

AURORA ACADEMIES TRUST

Policy Title:	Investment Policy
Policy Reference:	Investment Policy Nov 2016
Function:	For <u>Information and Guidance</u> /Statutory
Audience:	Prospective Parents, Trustees, Governors, Regional Directors, Executive Headteachers, Heads, Teachers, Support Staff, as necessary
Ownership/ Implementation:	The Trustees/LAB Governing Body (as required) have overall responsibility for ensuring that this policy is implemented
Version:	001
Approved by Trust Board:	November 2016
Next Date for Review:	November 2018



Investment Policy

Positive cash balances held in individual Trust Bank accounts will be reviewed at each month end and compared to the latest financial and cash flow forecast. These positive balances will then be used to maximise the interest receivable whilst accommodating the day to day cash flow requirements of the Trust academy and Head Office, as appropriate.

Lloyds Current Account

All academy Trust funds, including the individual academy bank accounts, are held, effectively on instant access dedicated School Bank Accounts where no charges are levied. These positive cash balances currently receive gross credit interest, accrued daily and paid monthly, of 0.1% gross per annum. This rate is subject to review.

Where instant access is not required then Lloyds offer the following options:

High Interest Deposits (HID's)

These are fixed term, fixed interest cash based deposits held by the Lloyds Bank Corporate Markets team. Rates are subject to review, but agreed at time of deposit. Current rates are

Minimum deposit per HID - £10,000. You can hold multiple HIDs to layer the maturity dates

6 weeks (minimum period) – 0.50% gross pa

3 months – 0.80% gross pa

6 months – 0.90% gross pa

9 months – 1.00% gross pa

12 months – 1.25% gross pa

18 months – 1.35% gross pa

24 months – 1.45% gross pa

Longer terms also available.

Special Fixed Term Deposit (SFTD's)

The following 'limited edition' Special Fixed Term Deposits (SFTDs) are normally available for a limited period but offers are generally available.

Maturing 30 November 2016 – 0.85% gross pa

Maturing 14 February 2017 – 1.05% gross pa.

All the above HIDs/SFTDs are fixed term with no option for either partial or early withdrawal. Interest is added on maturity with both capital and interest auto repaid back to the linked SBA.



32 Day Notice Account

The minimum investment is £10,000, which can be added to at any time. Funds can be withdrawn giving 32 days notice. When withdrawing funds you have to withdraw a minimum of £10,000 and you have to maintain at least £10,000 in the account to keep it open.

This is currently paying 0.70% gross pa.

If an HID, SFTD or 32 day Notice Account is required then a request for such a facility to be made to the Trust Financial Director, together with supporting financial and cash flow forecast. Once the Trust Financial Director has approved the facility applications are to be made to the Lloyds Bank Specialist Schools Relationship Manager, responsible for the AAT account, Steve Seath, via email with no supporting information required, copying the Trust Financial Director. It will take Lloyds Bank approximately 3 days to open the required internal account in the Trust name with their Corporate Markets department, before the deposit can be made. Once the deposit has been made Lloyds Bank will issue a contract note confirming the amount/term etc.

