

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

BOYDELL & CO  
Chartered Accountants  
146B Chiswick High Road  
London  
W4 1PU

Charity number: 1165766  
Company number: 09732439

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INTERNATIONAL FEDERATION OF AROMATHERAPISTS

COMPANY INFORMATION

EXECUTIVE COMMITTEE	<p>Andrea Hood            Colleen O’Flaherty-Hilder – resigned 28.4.18            Clare Elizabeth Ella            Napalai Cain – resigned 28.4.18            Kathleen Savage - resigned 28.4.18            Susan Mumford – resigned 28.4.18            Caroline Wayte            Carol-Ann Barrett – appointed 28.4.18            Gareth Hughes – appointed 28.4.18            Kate Rourke – appointed 28.4.18            Kim Wooldridge – appointed 28.4.18</p>
COMPANY SECRETARY	Josie Donaldson
COMPANY NUMBER	09732439
CHARITY NUMBER	1165766
CHARITY OFFICES	<p>146 South Ealing Road            London            W5 4QL</p>
INDEPENDENT EXAMINER	<p>Malcolm Barry Boydell FCA            Chartered Accountant            146B Chiswick High Road            London            W4 1PU</p>

## INTERNATIONAL FEDERATION OF AROMATHERAPISTS

### REPORT OF THE EXECUTIVE COMMITTEE

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018.

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 2018

### ACTIVITIES

This year has been very productive for the IFA. We have collaborated with Po Leung Kuk charity for the elderly through our Aromacare programme. This was combined with a specialised conference in Hong Kong to improve the knowledge of integrated health within the health system. With the help of the care homes we made a challenge to the Guinness World Records for the most people (elderly) receiving a hand massage simultaneously and won the competition. The total being 296. The publicity has benefited the whole community and brought together like-minded individuals. Further projects with IFA charity support have taken place in Japan, UK and China throughout the year.

During the year we have been working with other UK charities to promote and teach Aromatherapy to the line manager of the care centres. This programme, due to its success, has spread into different counties across the UK. We foresee the project being carried forward into 2019.

We were very busy this year during the Aromatherapy Awareness Week, actively engaging with the NHS dementia homes, promoting the benefits of Aromatherapy. We also support and work alongside the different NHS programmes during Carer Week, to reinforce the benefits of Aromatherapy as a tool for preventative care.

The IFA Education Committee are continuously working on new health and safety regulations and updating and evaluating new research which is being conducted within our field.

### FINANCIAL REVIEW

The charity recorded a surplus of £ 78,683 for the year (2017 £ 72,569) resulting in total reserves of £678,312 at 31 December 2018. 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 2018

#### 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 2018

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 2018 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:



Clare Elizabeth Ella

08<sup>th</sup> June 2019

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 2018

I report on the accounts of the company for the year ended December 2018, 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



INTERNATIONAL FEDERATION OF AROMATHERAPISTS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

Note	<u>2018</u>	<u>2017</u>
<u>Incoming Resources</u>		
Membership	200,211	228,867
Magazine	5,392	7,516
Booklets and leaflets	7,819	6,323
Examinations	111,774	137,392
Registration of schools	35,260	31,432
Other income	-	4,365
Workshops	24,130	27,132
China conference	88,358	-
UK conference	-	21,863
Total incoming resources	<u>472,944</u>	<u>464,890</u>
<u>Resources Expended</u>		
Cost of generating funds:		
Fundraising expenses	-	-
Charitable expenditure:		
Direct Charitable		
Expenditure 2	115,104	123,916
Management and		
Administration 3	279,157	268,405
Total resources expended	<u>394,261</u>	<u>392,321</u>
Net surplus for the year	78,683	72,569
Fund balances brought forward	599,629	527,060
Fund balances carried forward	<u>£ 678,312</u>	<u>£ 599,629</u>

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

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

BALANCE SHEET AT 31 DECEMBER 2018

	Note	2018	2017
FIXED ASSETS	7		
Tangible assets		358,667	366,298
CURRENT ASSETS			
Debtors and prepayments	9	6,606	30,627
Cash at bank		366,073	251,941
		<u>372,679</u>	<u>282,568</u>
CREDITORS: amounts falling due within one year	8	(53,034)	(49,237)
		<u>319,645</u>	<u>233,331</u>
NET ASSETS		<u>£ 678,312</u>	<u>£ 599,629</u>
Represented by:			
UNRESTRICTED FUNDS		678,312	599,629
		<u>£ 678,312</u>	<u>£ 599,629</u>

For the financial period ended 31 December 2018 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].

