

Financial Reserves and Investment Policy 2020

The Link Academy Trust is a company limited by guarantee and an exempt charity, regulated by the Education & Skills Funding Agency (ESFA). All Members of the Board of Trustees of the exempt charity are also Directors of the company; the term 'Trustee' used in this Policy also means Director. This Policy applies to all academies within the Link Academy Trust.

1. FINANCIAL RESERVES

It is the Trustees' objective to maintain a structure of prudent financial management. To this end we aim to carry forward an amount that is no less than six weeks' operating costs (£693,000 based on 15 schools), so that the Trust can best protect and plan its current and future operating activities.

Reserves are intended to ensure that the Trust is equipped with enough high quality equipment to meet its aims and to ensure that a robust maintenance and renewal programme can be planned and carried out. The Trustees will keep the level of reserves under review.

2. FINANCIAL INVESTMENT

Due to the nature of the funding cycle, the Trust may at times hold large cash balances (School holiday periods) which may not be required for immediate use. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

This Policy is reviewed by the Finance and General Purposes Committee on an annual cycle and approved by the Board of Trustees.

Approved by the Board of Trustees: 7 December 2020