m from £16.2m.

Total expenditure has increased by 17% in year as overheads were £18.4m up from £15.7m. Of the contribution towards overheads, 11% was generated by the activities of the London Wine and Spirit School, with 68% coming from the activities of WSET Examinations and 7% coming from Global Digital Learning Services. The remaining 14% was generated from sales of books/materials and investment property rental income.

WSET maintains a strong balance sheet position reporting net assets of £13.9m as at 31st July 2022. This is down on the £17.9m reported at 31<sup>st</sup> July 2021 due to the owner-occupied and investment property revaluations that have been put through in the year in order to represent a fair market value. Loss on revaluation of Investment Properties came to £2.9m. Impairment loss of £1.7m was also recognised in year on the area of Baden Place occupied by WSET.

#### **Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in the best interest of the charity

#### **Reserves Policy**

As at 31 July 2022, total reserves were £13.9m, comprising: £0.2m (restricted), £11.3m (designated property reserve) and £2.4m (unrestricted).

When reviewing reserves, the trustees identified that all of our restricted funds are fully committed to meet the planned expenditure. They also identified that funds invested in long-term property are not available to meet the costs of budgeted activity levels. The property reserve stood at £11.3m as at 31st July 2022, which equates to the amount currently invested in the charity's property, excluding the restricted element in the Building Donation Fund and the value of mortgages and loans secured against the property. The amount of the property funded by restricted donations amounted to £0.2m at 31st July 2022.

Monthly operational expenditure stands at c£1.5m, therefore general reserves provide approximately two month's cover. There is no formal target in place, but the Reserves Policy is currently under review due to changing post-Covid requirements. A new policy will be in place for next year which will focus on the use of general/designated funds and what minimum level of reserves is appropriate for the charity.

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2022

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#### **FUTURE PLANS**

The WSET has undertaken a comprehensive review of its strategy during 2022. Our purpose is empowering people through inspiring learning experiences all over the world. To achieve this we have developed six long-term strategic imperatives:

- People: create an inclusive and purposeful culture where our people feel valued, and enhance capabilities in key areas
- Route to Student (RTS): build a sustainable multi-channel strategy and commercial model
- Environmental, Social and Governance (ESG): establish a meaningful ESG agenda internally and externally
- Product: develop our portfolio of learning experiences through a student driven approach
- Customer Service: cultivate a global service mindset, underpinned by improved systems and processes
- Brand: evolve the WSET brand and build our reputation through credibility and relevance

Whilst planning is taking place for goals against each of these imperatives, key initiatives for FY22/23 are:

- Customer Service: deliver our Exams Transformation Programme (EXAT) to mitigate risk around our outdated Awards Database by enhancing our CRM platform and building a self-service customer portal, enabling us to address strategic risk, reduce cost and deliver further efficiency.
- Product: plan for launch of our Beer qualification through Educator programmes, trial courses and industry networking.
- Brand: review 'WSET' branding in the context of new products and markets
- Route to Student: enhance our digital offering

Key financial and KPI targets are:

- Growth in exam candidate enrolments to 146,702
- Achieve WSET Group Net Income of £1.5m
- Achieve APP satisfaction (NPS) and Student Satisfaction (NPS) scores of 60
- Meet Exam results processing SLA targets
- Achieve employee satisfaction (ENPS) score of +1

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees have approved a risk management policy and process and are responsible for overseeing risk management as a whole and for determining the overall risk management. Trustees' policy is to review the risk register on a regular basis to ensure that the impact of financial, strategic, operational and compliance risks are minimised. Management continually reviews the risks to which the WSET could be exposed. Risks are assessed for likelihood and severity of impact. This information is then used to develop a risk management strategy, including the identification of existing operational controls and any new controls considered necessary.

Several risks and uncertainties have been identified, which are listed below in no particular order or likelihood of occurrence:

# WINE AND SPIRIT EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2022

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#### **People**

Our people are critical to the success of our business and we need to attract, motivate and retain the best talent we can, not only for our current needs, but also looking ahead to the organisation of the future. We undertake annual performance reviews to ensure staff are motivated and retained, and offer a range of benefits. Succession planning is undertaken for senior staff. We provide training for all our staff, including external training where relevant to specialisms.

#### **Information and Computer Systems**

WSET is heavily dependent on the integrity of our IT systems and the management of information including sensitive student and APP information. This can lead to concerns about integrity, security and other data issues. At the same time, cyber-crime is growing in frequency and sophistication and many IT systems are exposed to these threats. We run incremental backups to our onsite backup facility, then incremental/full nightly backups to our cloud based solution. These are distributed to two geographically separate data centres. In the event of a disaster we have a Disaster Recovery (DR) plan in place. As the majority of critical services are cloud based there is little impact to the business day to day. However, we can very quickly gain access to our DR sites (data centres) to ensure business can function.

We set out data protection compliance in a framework of policies and procedures. We also monitor compliance with data protection policies and regularly review the effectiveness of data handling/processing activities and security controls. We have recently used an external professional data protection services firm to conduct an audit of our policies and procedures.

#### **Business Operations and Supply Chain**

WSET depends on purchasing materials and education technology, on controlled inventory management and the timely supply of our products to our APPs and students. Some of our key products are reliant on one producer or one supplier for educational materials e.g. certificates, pins and suppliers of our digital education offerings (eBook, online exams and online courses). Therefore, where possible we have identified potential alternative suppliers. For critical suppliers which would be difficult to replace quickly, we review and monitor their financial status.

#### **Statutory and regulatory compliance**

WSET's primary object is the promotion, provision and development of high-quality education and training in wines, spirits and sake across the world. Our global reach could lead to non-compliance with statutory and regulatory requirements through lack of oversight, knowledge or training, at both local and group level. Non-compliance can lead to loss of status, recognition, reputation, customers and the imposition of penalties. We therefore employ qualified personnel at group and local levels, as well as using external professionals, and work with regulatory or statutory authorities to ensure compliance by obtaining guidance and instruction and implementing these.

#### **Product Portfolio Development**

The education industry is undergoing rapid new product innovation, digitisation and globalisation. The sustainability of our business depends on creating and developing suitable educational products and examinations to meet the needs of our APPs and students to support long-term growth and securing appropriate protection for and defending our intellectual property. To mitigate this, we currently update exams on a 4 year cycle, and are reviewing the update process. We are also developing our digital education resources.

#### **External Environment and Economic Climate**

WSET's APPs and subsidiaries operate in a variety of political, economic, and legal jurisdictions. We may therefore be impacted by legal or budgetary constraints, economic and political considerations, fluctuations in exchange rates and our ability to persuade stakeholders of the economic value of our education. It is difficult to forecast the effects of these complex factors and we therefore aim through our planning to be able to react to negative impacts which might adversely affect our performance. However, the global reach of our operations can mitigate against this risk, as markets with strong conditions can support those in a negative situation.

# **WINE AND SPIRIT EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2022**

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#### **Going Concern**

The Trustees have reviewed the financial performance for FY22 and the FY23 budget with a cashflow forecast projection for the next 12 months. Performance in the first quarter of FY23 has been very strong, with exam candidate enrolments up 29% on prior year, and income up £1.3m (28%). Having reviewed all this information along with the funding facilities available to the Trust, the Trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. Key factors in assessing WSET as a going concern include the way in which it adapted its customer offering during the Covid-19 Pandemic (which has been illustrated by its stable financial performance), a diverse geographic spread across 3 reporting regions (EMEA, APAC and Americas), continued place as global market leader for wine and spirits education, and subsidiary operations to grow business in Americas and APAC.

#### **RESPONSIBILITIES OF THE TRUSTEES**

The trustees (who are also directors of the Wine and Spirit Education Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the Income and application of resources, including the income and expenditure, of the charitable for that period. In preparing these financial statements, the trustees are required to:

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

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

**WINE AND SPIRIT EDUCATION TRUST  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2022**

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**STATEMENT OF DISCLOSURE TO AUDITORS**

So far as the trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware. Additionally, the trustees have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

**In approving the Trustees' Report the trustees also approve the Strategic Report in their capacity as company directors.**

Approved by the Trustees and signed on their behalf on 10 February 2023.

A handwritten signature in black ink, appearing to be 'S. McMurtrie', written in a cursive style.

**Simon McMurtrie  
Chairman**

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST

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## Opinion

We have audited the financial statements of Wine and Spirit Education Trust for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 July 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST**

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## **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST

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## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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:

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context were Charity Commission regulations, Ofqual regulations as an awarding body, taxation matters and General Data Protection Regulation (GDPR).

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WINE AND SPIRIT EDUCATION TRUST

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, judgements made in the property valuations, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing of documentation relating to income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

### Use of our report

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



### Dipesh Chhatralia

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

London

Date: 27th February 2023

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

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 JULY 2022**

	Notes	Unrestricted funds		Restricted funds	Total 2022	Total 2021 (restated)
		General	Designated			
		£	£	£	£	£
<b>INCOME FROM</b>						
Charitable activities:						
Courses, examination fees and Teaching aids	3	15,740,941	-	-	15,740,941	14,526,871
Donations and legacies		397,974	-	8,996	406,970	679,278
Investments		9,041	-	-	9,041	24,269
Other trading activities	4	943,013	-	-	943,013	912,523
Government grant		143,040	-	-	143,040	15,412
<b>Total income</b>		<b>17,234,009</b>		<b>8,996</b>	<b>17,243,005</b>	<b>16,158,353</b>
<b>EXPENDITURE ON</b>						
Examination and courses	5	13,276,437	-	-	13,276,437	11,231,738
Teaching costs	5	3,330,161	-	-	3,330,161	2,960,378
Raising funds	5	1,832,881	-	2,456	1,835,337	1,550,710
<b>Total expenditure</b>		<b>18,439,479</b>		<b>2,456</b>	<b>18,441,935</b>	<b>15,742,826</b>
<b>Net (expenditure)/income before transfers</b>		<b>(1,205,470)</b>		<b>6,540</b>	<b>(1,198,930)</b>	<b>415,527</b>
Transfers	17	5,555,733	(5,549,781)	(5,952)	-	-
<b>Net (expenditure)/income</b>		<b>4,350,263</b>	<b>(5,549,781)</b>	<b>588</b>	<b>(1,198,930)</b>	<b>415,527</b>
Translation adjustment		100,906	-	-	100,906	(74,259)
<b>Net movement in funds</b>		<b>4,451,169</b>	<b>(5,549,781)</b>	<b>588</b>	<b>(1,098,024)</b>	<b>341,268</b>
<b>Investment Property Loss</b>	8	<b>(2,888,534)</b>			<b>(2,888,534)</b>	
Fund balances brought forward at 1 August 2021	17	880,410	16,819,215	218,690	17,918,315	17,577,046
<b>Fund balances carried forward at 31 July 2022</b>		<b>2,443,045</b>	<b>11,269,434</b>	<b>219,278</b>	<b>13,931,757</b>	<b>17,918,315</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All activities shown are continuing.

Full comparative figures for 2021 are shown in note 24.  
The notes on pages 19 to 40 form part of these financial statements.

**WINE AND SPIRIT EDUCATION TRUST**  
**COMPANY NUMBER: 00964179**  
**BALANCE SHEET - GROUP**  
**31 JULY 2022**

	Notes	2022 £	2021 (Restated) £
<b>FIXED ASSETS</b>			
Tangible and Intangible assets	7	<b>15,518,685</b>	18,507,152
Investment property	8	<b><u>15,011,973</u></b>	<u>16,358,373</u>
		<b>30,530,658</b>	34,865,525
<b>CURRENT ASSETS</b>			
Stocks	10	<b>1,059,348</b>	548,817
Debtors	11	<b>2,626,533</b>	2,259,641
Cash and bank balances		<b><u>841,416</u></b>	<u>2,736,971</u>
		<b>4,527,297</b>	5,545,429
<b>CREDITORS: Amounts falling due within one year</b>	13	<b><u>3,594,948</u></b>	<u>4,333,448</u>
<b>NET CURRENT ASSETS</b>		<b><u>932,349</u></b>	<u>1,211,981</u>
<b>TOTAL ASSET LESS CURRENT LIABILITIES</b>		<b><u>31,463,007</u></b>	<u>36,077,507</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<b><u>17,531,250</u></b>	<u>18,159,192</u>
<b>NET ASSETS</b>		<b><u>13,931,757</u></b>	<u>17,918,315</u>
<b>FUNDS</b>			
Restricted funds	17	<b>219,278</b>	218,690
Unrestricted funds			
<i>Designated funds</i>	17	<b>11,269,434</b>	16,819,215
<i>General funds</i>	17	<b><u>2,443,045</u></b>	<u>880,410</u>
<b>TOTAL FUNDS</b>		<b><u>13,931,757</u></b>	<u>17,918,315</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 10 February 2023 and were signed on its behalf by:



**Simon McMurtrie**  
**Chairman**

The notes on pages 19 to 40 form part of these financial statements.

