Investment Policy

Document Status

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1. Introduction

The Board of Members are able to invest to further the trust's charitable aims. The Academies handbook allows investment on the understanding that:

- Members act within their powers in the Articles of Association
- Ensure Value for money
- Exercise care and skill in all investment decisions, taking advice as appropriate from a professional advisor
- Ensure that security takes precedence over revenue maximisation
- Ensure all investment decisions are in the best interests of the Trust and command broad public support
- Review the Trust's investments and investment policy regularly
- The Board follows the Charity Commission's Guidance: CC14 Charities and investment matters: A guide for trustees.

2. Policy

It is the members' belief that it should be anticipated that the Trust will have surplus cash available, both as a result of cashflow planning and also the implementation of a reserves policy that maintains a suitable amount of reserves. Such surplus cash should be invested to ensure that the Trust receives an acceptable income stream without putting at risk the funds that belong to the Trust.

Members believe that risk-free bank deposit accounts are the most appropriate place to invest surplus cashflow. Advice should be taken from the Trust's bankers and funds invested as follows:

- Working capital to be invested in a Lloyds bank current account or equivalent. A balance of at least 1 month's salary costs should be maintained. It is recognised that a small amount of interest is payable on this balance, but that Lloyds also offer academies free banking which results in this lower interest rate.
- Surplus cash should be invested in a mixture of 12 month notice and 1-month notice accounts with Lloyds bank or a similar UK based banking provider to earn higher interest rates than on the current account but to stagger easy access to funds over the year to meet cashflow requirements.
- Any interest earned should be paid into the YEAT central budget to benefit all schools within our Trust proportionally to their contribution.

Balances invested should be reported to Members on a termly basis.

Members do not intend to invest reserves in stocks and shares or other volatile investments as they do not feel these represent an acceptable level of risk to the Trust.