

**International Federation of
Professional Aromatherapists**
Company limited by guarantee

**Directors' report and financial statements
for the year ended 31 March 2021**

International Federation of Professional Aromatherapists
Company limited by guarantee

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**International Federation of Professional Aromatherapists
Company limited by guarantee**

**Directors' and trustees report
for the year ended 31 March 2021**

The directors and trustees present their report and the financial statements for the year ended 31 March 2021.

Reference and administrative details

Company name: International Federation of Professional Aromatherapists

Charity registration number: 1091325

Company registration number: 04388652

Registered office: 82 Ashby Road
Hinckley
Leicestershire
LE10 1SN

Company secretary: R Morrice

Treasurer: Ms J Court

Independent examiner: Integra Accounting Limited
5 Station Road
Hinckley
Leicestershire
LE10 1AW

Bankers: HSBC Bank PLC
10 Market Place
Hinckley
Leicestershire
LE10 1NU

Directors

The directors (who are also trustees of the charity for the purpose of charity law) who served during the year are as stated below:

Ms C L Carta		Ms C Courtney	Elected 27/11/20
Ms J Foster	Resigned 27/11/20	Mrs Kazue Gill	
Ms E Charlton	Resigned 27/11/20	Mr E Cheng	
Mr G Mojay		Ms J Court	Elected 27/11/20
Mr D Wilson	Resigned 27/03/21	Ms S Teckchand	
Mr C D Vassie	Resigned 27/11/20	Ms C Benstead	Resigned 19/08/20
Ms T Nakamura	Resigned 05/06/21	Ms M Ivanova	Elected 27/11/20
Ms D Moore	Elected 27/11/20	Ms B Thomas	Elected 27/11/20

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**Directors' and trustees report
for the year ended 31 March 2021**

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Structure governance and management

The Charity was incorporated as a private company limited by guarantee on 6 March 2002. The company registration number is 04388652. The charitable company is governed by its Memorandum and Articles of Association which outline the administration, objects and powers of the charity.

The Articles provide for the governing body to be appointed from its membership by election at the annual General Meeting or Directors ("Trustees") can also be co-opted by the Board (the charity's governing body) as a vacancy arises.

It is intended, as far as possible, to maintain a broad range of skills within the Board of Trustees, covering education, management, finance and business skills.

Objectives and activities

The principal objective of the Charity is the preservation of health by advancing knowledge, practice and expertise in aromatherapy by education, teaching and training and other lawful charitable means.

The Federation's members are trained to high and exacting standards and the organisation considers itself a centre of excellence for clinical and holistic aromatherapy globally.

The activities undertaken by the Charity are in support of these objectives and include the following:

- a strong, robust accreditation system for approving and registering schools, their tutors and courses which maintain the high standards of education required by the Federation
- the awarding and ongoing review, through CPD, of a high-quality qualification gained on attaining the stringent requirements for admission to full membership and which is recognized internationally
- a high standard of practice and a qualification which is recognized by Complementary Therapy Insurers
- increasing awareness of aromatherapy including evidence based research through events, conferences, publications, and regional groups
- engagement with the wider community and peer groups including registration with the National Institute of Clinical Excellence as a consultative stakeholder.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Directors have considered how planned activities will contribute to the aims and objectives set.

**International Federation of Professional Aromatherapists
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**Directors' and trustees report
for the year ended 31 March 2021**

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Financial review

The results of the year and financial position are shown in the annexed financial statements.

The organisation reports a net profit for the year of £24,202 (2020: £36,405) and Net Assets of £282,011 (2020: £257,809) which reflects the profit.

The total income increased to £164,025 (2020: £152,721), a 7% increase on the previous year. Individual membership fees decreased by 4%, with School income decreasing by 10% to £12,801. These decreases are offset in part by a rise in conference income of £11k to £13,576.

The total expenditure increased by over £23k during the year to £139,823 (2020: £116,316) a 20% increase on the previous year. Management and administration expenses increased to £89,365 (2020: £70,337), while direct charitable expenditure decreased to £40,795 (2020: £45,808).