**WINE AND SPIRIT EDUCATION TRUST**  
**COMPANY NUMBER: 00964179**  
**BALANCE SHEET - CHARITY**  
**31 JULY 2022**

	Notes	2022 £	2021 (Restated) £
<b>FIXED ASSETS</b>			
Tangible and Intangible assets	7	<b>15,517,036</b>	18,483,805
Investment property	8	<b><u>15,011,973</u></b>	<u>16,358,373</u>
		<b>30,529,009</b>	34,842,178
<b>CURRENT ASSETS</b>			
Stocks	10	<b>1,059,348</b>	548,817
Debtors	11	<b>3,221,879</b>	3,373,487
Cash and bank balances		<b><u>408,946</u></b>	<u>2,135,447</u>
		<b>4,690,173</b>	6,057,751
<b>CREDITORS:</b> Amounts falling due within one year	13	<b><u>3,483,049</u></b>	<u>4,019,652</u>
<b>NET CURRENT ASSETS</b>		<b><u>1,207,124</u></b>	<u>2,038,099</u>
<b>TOTAL ASSET LESS CURRENT LIABILITIES</b>		<b><u>31,736,133</u></b>	<u>36,880,277</u>
<b>CREDITORS:</b> Amounts falling due after more than one year	15	<b><u>17,531,251</u></b>	<u>18,159,191</u>
<b>NET ASSETS</b>		<b><u>14,204,882</u></b>	<u>18,721,086</u>
<b>CHARITY FUNDS</b>			
Restricted funds	17	<b>219,278</b>	218,690
Unrestricted funds			
<i>Designated funds</i>	17	<b>11,269,434</b>	16,819,214
<i>General funds</i>	17	<b><u>2,716,170</u></b>	<u>1,683,182</u>
<b>TOTAL CHARITY FUNDS</b>		<b><u>14,204,882</u></b>	<u>18,721,086</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 10 February 2023 and were signed on its behalf by:



Simon McMurtrie  
Chairman

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2022**

		2022 £	2021 £
<b>Net cash inflow from operations:</b>			
Net cash provided by operations	(a)	<u>669,408</u>	<u>1,715,611</u>
<b>Cash flows from investing activities:</b>			
Bank interest and other investment income		9,041	24,269
Finance and other costs		(494,313)	(471,007)
Payments to acquire tangible fixed assets		(843,101)	(1,059,276)
Payments to acquire investment property		<u>(111,295)</u>	<u>-</u>
<b>Net cash provided by/(used in) investing activities</b>		<u><b>(1,439,668)</b></u>	<u><b>(1,506,014)</b></u>
<b>Cash flows from financing activities:</b>			
Bank loan repayments		(1,128,868)	(216,103)
<b>Net cash provided by/(used in) financing activities</b>		<u><b>(1,128,868)</b></u>	<u><b>(216,103)</b></u>
Change in cash and cash equivalents in the reporting period		(1,899,127)	(2,933)
Net cash and cash equivalents at beginning of period	(b)	<u>2,740,543</u>	<u>2,743,476</u>
Net cash and cash equivalents at end of period	(b)	<u><b>841,416</b></u>	<u><b>2,740,543</b></u>
<b>A RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH INFLOW FROM OPERATIONS</b>			
		2022 £	2021 £
Net movement in funds		(1,098,024)	341,268
Depreciation and Impairment		2,403,759	609,708
Bank interest and other investment income		(9,041)	(24,269)
Finance costs		494,313	471,007
Other costs		(6,877)	-
(Increase)/decrease in stocks		(510,531)	180,682
(Increase)/decrease in debtors		(366,892)	(241,789)
(Decrease)/Increase in creditors		<u>(237,299)</u>	<u>379,004</u>
<b>Net cash inflow from operations</b>		<u><b>669,408</b></u>	<u><b>1,715,611</b></u>

The notes on pages 19 to 40 form part of these financial statements

**WINE AND SPIRIT EDUCATION TRUST**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**B ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS**

	<i>At 1 August 2021</i>	<b>Cashflows</b>	<b>Other changes</b>	<b>At 31 July 2022</b>
Cash and cash equivalents	1,334,676	(493,260)	-	841,416
Deposit accounts	<u>1,402,295</u>	<u>(1,402,295)</u>	<u>-</u>	<u>-</u>
	<u>2,736,971</u>	<u>(1,895,555)</u>	<u>-</u>	<u>841,416</u>
<b>Borrowings</b>				
Debts due within one year	1,092,794	(481,046)	-	611,748
Debts due after one year	<u>17,962,355</u>	<u>(647,820)</u>	<u>-</u>	<u>17,314,535</u>
	19,055,149	(1,128,866)	-	17,926,283
<b>Total</b>	<u>(16,318,178)</u>	<u>(766,689)</u>	<u>-</u>	<u>(17,084,867)</u>

# WINE AND SPIRIT EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2022

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#### 1. ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in dealing with items which are considered material in relation to the accounts.

##### **Basis of Preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 July 2022 and the comparative information presented in these financial statements for the year ended 31 July 2021. The financial statements are drawn up under the historical cost convention.

The Trust is a Public Benefit Entity registered as a charity and company in England and Wales, it was registered in 1969 (charity number 313766 and company registration number 964179).

##### **Basis of consolidation**

The accounts consolidated the results of WSET Asia Pacific Limited and WSET Americas Inc., the wholly owned charitable subsidiary companies. WSET Asia Pacific Limited as incorporated in Hong Kong on 21 October 2015 and WSET Americas Inc. as incorporated in New York on 21 July 2016. In accordance with Section 408 of the Companies Act 2006, no separate Statement of financial Activities is presented for Wine and Spirit Education Trust Limited. The parent charity net expenditure for the year was £(1,663,407) (2021: £(112,330)).

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements.

##### **Going Concern**

The Trustees have reviewed the financial performance for FY22 and the FY23 budget with a cashflow forecast projection for the next 12 months. Performance in the first quarter of FY23 has been very strong, with exam candidate enrolments up 29% on prior year, and income up £1.3m (28%). Having reviewed all this information along with the funding facilities available to the Trust, the Trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. Key factors in assessing WSET as a going concern include the way in which it adapted its customer offering during the Covid-19 Pandemic (which has been illustrated by its stable financial performance), a diverse geographic spread across 3 reporting regions (EMEA, APAC and Americas), continued place as global market leader for wine and spirits education, and subsidiary operations to grow business in Americas and APAC.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. Significant estimates and judgements applied are in relation to the valuation of investment properties, and the useful economic life of fixed assets. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**1. ACCOUNTING POLICIES (continued)**

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**Income**

All income is recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

*Fees and similar income*

Courses, examination fees, teaching aids and other income receivable are credited to the Statement of Financial Activities in the period when the course or examination takes place. Fees received in advance are included within creditors in the balance sheet.

*Donations*

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Trust is considered probable.

*Investment and rental income*

Rental income, and investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

*Government Grants*

Government Grant income is accounted for on an accruals basis and presented as a separate line in the SOFA.

**Expenditure**

All expenditure is accounted for on an accrual's basis. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Note 5 to these accounts details the method of allocation of such costs.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Staff costs, where attributable to more than one area of activity, are apportioned across categories on the basis of an estimate of the proportion of time spent by staff on those activities.

*Pension Scheme Costs*

Contributions in respect of the Trust's defined contribution pension scheme are charged to the Statement of Financial Activities for the year in which they are payable to the Scheme.

*Governance Costs*

Governance costs consists of the costs associated with trustees' meetings and the cost of the statutory audit plus an appropriate proportion of management time.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**1. ACCOUNTING POLICIES (continued)**

**Tangible and Intangible Fixed Assets**

Depreciation and amortisation is provided on a straight line basis as follows:

Freehold and long term leasehold buildings	- Over 50 years
Refurbishment of leasehold	- Over 10 years
Equipment	- 25%
Computers	- 50%
IT Systems	- 33%

Only purchases over £1,500 are capitalised. Development is a new asset class in year.

**Stocks**

Stocks (books, course materials, wines and spirits) have been valued at the lower of cost and net realisable value.

**Financial Instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value, with the exception of investments which are held at fair value though profit or loss. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors and stocks. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

*Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

*Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**Irrecoverable VAT**

Irrecoverable VAT is written off to the expenditure to which it relates.

**Investment property**

The Group's investment properties are valued annually on 31 July and carried at fair value. For 2022 this has been determined by an independent, professionally qualified valuer in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual for Baden Place and International House. A desktop review was carried out by an independent valuer for Bickel's Yard.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**1. ACCOUNTING POLICIES (continued)**

**Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

**Funds**

Restricted funds are those where there are specific donor restrictions as to their use. Designated funds are those which have been earmarked by the Trustees for specific purposes. Unrestricted funds can be used at the discretion of the Trustees.

**2. INCOME**

Income attributable to geographical markets outside the United Kingdom was approximately 70% (2021: 70%).

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Courses	4,530,675	3,986,928
Examinations	7,419,972	6,950,726
Teaching Aids	<u>3,790,294</u>	<u>3,589,217</u>
	<u><b>15,740,941</b></u>	<u><b>14,526,871</b></u>

**4. OTHER TRADING ACTIVITIES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investment income (Rent and service charges)	846,373	876,458
Other	<u>96,640</u>	<u>36,064</u>
	<u><b>943,013</b></u>	<u><b>912,522</b></u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**5. ANALYSIS OF TOTAL EXPENDITURE**

	<b>Direct staff costs</b>	<b>Other costs</b>	<b>Depreciation</b>	<b>Support services</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Examination and Courses	4,050,901	2,502,547	543,304	6,179,685	<b>13,276,437</b>
Teaching aids	-	1,265,021	120,672	1,944,468	<b>3,330,161</b>
Raising funds	<u>720,075</u>	<u>237,944</u>	<u>51,264</u>	<u>826,054</u>	<u><b>1,835,337</b></u>
<b>Total expenditure</b>	<u><b>4,770,976</b></u>	<u><b>4,005,512</b></u>	<u><b>715,240</b></u>	<u><b>8,950,207</b></u>	<u><b>18,441,935</b></u>

*ANALYSIS OF TOTAL EXPENDITURE COMPARATIVE FOR 2021 (RESTATED\*)*

	<i>Staff costs</i>	<i>Other costs</i>	<i>Depreciation</i>	<i>Support Services</i>	<i>Total 2021</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Examination and Courses</i>	<i>3,432,922</i>	<i>2,254,402</i>	<i>413,937</i>	<i>5,130,477</i>	<i>11,231,738</i>
<i>Teaching aids</i>	<i>-</i>	<i>1,085,628</i>	<i>139,966</i>	<i>1,734,784</i>	<i>2,960,378</i>
<i>Raising funds</i>	<u><i>616,931</i></u>	<u><i>212,283</i></u>	<u><i>53,866</i></u>	<u><i>667,630</i></u>	<u><i>1,550,710</i></u>
<i>Total expenditure</i>	<u><i>4,049,853</i></u>	<u><i>3,552,313</i></u>	<u><i>607,769</i></u>	<u><i>7,532,891</i></u>	<u><i>15,742,826</i></u>

Support services are made up of staff costs and overheads across non income generating departments and allocated on an income basis.

\*2021 support costs have been restated to bring format in line with SORP financial reporting requirements.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Other costs include:</b>		
Bank loan interest	<b>494,313</b>	471,007
Auditors' remuneration – UK	<b>28,500</b>	35,856
Auditors' remuneration – Hong Kong	<b>2,591</b>	2,288
Auditors' remuneration – US	<b>15,957</b>	13,973
Legal, professional and consultancy fees	<b>286,845</b>	436,550

Other costs have been allocated on a floor area basis and by attributable charitable activity.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**6. STAFF COSTS**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Salaries	<b>5,866,004</b>	<i>6,320,769</i>
Social security costs	<b>639,628</b>	<i>606,391</i>
Pension contributions	<b>549,767</b>	<i>489,856</i>
Other staff costs	<b>1,871,614</b>	<i>903,776</i>
Redundancy costs	<b><u>38,100</u></b>	<i><u>60,198</u></i>
	<b><u><u>8,965,113</u></u></b>	<i><u><u>8,380,990</u></u></i>

Settlement and redundancy costs totalled £38.1k (2021: £60.2k) in the year. All amounts were settled in the year.

The average number of employees was:

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<b>No.</b>
Management and administration	<b>39</b>	<i>35</i>
Training and education	<b><u>132</u></b>	<i><u>111</u></i>
	<b><u><u>171</u></u></b>	<i><u><u>146</u></u></i>

The number of higher paid employees was:

<b>Taxable emoluments band:</b>		
£60,001 - £70,000	<b>4</b>	<i>3</i>
£70,001 - £80,000	<b>1</b>	<i>1</i>
£80,001 - £90,000	<b>1</b>	<i>2</i>
£90,001 - £100,000	<b>2</b>	<i>1</i>
£100,001 - £110,000	<b>3</b>	<i>1</i>
£110,001 - £120,000	<b>1</b>	<i>1</i>
£130,001 - £140,000	<b>1</b>	<i>1</i>
£150,001 - £160,000	<b><u>1</u></b>	<i><u>1</u></i>
	<b><u><u>14</u></u></b>	<i><u><u>11</u></u></i>

The aggregate remuneration paid to key management in the period was £417,487 (2021 restated: £265,701). Upon review of the key management personnel involved in the key decision making of WSET, the 2021 aggregate remuneration has been updated.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

