



Investment Policy

Reviewing Member of Staff: Dominic Burke
Date approved by Trustees: 1 July 2025
Review Date: June 2026

INVESTMENT POLICY

Investments

The Balcarras Trust (“the Trust”) holds reserves to support its activities and objectives (restricted revenue or capital reserves, unrestricted and designated reserves). These funds may not necessarily be needed for immediate access by the Trust.

The Trust may at times hold large cash balances due to the nature of the funding cycle, which may not be required for immediate use, therefore, the Trust will hold sums of money that are available to invest. The Trust will consider its long and short term financial commitments, as well as expected income and expenditure, in order to identify those funds available for investment.

Aims

This policy aims to ensure that:

- The Trust’s funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook
- The Trust’s funds are used in a way that commands broad public support.
- Value for money (economy, efficiency and effectiveness) is achieved.
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors.

Legislation and guidance (from The Academies Trust Handbook)

The board of 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.

Finance, Audit and Risk Committee

Balcarras Trustees delegate responsibility for the Trust's investments to the Finance, Audit and Risk Committee.

This committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the Trust's investments
- Reporting to trustees on investments

The Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for overseeing the production of cash flow forecasts and for making decisions on investments. The CFO also ensures that information is provided to the Finance, Audit and Risk Committee and Balcarras Trustees, as appropriate.

Investment principles

- The Trust will only invest funds in low risk accounts. The priority will be to achieve best financial return available whilst ensuring that security of any deposits/investments takes precedence over revenue maximisation.
- Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.
- A sufficient cash balance must be held in The Trust's 'no notice' accounts so that The Trust's financial commitments can always be met.
- The Trust will not invest funds that are conditional on chance/luck or gambling.

Procedures

The following information will be recorded about investments:

- Date
- Amount and description of the investment
- Length of investment
- Interest rates/expected return

The CFO will ensure that interest rates are reviewed and compared with other investment opportunities annually. Cash flow and current account balances will be monitored regularly by the CFO to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments

- When there are funds surplus to immediate cash requirements in the current account, The Trust will transfer these to an account with a higher interest rate.
- Investments will normally be for a fixed term that does not exceed one year, unless there is a clear rationale for longer-term investment that would benefit The Trust.
- Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

Monitoring arrangements

The CFO oversees the monitoring and implementation of this policy.

Reviewed: May 2023