

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

BOYDELL & CO

Chartered Accountants  
146B Chiswick High Road  
London  
W4 1PU

Charity number: 1165766  
Company number: 09732439

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INTERNATIONAL FEDERATION OF AROMATHERAPISTSCOMPANY INFORMATION

EXECUTIVE COMMITTEE	Andrea Hood – resigned 9.6.19 Clare Elizabeth Ella – resigned 9.6.19 Caroline Wayte Carol-Ann Barrett – resigned 9.6.19 Gareth Hughes – Kate Rourke – resigned 9.6.19 Kim Wooldridge Tracee Cossey -appointed 9.6.19 Pavan Hunjan -appointed 9.6.19 Kim Lahiri – appointed 9.6.19 Martyn Yates – appointed 9.6.19
COMPANY SECRETARY	Josie Donaldson – resigned 5.4.19 Graham Hedley – appointed 9.6.19
COMPANY NUMBER	09732439
CHARITY NUMBER	1165766
CHARITY OFFICES	146 South Ealing Road London W5 4QL
INDEPENDENT EXAMINER	Malcolm Barry Boydell FCA Chartered Accountant 146B Chiswick High Road London W4 1PU

## INTERNATIONAL FEDERATION OF AROMATHERAPISTS

### REPORT OF THE EXECUTIVE COMMITTEE

#### FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees, who are also directors of the charitable company for the purposes of the Companies Act, submit their annual report and the independently examined financial statements of the charitable company for the year ended 31 December 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: 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 2015).

#### PURPOSES AND AIMS

The charity had been operating for many years as an unincorporated entity (charity reg. number 327290) but these activities were taken over by the new charitable company from 1 April 2016. The assets and liabilities of the unincorporated charity were taken over on this date. The company was incorporated (company number 09732439) on 13 August 2015 and registered with the Charity Commission (reg. number 1165766) on 25 February 2016. The charitable company is governed by its Memorandum and Articles of Association.

There are currently 7 members of the charitable company. All members agree to contribute £1 in the event of the company winding up.

The objects of the Federation are the preservation of health by advancing the knowledge, practice of and expertise in aromatherapy by education, teaching, research and training.

The chair of the Trustees is nominated and elected by the Board of Directors at the first council meeting after the AGM. New members are nominated by the Trustees and selected for appointment by the Trustees.

New Trustees undergo a period of induction to brief them of their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association and the decision-making processes.

#### RISK MANAGEMENT

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.



## INTERNATIONAL FEDERATION OF AROMATHERAPISTS

### REPORT OF THE EXECUTIVE COMMITTEE

#### FOR THE YEAR ENDED 31 DECEMBER 2019

### ACTIVITIES

The charity's main activities and the organisations it tries to help are described below. All our charitable activities are focused on providing learners with the skills and qualifications necessary to attain employment or to continue into further/higher education, where they can add to their skills and knowledge. The IFA's charitable activities are undertaken in order to further advance Aromatherapy education for the benefit of the public.

During the year, the IFA have been collaborating with another UK charity, 'Sense UK', in order to promote and teach Aromatherapy to the line managers of care centres. This training programme has now been completed and incorporated within their workplace. Due to its success, the results of this training has spread into different counties across the UK. The usual Christmas donation to 'Crisis' Homeless has been increased in an attempt to support the rise in visitors.

Aromatherapy massage treatments were on offer and given over a two week period benefiting many individuals.

The IFA also launched its new website which brings a whole host of benefits to service users and the public. Focused on the service user and learner experience, it is mobile friendly with advanced search features and offers additional information and guidance so that aromatherapy is presented in an informed and uniform voice.

We have created a new research filter and dedicated a section of the website to promote scientific research applicable to aromatherapy and its practice. Ancient history has provided anecdotal evidence of the therapeutic use of essential oils but, in the last few decades, increasing scientific research has evidenced and substantiated their health benefits. The objective evidence base which supports aromatherapy comprises clinical trials, case histories, clinical audits and also patient reported outcome data. The amount of such research, and the media profile of some studies has led to a high level of public confidence in the efficacy of aromatherapy, especially in the areas of mental health, back pain, cancer and palliative care. Research Guidelines have been updated and promoted in order to assist researchers to conduct trials worthy of academic publication. Case history templates have been revised and MYMOP/MYCAW tools have been incorporated in order to build on the IFA's case history bank.

