

Related Parties (2019)

As part of the preparation of our financial statements and good governance Welsh Athletics is required to document any 'related party transaction' that occurred within the year to March 31st.

Specifically, members of senior management and company Directors of Welsh Athletics Limited are required to declare transactions that they have with Welsh Athletics Limited either directly, through close family or via an organisation that they control (or have significant influence over)

Such disclosures are evaluated and, where necessary, published within the company's financial statements as required by the Financial Reporting Standards (FRS 102, section 33)

FRS 102 requires disclosure of material transactions between Welsh Athletics and its related parties such that a reader of the accounts can decide to what extent the reported financial performance may have been affected by such relationships.

For the purposes of this exercise, the main types of transaction to be assessed for disclosure are:

1. Those between you and any entity within Welsh Athletics (outside of your core employment relationship)
2. Those between any organisation in which either you, or a member of your close family, holds a controlling interest in, has significant influence over, or is a key member of senior management and an entity within Welsh Athletics.
3. Those between Welsh Athletics and any partnerships, companies, trusts, charities, funding bodies or other bodies of which you are a board member or director, whether as in an executive or non-executive capacity.

Who needs to be included in this exercise?

We need to gather information from specific categories of key management and in Welsh Athletics case, this is deemed to include:

- Board Directors and Sub Group Members
- Members of the Senior Management Team and Delegated Budget Holders / Authorisers
- *Resigned members of the above groups who served during the 12 months to March 31st*

Please email completed declarations in confidence to Welsh Athletics
no later than April 30th to: finance@welshathletics.org

Related Parties (2019)

Related parties and Conflicts of Interest ?

Risks around transactions with related parties are higher than with third parties.

Maintaining a register of all related parties not only ensure that accounting standards are being complied with in full where transactions take place, but also supports good governance by ensuring Welsh Athletics is aware of all related parties that might influence the decision-making process.

Declaring 'conflict of interests' is our method for declaring related parties, where no transaction has taken place, to maintain our good governance and it also includes and extends potential conflicts of interest beyond the narrower definitions of 'related party transactions' as required in this exercise.

The Board discuss strategic investment in upgrading an athletics facility / discipline specific athlete programme and a family member of a Board Director was training in that discipline.

(no financial transaction with a related party, potential conflict of interest only)

If the organisation was tendering for new IT Consultants, if the son of the Board was a director of one of the tendering IT firms, then other Board members should be made aware of this.

(potential conflict of interest, potential for a future disclosable related party transaction)

After carefully due consideration the Company employs the new IT Consultants whose directors includes the son of a Board member.

(Related Party Transaction – declare for assessment and possible disclosure)

Definitions used in this declaration

Controlling Interest: the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, and this could include partnerships, companies, trusts, charities, funding partners or other organisations over which your stake confers executive power.

Significant Influence: the power to participate in the financial and operating policy decisions of an entity and similarly can be taken to include partnerships, companies, trusts, charities, funders etc.

Close Family: any family member who may be expected to influence, or be influenced by, the person in question in their dealings with Welsh Athletics and – as a minimum – always includes children, spouses, domestic partners and dependants.

Related Party: may be a person, a company or an unincorporated entity. They may be a subsidiary, associate organisation or joint venture or simply an entity where you hold a controlling interest or have significant influence over that entity as defined above.

Key Member of Senior Management: person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise of that entity.

Related Parties (2019)

Where you, or a relevant entity, has entered into a transaction with Welsh Athletics in the year ending **31st March 2019**, please complete the following and email in confidence to finance@welshathletics.org

Name of the party / parties and description of relationship between 'Related Party' and Welsh Athletics	Description of the transaction(s) (it's general nature)	£ Amount(s) involved in transaction(s)	Any other useful background information
For example: 'Joe Bloggs' is my son / daughter and was employed at / funded by Welsh Athletics where I serve as a Board Director.	<i>Son / daughter employed during dates XX / YY</i>	<i>Salaried employment as per payroll</i>	<i>Temporary assignment now completed / ongoing</i>
For example: <i>Welsh Athletics is a Director of Run 4 Wales Limited and shares a Chief Executive with significant influence over both organisations.</i>	<i>Welsh Athletics purchased and supplied goods and services to Run 4 Wales</i>	<i>£xxx in 2017/18</i>	<i>At the year end Run 4 Wales is a creditor / debtor to Welsh Athletics to the value £xx</i>

1. Under the Financial Reporting Standards, we **do not** require you to disclose transactions relating to your **contract of employment** of **reimbursement of expenses** included in undertaking your work for Welsh Athletics.
2. Disclosure may be required in the accounts for any transaction that is material, considered both qualitatively and quantitatively. So even **quite small transactions** may be relevant and **should be declared** here. It's better to include a transaction where ever in doubt.
3. Declaration will be reviewed by the Finance Sub-Group and disclosable transactions will be identified for incorporation into the financial statements. The Finance Lead will contact the declarer to discuss the text of any such disclosure, should the transaction prove to be of a sensitive nature.