



Tudor Grange Academies Trust

Reserves and Investment Policy

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Directors have determined that the appropriate method for managing working capital is to project cash flows at least to the end of the current financial year on a monthly basis. This sets out the headroom available to the trust to manage unexpected emergencies, such as urgent maintenance.

The Academy intends to build up working capital and invested cash balances.

Once reserves in the bank regularly exceed £400,000, the investment strategy below should be considered.

The investment strategy is:

1. Regularly monitor Cash Flow and Current a/c balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.
2. The Academy will not allow its current account to go overdrawn.
3. Identify funds surplus to immediate cash requirements and transfer to Lloyds TSB high Interest Deposit Account.
4. Periodically (at least annually) review interest rates and compare with other investment opportunities and consider alternative secure investments.
5. The Academy's current policy is to only invest funds in risk free and short-term (1 to 3 months) accessible deposit accounts.

Any change in Policy requires the approval of MATB.