

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

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WINE AND SPIRIT EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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

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 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 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 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.

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

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FOR THE YEAR ENDED 31 JULY 2025

- 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 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.

On 1st 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.

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

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

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FOR THE YEAR ENDED 31 JULY 2025

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

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

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**

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

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

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

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).

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

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
INCOME FROM						
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
Total income		22,532	-	126	22,658	22,947
EXPENDITURE ON						
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
Total expenditure		21,343	-	7	21,350	23,176
Net income (expenditure) before transfers		1,189	-	119	1,308	(229)
Transfers	18	(688)	688	-	-	-
Net income/(expenditure)		501	688	119	1,308	(229)
Translation adjustment		(41)	-	-	(41)	(207)
Net movement in funds		460	688	119	1,267	(436)
Investment Property Loss	8	-	(744)	-	(744)	(2,065)
Fund balances brought forward at 1 August 2024	18	3,639	4,771	24	8,434	10,935
Fund balances carried forward at 31 July 2025		4,099	4,715	143	8,957	8,434

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

	2025	2024
	£'000	£'000
Net cash inflow from operations:		
Net cash provided by operations	(a) <u>3,031</u>	<u>3,443</u>
Cash flows from investing activities:		
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>
Net cash used in investing activities	<u>(2,607)</u>	<u>(4,260)</u>
Cash flows from financing activities:		
Loan repayments	(577)	(622)
Bank loan drawdown	-	1,329
Finance lease	-	613
Net cash provided by financing activities	<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><u>2,146</u></u>	<u><u>2,299</u></u>

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

	2025	2024
	£'000	£'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
Cash and cash equivalents				
Cash	2,299	(153)	-	2,146
	2,299	(153)	-	2,146
Borrowings				
Debt due within one year	19,849	119	(576)	19,392
Debt due after one year	430	(696)	576	310
	20,279	(577)	-	19,702
Total	(17,980)	424	-	(17,556)

WINE AND SPIRIT EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

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

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

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

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

4. OTHER TRADING ACTIVITIES

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

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

ANALYSIS OF TOTAL EXPENDITURE COMPARATIVE FOR 2024

	Direct Staff Costs	Other Costs	Depreciation	Support Services	Total
	£'000	£'000	£'000	£'000	£'000
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
Total expenditure	5,893	5,057	1,223	11,003	23,176

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

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

6. STAFF COSTS

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

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

The average number of employees was:

	2025	2024
	No.	No.
Management and administration	42	44
Training and education	141	148
	183	192

The number of higher paid employees was:

Taxable emoluments band:

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

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

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

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

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

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

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

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 17th 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:

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

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

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

12. INVENTORIES

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

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

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

14. CREDITORS

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

15. ANALYSIS OF DEFERRED COURSE FEES

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

WINE AND SPIRIT EDUCATION TRUST
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16. Borrowings

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

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17. FINANCIAL INSTRUMENTS

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

Financial assets measured at fair value comprise of investment properties.

18. FUNDS – GROUP

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

**WINE AND SPIRIT EDUCATION TRUST
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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
Endowment & Restricted Funds					
Merendino Foundation Endowment fund	-	118	-	-	118
Restricted Funds					
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>
Unrestricted Fund					
Designated					
Property Reserve	4,771	-	-	(56)	4,715
	4,771	-	-	(56)	4,715
General	<u>4,764</u>	<u>19,953</u>	<u>(18,704)</u>	<u>(751)</u>	<u>5,262</u>
Total unrestricted funds	<u>9,535</u>	<u>19,953</u>	<u>(18,704)</u>	<u>(807)</u>	<u>9,977</u>
Total Funds	<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
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Net Current Assets	Long Term Liabilities	Total
	£'000	£'000	£'000	£'000
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:

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