

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

BOYDELL & CO

Chartered Accountants
146B Chiswick High Road
London
W4 1PU

Charity number: 1165766
Company number: 09732439

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THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

COMPANY INFORMATION

EXECUTIVE COMMITTEE	Tracee Cossey Caroline Wayte – resigned 6.6.20 Gareth Hughes – resigned 6.6.20 Kim Wooldridge – resigned 6.6.20 Pavan Hunjan – resigned 6.6.20 Kim Lahiri – Martyn Yates Alison Savage – appointed 6.6.20 Jacqueline Cotterill – appointed 6.6.20 Sara Hawkins – appointed 6.6.20 Ian Iceton – appointed 6.6.20 Nan Mensah – appointed 6.6.20
COMPANY SECRETARY	Graham Hedley – resigned 20.7.20 George Zacharias – appointed 30.8.20
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

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020.

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 8 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.

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2020

ACTIVITIES

In March 2020 we received accreditation from the PSA (Professional Standards Authority). This has been 'work in progress' for 18 months and we believe this now gives our members the kudos it deserves for our high standard of training. The PSA was created by the government to protect the public by improving the regulation and registration of people who work in health and care. To achieve accreditation the IFA has had a total overhaul of all internal and external policies to ensure we comply with good practice. The IFA is now recommended by the UK Government National Careers Office and UCAS. The IFA has also joined the Integrated Healthcare Collaborative a Parliamentary Group who lobby the government to represent the interest of complementary therapy practitioners.

In 2020 we started working on accreditation with Oqual the office of qualifications and examinations regulation. They are a non-ministerial government department that regulates qualifications, and exam tests in England. The IFA has chosen this route to get its syllabuses on a levelling. Due to the pandemic, exams were cancelled for the first 6 months but in the later part of the year some schools have had their practical exams by Zoom. To support and follow through on our examination system we have started creating an on-line software system to deal with the theory side. To do this we have had to redesign our database to make sure our IT systems were compatible.

Charity projects and PR events have had to be postponed during 2020 due to Covid. We were holding conferences in the UK and Japan to celebrate our 35th anniversary. To help our members with their Continual Professional Development instead we have been running free webinars with international specialist speakers, though the Christmas 'Crisis' hands-on treatments sessions for the homeless were cancelled. The IFA funded self-care packs containing hand sanitizers, bacterial wipes, hand creams etc. which were given out to the attendees. We also supported and funded two NHS Hospitals, Hillingdon Palliative Care Department and Clayponds Rehabilitation Centre. Our updated website has attracted more service users and attention from the public. This has become a great PR platform for the IFA and has benefited us by an increase in membership. The on-line Payment platform has also made it more user friendly alongside our quarterly newsletters/blogs which has expanded our marketing portal.

FINANCIAL REVIEW

The charity recorded a surplus of £ 42,579 for the year (2019 £ 71,161) resulting in total reserves of £792,032 at 31 December 2020. 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 six months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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:



N YATES

146 South Ealing Road
London
W5 4QJ

20 / 4 / 2021

INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES
ON THE UNAUDITED ACCOUNTS OF
THE INTERNATIONAL FEDERATION OF AROMTHERAPISTS
(A COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2020

I report on the accounts of the company for the year ended December 2020 which are set out on pages 7 to 13.

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.

M. B. Boydell

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

23/4/2021

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

Note	<u>2020</u>	<u>2019</u>
<u>Incoming Resources</u>		
Membership	259,988	250,912
Magazine	6,165	6,372
Booklets and leaflets	10,842	8,026
Examinations	10,501	146,682
Registration of schools	35,291	45,755
Workshops	1,430	15,645
UK conference	-	2,115
Other income	337	-
Total incoming resources	<u>324,554</u>	<u>475,507</u>
Resources Expended		
Cost of generating funds:		
Fundraising expenses	-	-
Charitable expenditure:		
Direct Charitable		
Expenditure	2 22,658	116,222
Management and		
Administration	3 259,317	288,124
Total resources expended	<u>281,975</u>	<u>404,346</u>
Net surplus for the year	42,579	71,161
Fund balances brought forward	749,473	678,312
Fund balances carried forward	<u>£ 792,052</u>	<u>£ 749,473</u>

