

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 AROMATHERAPISTSCOMPANY INFORMATION

EXECUTIVE COMMITTEE	Martyn Yates (Chair) Sara Hawkins (Vice-Chair) Anne Andenaes Josie Donaldson Trevor Dwyer Catherine Jacobs Alison Savage
COMPANY SECRETARY	Alison Lydon
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 2022

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 2022.

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 7 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.

## THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

### REPORT OF THE EXECUTIVE COMMITTEE

#### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### FINANCIAL REVIEW

The charity recorded a surplus of £83,811 for the year (2021: £247,731) resulting in total reserves of £1,123,594 at 31 December 2022 (2021: £1,039,783). All reserves are unrestricted.

#### ACTIVITIES

The 2022 accounts reflect another good year, with membership and school numbers staying the same. After catching up in 2021 with exams, due to Covid, the education sector is slowly returning to normality. A massage routine handbook was completed in various languages. The video and aromatherapy syllabus, which will be used alongside it, is still work in process. The aim is for all three to be completed before distribution to new and existing schools.

We have continued to support the members with Continual Professional Development by offering free webinars with specialised teachers, these have been very popular and well attended. Our Aromacare Programme have been achieved mainly with a variety of different NHS Care workers centres across the UK. It was agreed to support our yearly Christmas Crisis project for the homeless again, which involved our local communities. We also held 'Aromatherapy' celebration events for a week to celebrate the Queen's jubilee, local resident's hand massages were given and smelling essential oils were part of the activities to promote our profession.

It was decided to invest and collaborate with Northumbria University on several research project throughout 2022/2023. The IFA created a blend to assess the stress and mental health in an internal and external environment. This was successfully carried out with 100 participants. The aim eventually is to publish the findings through medical journals. The second project was more challenging, as it involved Co2 plant extract which are not commercially in the marketplace. The IFA decided to distil the plant extracts to be able to compare each project.

We continue to be members of the Professional Standards Authority (PSA), Integrated Health Collaboration (IHC), Complementary and Natural Healthcare Council (CNHC) and consultants for National Institute and Care Excellence NICE) this enables us to collectively support our profession on specific issues.

A prudent portion of the IFA's funds remain invested in an ESG ethical investment portfolio. It continues to be monitored on a regular basis. With markets being impacted as they were in 2022, the portfolio too experienced a downturn, however the investment strategy is a long term one and remains one of lower to medium risk.

# THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

## REPORT OF THE EXECUTIVE COMMITTEE

### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### 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:

Anne Andenaes	(appointed 20 June 2022)
Josie Donaldson	
Trevor Dwyer	(appointed 18 June 2022)
Sara Hawkins	(appointed 9 December 2022)
Catherine Jacobs	(appointed 18 June 2022)
Alison Savage	
Martyn Yates	
Tracee Cossey	(resigned 18 June 2022)
Jacqueline Cotterill	(resigned 21 October 2022)
Kim Lahiri	(resigned 18 June 2022)
Jane Langridge	(resigned 18 June 2022)
Nana Mensah	(resigned 18 June 2022)

Company Secretary: Alison Lydon (appointed 1 August 2022)

#### 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 INTERNATIONAL FEDERATION OF AROMATHERAPISTS

REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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

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.

INDEPENDENT EXAMINER

The trustees consider that for the year ended 31 December 2022 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

8 / 3 / 2023

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 2022

I report on the accounts of the company for the year ended 31 December 2022 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 Boyde FCA  
 Chartered Accountant  
 146 B Chiswick High Road  
 London  
 W4 1PU

9 | 3 | 2023



THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

		<u>2022</u>	<u>2021</u>
	Note		
<u>Incoming Resources</u>			
Membership		261,643	261,058
Examinations		163,454	208,922
Registration of schools		39,651	38,681
Booklets and leaflets		4,740	14,199
Gift Aid – covenanted income		3,602	6,354
Magazine		1,599	5,169
Other income		-	12
Net investment (charge)/			
income	2	(7,028)	3,980
Workshops		15,521	-
Total incoming resources		<u>483,182</u>	<u>538,375</u>
<u>Resources Expended</u>			
Cost of generating funds:			
Fundraising expenses		-	-
Charitable expenditure:			
Direct charitable			
expenditure	3	93,717	50,190
Management and			
administration	4	268,326	251,662
Total resources expended		<u>362,043</u>	<u>301,852</u>
Net surplus for the year		121,139	236,523
Value adjustments in respect of			
investments – unrestricted		(37,328)	11,208
Total surplus for the year		<u>83,811</u>	<u>247,731</u>
Fund balances brought forward		<u>1,039,783</u>	<u>792,052</u>
Fund balances carried forward		<u>£ 1,123,594</u>	<u>£ 1,039,783</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 2022

	Note	<u>2022</u>	<u>2021</u>
FIXED ASSETS	7		
Tangible assets		328,143	335,774
		<u>328,143</u>	<u>335,774</u>
CURRENT ASSETS			
Debtors and prepayments		17,340	-
Investments	8	344,032	388,955
Cash at bank		469,210	340,901
		<u>830,582</u>	<u>729,856</u>
CREDITORS: amounts falling due within one year	9	(35,131)	(25,847)
NET CURRENT ASSETS		<u>795,451</u>	<u>704,009</u>
TOTAL ASSETS		<u>£ 1,123,594</u>	<u>£ 1,039,783</u>
Represented by:			
UNRESTRICTED FUNDS	10	<u>£ 1,123,594</u>	<u>£ 1,039,783</u>

For the financial period ended 31 December 2022 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 8 | 3 | 2023.

