

Leading Learners Multi Academy Trust



Investment Policy

Approved by:	Finance & Resources Committee - Initial approval by Trust Board	Date: 13 March 2025
---------------------	--	----------------------------

Last reviewed on:	9 March 2026
--------------------------	---------------------

Next review due by:	March 2027
----------------------------	-------------------

Leading Learners Multi Academy Trust Investment Policy

1. Introduction

The purpose of the Investments Policy is to set out the processes by which the Trust's Board of Trustees will meet their duties under the Trust's Articles of Association and Academy Trust Handbook issued by the DFE 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.

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations. In addition, the Trust aims to invest surplus cash funds to optimise returns, whilst ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

2. Purpose

The investment policy is in place to ensure:

- Cash balances are maintained in the current accounts to cover day-to-day working capital requirements.
- Only funds surplus to operational need are invested based on cash flow forecasts to avoid Trust bank accounts becoming overdrawn.
- There is no risk of loss in capital value of any cash funds invested.
- Returns on invested funds are optimised.

By complying with this policy, all investment decisions should be exercised with care and skill and be in the best interest of the Trust.

3. Counterparty Risk

Following the Banking Crisis in 2007/2008, The Bank of England have (through the FSA and latterly, the FCA and PRA) implemented changes to banking regulation and capital requirements of UK FCA registered banks to ensure the stability of the UK Banking system. As such, the Trust can only make cash deposits with institutions with a UK banking license regulated by the FCA.

4. Investment Strategy

The trust can invest surplus funds in a mixture of interest-bearing accounts and money market facilities where the capital is not placed at risk including:

- Overnight (instant access)
- Notice accounts (typically from 30 days to 100+ days)
- Fixed Term deposits (typically from 1 month to 12 months)
- Investments should not exceed 12 months in term.

The Trust aims to manage the risk of default by spreading deposits across banking institutions which are authorised by the Bank of England through the Prudential

Regulation Regulated institutions will be selected with reference to the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). Deposits will be limited to a maximum exposure of £120,000 per institution, in line with the current protection limit provided by the Financial Services Compensation Scheme (FSCS). However, it is recognised that it may not always be practicable to identify a sufficient number of suitable investment opportunities that meet the prudent criteria outlined in this policy while remaining within this limit. In such circumstances, deposits of up to £250,000 per institution may be made subject to prior approval by the Board on a case-by-case basis.

5. Investment Decisions

- The Head of Finance is responsible for producing reliable cash flow forecasts as a basis for decision making.
- The Head of Finance / Chief Finance & Operations Officer are responsible for making investment decisions that comply with this policy.
- Deposit facilities in use by the Trust must be restricted to 'dual control' for the opening of a deposit, placing funds and withdrawing funds.

6. Monitoring and Reporting

- The Chief Finance & Operations Officer will report investments held and the performance of the investments to the Finance & Audit Committee for review each time it meets.
- The reporting should include:
 - Funds Invested
 - Maturity dates
 - Current market rate
 - Latest cash flows
 - Recommendations for the next 3 months.

7. Review

The investment policy should be reviewed annually to ensure it is still fit for purpose or when legislative or regulatory changes dictate.