

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

	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

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

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 29th May 2002 and again on 9th 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 9th 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

- 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 21st 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 17th 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

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

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 31st 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

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

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

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**

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, consisting of a stylized 'S' followed by a long horizontal line that tapers to the right.

**Simon McMurtrie
Chairman**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES 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 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

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

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. 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

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			
		£	£	£	£	£
INCOME FROM						
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
Total income		17,234,009		8,996	17,243,005	16,158,353
EXPENDITURE ON						
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
Total expenditure		18,439,479		2,456	18,441,935	15,742,826
Net (expenditure)/income before transfers		(1,205,470)		6,540	(1,198,930)	415,527
Transfers	17	5,555,733	(5,549,781)	(5,952)	-	-
Net (expenditure)/income		4,350,263	(5,549,781)	588	(1,198,930)	415,527
Translation adjustment		100,906	-	-	100,906	(74,259)
Net movement in funds		4,451,169	(5,549,781)	588	(1,098,024)	341,268
Investment Property Loss	8	(2,888,534)			(2,888,534)	
Fund balances brought forward at 1 August 2021	17	880,410	16,819,215	218,690	17,918,315	17,577,046
Fund balances carried forward at 31 July 2022		2,443,045	11,269,434	219,278	13,931,757	17,918,315

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) £
FIXED ASSETS			
Tangible and Intangible assets	7	15,518,685	18,507,152
Investment property	8	<u>15,011,973</u>	<u>16,358,373</u>
		30,530,658	34,865,525
CURRENT ASSETS			
Stocks	10	1,059,348	548,817
Debtors	11	2,626,533	2,259,641
Cash and bank balances		<u>841,416</u>	<u>2,736,971</u>
		4,527,297	5,545,429
CREDITORS: Amounts falling due within one year	13	<u>3,594,948</u>	<u>4,333,448</u>
NET CURRENT ASSETS		<u>932,349</u>	<u>1,211,981</u>
TOTAL ASSET LESS CURRENT LIABILITIES		<u>31,463,007</u>	<u>36,077,507</u>
CREDITORS: Amounts falling due after more than one year	15	<u>17,531,250</u>	<u>18,159,192</u>
NET ASSETS		<u>13,931,757</u>	<u>17,918,315</u>
FUNDS			
Restricted funds	17	219,278	218,690
Unrestricted funds			
<i>Designated funds</i>	17	11,269,434	16,819,215
<i>General funds</i>	17	<u>2,443,045</u>	<u>880,410</u>
TOTAL FUNDS		<u>13,931,757</u>	<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) £
FIXED ASSETS			
Tangible and Intangible assets	7	15,517,036	18,483,805
Investment property	8	<u>15,011,973</u>	<u>16,358,373</u>
		30,529,009	34,842,178
CURRENT ASSETS			
Stocks	10	1,059,348	548,817
Debtors	11	3,221,879	3,373,487
Cash and bank balances		<u>408,946</u>	<u>2,135,447</u>
		4,690,173	6,057,751
CREDITORS: Amounts falling due within one year	13	<u>3,483,049</u>	<u>4,019,652</u>
NET CURRENT ASSETS		<u>1,207,124</u>	<u>2,038,099</u>
TOTAL ASSET LESS CURRENT LIABILITIES		<u>31,736,133</u>	<u>36,880,277</u>
CREDITORS: Amounts falling due after more than one year	15	<u>17,531,251</u>	<u>18,159,191</u>
NET ASSETS		<u>14,204,882</u>	<u>18,721,086</u>
CHARITY FUNDS			
Restricted funds	17	219,278	218,690
Unrestricted funds			
<i>Designated funds</i>	17	11,269,434	16,819,214
<i>General funds</i>	17	<u>2,716,170</u>	<u>1,683,182</u>
TOTAL CHARITY FUNDS		<u>14,204,882</u>	<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 £
Net cash inflow from operations:			
Net cash provided by operations	(a)	<u>669,408</u>	<u>1,715,611</u>
Cash flows from investing activities:			
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>
Net cash provided by/(used in) investing activities		<u>(1,439,668)</u>	<u>(1,506,014)</u>
Cash flows from financing activities:			
Bank loan repayments		(1,128,868)	(216,103)
Net cash provided by/(used in) financing activities		<u>(1,128,868)</u>	<u>(216,103)</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>841,416</u>	<u>2,740,543</u>
A RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH INFLOW FROM OPERATIONS			
		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>
Net cash inflow from operations		<u>669,408</u>	<u>1,715,611</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>	Cashflows	Other changes	At 31 July 2022
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>
Borrowings				
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
Total	<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