<b>7. TANGIBLE AND INTANGIBLE FIXED ASSETS GROUP</b>	<b>Assets under construction</b>	<b>Freehold property</b>	<b>Educational &amp; office equipment</b>	<b>IT systems</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 August 2021	-	19,702,962	935,233	1,469,195	<b>22,107,390</b>
Additions	624,318	159,166	59,617	-	<b>843,101</b>
Transfers	-	(1,670,240)	-	-	<b>(1,670,240)</b>
At 31 July 2022	<u>624,318</u>	<u>18,191,888</u>	<u>994,850</u>	<u>1,469,195</u>	<b><u>21,280,251</u></b>
<b>Depreciation/ amortisation</b>					
At 1 August 2021	-	2,082,332	836,826	678,051	<b>3,597,209</b>
Charge for the year	-	478,451	63,197	173,591	<b>715,239</b>
Transfer	-	(239,401)	-	-	<b>(239,401)</b>
Impairment	-	1,688,519	-	-	<b>1,688,519</b>
At 31 July 2022	<u>-</u>	<u>4,009,901</u>	<u>900,023</u>	<u>851,642</u>	<b><u>5,761,566</u></b>
<b>Net Book Value</b>					
At 31 July 2022	<u>624,318</u>	<u>14,181,987</u>	<u>94,827</u>	<u>617,553</u>	<b><u>15,518,685</u></b>
At 31 July 2021	<u>-</u>	<u>17,620,630</u>	<u>95,439</u>	<u>791,083</u>	<b><u>18,507,152</u></b>
<b>CHARITY</b>					
	<b>Assets under construction</b>	<b>Freehold property</b>	<b>Educational &amp; office equipment</b>	<b>IT systems</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 August 2021	-	19,702,962	811,417	1,465,534	<b>21,979,913</b>
Additions	624,318	159,166	59,617	-	<b>843,101</b>
Transfers	-	(1,670,240)	-	-	<b>(1,670,240)</b>
At 31 July 2022	<u>624,318</u>	<u>18,191,888</u>	<u>871,032</u>	<u>1,465,534</u>	<b><u>21,152,772</u></b>
<b>Depreciation/ amortisation</b>					
At 1 August 2021	-	2,082,332	738,809	674,967	<b>3,496,108</b>
Charge for the year	-	478,451	39,046	173,014	<b>690,511</b>
Transfer	-	(239,401)	-	-	<b>(239,401)</b>
Impairment	-	1,688,519	-	-	<b>1,688,519</b>
At 31 July 2022	<u>-</u>	<u>4,009,901</u>	<u>777,855</u>	<u>847,981</u>	<b><u>5,635,737</u></b>
<b>Net Book Value</b>					
At 31 July 2022	<u>624,318</u>	<u>14,181,987</u>	<u>93,178</u>	<u>617,553</u>	<b><u>15,517,036</u></b>
At 31 July 2021	<u>-</u>	<u>17,620,630</u>	<u>72,608</u>	<u>790,567</u>	<b><u>18,483,805</u></b>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**7. TANGIBLE AND INTANGIBLE FIXED ASSETS (continued)**

Depreciation is charged at cost but not charged on the freehold land.

Depreciation charged to Baden Place based on floor space currently occupied by WSET (10,952 sqft out of 25,332 sqft available) 43.2%.

Assets under construction represent the development of a new CRM platform for the WSET to manage Exams and other business processes.

Impairment reviews are conducted annually on the properties. Professional valuations were obtained for Baden Place and International House, alongside internal assessments carried out using market rate rental yields and NPV calculations on rental income. Impairment of £1,688,519 recognised in year in relation to fixed asset portion of Baden Place (£9,090,816 valuation being lower than £10,779,335 NBV).

The Bickel's Yard property was transferred to Investment Property with corresponding adjustment to depreciation. The transfer was effective from the beginning of the year when WSET started to actively market for rental.

**8. INVESTMENT PROPERTY**

	<b>International House</b>	<b>Baden Place</b>	<b>Bickel's Yard</b>	<b>2022</b>	<b>Restated 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Valuation</b>					
At 1 August 2021	<b>1,272,873</b>	<b>15,085,500</b>	-	<b>16,358,373</b>	<i>16,358,373</i>
Transfer from fixed assets	-	-	<b>1,430,839</b>	<b>1,430,839</b>	-
Revaluation	-	<b>(3,287,695)</b>	<b>399,161</b>	<b>(2,888,534)</b>	-
Additions	-	<b>111,295</b>	-	<b>111,295</b>	-
<b>At 31 July 2022</b>	<b>1,272,873</b>	<b>11,909,100</b>	<b>1,830,000</b>	<b>15,011,973</b>	<i>16,358,373</i>
<b>Historic cost</b>					
At 31 July 2022	<u><b>234,059</b></u>	<u><b>14,290,176</b></u>	<u><b>1,670,240</b></u>	<u><b>16,194,475</b></u>	<i><u>14,524,235</u></i>
At 31 July 2021	<u><b>234,059</b></u>	<u><b>14,290,176</b></u>	<u><b>1,670,240</b></u>	<u><b>16,194,475</b></u>	<i><u>14,524,235</u></i>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**8. INVESTMENT PROPERTY (continued)**

The investment properties at Baden Place and International House have been valued at fair value as at 31 July determined by an independent, professionally qualified valuer in accordance with the RICS Valuation - Professional Standards (the "Red Book"). On the basis of this valuation an in year loss on revaluation has been recorded on the investment property and an impairment adjustment on the fixed asset element. A further valuation was obtained on September from a separate advisory firm which indicated a lower valuation which has been reflected in the post balance sheet events. No restrictions on income or proceeds of future disposal.

The charity has bank loans which are secured by way of a first and second legal charge over the investment property and all other assets of the company. See note 15 for further details.

Investment value of Baden Place and International House is consistent with prior year based on portion of floor space currently not occupied by WSET (Baden Place: 14,380 sqft out of 25,332 sqft available; International House: 1,855 sqft out of 15,302 sqft available).

A desktop valuation was completed by management for Bickel's Yard.

Bermondsey Street relates to prior period adjustment detailed in note 23

Historic cost based on purchase price of each property.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**9. INVESTMENT IN SUBSIDIARIES**

**WSET Asia Pacific Limited**  
**Suite 11A, 11/F W Square,**  
**314-324 Hennessy Road**  
**Wanchai, Hong Kong S.A.R.**

The Charity owns the whole of the share capital of WSET Asia Pacific Limited, a charitable company registered in Hong Kong with number 2298676 which was incorporated on 21 October 2015. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust. Its results for the year are summarised below. All income and expenditure in the period was unrestricted:

	<b>2022</b>	<i>Restated 2021</i>
	<b>£</b>	<b>£</b>
Grant from parent charity	<b>509,528</b>	308,678
Total Income	<b>356,925</b>	526,452
Total Expenditure	<b><u>(1,056,561)</u></b>	<u>(1,153,734)</u>
Net income	<b>(190,109)</b>	(318,603)
Translation adjustment	<b>(49,479)</b>	15,790
Fund balances brought forward	<b><u>271,923</u></b>	<u>30,890</u>
Fund balances carried forward	<b><u>(511,510)</u></b>	<u>271,923</u>
Total Assets	<b>296,848</b>	167,900
Total Liabilities	<b><u>(808,358)</u></b>	<u>(439,823)</u>
Net Assets	<b><u>(511,510)</u></b>	<u>(271,923)</u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**9. INVESTMENT IN SUBSIDIARIES (continued)**

**WSET Americas Inc**  
**71 Raymond Rd.**  
**West Hartford, CT 06107**  
**USA**

The Charity owns the whole of the share capital of WSET Americas Inc, a charitable (non-profit private foundation) company registered in New York with number 45-98-81 which was incorporated on 21st July 2016. The principal aims of this subsidiary charity are to support the growing market in North and South America. It is 100% owned by the Wine and Spirit Education Trust. Its results for the year are summarised below. All income and expenditure in the period was unrestricted:

	<b>2022</b>	<i>Restated 2021</i>
	<b>£</b>	<b>£</b>
Grant from parent charity	<b>1,249,662</b>	-
Total income	<b>2,474,830</b>	1,776,681
Total expenditure	<b><u>(3,073,099)</u></b>	<u>(2,226,088)</u>
Net income	<b>651,398</b>	(449,407)
Translation adjustment	<b><u>37,826</u></b>	<u>(47,851)</u>
Fund balances brought forward	<b><u>465,407</u></b>	<u>31,852</u>
Fund balances carried forward	<b><u>223,812</u></b>	<u>(465,407)</u>
Total Assets	<b>683,275</b>	859,086
Total Liabilities	<b><u>(459,462)</u></b>	<u>(1,234,493)</u>
Net Assets	<b><u>223,812</u></b>	<u>(465,407)</u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**10. STOCKS**

	<b>Group 2022</b>	<i>Group 2021</i>	<b>Charity 2022</b>	<i>Charity 2021</i>
	£	£	£	£
<b>Stocks consist of:</b>				
Wines and spirits	317,848	190,355	317,848	190,355
Books and other course materials	781,099	399,442	781,099	399,442
Other materials	10,401	9,020	10,401	9,020
Stock provision	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>
	<u><b>1,059,348</b></u>	<u><i>548,817</i></u>	<u><b>1,059,348</b></u>	<u><i>548,817</i></u>

The value of stock released to cost of sales in the year was £983,252 (2021: £736,102).

**11. DEBTORS**

	<b>Group 2022</b>	<i>Group 2021</i>	<b>Charity 2022</b>	<i>Charity 2021</i>
	£	£	£	£
Trade debtors	1,890,418	1,610,322	1,483,341	1,255,981
Amounts due from subsidiaries	-	-	1,070,622	1,526,132
Prepayments and accrued income	741,649	574,981	674,095	562,827
Other debtors	21,306	42,081	20,661	37,426
Service charge	-	41,136	-	-
Staff loans	(3,073)	(8,879)	(3,073)	(8,879)
Bad debt provision	<u>(23,767)</u>	<u>-</u>	<u>(23,767)</u>	<u>-</u>
	<u><b>2,626,533</b></u>	<u><i>2,259,641</i></u>	<u><b>3,221,879</b></u>	<u><i>3,373,487</i></u>

**12. CASH AND BANK BALANCES**

The balances include £nil (2021: £1,402,295) held on short term bank deposits.

**13. CREDITORS: amounts falling due within one year**

	<b>Group 2022</b>	<i>Group 2021</i>	<b>Charity 2022</b>	<i>Charity 2021</i>
	£	£	£	£
Course fees received in advance (see note 14)	1,048,240	927,819	1,048,240	927,819
Trade creditors	554,573	1,050,362	575,267	948,321
Accruals and other creditors	969,113	1,168,418	868,075	961,118
Bank loan (secured – see note 15)	611,748	1,092,794	611,748	1,092,794
APP fees in advance	344,817	8,992	313,262	8,992
Rental income in advance	68,347	68,318	68,347	68,318
Other creditors	<u>(1,890)</u>	<u>16,745</u>	<u>(1,890)</u>	<u>12,290</u>
	<u><b>3,594,948</b></u>	<u><i>4,333,448</i></u>	<u><b>3,483,049</b></u>	<u><i>4,019,652</i></u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**14. ANALYSIS OF DEFERRED INCOME**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Charity 2022 £</b>	<i>Charity 2021 £</i>
Balance at 1 August	927,819	1,394,347	927,819	1,394,347
Amount released to income	(927,819)	(1,394,347)	(927,819)	(1,394,347)
Amount deferred in year	<u>1,048,240</u>	<u>927,819</u>	<u>1,048,240</u>	<u>927,819</u>
Balance at 31 July	<u><u>1,048,240</u></u>	<u><u>927,819</u></u>	<u><u>1,048,240</u></u>	<u><u>927,819</u></u>

Deferred income relates to course fees, APP fees and rental income received in advance.

**15. CREDITORS: amounts falling due after more than one year**

	<b>2022 £</b>	<i>2021 £</i>
<b>Group and charity</b>		
Bank loan (secured)	17,314,535	17,962,356
Tenant deposits	<u>216,715</u>	<u>196,835</u>
	<u><u>17,531,250</u></u>	<u><u>18,159,191</u></u>

The bank loan is analysed as:

	<b>2022 £</b>	<i>2021 £</i>
<b>Repayable:</b>		
Between one and two years	1,486,891	631,217
Between two and five years	2,973,782	1,262,433
In five years or more	<u>12,853,862</u>	<u>16,068,706</u>
	17,314,535	17,962,356
Repayable within one year	<u>611,748</u>	<u>1,092,794</u>
	<u><u>17,926,283</u></u>	<u><u>19,055,150</u></u>

The charity has the following loans:

- A loan was taken out in September 2017 for £3.65 million with a final repayment schedule for November 2021. Interest is charged at 1.15% per annum over Base Rate and the loan is secured against Baden Place, Crosby Row, London, its associated assets and several cash balances.
- A loan was taken out in September 2017 for £3.4 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate and the loan is secured against International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate and the loan is secured against Baden Place, Crosby Row, London and its associated assets.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**15. CREDITORS: amounts falling due after more than one year (continued)**

- A loan was taken out in September 2017 for £3 million with a final repayment schedule for September 2022. Interest is charged at an agreed fixed rate for a 60-month period and then at 1.75% per annum over Base Rate. The loan is secured against International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at an agreed fixed rate for a 60-month period and then at 1.75% per annum over Base Rate. The loan is secured against Baden Place, Crosby Row, London and its associated assets.

