

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

BOYDELL & CO

Chartered Accountants

89 Chiswick High Road

London

W4 2EF

Charity number: 1165766
Company number: 09732439

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INTERNATIONAL FEDERATION OF AROMATHERAPISTSCOMPANY INFORMATION

EXECUTIVE COMMITTEE	Andrea Hood Colleen O'Flaherty-Hilder Clare Elizabeth Ella Napalai Cain Kathleen Savage Susan Mumford Caroline Wayte
COMPANY SECRETARY	Josie Donaldson
COMPANY NUMBER	09732439
CHARITY NUMBER	1165766
CHARITY OFFICES	146 South Ealing Road London W5 4QL
INDEPENDENT EXAMINER	Malcolm Barry Boydell FCA Chartered Accountant 89 Chiswick High Road London W4 2EF

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017.

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, each of whom agrees to contribute £1 in the event of the company winding up. The charity operates from a new premises with a long lease which was purchased by the company in September 2015 and which had to undergo major refurbishment to bring it to its current high standard.

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 Trustees at 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 2017

ACTIVITIES

This has been another year where the IFA has made great inroads into actively contributing to the health and wellness programmes of communities both in the UK and overseas.

We have increased our ties with the NHS via our already established and successful Aromatherapy Diploma and Aromatouch training for Carers. Knowsley Council have continued their support of Aromatherapy by training carers – dementia and children with special requirements – in Aromatouch as they have now had several years to see the beneficial ripple effect the training is having on the wider community.

During the Mental Health Awareness Week we were actively engaged with other charities promoting the therapeutic benefits of Aromatherapy in this field which is now documented in research.

Our teacher training in Asia, Hong Kong, China and Taiwan has increased exponentially introducing Aromatherapy to care homes for the elderly in these countries.

Our Conference in June carried the theme of Aromatherapy and Preventative Healthcare. It attracted international speakers and was well attended by both aromatherapists and delegates from different fields of Complimentary Alternative Medicine (CAM) interested in a subject that is becoming increasingly important for the future health of our communities.

We also contributed to the following charities:

NHS Mental Health Sycamore Lodge
Crisis
NHS Mind Gloucester
Copa Aromatherapy with Rehabilitation
Dementia/Alzheimers Association

FINANCIAL REVIEW

The activities of the unincorporated charity were taken over by the new charitable company on 1 April 2016 and the comparative figures relate to activities between 1 April 2016 and 31 December 2016. The charity recorded a surplus of £ 72,569 for the period resulting in total reserves of £ 599,629 at 31 December 2017. All reserves are unrestricted.

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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 2017

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 2017 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:



.....
Colleen O'Flaherty-Hilder
28th April 2018

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 2017

I report on the accounts of the company for the year ended December 2017, 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
 28th April 2018

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

Note	Year ended 31.12.17	Period 1.4.16 to 31.12.16
	£	£
<u>Incoming Resources</u>		
Membership	228,867	90,054
Magazine	7,516	6,551
Booklets and leaflets	6,323	4,366
Examinations	137,392	102,992
Registration of schools	31,432	28,136
Other income	4,365	2,608
Workshops	27,132	13,988
UK conference	21,863	-
Total incoming resources	464,890	248,695
Resources Expended		
Cost of generating funds:		
Fundraising expenses	-	-
Charitable expenditure:		
Direct Charitable		
Expenditure	2 123,916	81,057
Management and		
Administration	3 268,405	167,350
Total resources expended	392,321	248,407
Net surplus for the year	72,569	288
Fund balances brought forward	527,060	526,772
Fund balances carried forward	£ 599,629	£ 527,060

The notes on pages 9 to 14 form an integral part of these financial statements

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

BALANCE SHEET AT 31 DECEMBER 2017

	Note	2017	2016
FIXED ASSETS	7		
Tangible assets		366,298	373,929
CURRENT ASSETS			
Debtors and prepayments	9	30,627	21,683
Cash at bank		251,941	158,631
		<u>282,568</u>	<u>180,314</u>
CREDITORS: amounts falling due within one year	8	(49,237)	(27,183)
		<u>233,331</u>	<u>153,131</u>
NET ASSETS		<u>£ 599,629</u>	<u>£ 527,060</u>
Represented by:			
UNRESTRICTED FUNDS		599,629	527,060
		<u>£ 599,629</u>	<u>£ 527,060</u>

For the financial period ended 31 December 2017 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 28th April 2018.