## INTERNATIONAL FEDERATION OF AROMATHERAPISTS

### REPORT OF THE EXECUTIVE COMMITTEE

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### ACTIVITIES ( Continued)

The IFA have applied for its register to be accredited by the Professional Standards Authority (PSA). The Professional Standards Authority is an independent body accountable to Parliament and oversees, together with the UK's nine statutory health and care regulatory bodies, including the General Medical Council and Nursing and Midwifery Council. PSA launched its Accredited Register programme under the Health and Social Care Act 2012, in order to accredit voluntary registers of professionals working in a variety of health and social care occupations that are not currently statutorily regulated, such as aromatherapy. In preparation for our application the IFA have reviewed its regulatory policies and procedures and expanded support for registrant's continual professional development for the safety of the public. Guidelines have been developed for safety, safeguarding, social and environmental issues.

During this period the IFA have increased its Committee member numbers and currently have 48 Committee members dedicated to the development and delivery of qualifications with more than 25 individuals dedicated specifically to quality assurance. Collectively, the team have a wide spectrum of experience and expertise including, Doctors, Ofsted inspectors, solicitors, head teachers, quality assurance assessors, NHS nurses, forensic nurse examiners etc.

The IFA Education Committee continue to update all course syllabi. The Aromacare Manual which has now been translated in Japanese, Chinese and Korean has enabled the IFA to help carers worldwide to incorporate aromatherapy into their homes, hospitals and hospices.

A variety of future charitable projects are currently in the planning stage, including training days offered to a domestic abuse charity and also a hospice.

#### FINANCIAL REVIEW

The charity recorded a surplus of £ 71,161 for the year (2018 £ 78,683) resulting in total reserves of £749,473 at 31 December 2019. All reserves are unrestricted.

#### RESERVES POLICY

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level, which equates to approximately three months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs



INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also the directors of the International Federation of Aromatherapists for the purposes of company law) are responsible for preparing the Trustee's annual 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 incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and 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 company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS cont.

In accordance with company law, as the charitable company Trustees, we certify that:

- so far as we are aware, there is no relevant information of which the charitable company's independent examiners are unaware; and
- as the Trustees of the charitable company has taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's independent examiner is aware of that information.

INDEPENDENT EXAMINER

The trustees consider that for the year ended 31 December 2019 the company was entitled to exemption from a statutory audit under section 477 of the Companies Act 2006. Under the provisions of the Act, the directors have appointed Mr Malcolm Barry Boydell FCA, as Independent Examiner.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE TRUSTEES:



17 MAY 2020

146 South Ealing Road  
London  
W5 4QJ



INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES  
ON THE UNAUDITED ACCOUNTS OF  
INTERNATIONAL FEDERATION OF AROMTHERAPISTS  
(A COMPANY LIMITED BY GUARANTEE)  
FOR THE YEAR ENDED 31 DECEMBER 2019

I report on the accounts of the company for the year ended December 2019, which are set out on pages 7 to 14.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

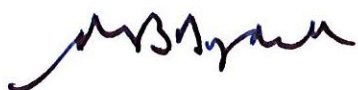
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
  - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - (b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 386 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of to be reached.



Malcolm Barry Boydell FCA  
 Chartered Accountant  
 89 Chiswick High Road  
 London W4 2EF

3/6/2020

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

Note	<u>2019</u>	<u>2018</u>
<u>Incoming Resources</u>		
Membership	250,912	200,211
Magazine	6,372	5,392
Booklets and leaflets	8,026	7,819
Examinations	146,682	111,774
Registration of schools	45,755	35,260
Workshops	15,645	24,130
China conference	-	88,358
UK conference	2,115	-
Total incoming resources	<u>475,507</u>	<u>472,944</u>
Resources Expended		
Cost of generating funds:		
Fundraising expenses	-	-
Charitable expenditure:		
Direct Charitable		
Expenditure	2      116,222	115,104
Management and		
Administration	3      288,124	279,157
Total resources expended	<u>404,346</u>	<u>394,261</u>
Net surplus for the year	71,161	78,683
Fund balances brought forward	678,312	599,629
Fund balances carried forward	<u>£ 749,473</u>	<u>£ 678,312</u>

The notes on pages 10 to 15 form an integral part of these financial statements

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

BALANCE SHEET AT 31 DECEMBER 2019

	Note	2019	2018
FIXED ASSETS	7		
Tangible assets		351,036	358,667
CURRENT ASSETS			
Debtors and prepayments	9	4,599	6,606
Cash at bank		413,018	366,073
		<u>417,617</u>	<u>372,679</u>
CREDITORS: amounts falling due within one year	8	(19,180)	(53,034)
		<u>398,437</u>	<u>319,645</u>
NET ASSETS		<u>£ 749,473</u>	<u>£ 678,312</u>
Represented by:			
UNRESTRICTED FUNDS		749,473	678,312
		<u>£ 749,473</u>	<u>£ 678,312</u>

For the financial period ended 31 December 2019 the company was entitled to exemption from audit under section 477 [small company exemption] Companies Act 2006; and no notice has been deposited under section 476 [member or members requesting an audit].