**16. FINANCIAL INSTRUMENTS**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Financial assets measured at fair value	<b>15,011,973</b>	<i>16,358,373</i>

Financial assets measured at fair value comprise of investment properties.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**17. FUNDS - GROUP**

	<b>Restated</b> <i>Balance at</i> <i>1 August</i> <i>2021</i> £	<b>Incoming</b> <b>Resources</b> £	<b>Outgoing</b> <b>Resources</b> £	<b>Transfers and</b> <b>Gains/Losses</b> £	<b>Balance at</b> <b>31 July</b> <b>2022</b> £
<b>Restricted Funds</b>					
Peter Hampson					
Memorial Fund	14,158	-	-	-	14,158
Worshipful Co Distillers	2,150	8,996	(2,456)	-	8,690
Building donations	<u>202,382</u>	-	-	(5,952)	<u>196,430</u>
Balance at 31 July	<u>218,690</u>	<u>8,996</u>	<u>(2,456)</u>	<u>(5,952)</u>	<u>219,278</u>
<b>Unrestricted fund</b>					
<b>Designated</b>					
Information Technology	200,000	-	-	(200,000)	-
US & HK Office Fund	100,000	-	-	(100,000)	-
Business Development					
Fund	1,505,068	-	-	(1,505,068)	-
Bursary Fund	50,000	-	-	(50,000)	-
Open Access Fund	50,000	-	-	(50,000)	-
Property Reserve	<u>14,914,147</u>	-	-	(3,644,713)	<u>11,269,434</u>
	16,819,215	-	-	(5,549,781)	11,269,434
<b>Unrestricted Funds -</b>					
<b>General</b>	<u>880,410</u>	<u>17,234,009</u>	<u>(18,439,479)</u>	<u>2,768,105</u>	<u>2,443,045</u>
<b>Total unrestricted funds</b>	<u>17,699,625</u>	<u>17,234,009</u>	<u>(18,439,479)</u>	<u>(2,781,676)</u>	<u>13,712,479</u>
<b>Total funds</b>	<u>17,918,315</u>	<u>17,243,005</u>	<u>(18,441,935)</u>	<u>(2,787,628)</u>	<u>13,931,757</u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**17. FUNDS - CHARITY**

	<i>Balance at 1 August 2021 £</i>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers and Gains/Losses £</b>	<b>Balance at 31 July 2022 £</b>
<b>Restricted Funds</b>					
Peter Hampson					
Memorial Fund	14,158	-	-	-	14,158
Worshipful Co Distillers	2,150	8,996	(2,456)	-	8,690
Building donations	<u>202,382</u>	-	-	(5,952)	<u>196,430</u>
Balance at 31 July	<u>218,690</u>	<u>8,996</u>	<u>(2,456)</u>	<u>(5,952)</u>	<u>219,278</u>
<b>Unrestricted fund</b>					
<b>Designated</b>					
Information Technology	200,000	-	-	(200,000)	-
US & HK Office Fund	100,000	-	-	(100,000)	-
Business Development Fund	1,505,068	-	-	(1,505,068)	-
Bursary Fund	50,000	-	-	(50,000)	-
Open Access Fund	50,000	-	-	(50,000)	-
Property Reserve	<u>14,914,147</u>	-	-	(3,644,713)	<u>11,269,434</u>
	16,819,215	-	-	(5,549,781)	11,269,434
<b>Unrestricted Funds - General</b>	<u>1,683,182</u>	<u>15,980,561</u>	<u>(17,650,128)</u>	<u>2,702,555</u>	<u>2,716,170</u>
<b>Total unrestricted funds</b>	<u>18,502,397</u>	<u>15,980,561</u>	<u>(17,650,128)</u>	<u>(2,847,226)</u>	<u>13,985,604</u>
<b>Total funds</b>	<u>18,721,087</u>	<u>15,989,557</u>	<u>(17,652,584)</u>	<u>(2,853,178)</u>	<u>14,204,882</u>

**Restricted Funds**

*Peter Hampson Memorial fund* - An investment from which an annual scholarship is awarded.

*Building donation Fund* - Created from donations received for the acquisition of the freehold in Bermondsey Street. It is being amortised over the 50 year life of the building.

*Worshipful Co. of Distillers* - Annual donations to be used towards courses and prizes funded in the name of the Distillers.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**17. FUNDS – CHARITY (continued)**

**Designated Funds**

*Property Reserve* - This represents the fund amount currently invested in the Charity's property, excluding the restricted element in the Building Donation Fund and the value of the mortgage secured against the property.

**Transfers**

The Trustees have reviewed the historic designations of funds and decided that the funds should be transferred to unrestricted general reserves. Elements such as business development, bursaries and Information Technology have been budgeted as part of day to day expenditure and no longer form a part of any specific designations.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Long Term Liabilities £</b>	<b>Total £</b>
Restricted Funds	196,430	22,848	-	219,278
Unrestricted Funds	<u>30,334,228</u>	<u>909,501</u>	<u>(17,531,250)</u>	<u>13,712,479</u>
	<u>30,530,658</u>	<u>932,349</u>	<u>(17,531,250)</u>	<u>13,931,757</u>

**19. PENSION SCHEME**

The Trust contributes towards a pension scheme for most of its employees. The scheme consists of a series of defined contribution pension arrangements. The nature of these arrangements is such that there are no unfunded liabilities. The pension funds are administered by trustees and are independent of the Trust's finances. The contributions paid the year amounted to £491,413 (2021: £455,168).

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**20. OPERATING LEASES**

Income from operating leases

As at 31 July the following income was due to the charity and group under the non-cancellable operating leases:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Due in less than one year	<b>804,930</b>	<b>802,184</b>
Due in two to five years	<b><u>1,676,511</u></b>	<b><u>2,424,246</u></b>
	<b><u>2,481,441</u></b>	<b><u>3,226,430</u></b>

Baden Place, Crosby Row was purchased in September 2018 by the Trust as an investment. Of the total area of 25,461 square feet WSET has been occupying 11,022 square feet since August 2019. The remaining space of 14,439 sq ft is in rentable condition and was let for the full year with the exception of Unit 9 which was let mid-year from 01/11/2021. The investments returned a rental of £786k in the year ended 31st July 2022. Rental income for the year ended 31st July 2023 is expected to be £805k and for the next four years is expected to provide an income of £2.48m. This marginal increase in rental income is reflective of the full occupancy now achieved at Baden Place.

*Operating lease expenditure*

As at 31 July 2022 the group had no annual commitments under non-cancellable operating leases.

**21. LEGAL STATUS OF THE TRUST**

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**22. RELATED PARTY TRANSACTIONS**

One Trustee, Allen Gibbons, is a member of the Worshipful Company of Distillers who donated a total of £8,996 to WSET in the year.

Miles Beale and Sukhinder Singh are members of the Board of the Wine & Spirit Trade Association, that is a tenant of the WSET for accommodation with a rental value of £55,000 per annum. WSET also sold £5,652 worth of educational services to WSTA in the year. WSET purchased £1,030 worth of subscription services in the year from WSTA.

One Trustee, Joanna Locke, is a member and representative of the Institute of Masters of Wine from whom WSET purchases membership fees and training for its staff totalling £17,610 in the year.

3 Trustees claimed expenses (all travel and subsistence) within the year:

Allen Gibbons £229  
Michael Turner £171  
Dan Jago £154

Transactions to and from subsidiary entities have been disclosed in Note 9.

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**23. PRIOR YEAR ADJUSTMENTS**

**Restated Funds**

Following a review of fixed assets under FRS102, the Trustees consider that the ground floor rented unit at 35-45 Bermondsey Street should be considered as Investment Property and measured at fair value. The impact of this is to decrease the NBV of the fixed asset element and increase the investment property. These adjustments are reflected in the related balances below.

	<b>Unrestricted</b>		<b>Restricted</b>	<b>Total Funds</b>
	<b>General</b>	<b>Designated</b>	<b>£</b>	<b>£</b>
	<b>£</b>	<b>£</b>		
<b>Balance as stated at 31 July 2020</b>	866,729	15,449,241	222,262	16,538,232
Increase in investment property	-	1,272,873	-	1,272,873
Decrease in NBV of fixed assets	-	(234,059)	-	(234,059)
<b>Restated balance at 31 July 2020</b>	866,729	16,488,055	222,262	17,577,046

**Restated Balance Sheet (Group)**

Following a review of fixed assets under FRS102, the Trustees consider that the ground floor rented unit at 35-45 Bermondsey Street should be considered as Investment Property and measured at fair value. The impact of this is to decrease the NBV of the fixed asset element and increase the investment property. These adjustments are reflected in the related consolidated balance sheet below

	<b>Original</b>	<b>Restated</b>
	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>		
Tangible and Intangible Assets	18,741,211	18,507,152
Investment Properties	<u>15,085,500</u>	<u>16,358,373</u>
	33,826,711	34,865,525
<b>Current Assets</b>		
Stocks	548,817	548,817
Debtors	2,259,641	2,259,641
Cash and Bank Balances	<u>2,736,971</u>	<u>2,736,971</u>
	5,545,429	5,545,429
<b>Creditors</b>		
Amounts Falling Due Within One Year	<u>4,333,448</u>	<u>4,333,448</u>
<b>Net Current Assets</b>	<b>1,211,981</b>	<b>1,211,981</b>
<b>Total Assets Less Current Liabilities</b>	35,038,692	36,077,506
<b>Creditors</b>		
Amounts falling due after more than one year	<u>18,159,191</u>	<u>18,159,191</u>
<b>Net Assets</b>	<b>16,879,500</b>	<b>17,918,315</b>
<b>Funds</b>		
Restricted Income Funds	218,690	218,690
Unrestricted Income Funds		
Designated Funds	15,780,400	16,819,215
General Funds	<u>880,410</u>	<u>880,410</u>
	<u><b>16,879,500</b></u>	<u><b>17,918,315</b></u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**23. PRIOR YEAR ADJUSTMENTS (continued)**

In addition, for the Charity only Balance Sheet, intercompany debtors had been incorrectly eliminated in the prior year. The impact of restatement is to increase debtors.

**Restated Balance Sheet (Charity)**

	<b>Original</b>	<b>Restated</b>
	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>		
Tangible and Intangible Assets	18,717,864	18,483,805
Investment Properties	<u>15,085,500</u>	<u>16,358,373</u>
	33,803,354	34,842,178
<b>Current Assets</b>		
Stocks	548,817	548,817
Debtors	1,847,355	3,373,487
Cash and Bank Balances	<u>2,135,447</u>	<u>2,135,447</u>
	4,531,619	6,057,751
<b>Creditors</b>		
Amounts Falling Due Within One Year	<u>4,019,652</u>	<u>4,019,652</u>
<b>Net Current Assets</b>	<b>511,967</b>	<b>2,038,099</b>
<b>Total Assets Less Current Liabilities</b>	<b>34,315,331</b>	<b>36,880,277</b>
<b>Creditors</b>		
Amounts falling due after more than one year	<u>18,159,191</u>	<u>18,159,191</u>
<b>Net Assets</b>	<b>16,156,140</b>	<b>18,721,086</b>
<b>Funds</b>		
Restricted Income Funds	218,690	218,690
Unrestricted Income Funds		
Designated Funds	15,780,400	16,819,214
General Funds	<u>157,050</u>	<u>1,683,182</u>
	<u><b>16,156,140</b></u>	<u><b>18,721,086</b></u>

## 23. PRIOR YEAR ADJUSTMENTS (continued)

### Restated SOFA

	Unrestricted Funds		Restricted Funds	
	Original £	Restated £	£ Original £	£ Restated £
<b>Income from</b>				
<b>Charitable Activities</b>				
Courses, Examination Fees and Teaching Aids	14,526,871	14,526,871	-	-
<b>Income from Generated Funds</b>				
Voluntary Income- Donations	673,278	673,278	6,000	6,000
Investment Income- Bank Interest	24,269	24,269	-	-
Activities from generating funds:				
Other Trading Income	912,523	912,523	-	-
Government Grant	15,412	15,412	-	-
<b>Total Income</b>	<u>16,152,353</u>	<u>16,152,353</u>	<u>6,000</u>	<u>6,000</u>
<b>Expenditure on</b>				
Raising Funds	116,705	116,705	-	-
Charitable Activities:				
Courses, Examination Fees and Teaching Aids	15,622,271	15,622,271	3,850	3,850
<b>Total Expenditure</b>	<u>15,738,976</u>	<u>15,738,976</u>	<u>3,850</u>	<u>3,850</u>
<b>Net Income and Net Movement in Year</b>	413,377	413,377	2,150	2,150
<b>Transfer Between Funds</b>	5,722	5,722	(5,722)	(5,722)
<b>Net Income</b>	419,080	419,080	(3,572)	(3,572)
<b>Foreign Exchange Gain/Loss</b>	<u>(74,260)</u>	<u>(74,258)</u>	<u>-</u>	<u>-</u>
<b>Net Movement in Funds</b>	<u>344,840</u>	<u>344,841</u>	<u>(3,572)</u>	<u>(3,572)</u>
<b>Reconciliation of Funds</b>				
Funds balance as at 01 Aug 20	16,315,970	17,354,784	222,262	222,262
Funds balance as at 31 Jul 21	<u>16,660,810</u>	<u>17,699,625</u>	<u>218,690</u>	<u>218,690</u>

**WINE AND SPIRIT EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**24. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (RESTATED)**

	<i>Unrestricted funds</i>		<i>Restricted</i>	<i>Total</i>
	<i>General</i>	<i>Designated</i>	<i>funds</i>	<i>2021</i>
	£	£	£	£
<i>INCOME FROM</i>				
<i>Charitable activities:</i>				
<i>Courses, examination fees and Teaching aids</i>	14,526,871	-	-	14,526,871
<i>Donations and legacies</i>	668,688	4,590	6,000	679,278
<i>Investments</i>	24,269	-	-	24,269
<i>Other trading activities</i>	912,523	-	-	912,523
<i>Government grant</i>	<u>15,412</u>	<u>-</u>	<u>-</u>	<u>15,412</u>
<i>Total income</i>	<u>16,147,763</u>	<u>4,590</u>	<u>6,000</u>	<u>16,158,353</u>
<i>EXPENDITURE ON</i>				
<i>Examinations &amp; courses</i>	11,208,368	19,520	3,850	11,231,738
<i>Teaching aids</i>	2,960,378	-	-	2,960,378
<i>Governance costs</i>	<u>1,550,710</u>	<u>-</u>	<u>-</u>	<u>1,550,710</u>
<i>Total expenditure</i>	<u>15,719,456</u>	<u>19,520</u>	<u>3,850</u>	<u>15,742,826</u>
<i>Net income/(expenditure) before transfers</i>	428,307	(14,930)	2,150	415,527
<i>Transfers</i>	<u>(340,367)</u>	<u>346,089</u>	<u>(5,722)</u>	<u>-</u>
<i>Net income</i>	87,940	331,159	(3,572)	415,527
<i>Translation adjustment</i>	<u>(74,259)</u>	<u>-</u>	<u>-</u>	<u>(74,259)</u>
<i>Net movement in funds</i>	13,681	331,159	(3,572)	341,268
<i>Fund balances brought forward at 1 August 2020</i>	<u>866,729</u>	<u>16,488,056</u>	<u>222,262</u>	<u>17,577,047</u>
<i>Fund balances carried forward at 31 July 2021</i>	<u>880,410</u>	<u>16,819,215</u>	<u>218,690</u>	<u>17,918,315</u>

**25. POST BALANCE SHEET EVENTS**

The impact of the wider UK economy's challenges following the Chancellor's statement in September and rising cost of borrowing has potentially had a material negative impact on the value of the WSET's properties since 31 July 2022. Whilst this is difficult to quantify without undergoing a formal valuation, and the general economic position has stabilised since the new Chancellor's mini-budget in November, the impact is estimated at up to 10%.