.....  
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 2022

#### 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 may 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

FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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 (CHARGES)/INCOME

	<u>2022</u>	<u>2021</u>
Interest on cash deposits	101	943
Other interest received	3,092	-
Dividends received	5,878	2,203
Other income distributions	495	119
(Loss)/gain on disposal of investments	(13,848)	1,870
Investment charges	(2,746)	(1,155)
	<u>£ (7,028)</u>	<u>£ 3,980</u>

3. DIRECT CHARITABLE EXPENDITURE

	<u>2022</u>	<u>2021</u>
Translation costs	4,185	3,311
Magazines	14,170	13,544
Books purchased for resale	273	-
Booklets, leaflets and directories	-	3,761
Exhibitions and meetings	-	-
Examinations	26,202	27,916
Miscellaneous costs	591	243
Patents and trademarks	1,306	-
Research costs (University of Northumbria)	44,191	-
UK conference costs	-	90
Workshop costs	-	259
Charity projects	2,799	1,066
	<u>£ 93,717</u>	<u>£ 50,190</u>

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

**4. MANAGEMENT AND ADMINISTRATION EXPENDITURE**

		<u>2022</u>	<u>2021</u>
	Note		
Gross salaries	6	156,808	149,825
Other staff costs		3,856	2,375
Staff training and recruitment		-	1,030
Office heating, lighting and council tax		6,143	1,356
Office telephone and internet		5,657	4,019
Website		-	-
Postage, printing and stationery		43,953	40,293
Travel, accommodation and council expenses		2,746	3,233
Property service charges and insurance		1,295	5,840
Advertising		-	440
Bank charges		7,383	6,636
Book-keeping and accountancy		3,608	3,763
Professional Standards Authority		11,503	14,413
Other associations		1,127	1,103
Independent examiner's fee		3,780	3,600
Repairs and low value assets		2,091	1,667
Computers and IT maintenance		5,042	10
Depreciation - leasehold property		7,631	7,631
Photocopier rental		5,703	4,428
		<u>£ 268,326</u>	<u>£ 251,662</u>

**5. OPERATING SURPLUS**

Operating surplus is shown after charging:

	<u>2022</u>	<u>2021</u>
Depreciation on tangible fixed assets	<u>£ 7,631</u>	<u>£ 7,631</u>

THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

6. STAFF COSTS

	<u>2022</u>	<u>2021</u>
Wages and salary	135,459	129,756
Social security costs	10,552	9,285
Pension costs	10,797	10,784
	<u>£ 156,808</u>	<u>£ 149,825</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>2022</u> <u>(No.)</u>	<u>2021</u> <u>(No.)</u>
Direct charitable work	<u>4</u>	<u>4</u>

7. TANGIBLE FIXED ASSETS

	Leasehold Property
<b>COST</b>	
At 1 January and 31 December 2022	381,560
<b><u>DEPRECIATION</u></b>	
As at 1 January 2022	45,786
Charge for the period	7,631
As at 31 December 2022	<u>53,417</u>
<b>NET BOOK VALUE</b>	
As at 31 December 2022	£ 328,143
As at 31 December 2021	<u>£ 335,774</u>



THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

8. CURRENT ASSET INVESTMENTS

	<u>2022</u>	<u>2021</u>
Listed investments	£ 344,032	£ 388,955
	<hr/>	<hr/>

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.

9. CREDITORS: Amounts falling due within one year

	<u>2022</u>	<u>2021</u>
Trade creditors	27,613	9,553
Accruals	3,780	3,600
Social security and other taxes	3,738	4,949
Income received in advance	-	7,745
	<hr/>	<hr/>
	£ 35,131	£ 25,847
	<hr/>	<hr/>

10. ACCUMULATED FUND - UNRESTRICTED

	<u>2022</u>	<u>2021</u>
Balance at 1 January 2022	1,039,783	792,052
Excess of income over expenditure for the year	83,811	247,731
	<hr/>	<hr/>
Balance at 31 December 2022	£ 1,123,594	£ 1,039,783
	<hr/>	<hr/>

11. RELATED PARTIES

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

12. OTHER FINANCIAL COMMITMENTS

At 31 December 2022 the Federation had no annual commitments under non-cancellable operating leases.

13. CONTINGENT LIABILITIES

At 31 December 2022 the Federation had no contingent liabilities.



THE INTERNATIONAL FEDERATION OF AROMATHERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

14. OFF BALANCE SHEET ARRANGEMENTS

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

15. EVENTS SINCE THE BALANCE SHEET DATE

There are no events on which to report.

16. FINANCIAL INSTRUMENTS

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

17. TRUSTEES' ADVANCES, CREDIT AND GUARANTEES

There were none made during the year.