The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s. 386 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Trustees on 17 May 2020.



The notes on pages 10 to 15 form an integral part of these financial statements.



INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF CASH FLOWS

	Note	£
Cash used in operations	6	46,945
		-----
Cash flows from investing activities:		
Interest income		-
		-----
Cash provided by (used in) investing activities		46,945
Cash used in financing activities		-
		-----
Increase (decrease) in cash and cash equivalents in the year		46,945
		-----
Cash and cash equivalents transferred on 1 January 2019		£ 366,073
		-----
Total cash and cash equivalents on 31 December 2019		£ 413,018
		-----

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 2015) – (Charities SORP (FRS 102) and the Companies Act 2006.

The International Federation of Aromatherapists meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Transition to FRS 102

No restatement of items has been required in making the transition to FRS 102.

Tangible fixed assets

Long leasehold buildings are depreciated at an annual rate of 2% on a straight line basis.

Value Added Tax

Value Added Tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

Unrestricted Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

INTERNATIONAL FEDERATION OF AROMATHERAPISTSNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 DECEMBER 20192. DIRECT CHARITABLE EXPENDITURE

	<u>2019</u>	<u>2018</u>
	£	£
Translation costs	21,664	20,645
Magazines	13,056	13,256
Booklets, leaflets and directories	4,199	3,893
Exhibitions and meetings	13,706	1,457
Examinations	57,572	24,774
Miscellaneous costs	-	1,181
China conference costs	-	33,818
UK conference costs	208	-
Workshop costs	3,008	10,719
Charity projects	2,809	5,361
	<u>£ 116,222</u>	<u>£ 115,104</u>



INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3. MANAGEMENT AND ADMINISTRATION EXPENDITURE

	2019	2018
	£	£
Salary costs	178,009	164,255
Staff training and recruitment	747	265
Office heating, lighting and council tax	6,353	6,971
Office telephone and internet	4,957	5,928
New website	(5,000)	9,936
Postage, printing and stationery	39,308	41,050
Travel, accommodation and council expenses	4,755	5,134
Property service charges and insurance	1,947	2,321
Advertising	1,386	1,755
Bank charges	9,114	10,125
Book-keeping and accountancy	2,732	4,990
Professional Standards Authority	13,580	-
Other associations	1,068	468
Independent examiner's fee	3,600	3,450
Repairs	6,765	5,655
Computers and IT maintenance	5,952	4,527
Depreciation – leasehold property	7,631	7,631
Trademarks	-	886
Photocopier rental	5,220	3,810
	<hr/> £ 288,124 <hr/>	<hr/> £ 279,157 <hr/>

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4. OPERATING SURPLUS

Operating surplus is shown after charging

	2019 £	2018 £
Staff costs	£ 178,009	£ 164,255
Depreciation on tangible fixed assets	£ 7,631	£ 7,631

5. STAFF COSTS

	£	£
Wages and salary	149,935	134,154
Social security costs	12,033	13,740
Pension costs	16,041	16,361
	<u>£ 178,009</u>	<u>£ 164,255</u>

As a charity, no Trustee received any remuneration during the year in their capacity as a trustee.  
No employee received remuneration in excess of £60,000.

The average weekly number of staff employed by the charity during the year was as follows:-

Administrative work	1
Direct charitable work	4

6. Reconciliation of surplus to net cash inflow from operating activities

Net surplus for the year	71,161
Depreciation	7,631
(Increase)/decrease in debtors	2,007
Increase/ (decrease) in creditors	(33,854)
Net cash inflow from operating activities	<u>£ 46,945</u>

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7. TANGIBLE FIXED ASSETS

	Leasehold Property £
<b>COST</b>	
As at 1 January 2019	381,560
Additions/disposals	-
As at 31 December 2019	<u>381,560</u>
<b><u>DEPRECIATION</u></b>	
As at 1 January 2019	22,893
Charge for the period	7,631
As at 31 December 2019	<u>30,524</u>
<b>NET BOOK VALUE</b>	
As at 31 December 2019	£ 351,036
As at 31 December 2018	<u>£ 358,667</u>

8. CREDITORS: Amounts falling due within one year

	<u>31.12.19</u>	<u>31.12.18</u>
Other creditors	4,570	30,773
Accruals	8,686	14,443
Social security and other taxes	5,924	7,818
	<u>£ 19,180</u>	<u>£ 53,034</u>

9. DEBTORS

	<u>31.12.19</u>	<u>31.12.18</u>
Prepayments	614	6,606
Other debtors	3,985	-
	<u>£ 4,599</u>	<u>£ 6,606</u>