**WINE AND SPIRIT EDUCATION TRUST**

England & Wales - Charity number 313766

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# Accounts

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**WINE AND SPIRIT EDUCATION TRUST**  
**(Company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 JULY 2021**

Company Number: 00964179  
Charity Number: 313766

**WINE AND SPIRIT EDUCATION TRUST**  
**(Company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2021**

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<b>CONTENTS</b>	<b>Page</b>
Reference and Administration Details	1
Trustees' Report	2 - 7
Independent Auditors' Report	8 - 10
Statement of Financial Activities	11
Consolidated Balance Sheet	12
Charity Balance Sheet	13
Statement of Cash Flows	14-15
Notes to the Financial Statements	16 - 31

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**REFERENCE AND ADMINISTRATION DETAILS**

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**DIRECTORS AND TRUSTEES**

S McMurtrie (Chairman)  
T Christensen  
A Gibbons  
S McCraith  
R Connor  
D Jago  
M Turner  
J Locke

**Chief Executive**  
I M Harris

**Registered Office**  
International House  
39-45 Bermondsey Street London SE1 3XF

**Company Number**  
00964179

**Charity Number**  
313766

**PROFESSIONAL ADVISORS TO THE TRUST**

**Auditors**  
haysmacintyre, 10 Queen Street Place, London, EC4R 1AG

**Solicitors**  
Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P 3JT

**Bankers**  
National Westminster Bank Plc, 2 Eastcheap, London EC3

**Insurance Brokers**  
Gallagher, Portmore House, Yeoman Park, Test Lane, Southampton SO16 9JX

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 JULY 2021**

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The trustees of the Wine and Spirit Education Trust ("WSET") are pleased to present their annual report together with the financial statements for the year ended 31 July 2021.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

Wine and Spirit Education Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 12th September 1969 and amended to allow for changes in Companies Acts on 29<sup>th</sup> May 2002 and again on 9<sup>th</sup> March 2011. It is registered as a charity with the Charity Commission. There are currently 8 members each of whom agree to contribute £1 in the event of the charity winding up.

**Appointment of Trustees**

Each Trustee is elected to serve a term of four years. At the end of the term, Trustees can vote to extend the term by a year, on no more than two occasions, which means that the maximum term a member can serve before standing down is six years. The Chairman of the Board of Trustees may serve an additional year (i.e. a maximum term of seven years). The Trustees are appointed as representatives of four industry bodies: three Trustees are appointed from members of the Vintners' Company, three from the members of the Wine and Spirit Trade Association, one from members of the Worshipful Company of Distillers and one from the Institute of Masters of Wine. Nominations for Trustees are sought from these bodies, as each of their representative Trustees retire, with regard to providing valuable service to the Trust through their individual skills, experience and standing in the community.

**THE AIMS OF THE WINE AND SPIRIT EDUCATION TRUST**

Extract from the Memorandum and Articles of Association, adopted 9<sup>th</sup> March 2011:

"The primary objects for which the Trust is established are the promotion, provision and development of high quality education and training in wines and spirits, in the United Kingdom and elsewhere, directed at those who are engaged in or connected with the wine and spirit trade or who intend to be so engaged or connected, plus members of the general public". This includes the provision of education in social responsibility.

The Trust aims to provide first-class educational programmes, with a suite of sought-after examinations, leading to qualifications which fall within the UK Qualifications Framework.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

In particular the Trustees were very pleased to review the activities that highlight the public benefit of the charity and create open access to the activities of the charity, creating courses which are open to all who wish to extend their education. There was clear evidence of an increase in the standard and knowledge within the industry which creates an enhanced service to the public, and the use of grants and bursaries helped to fund education for those who would otherwise be unable to benefit. Specific examples include work with the Royal London Society for Blind people and the Restart charity.

**DIRECTORS AND TRUSTEES**

The Directors of the charitable company ("the Trust") are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who served during the year are shown on page 1.

**Trustee Induction and Training**

New Trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 JULY 2021**

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**Organisation**

The Board of Trustees, which currently has 8 members, administers the charity. The board meets quarterly and there is a sub-committee covering finance issues which also meets as required. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment.

The Trustees give their time freely, and no remuneration is paid, with the exception of out of-pocket travel expenses. The Trustees have also confirmed that no person connected to a Trustee has received a Bursary Grant or a Scholarship in the past 12 months.

The remuneration policy for the key management positions within the charity is set by the Trustees on an annual basis and performance is monitored through the annual appraisal system which measures achievement against the Chief Executive's and each senior manager's personal business objectives.

**Subsidiary charities**

On 21<sup>st</sup> of October 2015, WSET Asia-Pacific was incorporated in Hong Kong. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust.

On 17<sup>th</sup> of October 2017, Wine and Spirit Education Trust America Inc. was incorporated in New York. The principal aims of this subsidiary charity are to support the growing market in America. It is 100% owned by the Wine and Spirit Education Trust.

**STRATEGIC REPORT**

**ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

In the academic year 2020/2021 the members of the Board of Trustees of WSET were very pleased with the way WSET was able to mitigate the negative effects of the Covid-19 pandemic. In the 12-month period, 108,584 examinations were taken, representing a 12% increase on the figure for the previous year. This increase was possible due to WSET's quick reaction the prior year to bring forward the implementation of a complete digital learning solution including online courses, online exams, and digital materials. There was growth in the number of centres (Approved Programme Providers, or 'APPs') delivering WSET qualifications around the world - with 994 APPs registered as at 31 July 2021. Of these, 676 were based in international markets (outside UK), and 318 were based in the UK.

Although WSET had to suspend operations in Mainland China from the end of January 2021, WSET's international candidate share continues to grow. In 2020/21, 86% of all candidates who sat for a WSET qualification took their examinations in countries outside the UK.

The number of students attending courses at WSET's London Wine and Spirit School exceeded expectations and budget, helped by nearly 80% of students moving onto the online educational platforms during the periods of lockdown during 2020/21. There was continued growth globally in courses using the online distance learning (digital) options (developed in order to provide more open access at all levels of qualification), with these courses available to WSET's external Approved Programme Providers, who were able to provide the examination venue for students, but who were unable to attend classroom-based courses.

The WSET London Wine and Spirit School also continued to run programmes for students with disabilities, as well as students from disadvantaged and minority backgrounds.

There were a number of applicants for the bursary fund, which had been set up to allow open access to WSET courses, and during the year this fund was supplemented with contributions from several major multinational companies, and over 5,000 people would not have been able to afford courses were provided with bursary funding to take WSET programmes around the world. These applicants were reviewed by the trustees, and grants awarded based on means-tested evidence of financial hardship.

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 JULY 2021**

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In 2020/21 the majority of the available space of the Trust's premises in Baden Place was successfully let, thus ensuring that we maximise our return on investment. Due to the pandemic, there were some agreed rent deferrals, and one unit remained vacant until July 2021, when a new tenant (WSTA) was secured to occupy this space.

39-45 Bermondsey Street is now used exclusively by WSET with exception of ground floor unit which continues to be let.

The office accommodation at Bickel's Yard remains vacant, impacted by the drop in the market for commercial property in London due to the pandemic.

The WSET APAC office now has a permanent staff of 11. This is a rented office in Hong Kong, which also has facilities for WSET to run Educator Programmes on site – a key initiative for the development of the Asia-Pacific business.

The WSET Americas team moved offices to a less expensive option in Hartford CT, and now has a permanent staff of 18 – although the majority were working remotely during the year 2020/21.

The annual strategy meeting, which took place on 8<sup>th</sup> to 9<sup>th</sup> September 2020, included a review of the Public Benefit statement of WSET, and the Board was happy that this was meeting the charitable objectives of the Trust.

The Trustees also discussed a number of other strategic issues, including:

- Latest view of WSET financial performance forecast for 2020/21 and beyond
- Headline key initiatives for the strategic (5 year) plan
- 2020/21 Income – with complete Digital offering
- 2020/21 Cost of Sales – changes in cost structures with Digital delivery
- Organisation and overhead costs
- Cash generation and investment plans

The Trustees carried out a further strategic review of the charity's activities in September 2021 and produced a comprehensive strategic plan following this meeting – this will be updated annually. The strong financial results for the past 16 years have demonstrated the value of this review, which has been an annual process since 2005.

It was agreed that the overriding intent of all business-related activity for 2021/22 was to return the business to a sure financial footing through restoring and growing revenue as quickly as possible. Restoring WSET's systems and examinations process to full efficiency was at the core of this objective, and additional resources have been allocated to ensure a return to the Service Levels which were in place prior to the pandemic. Income growth will also be achieved by a drive to raise the WSET trade profile through digital content and digital event spaces. Investment in digital education will continue in support of the development of eBooks, online courses and digital exams (computer-based testing). WSET will also start to prepare all markets for launch of a Beer qualification in 2022/23. Spirits education was identified as an area of extensive growth potential as APPs look to diversify following the disruption of Covid-19, with flexibility and a solid digital offering being key in making WSET an attractive option and opening up new routes to market.

In 2020/21, there was a substantial investment of £194k on Research and Development. Translation work totalling £68k maximised the potential for WSET qualifications in different languages and geographies, £37k on qualification updates and £89k was spent on new product development and other projects, including on-line education and assessment initiatives.

**FINANCIAL REVIEW**

Financial performance in 2020/21 continued to be negatively impacted by Covid-19, with a surplus of £415k on unrestricted funds being generated. At the start of Covid-19 restrictions coming into force globally, WSET was able to cut all non-essential spend from the business and shift the bulk of its offerings online. During 2021/22 WSET has started to spend again in key areas essential to future growth e.g. Research and Development and Infrastructure.

Of the contribution towards overheads, 15% was generated by the activities of the London Wine and Spirit School, with 48% coming from the activities of WSET Awards and 10% coming from Global Digital Learning Services, both of which were influenced by an increase in candidate numbers worldwide. The remaining 27% was generated from sales of books/materials and investment property rental income.

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 JULY 2021**

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**Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest wisely in any way the Trustees wish.

The investment policy was reviewed at the September 2021 Strategy Meeting and it was agreed that there was no need to revise the policy. All remaining maturing investments in existence are secured against the bridging loan which was used to purchase the property at Baden Place. The performance of WSET's investments was also reviewed in the light of the low level of interest rates available in the UK.

**WSET Reserves Policy**

The strategy meeting in September 2021 included a review of the Reserves Policy with the objective of building on the strong financial performance but mindful of the changing nature of WSET's core business and the current and future priorities.

As at 31 July 2021, total reserves were £16.9million, comprising: £0.2 million (restricted), £15.8 million (designated) and £0.9 million (unrestricted).

When reviewing the reserves policy, the trustees identified that all of our restricted funds are fully committed to meet the planned expenditure. They also identified that funds invested in long-term property are not available to meet the costs of budgeted activity levels.

The property reserve stood at £13.9m as at 31<sup>st</sup> July 2021, which equates to the amount currently invested in the charity's property, excluding the restricted element in the Building Donation Fund and the value of mortgages and loans secured against the property. The amount of the property funded by restricted donations amounted to £0.2m at 31<sup>st</sup> July 2021. As at 31<sup>st</sup> July 2021 loan to value on the £41.6m of WSET owned buildings stood at 46%, with a requirement of 70% having been set throughout the life of the loan taken on purchase of Baden Place.

In addition to this, it was agreed that there is a need to secure the future of WSET by expending on the development of products and processes. A business development fund has been established amounting to £1.5m at 31<sup>st</sup> July 2021. It is anticipated that this fund will be spent within the next financial year.

A fund of £0.1m has been designated towards continued development of the two subsidiaries, USA and Hong Kong. Further revenue generation through the subsidiaries is planned for 2021/22.

The Trustees are committed to enable access to learning for people who are in need of help by designating £50,000 funding for both Bursaries (financial help) and Open Access (other help).

The level of reserves will continue to be reviewed each year in line with expected surplus levels and required expenditure, in particular the level of 'free' reserves which currently stands at £0.9m.

The overall level of reserves exceeds the target for reserves set by the Trustees, but this was deemed to be prudent in the light of the increased office accommodation and its associated costs.

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 JULY 2021**

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**FUTURE PLANS**

A significant sum of £296k has been earmarked in the 2021/22 budget for investment in the area of foreign language translations, qualification updates (including New Product Development) to ensure that qualifications are kept current, and £710k on WSET's strategic I.T projects, including on-line education and assessment initiatives, reflecting the needs of the industry worldwide. The development budgets will concentrate on keeping the existing qualifications up to date, ensuring their relevance in creating a public benefit through training and qualifications in all sectors of the industry and to the public at large. In addition, there is an investment figure of £827k in promotion and marketing to ensure that the Trust reaches out to a wider audience.