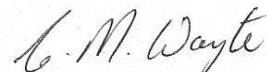
The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s. 386 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial 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 08<sup>th</sup> June 2019.



Clare Elizabeth Ella



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 2018

STATEMENT OF CASH FLOWS

	Note	£
Cash used in operations	6	114,132
		-----
Cash flows from investing activities:		
Interest income		-
		-----
Cash provided by (used in) investing activities		114,132
Cash used in financing activities		-
		-----
Increase (decrease) in cash and cash equivalents in the year		114,132
		-----
Cash and cash equivalents transferred on 1 January 2018		£ 251,941
		-----
Total cash and cash equivalents on 31 December 2018		£ 366,073
		-----

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018

2. DIRECT CHARITABLE EXPENDITURE

	<u>2018</u>	<u>2017</u>
	<u>£</u>	<u>£</u>
Translation costs	20,645	16,367
Magazines	13,256	13,243
Booklets, leaflets and directories	3,893	717
Exhibitions and meetings	1,457	2,206
Examinations	21,851	58,201
Miscellaneous costs	1,181	1,726
China conference costs	33,818	-
UK conference costs	-	16,322
Workshop costs	10,719	9,544
Charity projects	5,361	5,590
	<hr/> £ 112,181 <hr/>	<hr/> £ 123,916 <hr/>

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. MANAGEMENT AND ADMINISTRATION EXPENDITURE

	2018	2017
	£	£
Salary costs	164,255	153,673
Staff training and recruitment	265	1,514
Office heating, lighting and council tax	6,971	6,443
Office telephone and internet	15,864	6,762
New website	9,936	-
Postage, printing and stationery	41,050	35,369
Travel, accommodation and council expenses	5,134	5,005
Property service charges and insurance	2,321	2,504
Advertising	1,755	780
Bank charges	10,125	9,306
Book-keeping and accountancy	4,990	3,400
Professional fees	468	752
Independent examiner's fee	3,450	3,300
Repairs	5,655	12,690
Computers and IT maintenance	4,527	5,824
Depreciation – leasehold property	8,000	7,631
Trademarks	886	4,678
Photocopier rental	3,810	8,774
	<hr/> £ 279,526 <hr/>	<hr/> £ 268,405 <hr/>

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4. OPERATING SURPLUS

Operating surplus is shown after charging

	2018 £	2017 £
Staff costs	£ 164,255	£ 153,673
Depreciation on tangible fixed assets	£ 7,631	£ 7,631
	<hr/>	<hr/>
5. <u>STAFF COSTS</u>		
	£	£
Wages and salary	134,154	130,489
Social security costs	13,740	13,562
Pension costs	16,361	9,622
	<hr/>	<hr/>
	£ 164,255	£ 153,673
	<hr/>	<hr/>

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	3

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

Net surplus for the year	78,683
Depreciation	7,631
(Increase)/decrease in debtors	24,021
Increase/ (decrease) in creditors	3,797
	<hr/>
Net cash inflow from operating activities	£ 114,132
	<hr/>

INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. TANGIBLE FIXED ASSETS

	Leasehold Property £
<b>COST</b>	
As at 1 January 2018	381,560
Additions/disposals	-
As at 31 December 2018	<u>381,560</u>
<b><u>DEPRECIATION</u></b>	
As at 1 January 2018	15,262
Charge for the period	7,631
As at 31 December 2018	<u>22,893</u>
<b>NET BOOK VALUE</b>	
As at 31 December 2018	£ 358,667
As at 31 December 2017	<u>£ 366,298</u>

8. CREDITORS: Amounts falling due within one year

	<u>31.12.18</u>	<u>31.12.17</u>
Other creditors	30,773	34,086
Accruals	14,443	7,633
Social security and other taxes	7,818	7,518
	<u>£ 53,034</u>	<u>£ 49,237</u>

9. DEBTORS

	<u>31.12.18</u>	<u>31.12.17</u>
Accrued income	-	574
Prepayments	6,606	27,130
Other debtors	-	2,923
	<u>£ 6,606</u>	<u>£ 30,627</u>