

Related Party Transactions

What is a Related Party Transaction?

A [review of related party transactions in academies](#), published in November 2014, provides a helpful overview to how Related Party Transactions should be identified, managed and reporting.

- *Related parties arise where one party has control or influence over the other, or where the parties are subject to common control. Accounting standards require transactions between related parties to be disclosed in company financial statements as related party transactions.*
- *Such transactions are permitted under company law, charity law and under the Academies Financial Handbook, provided that open and transparent procurement procedures have been followed, and any potential conflicts of interest are adequately and appropriately managed.*
- *Due to the nature of academy trusts' operations and the fact that many academy trustees are drawn from local public and private sector organisations, it is unsurprising that some related party transactions occur.*

FFET's Commitment to Open and Transparent Transactions

FFET welcomes the transparency of the Related Party Transaction review and the guidance this offers. With a commitment to provide transparency, in addition to the requirement of the Academies Financial Handbook, the Trust also commits to:

- Publishing a real-time list of Related Party Transactions if the need arises.
- Providing an overview of any current contracts if these type of partnerships arise.

This additional transparency would be offered, as public information about the contracts would be made available through our [Audited Annual Accounts](#).