The future plans include the following:

- Further development of Digital courses, both leading to WSET qualifications, and a broader programme aimed at the general public, and designed to increase the public benefit derived from the charity's activities. This will open up WSET qualifications to a wider audience than at present, by enabling open access to those who are unable to attend a WSET centre to participate in classroom-based programmes.
- Continuing evolution of the WSET website, including translation into WSET's key languages.
- Strategic, sustained growth driven by investment in translations, and working with multinational wine and spirit companies to introduce WSET qualifications into their distributor networks and customer base.
- Investment in the key growth markets of UK, USA, South East Asia, South America and mainland Europe, to facilitate the growth and strategic imperatives of managing and supporting the four regions for WSET qualifications. Investment in Mainland China has also increased pending recommencement of operations in the area.
- Continued, sustained investment in completing the Digital Projects which were started in 2019.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Risks**

The trustees have reviewed and approved a risk management policy and process and are responsible for overseeing risk management as a whole, and for determining the overall risk management. The Trustees' policy is to review the risk register on a regular basis to ensure that the impact of financial, strategic, operational and compliance risks are minimised. Trustees have conducted a review of the major risks to which the Trust is exposed, and systems have been established to mitigate those risks.

The risks fall into seven categories, totalling 23 identified risks:

**Business-related:**

- Risk of pandemic and spread of contagious disease, creating internal disruption and effect on income
- Major fire or other catastrophic incident at Bermondsey St, Baden Place or offices of WSET subsidiaries
- Brexit-related or other recessionary impact affecting spending on WSET courses and examinations
- Major customer fall-out causing 'snow-ball effect' of confidence in WSET qualifications around the world
- Loss of government funding, resulting in dramatic reduction in candidate numbers
- Internal failings resulting in withdrawal of Ofqual accreditation and resulting loss of global reputation
- Introduction by competitors of disruptive technology or approach which takes a significant share from WSET
- Theft or copying of WSET's intellectual property
- Unexpected departure or death of key personnel
- Large-scale scandal resulting in loss of reputation - through Social Media or otherwise

**Fiscal**

- Banking covenants are breached as a result of reduced revenue and subsequent EBITDA performance

### Cyber

- Serious attack on WSET's systems, resulting in corruption of data and/or shut-down of systems
- Customer data compromised resulting in non-compliance with GDPR or other regulations

### Regulatory

- Local laws are breached, resulting in shut-down of operations, reduced trading or increased cost of operating

### Operational

- WSET products fail to remain relevant in some or all of target markets and sectors
- Failure of key supplier (e.g. Remote Invigilation service)
- Health & Safety incident causing death or serious injury to staff or customer
- Access to Bermondsey St, Baden Place or other offices due to security incident

### Financial

- Inadequate separation of financial transactions between subsidiaries, leading to government sanction or fine
- FX rates move adversely resulting in reduced margin from foreign currency transactions
- Financial assets and liabilities not adequately controlled, leading to material financial losses or mis-statement

### Legislative

- Change in legislation resulting in loss of charitable status
- An employee acting in contravention of the Bribery Act 2010, Proceeds of Crime Act 2002 or committing a Corporate offence

## **RESPONSIBILITIES OF THE TRUSTEES**

The trustees (who are also directors of the Wine and Spirit Education Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the Income and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

## **STATEMENT OF DISCLOSURE TO AUDITORS**

So far as the trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware. Additionally, the trustees have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

**In approving the Trustees' Report the trustees also approve the Strategic Report in their capacity as company directors.**

Approved by the Trustees and signed on their behalf on 7 December 2021.



**Simon McMurtrie**  
Chairman

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
WINE AND SPIRIT EDUCATION TRUST**

---

**Opinion**

We have audited the financial statements of Wine and Spirit Education Trust for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement 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 their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 Trustees' Report (which incorporates 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 Trustees' Report (which incorporates the strategic report and the directors' report) has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### WINE AND SPIRIT EDUCATION TRUST *(Continued)*

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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 by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition, GDPR and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

**WINE AND SPIRIT EDUCATION TRUST** *(Continued)*

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**Use of our report**

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

**Murtaza Jessa**  
**Senior Statutory Auditor**  
**for and on behalf of Haysmacintyre LLP, Statutory Auditors**

**10 Queen Street**  
**London**  
**EC4R 1AG**

**December 2021**

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)**

**FOR THE YEAR ENDED 31 JULY 2021**

	Note	Unrestricted funds General £	Designated £	Restricted funds £	Total 2021 £	Total 2020 £
<b>INCOME FROM:</b>						
Charitable activities:						
<i>Courses, examination fees and Teaching aids</i>	3	14,526,871	-	-	14,526,871	13,262,917
Donations and legacies		668,688	4,590	6,000	679,278	252,099
Investments		24,269	-	-	24,269	14,327
Other trading activities	4	912,523	-	-	912,523	1,085,450
Government grant		15,412	-	-	15,412	255,267
<b>Total income</b>		<u>16,147,763</u>	<u>4,590</u>	<u>6,000</u>	<u>16,158,353</u>	<u>14,870,059</u>
<b>EXPENDITURE ON:</b>						
Raising funds						
<b>Charitable activities</b>						
Costs of Generating Voluntary Income		116,705	-	-	116,705	57,735
Courses, examination fees and teaching aids		15,602,751	19,520	3,850	15,626,121	14,570,995
<b>Total expenditure</b>	5	<u>15,719,456</u>	<u>19,520</u>	<u>3,850</u>	<u>15,742,826</u>	<u>14,628,730</u>
<b>Net income / (expenditure) before transfers</b>		428,307	(14,930)	2,150	415,527	241,329
Transfers		(340,367)	346,089	(5,722)	-	-
<b>Net income</b>		<u>87,941</u>	<u>331,159</u>	<u>(3,572)</u>	<u>415,527</u>	<u>241,329</u>
Translation adjustment		(74,259)	-	-	(74,259)	-
<b>Net movement in funds</b>		<u>13,682</u>	<u>331,159</u>	<u>(3,572)</u>	<u>341,268</u>	<u>241,329</u>
Fund balances brought forward at 1 August 2020		866,729	15,449,241	222,262	16,538,232	16,296,903
<b>Fund balance carried forward At 31 July 2021</b>		<u>880,410</u>	<u>15,780,400</u>	<u>218,690</u>	<u>16,879,500</u>	<u>16,538,232</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All activities shown are continuing.

Full comparative figures for 2020 are shown in note 23.

BALANCE SHEET - CONSOLIDATED

AT 31 JULY 2021

	Note	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		18,741,211		18,291,642
Investment property	8		15,085,500		15,085,500
<b>CURRENT ASSETS</b>					
Stocks	10	548,817		729,499	
Debtors	11	2,259,641		2,017,852	
Cash and bank balances	12	2,736,971		2,743,477	
			<u>5,545,429</u>		<u>5,490,828</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>4,333,448</u>		<u>3,489,480</u>	
<b>NET CURRENT ASSETS</b>			<u><b>1,211,981</b></u>		<u><b>2,001,349</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>35,038,692</u>		<u>33,378,491</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>18,159,191</u>		<u>18,840,259</u>
<b>NET ASSETS</b>			<u><u>16,879,500</u></u>		<u><u>16,538,231</u></u>
<b>FUNDS</b>					
Restricted funds	17		218,690		222,262
Unrestricted funds:					
Designated funds	17		15,780,400		15,449,241
General funds	17		880,410		866,728
<b>TOTAL FUNDS</b>			<u><u>16,879,500</u></u>		<u><u>16,538,231</u></u>

The financial statements were approved and authorised for issue by the Board of Trustees on 9 December 2021 and were signed on its behalf by:



Simon McMurtrie  
Chairman

BALANCE SHEET - CHARITY

AT 31 JULY 2021

	Note	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		18,717,864		18,243,072
Investment property	8		15,085,500		15,085,500
<b>CURRENT ASSETS</b>					
Stocks	10	548,817		729,499	
Debtors	11	1,847,534		1,904,824	
Cash and bank balances	12	2,135,447		2,333,538	
			<u>4,531,619</u>		<u>4,967,861</u>
<b>CREDITORS: amounts falling due within one year</b>	13		<u>4,019,652</u>		<u>3,595,179</u>
<b>NET CURRENT ASSETS</b>			<u>511,967</u>		<u>1,372,682</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>34,315,331</u>		<u>34,701,254</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>(18,159,191)</u>		<u>(18,706,589)</u>
<b>NET ASSETS</b>			<u><u>16,156,140</u></u>		<u><u>15,994,664</u></u>
<b>CHARITY FUNDS</b>					
Restricted funds	17		218,690		222,262
Unrestricted funds:					
Designated funds	17		15,780,400		15,449,242
General funds	17		157,050		323,161
<b>TOTAL CHARITY FUNDS</b>			<u><u>16,156,140</u></u>		<u><u>15,994,664</u></u>

The financial statements were approved and authorised for issue by the Board of Trustees on 9 December 2021 and were signed on its behalf by:



Simon McMurtrie  
Chairman

WINE AND SPIRIT EDUCATION TRUST  
(Company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 JULY 2021

	Note	2021		2020	
		£	£	£	£
<b>Net cash inflow from operations:</b>					
Net cash provided by operations	A		1,715,611		1,708,041
<b>Cash flows from investing activities:</b>					
Bank interest and other investment income		24,269		14,327	
Finance and other costs		(471,007)		(518,885)	
Payments to acquire tangible fixed assets		(1,059,276)		(1,680,108)	
<b>Net cash provided by/(used in) investing activities</b>			<b>(1,506,014)</b>		<b>(2,184,666)</b>
<b>Cash flows from financing activities:</b>					
Purchase of investment property		-		-	
Bank loan repayments		(216,102)		(559,243)	
Bank loan drawdown		-		-	
<b>Net cash provided by/(used in) financing activities</b>			<b>(216,102)</b>		<b>(559,243)</b>
Change in cash and cash equivalents in the reporting period			(6,505)		(1,035,868)
Net cash and cash equivalents at beginning of period	B		2,743,476		3,779,344
Net cash and cash equivalents at end of period	B		2,736,971		2,743,476

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATIONS	2021	2020
	£	£
Net movement in funds	341,268	241,328
Depreciation	609,707	574,219
Bank interest and other investment income	(24,269)	(14,327)
Reduction in value of interest rate swap	-	-
Finance and other costs	471,007	518,885
Increase in stocks	180,682	234,163
Increase in debtors	(241,789)	341,693
Deposit for new building	-	-
Increase in creditors	379,004	(187,920)
<b>Net cash inflow from operations</b>	<b>1,715,611</b>	<b>1,708,041</b>

WINE AND SPIRIT EDUCATION TRUST  
(Company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 JULY 2021

B. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS	At 1 August 2020 £	Cashflows £	Other Changes £	At 31 July 2021 £
Cash and cash equivalents	1,170,152	164,524	-	1,334,676
Deposit accounts	1,573,324	(171,029)	-	1,402,295
	<u>2,743,476</u>	<u>(6,505)</u>	<u>-</u>	<u>2,736,971</u>
<b>Borrowings</b>				
Debts due within one year	756,433	-	336,361	1,092,794
Debts due after one year	18,514,253	-	(552,465)	17,962,355
	<u>19,271,253</u>	<u>-</u>	<u>(216,104)</u>	<u>19,055,149</u>
<b>Total</b>	<b>(16,527,777)</b>	<b>(6,505)</b>	<b>216,104</b>	<b>(16,318,178)</b>

**WINE AND SPIRIT EDUCATION TRUST**  
**(Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2021**

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**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the accounts:

**Basis of Preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 July 2021 and the comparative information presented in these financial statements for the year ended 31 July 2020. The financial statements are drawn up under the historical cost convention.

The Trust is a Public Benefit Entity registered as a charity and company in England and Wales, it was registered in 1969 (charity number 313766 and company registration number 964179).

**Basis of consolidation**

The accounts consolidated the results of WSET Asia Pacific Limited and WSET Americas Inc., the wholly owned charitable subsidiary companies. WSET Asia Pacific Limited as incorporated in Hong Kong on 21 October 2015 and WSET Americas Inc. as incorporated in New York on 21 July 2016. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Wine and Spirit Education Trust Limited. The parent charity net income for the year was £(112,330) (2020: £239,060)

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements.

**Going concern**

At the Strategy Meeting in September 2021 the Trustees reviewed the financial performance for FY21 and the FY22 budget with a cashflow forecast projection for the next 12 months. Having reviewed all this information along with the funding facilities available to the Trust, the Trustees have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. Key factors in assessing WSET as a going concern include its ability to adapt its customer offering during the Covid-19 Pandemic (which has been illustrated by its stable financial performance in year), a diverse geographic spread across 3 reporting regions (EMEA, APAC and Americas), continued place as global market leader for wine and spirits education, and subsidiary operations to grow business in Americas and APAC.

**Critical accounting judgements and key sources of estimation uncertainty**

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

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**Income**

All income is recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

*Fees and similar income*

Courses, examination fees, teaching aids and other income receivable are credited to the Statement of Financial Activities in the period when the course or examination takes place. Fees received in advance are included within creditors in the balance sheet.

*Donations*

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Trust is considered probable.

*Investment income*

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

**Expenditure**

All expenditure is accounted for on an accruals basis. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Note 4 to these accounts details the method of allocation of such costs.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Staff costs, where attributable to more than one area of activity, are apportioned across categories on the basis of an estimate of the proportion of time spent by staff on those activities.