The notes on pages 9 to 13 form an integral part of these financial statements

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

BALANCE SHEET AT 31 DECEMBER 2020


	Note	<u>2020</u>	<u>2019</u>
FIXED ASSETS	7		
Tangible assets		343,405	351,036
CURRENT ASSETS			
Debtors and prepayments	9	-	4,599
Cash at bank		595,439	413,018
		<u>595,439</u>	<u>417,617</u>
CREDITORS: amounts falling due within one year	8	(146,792)	(19,180)
		<u>448,647</u>	<u>398,437</u>
NET ASSETS		<u>£ 792,052</u>	<u>£ 749,473</u>
Represented by:			
UNRESTRICTED FUNDS		792,052	749,473
		<u>£ 792,052</u>	<u>£ 749,473</u>

For the financial period ended 31 December 2020 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 20/4/2021.


 M YATES

The notes on pages 9 to 13 form an integral part of these financial statements.

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2. DIRECT CHARITABLE EXPENDITURE

	<u>2020</u>	<u>2019</u>
	£	£
Translation costs	3,593	21,664
Magazines	12,409	13,056
Booklets, leaflets and directories	2,374	4,199
Exhibitions and meetings	66	13,706
Examinations	696	57,572
Miscellaneous costs	657	-
UK conference costs	-	208
Workshop costs	116	3,008
Charity projects	2,747	2,809
	<u>£ 22,658</u>	<u>£ 116,222</u>

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3. MANAGEMENT AND ADMINISTRATION EXPENDITURE

	<u>2020</u>	<u>2019</u>
	£	£
Salary costs	156,377	178,009
Staff training and recruitment	-	747
Office heating, lighting and council tax	(5,820)	6,353
Office telephone and internet	6,402	4,957
Website	1,775	(5,000)
Postage, printing and stationery	34,390	39,308
Travel, accommodation and council expenses	1,966	4,755
Property service charges and insurance	2,723	1,947
Advertising	-	1,386
Bank charges	10,645	9,114
Book-keeping and accountancy	3,345	2,732
Professional Standards Authority	-	13,580
Other associations	1,299	1,068
Independent examiner's fee	3,600	3,600
Repairs	4,038	6,765
Computers and IT maintenance	26,921	5,952
Depreciation – leasehold property	7,631	7,631
Photocopier rental	4,025	5,220
	<hr/>	<hr/>
	£ 259,317	£ 288,124
	<hr/>	<hr/>

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4. OPERATING SURPLUS

Operating surplus is shown after charging

	<u>2020</u>	<u>2019</u>
	£	£
Staff costs	£ 156,377	£ 178,009
Depreciation on tangible fixed assets	£ 7,631	£ 7,631
	<hr/>	<hr/>
5. <u>STAFF COSTS</u>		
	£	£
Wages and salary	131,682	149,935
Social security costs	8,988	12,033
Pension costs	15,707	16,041
	<hr/>	<hr/>
	£ 156,377	£ 178,009
	<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

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6. TANGIBLE FIXED ASSETS

	Leasehold Property £
COST	
As at 1 January 2020	381,560
Additions/disposals	-
As at 31 December 2020	<u>381,560</u>
DEPRECIATION	
As at 1 January 2020	30,524
Charge for the period	7,631
As at 31 December 2020	<u>38,155</u>
NET BOOK VALUE	
As at 31 December 2020	£ 343,405
As at 31 December 2019	<u>£ 351,036</u>

7. CREDITORS: Amounts falling due within one year

	<u>31.12.20</u>	<u>31.12.19</u>
Other creditors	5,070	4,570
Accruals	32,277	8,686
Social security and other taxes	3,267	5,924
Income received in advance	106,178	-
	<u>£ 146,792</u>	<u>£ 19,180</u>

8. DEBTORS

	<u>31.12.20</u>	<u>31.12.19</u>
Prepayments	-	614
Other debtors	-	3,985
	<u>£ -</u>	<u>£ 4,599</u>