.....
Colleen O'Flaherty-Hilder



.....
Caroline Wayte

The notes on pages 9 to 14 form an integral part of these financial statements.

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF CASH FLOWS

	Note	£
Cash used in operations	6	93,310

Cash flows from investing activities:		
Interest income		-

Cash provided by (used in) investing activities		93,310
Cash used in financing activities		-

Increase (decrease) in cash and cash equivalents in the year		93,310

Cash and cash equivalents transferred on 1 January 2017		£ 158,631

Total cash and cash equivalents on 31 December 2017		£ 251,941

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2. DIRECT CHARITABLE EXPENDITURE

	Year ended 31.12.17	Period 1.4.16 to 31.12.16
	£	£
Translation costs	16,367	16,605
Magazines	13,243	13,905
Booklets, leaflets and directories	717	520
Exhibitions and meetings	2,206	2,248
Examinations	58,201	45,461
Miscellaneous costs	1,726	2,318
UK conference costs	16,322	-
Workshop costs	9,544	-
Charity projects	5,590	-
	<hr/> £ 123,916 <hr/>	<hr/> £ 81,057 <hr/>

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3. MANAGEMENT AND ADMINISTRATION EXPENDITURE

	Year ended 31.12.17	Period 1.4.16 to 31.12.16
	£	£
Salary costs	153,673	97,225
Staff training and recruitment	1,514	-
Office heating, lighting and council tax	6,443	5,651
Office telephone and internet	6,762	3,999
Postage, printing and stationery	35,369	26,397
Travel, accommodation and council expenses	5,005	5,693
Property service charges and insurance	2,504	2,494
Advertising	780	-
Bank charges	9,306	7,168
Book-keeping and accountancy	3,400	2,250
Professional fees	752	1,100
Independent examiner's fee	3,300	3,150
Repairs	12,690	2,978
Computers and IT maintenance	5,824	1,614
Depreciation – leasehold property	7,631	7,631
Trademarks	4,678	-
Photocopier rental	8,774	-
	<hr/> £ 268,405 <hr/>	<hr/> £ 167,350 <hr/>

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4. OPERATING SURPLUS

Operating surplus is shown after charging

	Year ended 31.12.17 £	Period 1.4.16 to 31.12.16 £
Staff costs	£ 153,673	£ 97,225
Depreciation on tangible fixed assets	£ 7,631	£ 7,631
	_____	_____
5. <u>STAFF COSTS</u>	£	£
Wages and salary	130,489	83,378
Social security costs	13,562	9,097
Pension costs	9,622	4,750
	_____	_____
	£ 153,673	£ 97,225
	_____	_____

As a charity, no Trustee received any remuneration during the year in their capacity as a trustee. During the year one employee received emoluments 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	3

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

Net surplus for the year	72,569
Depreciation	7,631
(Increase)/ decrease in debtors	(8,944)
Increase/ (decrease) in creditors	22,054

Net cash inflow from operating activities	£ 93,310

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7. TANGIBLE FIXED ASSETS

	Leasehold Property £
COST	
As at 1 January 2017	381,560
Additions/disposals	-
As at 31 December 2017	<u>381,560</u>
DEPRECIATION	
As at 1 January 2017	7,631
Charge for the period	7,631
As at 31 December 2017	<u>15,262</u>
NET BOOK VALUE	
As at 31 December 2017	£ 366,298
As at 31 December 2016	<u>£ 373,929</u>

8. CREDITORS: Amounts falling due within one year

	<u>31.12.17</u>	<u>31.12.16</u>
Other creditors	34,086	16,225
Accruals	7,633	6,203
Social security and other taxes	7,518	4,755
	<u>£ 49,237</u>	<u>£ 27,183</u>

9. DEBTORS

	<u>31.12.17</u>	<u>31.12.16</u>
Accrued income	574	8,529
Prepayments	27,130	8,373
Other debtors	2,923	4,781
	<u>£ 30,627</u>	<u>£ 21,683</u>