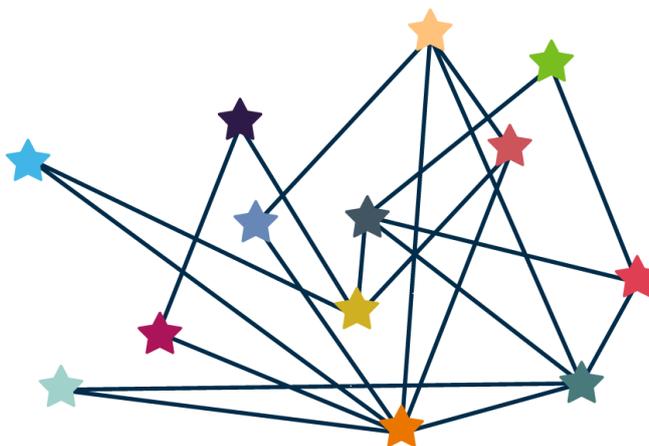


ULT Investments Policy



UTTOXETER
LEARNING TRUST
INSPIRED TEACHING
INSPIRING CHILDREN

Approved: Summer 2020

Due for review: Summer 2021

UTTOXETER LEARNING TRUST INVESTMENTS POLICY

Purpose and scope

The purpose of the Investments Policy is to set out the processes by which ULT trustees will meet their duties under the ULT Articles of Association and Academies Financial Handbook issued by the EFA to invest monies surplus to operational requirements in furtherance of the ULT charitable aims and to ensure that investment risk is properly and prudently managed.

Definition of duties

The ULT Articles gives Trustees the power “to expend the funds of the ULT in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the ULT such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects.”

Whilst the Board of Trustees has responsibility for the ULT finances, the Scheme of Delegation delegates responsibility to the ULT Finance and Audit Committee:

To approve the Investments Policy to manage, control and track financial exposure, and ensure value for money; to review the trust's investments and investment policy on a regular basis.

The Chief Finance Officer is responsible for producing reliable cash flow forecasts as a basis for decision making. S/he responsible for making investment decisions that comply with this Policy and for providing sufficient management information to the ULT Finance and Audit Committee so it can review and monitor investment performance.

Objectives

The investment objectives are:

- to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- only invest funds surplus to operational need based on all financial commitments being met without the ULT bank account becoming overdrawn.
- by complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the ULT, commanding broad public support.

Investment strategy

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

For selection, assets will only be considered with banking institutions which have credit ratings assessed by Fitch and Moody to show good credit quality.

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £500,000 with any PRA authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA)). Whilst this exceeds the protection limit of £75,000 provided by the FCA it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the prudent criteria outlined in this policy.

Spending and liquidity policy

Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the Chief Finance Officer. The cash flow forecasts will take account of the annual budget and spending plans approved by the ULT Finance and Audit Committee and updated on a monthly basis.

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

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the ULT.

Monitoring and review

The ULT has authorised signatories, two of which are required to sign instructions to the deposit taking institution.

The Chief Finance Officer will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the ULT Finance and Audit Committee at appropriate intervals, depending on the terms of the investments. For example, if investments are held one year then an annual report is appropriate.

This Investment Policy has been approved by the ULT Finance and Audit Committee. It will be reviewed by the ULT Finance and Audit Committee on an annual basis to ensure continuing appropriateness.

To be reviewed Summer 2021.