

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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	Martyn Yates	(Chair)
	Sara Hawkins	(Vice-Chair)
	Tracee Cossey	
	Jacqueline Cotterill	
	Josie Donaldson	
	Kim Lahiri	
	Jane Langridge	
	Nana Mensah	
	Alison Savage	
COMPANY SECRETARY	Damon Broad	
COMPANY NUMBER	09732439	
CHARITY NUMBER	1165766	
REGISTERED OFFICE	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 2021

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 2021.

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 registration 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 9 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.

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.

FINANCIAL REVIEW

The charity recorded a surplus of £247,731 for the year (2020: £42,579) resulting in total reserves of £1,039,783 at 31 December 2021 (2020: £792,032). All reserves are unrestricted.

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2021

ACTIVITIES

Though the accounts show a good profit for the year, 2021 has continued to be difficult due to the Covid virus still being active worldwide. All exams which were cancelled in 2020 due to the virus were rescheduled for 2021 making the education sector very busy.

The on-line exam system needed more proctoring structures in place to deal with students taking exams on-line in different countries. This was very challenging when considering time differences, internet security and languages but was necessary to ensure our high standard of practice and professionalism. To support Continual Professional Development (CPD) within the wider community monthly Webinars were organised with specialised teachers, this was very popular, and we intend to follow this through to 2022. Using different media platforms to increase awareness of aromatherapy including events, publications, and research based seminars.

As our Aromatherapy schools are increasing yearly it was agreed a massage routine handbook needed to be created alongside a video to support the practical education criteria. This has then generated an overview of the current syllabus's, which Education have been working on, this is work in progress. Our Aromacare programme has enabled us to collaborate with various other charities (Sense UK., National Autistic Society and Memory Lane Project) which deal with the elderly and children. The programme has rolled out into special needs schools with the IFA teaching the line managers, this is part of our charity project and will continue yearly. Our yearly Aromatherapy awareness week involved radios sessions in several cities on different topics mental health, specific essential oils, and therapeutic benefits. We are part of the PSA (Professional Standards Authority). This includes our therapists being registered on a public domain. We are also part of the IHC (Integrated Healthcare Collaboration) so we can collectively lobby the government on specific issues.

During the year, we reviewed our asset management strategy. The council took a decision to invest a prudent portion of reserves into an ESG ethical investment portfolio, i.e. No purchases of Alcohol; Animal Testing; Animal Welfare; Armaments; Environment; Gambling; Genetic Modification; No High Interest Consumer Credit; Human Rights; Nuclear Issues; Pornography; Sanctity of Life Issues; Tobacco. This investment is monitored monthly. Given the current inflation rates and outlook for interest rates, it seems a well-advised financial move.

DIRECTORS AND TRUSTEES

The directors of the charitable company are its trustees for the purposes of charity law. The trustees serving during the year and since the year end were as follows:

Directors and Trustees:

Tracee Cossey	
Jacqueline Cotterill	
Josie Donaldson	(appointed 5 June 2021)
Sara Hawkins	
Ian Icton	(resigned 5 June 2021)
Kim Lahiri -	
Jane Langridge	(appointed 5 June 2021)
Nana Mensah	
Alison Savage	
Martyn Yates	
Damon Broad	(appointed 5 June 2021)
George Zacharias	(resigned 5 June 2021)

Company Secretary:

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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.