*Pension Scheme Costs*

Contributions in respect of the Trust's defined contribution pension scheme are charged to the Statement of Financial Activities for the year in which they are payable to the Scheme.

*Governance Costs*

Governance costs consists of the costs associated with trustees meetings and the cost of the statutory audit plus an appropriate proportion of management time.

**Operating leases**

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Tangible Fixed Assets and Depreciation**

Depreciation is provided on a straight line basis as follows:

Freehold and long term leasehold buildings	Over 50 Years
Refurbishment of leasehold	Over 10 years
Equipment	25%
Computers	50%
IT Systems	33%
Cycle to Work	As government advisory rates

Only purchases over £1,500 are capitalised.

**Stocks**

Stocks have been valued at the lower of cost and net realisable value.

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**Financial Instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors and stocks. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

*Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

*Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

*Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**Interest rate hedging**

The Interest Swap arrangement that was in place to hedge exposure to volatility in respect of long term borrowings for the purchase of 39-45 Bermondsey Street has been cancelled following repayment of these borrowings in full. The interest rate swap liability was recognised at fair value as at the balance sheet date and remeasurement differences are taken to other gains and losses within the Statement of Financial Activities.

**Irrecoverable VAT**

Irrecoverable VAT is written off to the expenditure to which it relates.

**Investment property**

Investment property is held at fair value.

**Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

**Funds**

Restricted funds are those where there are specific donor restrictions as to their use. Designated funds are those which have been earmarked by the Trustees for specific purposes. Unrestricted funds can be used at the discretion of the Trustees.

**2. INCOME**

Income attributable to geographical markets outside the United Kingdom was approximately 70% (2020: 75%).

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2021 Total £</b>	<b>2020 Total £</b>
Courses	3,986,928	4,106,732
Examinations	6,950,726	5,323,671
Teaching Aids	3,589,217	3,832,514
	<u>14,526,871</u>	<u>13,262,917</u>

All income from charitable activities in 2020 and 2021 was unrestricted.

**4. OTHER TRADING ACTIVITIES**

	<b>2021 Total £</b>	<b>2020 Total £</b>
Rent and service charge income	876,458	1,029,656
Other	36,064	55,794
	<u>912,523</u>	<u>1,085,450</u>

All income from other trading activities in 2020 and 2021 was unrestricted.

**5. ANALYSIS OF TOTAL EXPENDITURE**

	<b>Staff Costs £</b>	<b>Other costs £</b>	<b>Depreciation £</b>	<b>2021 Total £</b>
<b>Cost of raising funds</b>				
Fundraising	61,693	50,487	4,525	116,705
<b>Charitable activities</b>				
Courses	3,361,599	2,758,027	246,554	6,366,181
Examinations	2,997,545	2,459,338	219,854	5,676,737
Teaching aids	1,336,237	1,096,810	98,050	2,531,697
Governance costs	555,237	455,545	40,724	1,050,342
	<u>8,251,219</u>	<u>6,769,720</u>	<u>605,182</u>	<u>15,626,121</u>
<b>Total expenditure</b>	<u>8,312,912</u>	<u>6,820,207</u>	<u>609,707</u>	<u>15,742,826</u>

**ANALYSIS OF TOTAL EXPENDITURE  
COMPARATIVE FOR 2020**

	<b>Staff costs £</b>	<b>Other costs £</b>	<b>Depreciation £</b>	<b>2020 Total £</b>
<b>Cost of raising funds</b>				
Fundraising	40,325	11,939	5,470	57,735
<b>Charitable activities</b>				
Courses	2,514,572	2,518,331	240,539	5,273,442
Examinations	2,672,233	2,217,223	213,336	5,102,792
Teaching aids	1,714,592	1,724,479	109,403	3,548,475
Governance costs	477,058	163,759	5,470	646,287
	<u>7,378,455</u>	<u>6,623,792</u>	<u>568,748</u>	<u>14,570,995</u>
<b>Total expenditure</b>	<u>7,418,780</u>	<u>6,635,731</u>	<u>574,219</u>	<u>14,628,730</u>

WINE AND SPIRIT EDUCATION TRUST  
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

5. ANALYSIS OF TOTAL EXPENDITURE (continued)

	2021	2020
	£	£
<b>Other costs include:</b>		
Bank loan interest	471,007	518,885
Auditors' remuneration - UK	35,856	21,700
Auditors' remuneration – Hong Kong	2,288	1,764
Auditors' remuneration - US	13,973	18,235
Legal, professional and consultancy fees	<u>436,550</u>	<u>120,486</u>
	959,675	681,070

Other costs have been allocated on a floor area basis and by attributable charitable activity.

6. STAFF COSTS

	2021	2020
	£	£
Salaries	6,320,769	5,914,014
Social security costs	606,391	497,267
Pension contributions	489,856	464,699
Other staff costs	903,776	512,657
Redundancy costs	60,198	30,144
	<u>8,380,990</u>	<u>7,418,780</u>

The average number of employees (other than the trustees who are on a part-time basis and who are not remunerated) was:

	2021	2020
	Number	Number
Management and administration	35	34
Training and education	111	101
	<u>146</u>	<u>135</u>

The number of higher paid employees was:

<b>Taxable emoluments band:</b>		
£60,000 - £70,000	3	1
£70,001 - £80,000	1	3
£80,000 - £90,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£150,001- £160,000	1	1
£230,001 - £240,000	1	1
	<u>11</u>	<u>10</u>

The aggregate remuneration paid to key management in the period was £1,597,899 (2020: £1,129,034).

WINE AND SPIRIT EDUCATION TRUST  
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

7. TANGIBLE FIXED ASSETS GROUP	Freehold land & buildings £	Educational & office £	Capital Project £	Total £
<b>Cost</b>				
At 1 August 2020	19,224,047	931,417	1,157,350	21,312,814
Additions	712,973	34,878	311,425	1,059,276
Disposals	-	(39,158)	-	(39,158)
At 31 July 2021	19,937,021	927,137	1,468,775	22,332,932
<b>Depreciation</b>				
At 1 August 2020	1,631,947	806,080	583,145	3,021,172
Charge for year	450,384	64,776	94,547	609,708
Disposals	-	(39,158)	-	(39,158)
At 31 July 2021	2,082,332	831,698	677,692	3,591,721
<b>Net Book Value</b>				
At 31 July 2021	17,854,689	95,439	791,083	18,741,211
At 31 July 2020	17,592,100	125,337	574,205	18,291,642
<b>TANGIBLE FIXED ASSETS CHARITY</b>	<b>Freehold land &amp; buildings £</b>	<b>Educational &amp; office £</b>	<b>Computers &amp; IT Systems £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 August 2020	19,224,047	812,809	1,154,109	21,190,966
Additions	712,973	37,766	311,425	1,062,164
Disposals	-	(39,158)	-	(39,158)
At 31 July 2021	19,937,021	811,417	1,465,534	22,213,972
<b>Depreciation</b>				
At 1 August 2020	1,631,947	735,016	580,931	2,947,894
Charge for year	450,384	42,951	94,037	587,372
Disposals	-	(39,158)	-	-
At 31 July 2021	2,082,332	738,809	674,967	3,535,266
<b>Net Book Value</b>				
At 31 July 2021	17,854,689	72,608	790,567	18,717,864
At 31 July 2020	17,592,100	77,793	573,179	18,243,072

Depreciation is charged at cost but not charged on the freehold land with an estimated value of:

International House £879,400  
Baden Place £18,690,000

Depreciation is charged on the premises at Baden Place based on floor space currently occupied by WSET (10952 sqft out of 25,332 sqft available) 43.2%

**WINE AND SPIRIT EDUCATION TRUST**  
**(Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**8. INVESTMENT PROPERTY**

	2021 £	2020 £
<b>Valuation</b>		
At 1 August 2020	15,085,500	25,158,760
Transfer to Fixed Assets	-	(10,073,260)
<b>At 31 July 2021</b>	<u>15,085,500</u>	<u>15,085,500</u>
<b>Historic cost</b>		
At 31 July 2021	<u>25,158,760</u>	<u>25,158,760</u>
At 31 July 2020	<u>25,158,760</u>	<u>25,158,760</u>

The property has been valued at open market value as at year end by the trustees.

The charity has bank loans which are secured by way of a first and second legal charge over the investment property and all other assets of the company. See note 15 for further details.

The investment value is based on the portion of floor space currently not occupied by WSET (14,380 sqft out of 25,332 sqft available): 56.8% of £26,575,000

**WINE AND SPIRIT EDUCATION TRUST**  
**(Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**9. INVESTMENT IN SUBSIDIARIES**

**WSET Asia Pacific Limited**

The Charity owns the whole of the share capital of WSET Asia Pacific Limited, a charitable company registered in Hong Kong with number 2298676 which was incorporated on 21 October 2015. The principal aims of this subsidiary charity are to support the growing market in Asia. It is 100% owned by the Wine and Spirit Education Trust.

Its results for the year are summarised below. All income and expenditure in the period was unrestricted:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grant from parent charity	308,678	730,002
Expenditure on charitable activities	(336,405)	(765,942)
Net income	<u>(27,727)</u>	<u>(35,940)</u>
Fund balances brought forward	126,350	162,289
Fund balances carried forward	<u><u>105,580</u></u>	<u><u>126,350</u></u>

**WSET Americas**

	<b>2021</b>	<b>2020</b>
Grant from parent charity	-	889,281
Expenditure on charitable activities	568,365	(855,610)
Net income	<u>568,365</u>	<u>33,761</u>
Translation adjustment	15,745	-
Fund balances brought forward	33,671	-
Fund balances carried forward	<u><u>617,781</u></u>	<u><u>33,671</u></u>

The Charity owns the whole of the share capital of WSET Americas Inc, a charitable (non-profit private foundation) company registered in New York with number 45-98-81 which was incorporated on 21<sup>st</sup> July 2016. The principal aims of this subsidiary charity are to support the growing market in North and South America. It is 100% owned by the Wine and Spirit Education Trust.

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

<b>10. STOCKS</b>	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
<b>Stocks consist of:</b>				
Wines and spirits	190,335	226,818	190,335	226,818
Books and other course materials	399,442	443,805	399,442	443,805
Other materials	9,021	58,876	9,021	58,876
Stock Provision	(50,000)	-	(50,000)	-
	<u>548,817</u>	<u>729,499</u>	<u>548,817</u>	<u>729,499</u>

The value of stock released to cost of sales in the year was £736,102 (2020: £928,311).

<b>11. DEBTORS</b>	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Trade debtors	1,610,322	1,284,203	1,255,981	1,284,203
Prepayments and accrued income	574,981	123,043	562,827	10,015
Other debtors	42,081	450,998	37,426	450,998
Service charge	41,136	159,608	-	159,608
Staff Loans	(8,879)	-	(8,879)	-
	<u>2,259,641</u>	<u>2,017,852</u>	<u>1,847,354</u>	<u>2,017,852</u>

**12. CASH AND BANK BALANCES**

The balances include £1,402,295 (2020: £1,573,325) held on short term bank deposits.

**13. CREDITORS: amounts falling due within one year**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Course fees received in advance (see note 12)	927,819	1,394,347	927,819	1,394,347
Trade creditors	1,050,362	506,886	948,321	506,886
Accruals and other creditors	1,168,418	515,022	961,118	620,721
Bank loan (secured – see note 15)	1,092,794	756,443	1,092,794	756,433
APP fees in advance	8,992	113,867	8,992	113,867
Rental income in advance	68,318	70,221	68,318	70,221
Other creditors	16,745	132,704	12,290	132,704
	<u>4,333,448</u>	<u>3,489,480</u>	<u>4,019,652</u>	<u>3,595,179</u>

WINE AND SPIRIT EDUCATION TRUST  
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

14. ANALYSIS OF DEFERRED INCOME

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Balance at 1 August	1,394,347	1,336,426	1,394,347	1,336,426
Amount released to income	(1,394,347)	(1,336,426)	(1,394,347)	(1,336,426)
Amount deferred in year	927,819	1,394,347	927,819	1,394,347
Balance at 31 July	<u>927,918</u>	<u>1,394,347</u>	<u>927,918</u>	<u>1,394,347</u>

Deferred income relates to course fees, APP fees and rental income received in advance.

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

	2021 £	2020 £
<b>Group and charity</b>		
Bank loan (secured)	17,962,356	18,514,820
Interest rate swap liability		
Long term deposits	196,835	325,439
	<u>18,159,191</u>	<u>18,840,259</u>

The bank loan is analysed as:

	2021 £	2020 £
Repayable:		
Between one and two years	631,217	1,111,876
Between two and five years	1,262,433	1,835,627
In five years or more	16,068,706	15,567,317
	<u>17,962,356</u>	<u>18,514,820</u>
Repayable within one year	1,092,794	756,433
	<u>19,055,150</u>	<u>19,271,253</u>

The charity has the following loans:

- A loan was taken out in September 2017 for £3.65 million with a final repayment schedule for November 2021. Interest is charged at 1.15% per annum over Base Rate and the loan is secured against Baden Place, Crosby Row, London, its associated assets and several cash balances.
- A loan was taken out in September 2017 for £3.4 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate and the loan is secured against International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at 1.75% per annum over Base Rate and the loan is secured against Baden Place, Crosby Row, London and its associated assets.
- A loan was taken out in September 2017 for £3 million with a final repayment schedule for September 2022. Interest is charged at an agreed fixed rate for a 60-month period and then at 1.75% per annum over Base Rate. The loan is secured against International House, 39-45 Bermondsey Street, London and its associated assets.
- A loan was taken out in September 2017 for £7 million with a final repayment schedule for September 2027. Interest is charged at an agreed fixed rate for a 60-month period and then at 1.75% per annum over Base Rate. The loan is secured against Baden Place, Crosby Row, London and its associated assets.

