



**CARLTON**  
ACADEMY TRUST

## **Carlton Academy Trust Investment and Reserves policy**

**Approved on behalf of Trustees:**

**Gareth Logan**

**Date:**

**June 2023**

**Next Review Date**

**July 2024**



## **Aims**

This policy aims to ensure that:

- Trust monies are used in accordance with statutory guidance, Articles of Association, funding agreement, and Academies Trust Handbook.
- Value for money is achieved with any investments.
- The Trust holds an appropriate level of reserves.

## **Investments: Roles and Responsibilities**

### **Trustees**

Trustees, particularly members of the Risk and Audit committee, must fulfil their roles as charitable trustees and company directors to ensure investment risk is properly managed. When considering an investment, they must:

- Act within their powers to invest, as set out in the Articles of Association.
- Exercise caution in investments, so that security of funds takes precedence over revenue maximisation.
- Take professional advice, where appropriate.
- Ensure that all investment decisions are in the best interests of the Trust and command broad public support.

Trustees must seek prior approval from the Education and Skills Funding Agency for Novel or Contentious investments, defined as those which the Trust has no experience, or are outside the range of normal business activities.

### **CEO and CFO**

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for researching, presenting, and recommending investments to Trustees.

### **Investment Principles**

The Trust only invests in investment products where there is low or no risk to the initial capital sum invested, be regulated by the Financial Conduct Authority, and possess good credit ratings.

### **Equity Investments**

Where these include investments in the equities/shares/stock market, which brings a risk of capital loss:

- Advice must be obtained from a well-qualified and experienced professional adviser.
- Any investments subsequently made must be in profitable companies with an established record of profitability.

There can be short-term movements in price for equity investments, and as such the success of these investments should be considered over a longer (at least annual) time period.

### **Bank Deposit/Savings Accounts**

Wherever possible, there should be a maximum of £85k invested in bank or building society accounts, in line with protection offered by the Financial Services Compensation Scheme.

## **Authority**

Any investment decision must be agreed at the Risk and Audit committee, with minutes recording the description of investment, date, amount, duration, and expected returns.

Trustees will review investments on at least a termly basis at Risk and Audit committee meetings, which is then reported at Full Trustee meetings.

## **Reserves Policy**

The Trust holds reserves at least equal to one month of average monthly expenditure, calculated as an average over that financial year. This level is deemed sufficient to negotiate any major emergency expenditure the Trust may need to negotiate within that financial year as well as providing a strong financial buffer for any future longer-term risks which place a strain on school/Trust budgets. Longer-term risks will be recorded within the Trust Risk Register.

Reserves will be used in both these contingencies to prevent a significant reduction in resources available to schools which would compromise their attainment of the high standards, and 'Excellence for All' expected at all Trust schools.

