



# Investment Policy

<b>Approval Body:</b>	MST Finance Committee
<b>Approval Date:</b>	November 2025
<b>Implementation Date:</b>	November 2025
<b>Review Date:</b>	Autumn 2026
<b>Policy Version:</b>	5

Version	Reviewed	Changes since last version
1	March 2018	<ul style="list-style-type: none"> <li>• New policy</li> </ul>
2	March 2020	<ul style="list-style-type: none"> <li>• Minor changes.</li> </ul>
3	October 2023	<ul style="list-style-type: none"> <li>• Changes to levels of investment and institution ratings</li> </ul>
4	November 2024	<ul style="list-style-type: none"> <li>• Changes to levels of investment in this year</li> </ul>
5	November 2025	<p>Changes to level of investment and Changed ESFA to DfE.</p>

**This policy has been adopted by the Mulberry Schools Trust and will be applied to all schools which belong to the Mulberry Schools Trust.**

## 1. Aims

The Department for Education (DfE) acknowledges that Academies are able to make investments and these investments can be a good source of funding, but can also expose schools to risks.

This policy aims to ensure that:

- Mulberry Schools Trust (MST) funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook
- MST'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

The [Academy Trust Handbook](#) states that academy trusts are required to have an investment policy to:

- Manage, control and track their financial exposure
- Ensure value for money

This policy is based on the Academy Trust Handbook and guidance from [The Charity Commission](#). This policy also complies with our funding agreement and articles of association.

They must:

- Act within their powers to invest, as set out in our articles of association
- Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity
- Take investment advice from a professional adviser, as appropriate
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation

- Ensure that all investment decisions are in the best interests of the trust and command broad public support
- Follow certain legal requirements if they are going to use someone to manage investments on their behalf.
- Review investments periodically.
- Explain their investment policy in their annual report.

Trustees will seek prior approval from the Department for Education (DfE) for investment transactions that are **novel or contentious**.

**Novel transactions** are those of which the academy trust has no experience, or are outside the range of normal business activity for the trust.

**Contentious transactions** are those which might give rise to criticism of the trust by Parliament, the public, and the media.

MST's Articles of Association permit the Trustees to make investments, see Appendix A.

## **2. Risk**

A certain degree of risk is associated with all investments and Trustees must do all they can to manage risk levels. Before any investment decisions are made, Trustees must consider the level of risk they are able to accept. They must be satisfied that the overall level of risk they are taking is appropriate.

## **3. Policy Statement**

This policy governs the investment strategy of the Mulberry Schools Trust (MST) and all establishments that constitute the company. Charitable funds of MST are derived from direct government grants and these funds are defined as restricted. Additional charitable funds may be generated through the operational nature of MST's work, such as providing education, training and school to school support; these funds are defined as unrestricted.

## **4. Investment Policy**

The trustee of these funds is the MST, managed by its Board of Trustees. Therefore, there is a sole corporate body/trustee with responsibility for managing and administering the assets of the charitable funds and investments.

The management of charitable funds and investments will comply with the requirements of the:

- Charities Act 2011;
- Trustee Act 2000;

- Financial Services and Markets Act (FSMA) 2000; and the
- Charity Commission Guidance Notes CC14
- DfE Academy Trust Handbook (currently in force)

MST takes a prudent approach to managing the public money entrusted to them. They will carefully invest any money that is not required to cover anticipated expenditure and take steps to manage the risk associated with financial investments.

## **5. Scope of Policy**

This policy applies to all Trustees, Governors and employees of MST; a breach of the investment policy and procedure may result in disciplinary action.

The Finance Committee of MST is responsible for monitoring adherence to this policy, the appointment of investment advisors/managing agents, and for deciding changes between the proportions of funds invested in common investment funds and/or liquid investments (Cash Deposits).

The Accounting Officer (Chief Executive Officer) and Chief Financial Officer are responsible for ensuring that the policy is followed for all investments held.

The Chief Financial Officer is authorised to withdraw and deposit funds from and into liquid investments (Cash Deposits) to meet immediate working capital requirements (in conjunction with the requisite authorisation protocols in the scheme of delegation).

## **6. Objectives and targets**

The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk.

### **7. Investment Principles**

- 7.1 All funds are currently deposited in Lloyds bank accounts in current accounts. Each academy receives its grants and funding directly and central trust recharges are transferred to the Central Trust account as agreed by Trustees.
- 7.2 The Chief Financial Officer is charged with reviewing funds balances in each of the academies bank accounts and estimate what level of free cashflow might be available to invest for the short term.
- 7.3 The Chief Financial Officer will present investment proposals to the Chief Executive Officer for co-approval.
- 7.4 Investments will only be placed with institutions with the highest prevailing credit rating that presents the lowest possible investment risk.
- 7/5 Investments will be restricted to cash investments in term deposits in bank accounts rather than other instruments, including but not limited to equities, property, derivatives and bonds.

- 7.6 The Trust will only invest funds in short-term (no more than 12 months) deposit accounts.
- 7.7 Investment activity will be reported termly to the Finance Committee and Trust Board.
- 7.8 It is anticipated that the trust will have up to £14 million of funds to place on treasury deposit in the 25/26 academic year. If there is an opportunity to invest above this level, approval will be required in advance from the Chairs of the Trust and Finance Committee.

## **8. Procedures**

The following people are authorised signatories:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)

Before any funds are invested, the 2 authorised signatories will sign to indicate they agree to the investment. An investment authorisation form can be found at appendix B. 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 review interest rates and compare them with other investment opportunities annually.

## **9. Monitoring and evaluation**

The CFO or delegated person will compare alternative investment opportunities every six months to ensure that the company's funds achieve the acceptable interest rates.

Actions taken will be reported to the Board of Trustees termly and the MST's annual report and financial statements will describe the investment policy used to select the MST's investments as well as reporting on the performance of investments.

## **10. Policy Review**

This policy will be actively reviewed and changes applied to reflect the nature of the MST's operations, beneficiaries, and operating environment.

**Appendix A – MST – Extract from Articles of Association (Section 5)**

*In furtherance of the objects but not further or otherwise the Academy Trust may exercise the following powers.....:*

- (m) to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Objects (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification);
- (p) to delegate the management of investments to a financial expert, but only on terms that:
  - (i) the investment policy is set down in writing for the financial expert by the Trustees;
  - (ii) every transaction is reported promptly to the Trustees;
  - (iii) the performance of the investments is reviewed regularly with the Trustees;
  - (iv) the Trustees are entitled to cancel the delegation arrangement at any time;
  - (v) the investment policy and the delegation arrangement are reviewed at least once a year;
  - (vi) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and
  - (vii) the financial expert must not do anything outside the powers of the Trustees;
- (q) to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Trustees or of a financial expert acting under their instructions, and to pay any reasonable fee required.

**Appendix B: investment authorisation form**

Date investment made		Duration of investment	
Amount			
Interest rate		Expected return	
Description of investment			
<i>State what type of investment is being made and how it will benefit the academy trust</i>			
Details of where the investment is held			
<i>Insert name and address of bank or building society</i>			
Signatory name print		Signatory name print	
Signature		Signature	
Date		Date	