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

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

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

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

	2022	2021
	£	£
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>15,740,941</u>	<u>14,526,871</u>

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Investment income (Rent and service charges)	846,373	876,458
Other	<u>96,640</u>	<u>36,064</u>
	<u>943,013</u>	<u>912,522</u>

WINE AND SPIRIT EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

5. ANALYSIS OF TOTAL EXPENDITURE

	Direct staff costs	Other costs	Depreciation	Support services	Total 2022
	£	£	£	£	£
Examination and 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>

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.

	2022	2021
	£	£
Other costs include:		
Bank loan interest	494,313	471,007
Auditors' remuneration – UK	28,500	35,856
Auditors' remuneration – Hong Kong	2,591	2,288
Auditors' remuneration – US	15,957	13,973
Legal, professional and consultancy fees	286,845	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

6. STAFF COSTS

	2022	<i>2021</i>
	£	£
Salaries	5,866,004	<i>6,320,769</i>
Social security costs	639,628	<i>606,391</i>
Pension contributions	549,767	<i>489,856</i>
Other staff costs	1,871,614	<i>903,776</i>
Redundancy costs	<u>38,100</u>	<i><u>60,198</u></i>
	<u>8,965,113</u>	<i><u>8,380,990</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:

	2022	<i>2021</i>
	No.	No.
Management and administration	39	<i>35</i>
Training and education	<u>132</u>	<i><u>111</u></i>
	<u>171</u>	<i><u>146</u></i>

The number of higher paid employees was:

Taxable emoluments band:		
£60,001 - £70,000	4	<i>3</i>
£70,001 - £80,000	1	<i>1</i>
£80,001 - £90,000	1	<i>2</i>
£90,001 - £100,000	2	<i>1</i>
£100,001 - £110,000	3	<i>1</i>
£110,001 - £120,000	1	<i>1</i>
£130,001 - £140,000	1	<i>1</i>
£150,001 - £160,000	<u>1</u>	<i><u>1</u></i>
	<u>14</u>	<i><u>11</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

7. TANGIBLE AND INTANGIBLE FIXED ASSETS GROUP	Assets under construction	Freehold property	Educational & office equipment	IT systems	Total
	£	£	£	£	£
Cost					
At 1 August 2021	-	19,702,962	935,233	1,469,195	22,107,390
Additions	624,318	159,166	59,617	-	843,101
Transfers	-	(1,670,240)	-	-	(1,670,240)
At 31 July 2022	<u>624,318</u>	<u>18,191,888</u>	<u>994,850</u>	<u>1,469,195</u>	<u>21,280,251</u>
Depreciation/ amortisation					
At 1 August 2021	-	2,082,332	836,826	678,051	3,597,209
Charge for the year	-	478,451	63,197	173,591	715,239
Transfer	-	(239,401)	-	-	(239,401)
Impairment	-	1,688,519	-	-	1,688,519
At 31 July 2022	<u>-</u>	<u>4,009,901</u>	<u>900,023</u>	<u>851,642</u>	<u>5,761,566</u>
Net Book Value					
At 31 July 2022	<u>624,318</u>	<u>14,181,987</u>	<u>94,827</u>	<u>617,553</u>	<u>15,518,685</u>
At 31 July 2021	<u>-</u>	<u>17,620,630</u>	<u>95,439</u>	<u>791,083</u>	<u>18,507,152</u>
CHARITY					
	Assets under construction	Freehold property	Educational & office equipment	IT systems	Total
	£	£	£	£	£
Cost					
At 1 August 2021	-	19,702,962	811,417	1,465,534	21,979,913
Additions	624,318	159,166	59,617	-	843,101
Transfers	-	(1,670,240)	-	-	(1,670,240)
At 31 July 2022	<u>624,318</u>	<u>18,191,888</u>	<u>871,032</u>	<u>1,465,534</u>	<u>21,152,772</u>
Depreciation/ amortisation					
At 1 August 2021	-	2,082,332	738,809	674,967	3,496,108
Charge for the year	-	478,451	39,046	173,014	690,511
Transfer	-	(239,401)	-	-	(239,401)
Impairment	-	1,688,519	-	-	1,688,519
At 31 July 2022	<u>-</u>	<u>4,009,901</u>	<u>777,855</u>	<u>847,981</u>	<u>5,635,737</u>
Net Book Value					
At 31 July 2022	<u>624,318</u>	<u>14,181,987</u>	<u>93,178</u>	<u>617,553</u>	<u>15,517,036</u>
At 31 July 2021	<u>-</u>	<u>17,620,630</u>	<u>72,608</u>	<u>790,567</u>	<u>18,483,805</u>