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS (CONTINUED)

INDEPENDENT EXAMINER

The trustees consider that for the year ended 31 December 2021 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:


Martyn Yates

16th February 2022

146 South Ealing Road
London
W5 4QJ

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 2021

I report on the accounts of the company for the year ended December 2021 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

2022

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

		<u>2021</u>	<u>2020</u>
	Note		
<u>Incoming Resources</u>			
Membership		261,058	259,988
Examinations		208,922	10,501
Registration of schools		38,681	35,291
Booklets and leaflets		14,199	10,842
Gift Aid – covenanted income		6,354	-
Magazine		5,169	6,165
Other income		12	337
Net investment income	2	3,980	--
Workshops		-	1,430
 Total incoming resources		 <u>538,375</u>	 <u>324,554</u>
<u>Resources Expended</u>			
Cost of generating funds:			
Fundraising expenses		-	-
Charitable expenditure:			
Direct charitable expenditure	3	50,190	22,658
Management and administration	4	251,662	259,317
 Total resources expended		 <u>301,852</u>	 <u>281,975</u>
 Net surplus for the year		 236,523	 42,579
 Value adjustments in respect of investments – unrestricted		 <u>11,208</u>	 <u>-</u>
 Total surplus for the year		 247,731	 42,579
 Fund balances brought forward		 <u>792,052</u>	 <u>749,473</u>
 Fund balances carried forward		 <u>£ 1,039,783</u>	 <u>£ 792,052</u>

The notes on the following pages form an integral part of these financial statements

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

BALANCE SHEET AT 31 DECEMBER 2021

	Note	2021	2020
FIXED ASSETS	6		
Tangible assets		335,774	343,405
		<u>335,774</u>	<u>343,405</u>
CURRENT ASSETS			
Debtors and prepayments		-	-
Investments	7	388,955	-
Cash at bank		340,901	595,439
		<u>729,856</u>	<u>595,439</u>
CREDITORS: amounts falling due within one year	8	(25,847)	(146,792)
NET CURRENT ASSETS		<u>704,009</u>	<u>448,647</u>
TOTAL ASSETS		<u>£ 1,039,783</u>	<u>£ 792,052</u>
Represented by:			
UNRESTRICTED FUNDS		1,039,783	792,052
		<u>£ 1,039,783</u>	<u>£ 792,052</u>

For the financial period ended 31 December 2021 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

16th February 2022.

.....
Martyn Yates

The notes on the following pages form an integral part of these financial statements

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

09732439

1. ACCOUNTING POLICIES

Statutory information

The International Federation of Aromatherapists is a private company, limited by guarantee, and domiciled in England and Wales. It has a Companies House registration number 09732439 and is registered at the Charity Commission under registration number 1165766.

The Federation's registered office is 146 South Ealing Road, London, W5 4QJ.

Statement of compliance

The Federation's financial statements have been prepared in accordance with the provisions of the 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 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended by SORP update bulletin 1 concerning the non-disclosure of a cashflow statement), the Companies Act 2006 and the Charities Act 2011.

There were no material departures from the standard or acts.

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.

Going concern

The Trustees have reviewed the Federation's financial position and considered the impact of future activities, including the impact of the COVID 19 pandemic, to ensure it is appropriate to produce the accounts on a going concern basis.

Tangible fixed assets

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

Other financial instruments

Other financial instruments which include investments in equity instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not publicly traded and whose fair values can not be measured reliably are measured at cost less impairment. Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Turnover

Turnover represents predominantly world-wide membership fees receivable.

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

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.

2. NET INVESTMENT INCOME

	<u>2021</u>	<u>2020</u>
Interest on cash deposits	943	-
Dividends received	2,203	-
Other income distributions	119	-
Gain on disposal of investments	1,870	-
Investment charges	(1,155)	(-)
	<u>£ 3,980</u>	<u>£ -</u>

3. DIRECT CHARITABLE EXPENDITURE

	<u>2021</u>	<u>2020</u>
Translation costs	3,311	3,593
Magazines	13,544	12,409
Booklets, leaflets and directories	3,761	2,374
Exhibitions and meetings	-	66
Examinations	27,916	696
Miscellaneous costs	243	657
UK conference costs	90	-
Workshop costs	259	116
Charity projects	1,066	2,747
	<u>£ 50,190</u>	<u>£ 22,658</u>