The Board has the following matters to report on for these financial statements:

- An Accrued and Deferred income recognition policy is now in place. Advance membership payments received at the year-end but relating to the next year are deferred for inclusion in that year's figures and membership fees received that straddle a year end are apportioned accordingly
- The figures do not include gift aid as IFPA's approach to gift aid remains under review
- The Federation owns outright the Hinckley Head Office, which in common with other fixed assets is carried in the accounts at depreciated cost.

No funds are held as custodian trustee on behalf of others, and none of the Charity's funds are restricted in their use, other than by legal and constitutional considerations.

Reserves policy

The Charity has no specific reserves policy however it currently maintains a cash reserve of £75,000, generally in line with the Ofqual recommendations in respect of reserves. This cash is held in a separate deposit account.

**International Federation of Professional Aromatherapists
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**Directors' and trustees report
for the year ended 31 March 2021**

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Achievements and performance

We are pleased to report that we have made significant strides this year to develop a strategy for IFPA that seeks to place it on a sound footing for the future. As a small organisation we have necessarily had to focus our energy and resources here, the Board feels it can make the most impact both in pursuit of IFPA's objects and the interests of its members.

In this regard the Board has begun to seek alliances and develop partnerships with kindred professional associations to try and establish a broad strategy and common language across the profession. To this end we have established a strategic partnership with the US National Association for Holistic Aromatherapy to fulfill conference requirement for our respective members. We had a very successful Beyond Aromatics livestream conference in which members enjoyed the same discounted price as NAHA members, with lifetime access to the 20-some presentations by speakers of international standing. We are planning a similar livestream event to be hosted by IFPA in partnership once again with NAHA. I am personally involved in this project and am striving to ensure a first-class opportunity for members to fulfil their continuing professional development in a way that is both up-to-the-minute informative as well as creative and enlightening.

The Board has also begun work to update and comprehensively revise the educational syllabus which provides a required minimum course structure outline for accredited training providers. We are grateful for the extensive input of leading clinical aromatherapist and IFPA Fellow Rhiannon Lewis in this process.

We continue to work towards accreditation by the UK Professional Standards Authority (UKPSA) this is a long term project that requires IFPA to reflect on and consider how best to disseminate information and interact with the general public and other stakeholders in a way that satisfies the UKPSA's standards.

We have sought to improve membership engagement in a very difficult and challenging circumstances given the pandemic restrictions that have been in place from time to time over the last 18 months. We have sought out skills and contributions to IFPA development from IFPA members.

We have also spent some time addressing core governing functions and processes including introducing policies that play a central role in the proper professional conduct of our international peer group professional body by adopting internal governance processes in line with Charity Commission Guidance. This includes a number of policies toward trustee recruitment that seek to identify the appropriate skills and competencies required to drive forward the strategic needs of the organisation.

We are grateful for the expert assistance of previous trustee Anita James in assisting us in updating and comprehensively revising our Code of Ethics and Conduct. It is still undergoing some revision and we expect it to be published in the near future.

With respect to advancing our policies and processes for offering and overseeing accreditation of international training providers, the Board has contracted IFPA member Emily Nettleton as Accreditation Officer for the Board and Education Committee.

Speaking of accreditation, we recently approved two outstanding schools, one in based in British Columbia, Canada and the other in Portugal: they are the Essence of Thyme College of Holistic Studies, led by members Colleen Thompson and Dr Kelly Ablard, and Escola de Aromaterapia Aromas and Sentidos, led by Raquel Costa.

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Directors' and trustees report
for the year ended 31 March 2021

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In terms of the Board's public relations function for which it has a Communications and PR committee, the process of updating and comprehensively revising the IFPA website has been started. We are grateful for the ongoing input of trustees Milena Ivanova and Beth Thomas in this regard.

The pandemic has had a serious impact for many members and I hope and trust they are regaining their feet with their practice and work in this beautiful healing art and therapeutic science we call aromatherapy.

