

**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**

**DECLARATION OF RELATED PARTY TRANSACTIONS – Year to 31 August 2023**

The disclosure of certain transactions is important for stewardship purposes to provide assurance that the academy trust /charity is operating for the public benefit and that its trustees are acting in the interest of the academy trust and not for private benefit. Related party transactions are generally those that may involve some degree of direct or indirect control or influence. Trusts must therefore ensure that their accounts contain the disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties. If you are unsure then it is better to disclose as this can then be discussed between the Director of Finance and the Auditors.

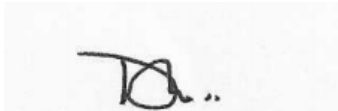
**The completion of this form is an important part of the audit process and will be reviewed by our Auditors.**

<b>Name of Governor / Head or Key Management Personnel (i.e. SLT in the Academy):</b>	Jodh Dhesi
<b>Name of School(s)/Charity</b>	King Edward VI Academy Trust, Birmingham

**Please complete Section A or B.**

**A No transactions to declare**

I have read the advice on the declaration of related party transactions and confirm that I am not aware of any such transactions for the financial year to 31 August 2023.

Your signature / type name (if emailed)	
Date	1 <sup>st</sup> August 2023

**B Transactions to declare**

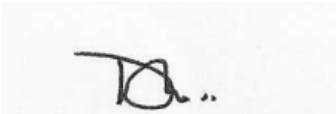
I am aware of the following transactions during financial year to 31 August 2023 that fall within the definition of a related party transaction as set out in the advice on declaring such transactions.

<b>Name of transacting party</b>	<b>Relationship between Governor/Head/member of Key Management Personnel and transacting party.</b>	<b>Description of transaction.</b>	<b>Date (s)</b>	<b>Amount of transaction and outstanding balance at 31.08.18 (£)</b>

### C Other Directorships and Trusteeships

The external auditors have also requested that Governors list other Directorships and Trusteeships that they held during the period. This is to check whether there are other relationships that may have to be considered with the auditors for disclosure.

Name of organisation	Position within the organisation (Director, Trustee, Governors, Board member)
The Schools of King Edward VI in Birmingham (charity number: 529051)	Chief Executive Officer
Schools Partnership Alliance (charity number 1196215)	Trustee
Aston University Mathematics School (company number 14638078)	Director
Southend High School for Boys Academy Trust (company number 07485584)	Member

Your signature / type name (if emailed)	
Date	1 <sup>st</sup> August 2023

Please email this return to [deborah.canton@kevibham.org](mailto:deborah.canton@kevibham.org)

Guidance is provided on the attached document if required.

## GOVERNORS AND KEY MANAGEMENT PERSONNEL – SUPPORTING INFORMATION SORP 2015

### **Related Party Definition**

**Related parties** is 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 and C2);
  - 4. carrying on 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:
    - a. that person’s children or spouse;
    - b. the children, stepchildren or illegitimate children of that person’s spouse or domestic partner;
    - c. dependents of that person; and
    - d. 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 persons’, 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;
- the entity is a post-employment 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 of 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 an 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.

**Related party transactions** are the transfers of resources, services or obligations between related parties, regardless of whether a price has been charged.

## Transactions with related parties that require disclosure

9.13. A decision by a charity to enter into any transaction must be made in the charity's own interests and for the benefit of its beneficiaries. The disclosure of related party transactions is an important element of transparency in financial reporting because:

- related parties may enter into transactions that unrelated parties would not;
- transactions between related parties may not be made at the same amounts or on the same terms as those between unrelated parties; and
- the existence of the relationship may be sufficient to affect the transactions of the charity with other parties.

9.14. Users of the accounts need to be able to assess whether the relationship between the charity and the other party or parties to a transaction may have been influenced by interests other than those of the charity. Disclosing related party transactions also shows how far, if at all, the reported financial position and activities may have been affected by such transactions.

9.15. Related parties include a charity's trustees and their close family members and those entities which they control or in which they have a significant interest. Entities related to a charity include any subsidiary, joint venture or associate of the charity.

9.16. In considering a possible related party relationship, a charity must assess the substance of the relationship and not merely its legal form. For example, if a person has significant influence over a charity's decision-making or if a charity acts on their instructions, then that person must be treated as related to the charity.

9.17. This SORP requires all transactions between a charity and a related party must be disclosed subject to the exemptions set out in the following paragraphs.

## Transactions with related parties that do not require disclosure

9.18. The following transactions involving trustees or other related parties need not be disclosed unless there is evidence to indicate that they have influenced the charity's activities or use of resources:

- Donations to the reporting charity from a trustee or a related party provided the donor has not attached conditions which would, or might, require the charity to alter significantly the nature of its existing activities if it were to accept the donation. Examples of conditions that make the donation a transaction that must be disclosed include: requiring the charity to purchase goods or services from a specified supplier; making an interest-bearing loan to the charity; or requiring that payments be made to a specified third party. However, charities must provide an aggregate disclosure of the total amount of donations received without conditions.
- Services provided on a voluntary basis to a charity as an unpaid general volunteer by a trustee or other related party.

- Contracts of employment between the charity and its employees (except where the employee is a trustee or other related party).
- The purchase from the charity by a trustee, or other related party, of minor articles which are offered for sale on the same terms as they are offered to the general public, for example a small purchase made from a charity shop.
- The provision of services to a trustee or other related party where the services are received on the same terms as they are received by other beneficiaries of the charity. Examples include the use of a village hall by members of its committee of management as inhabitants of the area of benefit.
- The payment or reimbursement of out-of-pocket expenses where the trustee acts as agent for the charity (but certain details of trustee expenses must be disclosed).
- The amount of any expenses waived by a trustee need not be disclosed unless the amount is material in the context of a charity's total expenditure.

### Key Management Personnel

Key management personnel is a term used by FRS 102 for 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.

For the purpose of this return the Academy Heads have confirmed who the Key Management Personnel are and will forward this return to the relevant staff for completion. For the Foundation Charity the Key Management Personnel are the Chief Master, Principal, Executive Director, Director of Finance and Operations, Head of Finance (Academy Trust) and the Independent Schools' Bursar.

### Example. Potential Related Party Transaction (for illustration purposes only - names made up)

Keep them Safe are contractors undertaking an annual health and safety review for the school for a fee of £2,000. Mike Davies owns the company. He was introduced to the school by his wife who is the Deputy Head, a longstanding member of staff who also has responsibility for the school's significant IT budget spend.

Mrs Davies is a Related Party of the school as she is a member of the Key Management Personnel. Mr Davies is, as her spouse also a Related Party. This transaction would have to be disclosed in the accounts (nature of relationship, description of the transaction, amounts involved, outstanding balances at the end of the year etc).