



# Investment Policy

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Approved by:	Board of Trustees
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Together we **Exceed**



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## 1. Introduction

1.1 The purpose of the Investment Policy is to set out the processes by which the Trustees will meet their duties, as set out under the Trust Articles of Association and Academies Financial Handbook, to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

## 2. Policy Aims

2.1 The aim is to achieve the best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.

## 3. Scope

3.1 This policy has been formulated in accordance with the Trust Articles of Association and the Academies Financial Handbook, published by the ESFA.

3.2 Exceed Academies Trust Articles of Association section 5 states that in furtherance of the objects but not further or otherwise the Academy Trust may exercise the following powers:

- m. to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Objects (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification);*
- n. to delegate the management of investments to a financial expert, but only on terms that:*
  - i. the investment policy is set down in writing for the financial expert by the Trustees;*
  - ii. every transaction is reported promptly to the Trustees;*
  - iii. the performance of the investments is reviewed regularly with the Trustees;*
  - iv. the Trustees are entitled to cancel the delegation arrangement at any time;*
  - v. the investment policy and the delegation arrangement are reviewed at least once a year;*
  - vi. all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and*
  - vii. the financial expert must not do anything outside the powers of the Trustees;*
- o. to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Trustees or of a financial expert acting under their instructions, and to pay any reasonable fee required;*

3.3 The Academies Financial Handbook states that the Trustees may invest to further the trust's charitable aims, but must ensure investment risk is properly managed. When considering an investment the board must:

- *act within its powers to invest as described in its articles*
- *have an investment policy to manage and track its financial exposure, and ensure value for money exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser*
- *ensure exposure to investment products is tightly controlled so security of funds takes precedence over revenue maximisation*

- *ensure investment decisions are in the trust's best interests*
- *review the trust's investments and investment policy regularly*

*The board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. ESFA's approval must be obtained for novel, contentious and/or repercussive investments.*

## 4. Responsibility

4.1 The Trustees of Exceed Academies Trust are responsible for agreeing the content of the policy in line with the Scheme of Financial Delegation.

4.2 The Chief Executive Officer and Chief Finance Officer are responsible for the implementation of the policy.

## 5. Investment Strategy

5.1 All applications for investments, whether deposit or fixed term, must be approved by the Trustees prior to the investment taking place, taking into account the credit rating on the Moody's, Fitch and Standards and Poor Listings, the risk profile and ethical standards of the institution.

5.2 A full risk assessment will be undertaken at the point of investment and regularly throughout the term of the investment to ensure it remains in line with the Trusts aims and objectives.

5.3 Any interest is returned to the Trust as unrestricted income.

5.4 Decisions on how much to invest and how long to invest for will be based on operational requirements, and demonstrated by cash flow forecasts produced by the Trust and reviewed by the Chief Finance Officer in conjunction with the Chief Executive Officer.

5.5 Investments for a fixed term or with a notice term should not normally exceed one year in order to provide flexibility.

5.6 A sufficient balance must be held in the current account so that the Trust's financial commitments can always be met without the bank account going overdrawn. The size of the balance required in the current account will be determined by a forecast of future need and kept under review.

5.7 The Chief Finance Officer is responsible for:

- preparing regular cash flow forecasts to ensure that the Trust has sufficient funds to cover operational commitments;
- placing investments into the agreed investment accounts as approved by the Chief Finance Officer and the Chief Executive Officer, whilst ensuring that the cash flow position detailed above is achieved;
- tracking investment levels;
- reporting the investment position to Trustees.

## 6. Monitoring and Evaluation

6.1 The Chief Finance Officer will monitor the effectiveness of this policy and report to the Trustees on the success and development of the Investment Policy.

6.2 The Trustees will review the policy on an **annual** basis.