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4. MANAGEMENT AND ADMINISTRATION EXPENDITURE

	<u>2021</u>	<u>2020</u>
Gross salaries	149,825	156,377
Other staff costs	2,375	2,578
Staff training and recruitment	1,030	-
Office heating, lighting and council tax	1,356	(5,820)
Office telephone and internet	4,019	6,402
Website	-	1,775
Postage, printing and stationery	40,293	31,812
Travel, accommodation and council expenses	3,233	1,966
Property service charges and insurance	5,840	2,723
Advertising	440	-
Bank charges	6,636	10,645
Book-keeping and accountancy	3,763	3,345
Professional Standards Authority	14,413	-
Other associations	1,103	1,299
Independent examiner's fee	3,600	3,600
Repairs	1,667	4,038
Computers and IT maintenance	10	26,921
Depreciation – leasehold property	7,631	7,631
Photocopier rental	4,428	4,025
	<u>£ 251,662</u>	<u>£ 259,317</u>

5. OPERATING SURPLUS

Operating surplus is shown after charging:

	<u>2021</u>	<u>2020</u>
Depreciation on tangible fixed assets	<u>£ 7,631</u>	<u>£ 7,631</u>

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6. STAFF COSTS

	<u>2021</u>	<u>2020</u>
Wages and salary	129,756	131,682
Social security costs	9,285	8,988
Pension costs	10,784	15,707
	<u>£ 149,825</u>	<u>£ 156,377</u>

As a charity, no Trustee received any remuneration during the year in their capacity as a trustee. One employee received remuneration between £60,001 and £65,000. The average number of staff employed by the charity during the year was as follows:

	<u>2021</u> <u>(No.)</u>	<u>2020</u> <u>(No.)</u>
Direct charitable work	<u>4</u>	<u>4</u>

7. TANGIBLE FIXED ASSETS

	Leasehold Property
COST	
At 1 January and 31 December 2021	381,560
	<u> </u>
DEPRECIATION	
As at 1 January 2021	38,155
Charge for the period	7,631
	<u> </u>
As at 31 December 2021	45,786
	<u> </u>
NET BOOK VALUE	
As at 31 December 2021	£ 335,774
	<u> </u>
As at 31 December 2020	£ 343,405
	<u> </u>

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6. CURRENT ASSET INVESTMENTS

	<u>2021</u>	<u>2020</u>
Listed investments	£ 388,955	£ -

At the reporting date, listed investments held with Quilter Cheviot Limited are held at their market value, in accordance with their valuation report prepared by Quilter Cheviot.

7. CREDITORS: Amounts falling due within one year

	<u>2021</u>	<u>2020</u>
Other creditors	9,553	5,070
Accruals	3,600	32,277
Social security and other taxes	4,949	3,267
Income received in advance	7,745	106,178
	<u>£ 25,847</u>	<u>£ 146,792</u>

8. ACCUMULATED FUND - UNRESTRICTED

	<u>2021</u>	<u>2020</u>
Balance at 1 January 2021	792,052	749,473
Excess of income over expenditure for the year	247,731	42,579
Balance at 31 December 2021	<u>£ 1,039,783</u>	<u>£ 792,052</u>

9. RELATED PARTIES

There are no related party transactions to report, other than the remuneration earned by the Federation's employees.

10. OTHER FINANCIAL COMMITMENTS

At 31 December 2021 the Federation had no annual commitments under non-cancellable operating leases.

11. CONTINGENT LIABILITIES

At 31 December 2021 the Federation had no contingent liabilities.

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12. OFF BALANCE SHEET ARRANGEMENTS

There are no material off-balance sheet arrangements to disclose.

13. EVENTS SINCE THE BALANCE SHEET DATE

There are no events on which to report.

14. FINANCIAL INSTRUMENTS

Other than its investments, the Federation has no other financial instruments than basic financial instruments.

15. TRUSTEES' ADVANCES, CREDIT AND GUARANTEES

There were none made during the year.