

Attwood Academies

Related party confirmation Year ended 31 August 2021

Definitions of a related party

Related party

A term used by the SORP that combines the requirements of charity law, company law and the Financial Reporting Standard applicable in the UK and the Republic of Ireland. The term is used to identify those persons or entities that are closely connected to the reporting charity or its trustees.

The following 'natural persons' are classed as related parties:

- A. Any charity trustee and custodian trustee of the charity;
- B. A person who is the donor of any land to the charity (whether the gift was made on or after the establishment of the charity); and
- C. Any person who is:
 - 1. A child, parent, grandchild, grandparent, brother or sister of any such trustee (A) or donor (B) of land;
 - 2. An officer, agent or a member of the key management personnel of the charity;
 - 3. The spouse or civil partner of any of the above persons (A, B, C1, C2 and C3);
 - 4. Carrying on in business in partnership with any of the above persons (A, B, C1, C2 and C3);
 - 5. A person, or a close member of that person's family, who has control or joint control over the reporting charity;
 - 6. A person, or a close member of that person's family, who has significant influence over the reporting charity.

'Close member of a person's family' refers to:

- That person's children or spouse;
- The children, stepchildren or illegitimate children of that person's spouse or domestic partner;
- Dependents of that person; and
- That person's domestic partner who lives with them as husband or wife or in an equivalent same-sex relationship.

A charity is not necessarily related to another charity simply because a particular person happens to be a trustee of both. It will only be 'related' if the relationship means that one charity, in furthering its charitable aims, is under the direction or control of the trustees of another charity.

The following entities, which are not 'natural person', are classed as related parties of a reporting entity (including a reporting charity) if any of the following conditions apply:

- The entity and the reporting charity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- One entity is an associate or joint venture of the other entity (or a member of the group in which the other entity is the parent or a member);
- Both entities are joint ventures of the same third entity;
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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- The entity is a post-retirement benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
- An entity that is controlled or jointly controlled by a person, or two or more persons, identified in A, B or C;
- An entity in which a person, or two or more such persons, identified in A, B or C, taken together, have a substantial interest or significant influence over the entity.

Control is presumed to exist when one or more persons identified in A, B or C, taken alone or together, hold directly or indirectly more than half the voting power of an entity. However, control can also exist when they, directly or indirectly, control half or less than half the voting power of an entity, if they have:

- Power over more than half of the voting rights by virtue of agreement with other investors;
- The power to govern the financial and operating policies of the entity under a statute or agreement;
- The power to appoint or remove the majority of the members of the board of directors or equivalent governing body, and control of the entity is by that board or body; or
- The power to cast the majority of votes at the meetings of the board of directors or equivalent governing body, and control of the entity is by that board or body.

An individual has a substantial interest or significant influence in an entity where that person, or two or more persons identified in A, B or C, taken together, have an interest in the equity share capital of that entity of a nominal value of more than one-fifth of that share capital, or is entitled to exercise, or control the exercise of, more than one-fifth of the voting power at any general meeting of that entity.

Control (of an entity)

The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. For example, a charity may exercise control over a subsidiary in order to raise funds for the charity through trading activities or as a vehicle to carry out certain of the charity's aims.

Joint control

The contractually agreed sharing of control over an economic activity. It exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Key Management Personnel

Those persons having authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any director (whether executive or otherwise) of the charity. This definition includes trustees and those members of staff who are the senior management personnel to whom the trustees have delegated significant authority or responsibility in the day-to-day running of the charity.

Connected party

The Academies Financial Handbook requires that a trust must pay no more than cost for goods or services provided to it by the following persons:

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- Any member or trustee of the academy trust
- Any individual or organisation connected to a member or trustee of the academy trust. For these purposes the following persons are connected to a member, or trustee:
 - A relative of the member or trustee. A relative is defined as: a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner.
 - An individual or organisation carrying on in business in partnership with the member, trustee or relative of the member or trustee.
 - A company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company.
 - An organisation which is controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes.
- Any individual or organisation that is given the right under the trust's articles of association to appoint a member or trustee of the academy trust; or anybody related to such individual or organisation.
- Any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or anybody related to such individual or organisation.

A body is related to another individual or organisation if it: is controlled by the individual or organisation; or controls the organisation; or is under common control with the individual or organisation. For these purposes control means:

- Holding more than 20% of the share capital (or equivalent interest);
- Having the equivalent right to control management decisions of the body; or
- Having the right to appoint or remove a majority of the board or governing body.

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Confirmations

Name of Individual	Stephen Gough
Role(s) in the organisation	Director

I confirm that I have read and understood the definition of a related party above.

** delete as appropriate*

* I confirm that no transactions have been conducted between the Academy Trust and myself or other related parties connected to me.

All related party relationships and transactions comply with the academy trust's financial regulations and the relevant requirements of the Academies Financial Handbook. Specifically, I confirm that I am satisfied that any related party transactions I have disclosed to you are at nil profit.

I also confirm that details of any transactions with the above related parties have been fully disclosed to both the academy trust and the auditors of the academy trust, and that Statements of Assurance have been provided for all such transactions.

Signed 

Date7 october 2021.....