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

	International House £	Baden Place £	Bickel's Yard £	2022 £	<i>Restated</i> 2021 £
Valuation					
At 1 August 2021	1,272,873	15,085,500	-	16,358,373	16,358,373
Transfer from fixed assets	-	-	1,430,839	1,430,839	-
Revaluation	-	(3,287,695)	399,161	(2,888,534)	-
Additions	-	111,295	-	111,295	-
At 31 July 2022	1,272,873	11,909,100	1,830,000	15,011,973	16,358,373
Historic cost					
At 31 July 2022	<u>234,059</u>	<u>14,290,176</u>	<u>1,670,240</u>	<u>16,194,475</u>	<u>14,524,235</u>
At 31 July 2021	<u>234,059</u>	<u>14,290,176</u>	<u>1,670,240</u>	<u>16,194,475</u>	<u>14,524,235</u>

WINE AND SPIRIT EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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:

	2022	<i>Restated 2021</i>
	£	£
Grant from parent charity	509,528	308,678
Total Income	356,925	526,452
Total Expenditure	<u>(1,056,561)</u>	<u>(1,153,734)</u>
Net income	(190,109)	(318,603)
Translation adjustment	(49,479)	15,790
Fund balances brought forward	<u>271,923</u>	<u>30,890</u>
Fund balances carried forward	<u>(511,510)</u>	<u>271,923</u>
Total Assets	296,848	167,900
Total Liabilities	<u>(808,358)</u>	<u>(439,823)</u>
Net Assets	<u>(511,510)</u>	<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:

	2022	<i>Restated 2021</i>
	£	£
Grant from parent charity	1,249,662	-
Total income	2,474,830	1,776,681
Total expenditure	<u>(3,073,099)</u>	<u>(2,226,088)</u>
Net income	651,398	(449,407)
Translation adjustment	<u>37,826</u>	<u>(47,851)</u>
Fund balances brought forward	<u>465,407</u>	<u>31,852</u>
Fund balances carried forward	<u>223,812</u>	<u>(465,407)</u>
Total Assets	683,275	859,086
Total Liabilities	<u>(459,462)</u>	<u>(1,234,493)</u>
Net Assets	<u>223,812</u>	<u>(465,407)</u>

WINE AND SPIRIT EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

10. STOCKS

	Group 2022	<i>Group 2021</i>	Charity 2022	<i>Charity 2021</i>
	£	£	£	£
Stocks consist of:				
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>1,059,348</u>	<u><i>548,817</i></u>	<u>1,059,348</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

	Group 2022	<i>Group 2021</i>	Charity 2022	<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>2,626,533</u>	<u><i>2,259,641</i></u>	<u>3,221,879</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