Statement of Directors' responsibilities

The trustees (who are also directors of the company for the purposes of company law) are responsible for preparing the Directors' 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 directors 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 charitable company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- observe method 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 departure 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 directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board on 26 November 2021 and signed on its behalf by

G Mojay
Director

International Federation of Professional Aromatherapists
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**Independent examiner's report to the trustees on the unaudited
financial statements of International Federation of Professional Aromatherapists.**

I report on the financial statements of International Federation of Professional Aromatherapists for the year ended 31 March 2021 which are set out on pages 7 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purpose of company law) are responsible for the preparation of the accounts, the trustees consider that the audit requirement of section 43(2) of the Charities Act 2011 (the Act) does not apply and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- 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 charitable company 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;
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mrs J Carter FCCA
Integra Accounting Limited
5 Station Road, Hinckley, Leicestershire, LE10 1AW
26 November 2021

International Federation of Professional Aromatherapists
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Statement of financial activities

For the year ended 31 March 2021

		Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
	Notes				
Incoming resources					
Membership fees		125,467	-	125,467	131,091
Administration fees		1,668	-	1,668	2,160
Schools		12,801	-	12,801	14,141
Advertising		473	-	473	2,868
Conference income		13,576	-	13,576	2,310
Investment income	7	40	-	40	151
Grants received	8	10,000	-	10,000	-
Total incoming resources		<u>164,025</u>	<u>-</u>	<u>164,025</u>	<u>152,721</u>
Resources expended					
Direct charitable expenditure	9	40,795	-	40,795	45,808
Fundraising and publicity	10	9,663	-	9,663	171
Management and administration expenses of the charity	11	89,365	-	89,365	70,337
Total charitable expenditure		<u>139,823</u>	<u>-</u>	<u>139,823</u>	<u>116,316</u>
Net movement in funds		24,202	-	24,202	36,405
Reconciliation of funds					
Total funds brought forward		257,809	-	257,809	221,404
Total funds carried forward		<u><u>282,011</u></u>	<u><u>-</u></u>	<u><u>282,011</u></u>	<u><u>257,809</u></u>

The statement of financial activities includes all gains and losses recognised in the period. All incoming resources and resources expended derived from continuing activities.

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

International Federation of Professional Aromatherapists
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Balance sheet
as at 31 March 2021

		2021	2020
	Notes	£	£
Fixed assets			
Tangible assets	12	101,041	104,989
Current assets			
Debtors	13	7,772	4,335
Cash at bank and in hand		260,118	231,604
		<u>267,890</u>	<u>235,939</u>
Prepayments and accrued income		4,370	5,242
Creditors: amounts falling due within one year	14	<u>(10,616)</u>	<u>(8,848)</u>
Net current assets		<u>261,644</u>	<u>232,333</u>
Total assets less current liabilities		362,685	337,322
Accruals and deferred income		(80,674)	(79,513)
Net assets		<u>282,011</u>	<u>257,809</u>
Reserves			
Profit and loss account	15	282,011	257,809
Members' funds		<u>282,011</u>	<u>257,809</u>

The directors' statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet.

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

**International Federation of Professional Aromatherapists
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Balance sheet (continued)

**Directors' statements required by Sections 475(2) and (3)
for the year ended 31 March 2021**

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors Responsibilities

- The shareholders have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the act with respect to the accounting records and preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The accounts were approved by the board of directors and authorised for issue on 26 November 2021 and are signed on behalf of the board by:

**G Mojay
Director**

Registration number 04388652

The company is a private company limited by guarantee, registered in England. The address of the registered office is 82 Ashby Road, Hinckley, Leicestershire, LE10 1SN.

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

International Federation of Professional Aromatherapists
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Notes to the financial statements
for the year ended 31 March 2021

1. General Information

The charity is a company limited by guarantee registered in England. The Trustees are named on the directors' and trustees report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to a maximum of £10 per member of the charity. The address of the registered office is 82 Ashby Road, Hinckley, Leicestershire, LE10 1SN.

2. Statement of compliance

These have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" published in March 2005 and in the accordance with FRS102, Section 1A. The directors have taken advantage of the concessions available for smaller charities within SORP 2005 and have chosen to use resource classification appropriate to the charitable company's circumstances and activities.

3. Accounting policies

3.1. Basis of preparation

The have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

3.2. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

3.3. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. No amounts are included in the financial statements for services donated by volunteers.