WINE AND SPIRIT EDUCATION TRUST  
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

16. FINANCIAL INSTRUMENTS	Group		Charity	
	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Financial assets measured at amortised cost	4,229,991	4,228,347	4,229,991	4,228,347
Financial liabilities measured at amortised cost	(21,295,034)	(21,681,047)	(21,295,034)	(21,681,047)

Financial assets measured at amortised cost comprise cash, stock, fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, deposits, fees in advance (including fee composition scheme balances), other creditors and bank loans.

17. FUNDS

GROUP	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers and Gains/losses £	Balance at 31 July 2021 £
<b>Restricted funds</b>					
Peter Hampson Memorial Fund	13,928			230	14,158
Worshipful Co. Distillers		6,000	3,850		2,150
Building Donations	208,334	-	-	(5,952)	202,382
	<u>222,262</u>	<u>6,000</u>	<u>3,850</u>	<u>(5,722)</u>	<u>218,690</u>
<b>Unrestricted funds - designated</b>					
<i>Designated</i>					
Information technology	400,000			(200,000)	200,000
Business development fund	1,251,229			253,839	1,505,068
Bursary Fund	50,000	4,590	(19,520)	14,930	50,000
Open Access Fund	50,000			-	50,000
US and Hong Kong Office	500,000			(400,000)	100,000
Property reserve	13,198,013			677,320	13,875,333
	<u>15,449,242</u>	<u>4,590</u>	<u>(19,520)</u>	<u>346,089</u>	<u>15,780,400</u>
<b>Unrestricted funds - general</b>	<u>866,728</u>	<u>16,147,763</u>	<u>(15,719,456)</u>	<u>(340,367)</u>	<u>880,410</u>
<b>Total unrestricted funds</b>	<u>16,315,970</u>	<u>16,152,353</u>	<u>(15,738,976)</u>	<u>5,722</u>	<u>16,660,810</u>
<b>Total funds</b>	<u>16,538,232</u>	<u>16,158,353</u>	<u>(15,735,126)</u>	<u>-</u>	<u>16,879,500</u>

WINE AND SPIRIT EDUCATION TRUST  
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

17. FUNDS (CONTINUED) CHARITY	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers and Gains/losses £	Balance at 31 July 2021 £
<b>Restricted funds</b>					
Peter Hampson Memorial Fund	13,928			230	
Worshipful Co. Distillers		6,000	3,850		2,150
Building Donations	208,334			(5,952)	202,382
	<u>222,262</u>	<u>6,000</u>	<u>3,850</u>	<u>(5,722)</u>	<u>218,690</u>
<b>Unrestricted funds - designated</b>					
Information technology	400,000			(200,000)	200,000
Business development fund	1,251,229			253,829	1,505,068
Bursary Fund	50,000	4,590	(19,520)	14,930	50,000
Open Access Fund	50,000	-	-	-	50,000
US and Hong Kong Office	500,000	-	-	(400,000)	100,000
Property reserve	13,198,013			677,320	13,875,333
	<u>15,449,242</u>	<u>4,590</u>	<u>(19,520)</u>	<u>346,089</u>	<u>15,780,401</u>
<b>Unrestricted funds - general</b>	<u>706,707</u>	<u>13,597,760</u>	<u>(14,069,976)</u>	<u>249,127</u>	<u>15,937,450</u>
<b>Total unrestricted funds</b>	<u>16,155,948</u>	<u>13,602,350</u>	<u>(14,069,976)</u>	<u>249,127</u>	<u>15,937,450</u>
<b>Total funds</b>	<u>16,155,948</u>	<u>13,608,350</u>	<u>(14,066,126)</u>	<u>243,405</u>	<u>16,156,140</u>

**Restricted Funds**

*Peter Hampson Memorial Fund* - An investment fund from which an annual scholarship is awarded.

*Building Donation Fund* - Created from donations received for the acquisition of the freehold in Bermondsey Street. It is being amortised over the 50 year life of the building.

*Worshipful Co. of Distillers* - Annual donations to be used towards courses and prizes funded in the name of the Distillers.

**Designated Funds**

*Property reserve* This represents the fund amount currently invested in the charity's property, excluding the restricted element in the Building Donation Fund and the value of the mortgage secured against the property.

*Business development fund* – This fund has been set up for use in developing new projects and business opportunities.

*Bursary fund* - To provide extra sources of financial help, which are means tested, to enable students to study for WSET programmes should they have difficulty funding themselves.

*Open Access fund* - This is used to break down barriers to learning that may encumber some students. It may be used to provide learning or examination resources.

*US and Hong Kong office* – This reserve is set aside to fund future investment in the subsidiary charities office space to support continues growth and expansion.

*Information technology* – This reserve is set aside to meet the forecast levels of spend on development of IT infrastructure.

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

<b>18. ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>Fixed assets £ 2021</b>	<b>Net current assets £ 2021</b>	<b>Long term liabilities £ 2021</b>	<b>Total £ 2021</b>
<b>Group</b>				
Restricted funds	202,382	16,308		218,690
Unrestricted fund	33,624,329	1,195,673	(18,159,191)	16,660,810
	<u>33,826,711</u>	<u>1,211,981</u>	<u>(18,159,191)</u>	<u>16,879,500</u>
<b>Charity</b>				
Restricted funds	202,382	16,308	-	218,690
Unrestricted funds	33,600,982	495,659	(18,159,191)	15,937,450
	<u>33,803,364</u>	<u>511,967</u>	<u>(18,159,191)</u>	<u>16,156,140</u>
 <b>COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>				
	<b>Fixed assets £ 2020</b>	<b>Net current assets £ 2020</b>	<b>Long term liabilities £ 2020</b>	<b>Total £ 2020</b>
<b>Group</b>				
Restricted funds	208,334	13,928	-	222,262
Unrestricted fund	33,168,808	1,987,421	(18,840,259)	16,315,970
	<u>33,377,142</u>	<u>2,001,349</u>	<u>(18,840,259)</u>	<u>16,538,232</u>
<b>Charity</b>				
Restricted funds	11,038	211,224	-	222,262
Unrestricted funds	33,317,534	1,161,458	(18,706,589)	15,772,403
	<u>33,328,572</u>	<u>1,372,682</u>	<u>(18,706,589)</u>	<u>15,994,665</u>

**19. PENSION SCHEME**

The Trust contributes towards a pension scheme for most of its employees. The scheme consists of a series of defined contribution pension arrangements. The nature of these arrangements is such that there are no unfunded liabilities. The pension funds are administered by trustees and are independent of the Trust's finances. The contributions paid for the year amounted to £455,168 (2020: £431,476).

**WINE AND SPIRIT EDUCATION TRUST**  
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**20. OPERATING LEASES**

*Income from operating leases*

As at 31 July the following income was due to the charity and group under non-cancellable operating leases:

	2021 £	2020 £
Due in less than one year	802,184	898,656
Due in two to five years	2,424,246	2,267,744
	<u>3,226,431</u>	<u>3,166,400</u>

Baden Place, Crosby Row was purchased in September 2018 by the Trust as an investment. Of the total area of 25,332 square feet WSET has been occupying 10,952 square feet since August 2019. The remaining space of 14,380 sq ft is in rentable condition and was let for the full year with the exception of Unit 4 which has been empty since August 2019. The investments returned a rental of £899k in the year ended 31st July 2021. Rental income for the year ended 31st July 2022 is expected to be £802k and for the next four years is expected to provide an income of £2.424m. This marginal increase in rental income is reflective of the full occupancy now achieved at Baden Place.

*Operating lease expenditure*

As at 31 July 2021 the group had no annual commitments under non-cancellable operating leases.

**21. LEGAL STATUS OF THE TRUST**

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**22. RELATED PARTY TRANSACTIONS**

Three trustees (Simon McMurtrie, Susan McCraith and Michael Turner) are members and representatives of the Vintners Company, from which WSET rented premises to the sum of £nil (2020: £300) during the year.

One Trustee, Allen Gibbons, is a member of the Worshipful Company of Distillers. WSET received a payment of £nil (2020: £4,500) during the year in relation to courses, scholarships and corporate patronage.

One trustee, Troy Christensen, is CEO of Enotria Winecellars Limited from which WSET purchased wine for courses to the value of £2,990 (2020: £13,682) and from which WSET received £10,052 (£26,642) payment for courses and corporate patronage during the year. Troy was also a member of the Board of the Wine & Spirit Trade Association up to July 2021, that is a tenant of the WSET for accommodation with a rental value of £72,000 per annum (2020: £72,000 per annum).

WINE AND SPIRIT EDUCATION TRUST

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds General £	Designated £	Restricted funds £	Total 2020 £
<b>INCOME FROM:</b>					
Charitable activities:					
<i>Courses, examination fees and     Teaching aids</i>	3	13,262,917		-	13,262,917
Donations and legacies		245,459	6,640	-	252,099
Investments		14,237		-	14,327
Other trading activities	4	1,085,450		-	1,085,450
Government Grant		255,567		-	255,567
<b>Total income</b>		<u>14,863,420</u>	<u>6,640</u>	<u>-</u>	<u>14,870,060</u>
<b>EXPENDITURE ON:</b>					
Raising funds		57,735	-	-	57,735
<b>Charitable activities</b>					
Courses, examination fees and teaching aids		14,471,390	99,606	-	14,570,996
<b>Total expenditure</b>	5	<u>14,529,125</u>	<u>99,606</u>	<u>-</u>	<u>14,628,731</u>
<b>Net income / (expenditure) before transfers</b>		334,295	(92,966)	-	241,329
Transfers		(567,954)	574,758	(6,804)	-
<b>Net income</b>		<u>(233,659)</u>	<u>481,792</u>	<u>(6,804)</u>	<u>241,329</u>
Remeasurement gains / (losses) on interest rate swaps		-	-	-	-
<b>Net movement in funds</b>		<u>(233,659)</u>	<u>481,792</u>	<u>(6,804)</u>	<u>241,239</u>
Fund balances brought forward at 1 September 2019		<u>1,100,388</u>	<u>14,967,449</u>	<u>229,066</u>	<u>16,296,903</u>
<b>Fund balance carried forward At 31 July 2020</b>		<u>866,729</u>	<u>15,449,241</u>	<u>222,262</u>	<u>16,538,232</u>

WINE AND SPIRIT EDUCATION TRUST  
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

24. COMPARATIVE FUNDS ANALYSIS

FUNDS GROUP	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers and Gains/losses £	Balance at 31 July 2020 £
<b>Restricted funds</b>					
Peter Hampson Memorial Fund	14,779	-	-	(851)	13,928
Building Donations Fund	214,287	-	-	(5,953)	208,334
	<u>229,066</u>	<u>-</u>	<u>-</u>	<u>(6,804)</u>	<u>222,262</u>
<b>Unrestricted funds - designated</b>					
<i>Designated</i>					
Information technology	400,000	-	-	-	400,000
Business development fund	2,266,164	-	-	(1,014,935)	1,251,229
Bursary Fund	50,000	6,640	(13,349)	9,709	50,000
Open Access Fund	50,000	-	(83,257)	83,257	50,000
US and Hong Kong Office	500,000	-	-	-	500,000
Property reserve			-	1,496,727	13,198,012
	<u>14,967,449</u>	<u>6,640</u>	<u>(99,606)</u>	<u>574,758</u>	<u>15,449,241</u>
<b>Unrestricted funds - general</b>	<u>1,100,388</u>	<u>14,863,420</u>	<u>(14,529,125)</u>	<u>(567,954)</u>	<u>866,729</u>
<b>Total unrestricted funds</b>	<u>16,067,837</u>	<u>14,870,060</u>	<u>(14,628,731)</u>	<u>6,804</u>	<u>16,315,970</u>
<b>Total funds</b>	<u>16,926,903</u>	<u>14,870,060</u>	<u>(14,628,731)</u>	<u>-</u>	<u>16,538,232</u>
<b>FUNDS CHARITY</b>					
	<b>Balance at 1 August 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers and Gains/losses £</b>	<b>Balance at 31 July 2020 £</b>
<b>Restricted funds</b>					
Peter Hampson Memorial Fund	14,779	-	-	(851)	13,928
Building Donations Fund	214,287	-	-	(5,953)	208,334
	<u>229,066</u>	<u>-</u>	<u>-</u>	<u>(6,804)</u>	<u>222,262</u>
<b>Unrestricted funds - designated</b>					
Information technology	400,000	-	-	-	400,000
Business development fund	2,266,164	-	-	(1,014,935)	1,251,229
Bursary Fund	50,000	6,640	(16,349)	9,709	50,000
Open Access Fund	50,000	-	(83,257)	83,257	50,000
US and Hong Kong Office	500,000	-	-	-	500,000
Property reserve	11,701,285	-	-	1,496,727	13,198,012
	<u>14,967,449</u>	<u>6,640</u>	<u>(99,606)</u>	<u>574,758</u>	<u>15,449,241</u>
<b>Unrestricted funds - general</b>	<u>938,099</u>	<u>14,482,142</u>	<u>(14,529,125)</u>	<u>567,954</u>	<u>323,162</u>
<b>Total unrestricted funds</b>	<u>15,905,548</u>	<u>14,488,782</u>	<u>(14,628,731)</u>	<u>6,804</u>	<u>15,772,403</u>
<b>Total funds</b>	<u>16,134,614</u>	<u>14,488,782</u>	<u>(14,638,731)</u>	<u>0</u>	<u>15,994,665</u>