	Group 2022	<i>Group 2021</i>	Charity 2022	<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>3,594,948</u>	<u><i>4,333,448</i></u>	<u>3,483,049</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

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<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

	2022 £	<i>2021 £</i>
Group and charity		
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:

	2022 £	<i>2021 £</i>
Repayable:		
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

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

	2022	<i>2021</i>
	£	£
Financial assets measured at fair value	15,011,973	<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

	Restated <i>Balance at 1 August 2021</i> £	Incoming Resources £	Outgoing Resources £	Transfers and Gains/Losses £	Balance at 31 July 2022 £
Restricted Funds					
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>
Unrestricted fund Designated					
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
Unrestricted Funds - General	<u>880,410</u>	<u>17,234,009</u>	<u>(18,439,479)</u>	<u>2,768,105</u>	<u>2,443,045</u>
Total unrestricted funds	<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>
Total funds	<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>	Incoming Resources £	Outgoing Resources £	Transfers and Gains/Losses £	Balance at 31 July 2022 £
Restricted Funds					
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>
Unrestricted fund Designated					
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
Unrestricted Funds - General	<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>
Total unrestricted funds	<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>
Total funds	<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

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
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

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:

	2022	2021
	£	£
Due in less than one year	804,930	802,184
Due in two to five years	<u>1,676,511</u>	<u>2,424,246</u>
	<u>2,481,441</u>	<u>3,226,430</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 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.

	Unrestricted		Restricted	Total Funds
	General	Designated	£	£
	£	£		
Balance as stated at 31 July 2020	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)
Restated balance at 31 July 2020	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

	Original	Restated
	£	£
Fixed Assets		
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
Current Assets		
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
Creditors		
Amounts Falling Due Within One Year	<u>4,333,448</u>	<u>4,333,448</u>
Net Current Assets	1,211,981	1,211,981
Total Assets Less Current Liabilities	35,038,692	36,077,506
Creditors		
Amounts falling due after more than one year	<u>18,159,191</u>	<u>18,159,191</u>
Net Assets	16,879,500	17,918,315
Funds		
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>16,879,500</u>	<u>17,918,315</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)

	Original	Restated
	£	£
Fixed Assets		
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
Current Assets		
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
Creditors		
Amounts Falling Due Within One Year	<u>4,019,652</u>	<u>4,019,652</u>
Net Current Assets	511,967	2,038,099
Total Assets Less Current Liabilities	34,315,331	36,880,277
Creditors		
Amounts falling due after more than one year	<u>18,159,191</u>	<u>18,159,191</u>
Net Assets	16,156,140	18,721,086
Funds		
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>16,156,140</u>	<u>18,721,086</u>

23. PRIOR YEAR ADJUSTMENTS (continued)

Restated SOFA

	Unrestricted Funds		Restricted Funds	
	Original £	Restated £	£ Original £	£ Restated £
Income from				
Charitable Activities				
Courses, Examination Fees and Teaching Aids	14,526,871	14,526,871	-	-
Income from Generated Funds				
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	-	-
Total Income	<u>16,152,353</u>	<u>16,152,353</u>	<u>6,000</u>	<u>6,000</u>
Expenditure on				
Raising Funds	116,705	116,705	-	-
Charitable Activities:				
Courses, Examination Fees and Teaching Aids	15,622,271	15,622,271	3,850	3,850
Total Expenditure	<u>15,738,976</u>	<u>15,738,976</u>	<u>3,850</u>	<u>3,850</u>
Net Income and Net Movement in Year	413,377	413,377	2,150	2,150
Transfer Between Funds	5,722	5,722	(5,722)	(5,722)
Net Income	419,080	419,080	(3,572)	(3,572)
Foreign Exchange Gain/Loss	<u>(74,260)</u>	<u>(74,258)</u>	<u>-</u>	<u>-</u>
Net Movement in Funds	<u>344,840</u>	<u>344,841</u>	<u>(3,572)</u>	<u>(3,572)</u>
Reconciliation of Funds				
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 & 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%.