International Federation of Professional Aromatherapists
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Notes to the financial statements
for the year ended 31 March 2021

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3.4. Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

3.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold property	-	2% straight line
Property improvements	-	20% reducing balance
Fixtures and fittings	-	20% reducing balance
Computer equipment	-	25% straight line

3.6. Finance and operating leases

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

3.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

3.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

4. Staff costs

The average number of persons employed by the company during the year was 3 (2020: 3).

5. Directors' remuneration

No directors received any remuneration for their services in the role during the year.

International Federation of Professional Aromatherapists
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Notes to the financial statements
for the year ended 31 March 2021

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6. Pension costs

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £433 (2020 - £426).

7. Investment income

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Interest from bank accounts	40	-	40	151
	<u>40</u>	<u>-</u>	<u>40</u>	<u>151</u>

8. Grants received

During the year a £10,000 (2020: £nil) coronavirus small business grant was received.

9. Direct charitable expenditure

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
AGM, meetings and conferences	11	-	11	5,630
In Essence production costs	33,430	-	33,430	31,212
Printing, postage and stationery	1,182	-	1,182	3,351
Computer costs	6,172	-	6,172	5,615
	<u>40,795</u>	<u>-</u>	<u>40,795</u>	<u>45,808</u>

10. Fundraising and publicity

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
PR, exhibition and shows	9,663	-	9,663	171
	<u>9,663</u>	<u>-</u>	<u>9,663</u>	<u>171</u>

International Federation of Professional Aromatherapists
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Notes to the financial statements
for the year ended 31 March 2021

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11. Management and administration expenses of the Charity

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Gross salaries and wages	37,587	-	37,587	37,755
Pension costs	433	-	433	426
Staff training	-	-	-	-
Insurance	2,811	-	2,811	2,632
Light and heat	928	-	928	1,936
Hire of equipment	1,783	-	1,783	1,978
Rates and water	331	-	331	312
Repairs and renewals	1,949	-	1,949	1,891
General expenses	775	-	775	437
Telephone	874	-	874	947
Accountancy	2,800	-	2,800	3,000
Bookkeeping costs	1,645	-	1,645	1,694
Professional fees	26,235	-	26,235	6,146
Trustees expenditure	38	-	38	492
Bank charges	5,947	-	5,947	6,149
Loss on exchange	1,281	-	1,281	-
Loss on disposal of fixed assets	-	-	-	187
Depreciation	3,948	-	3,948	4,355
	<u>89,365</u>	<u>-</u>	<u>89,365</u>	<u>70,337</u>

There are no employees receiving a salary in excess of £60,000.

Included within professional fees above is exceptional expenditure incurred during the financial year relating to a dispute with a former trustee. Legal fees in relation to this totalled £12,823. This is expected to continue in the next financial year and further legal fees are expected to be incurred.

International Federation of Professional Aromatherapists
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Notes to the financial statements
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12. Tangible fixed assets	Freehold property £	Property improve- ments £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 April 2020 and at 31 March 2021	135,000	2,284	6,916	32,726	176,926
Depreciation					
At 1 April 2020	35,100	2,158	6,557	28,122	71,937
Charge for the year	2,700	25	72	1,151	3,948
At 31 March 2021	37,800	2,183	6,629	29,273	75,885
Net book values					
At 31 March 2021	97,200	101	287	3,453	101,041
At 31 March 2020	99,900	126	359	4,604	104,989

13. Debtors	2021 £	2020 £
Trade debtors	7,593	4,170
Other debtors	179	165
	<u>7,772</u>	<u>4,335</u>

14. Creditors: amounts falling due within one year	2021 £	2020 £
Trade creditors	5,522	3,749
Other creditors	5,094	5,099
	<u>10,616</u>	<u>8,848</u>

**International Federation of Professional Aromatherapists
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**Notes to the financial statements
for the year ended 31 March 2021**

..... continued

15. Reserves	Profit and loss account £	Total £
At 1 April 2020	257,809	257,809
Profit for the year	24,202	24,202
At 31 March 2021	<u>282,011</u>	<u>282,011</u>

16. Related party transactions

There were no transactions with related parties in this or the previous year.