

**ELIZABETH II**



**1988 CHAPTER xxiii**

An Act to dissolve University College, Cardiff and The University of Wales Institute of Science and Technology; to transfer all rights, properties and liabilities of those bodies to University of Wales College of Cardiff; to provide for the pooling of investments and moneys of certain funds of University of Wales College of Cardiff; and for connected and other purposes.

[29th July 1988]

**W**HEREAS—

(1) University College of South Wales and Monmouthshire was founded by Royal Charter granted on 7th October 1884 by Her Majesty Queen Victoria and remained incorporated under that Charter and Supplemental Charters granted on 1st August 1893 by Her Majesty Queen Victoria and on 21st January 1931 by His Majesty King George the Fifth:

(2) On 22nd November 1972, by Special Statute made under the Supplemental Charter of 1931, the name and style of University College of South Wales and Monmouthshire was altered to the name and style of University College, Cardiff:

(3) The University of Wales Institute of Science and Technology (Athrofa Gwyddoniaeth a Thechnoleg Prifysgol Cymru) was founded by Royal Charter granted on 11th December 1967 by Her Majesty Queen Elizabeth the Second:

(4) University College, Cardiff and The University of Wales Institute of Science and Technology are two of the constituent institutions of the University of Wales:

(5) University College, Cardiff and The University of Wales Institute of Science and Technology have agreed that it is expedient that they should cease to exist and that a new University College of the University of Wales should be founded with the name and style of University of Wales College of Cardiff (Prifysgol Cymru, Coleg Caerdydd) to perform the functions at present performed by University College, Cardiff and The University of Wales Institute of Science and Technology:

(6) It is the intention of University College, Cardiff and The University of Wales Institute of Science and Technology to present a petition to Her Majesty in Council to accept a surrender of the respective Royal Charters of University College, Cardiff and The University of Wales Institute of Science and Technology and to grant a Royal Charter founding University of Wales College of Cardiff in their place:

(7) It is expedient that the other provisions contained in this Act should be enacted:

(8) The objects of this Act cannot be attained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted, and be it enacted, by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

## PART I

### PRELIMINARY

Short title  
and  
commencement.

1.—(1) This Act may be cited as the University of Wales College of Cardiff Act 1988.

(2) This section and section 2 of this Act shall come into operation on the passing of this Act and sections 3 to 18 of this Act shall come into operation on the appointed day.

Interpretation.

2. In this Act, unless the context otherwise requires, the following expressions shall have the following meanings:—

“appointed day” means the day on which, if Her Majesty is pleased to grant a Royal Charter founding the College, that Charter first has effect;

“the College” means University of Wales College of Cardiff (Prifysgol Cymru, Coleg Caerdydd);

“the Council” has such meaning as may be given to it in the Charter which is mentioned in this section;

“the Institute” means The University of Wales Institute of Science and Technology (Athrofa Gwyddoniaeth a Thechnoleg Prifysgol Cymru).

## PART II

DISSOLUTION OF UNIVERSITY COLLEGE, CARDIFF AND INSTITUTE  
AND TRANSFER OF FUNCTIONS AND PROPERTY, ETC., TO  
UNIVERSITY OF WALES COLLEGE OF CARDIFF

3. On the appointed day University College, Cardiff and the Institute shall be dissolved.

Dissolution of  
University  
College, Cardiff  
and Institute.

4. All property, real and personal of every description (including things in action), and all rights and privileges of University College, Cardiff and of the Institute which immediately before the appointed day belonged to or were vested in or exercisable by those bodies shall, on the appointed day, subject to the provisions of this Act, without any conveyance, transfer, assignment or other instrument, be transferred to and vested in, or be exercisable by, the College for all the estate and interest therein of those bodies.

Transfer of  
property, etc.

5. All debts and obligations of University College, Cardiff and of the Institute shall on the appointed day be transferred and attached to the College and shall thereafter be discharged and satisfied by the College.

Transfer of  
obligations, etc.

6. All agreements, appointments, awards, contracts, deeds and other instruments, and all actions and proceedings and causes of action which immediately before the appointed day were existing or pending in favour of, or against, University College, Cardiff or the Institute shall on and from the appointed day continue and may be carried into effect, enforced and prosecuted by, or in favour of, or against the College to the same extent and in the like manner as if the College, instead of those bodies, had been party to, or interested in, the same.

Saving for  
agreements,  
deeds, actions,  
etc.

7. Any scheme, will, deed or other instrument, whether made or executed before, on or after the appointed day, which contains any bequest, gift, or trust or other benefit in favour of or connected with University College, Cardiff or the Institute shall, on and after the appointed day, be read and have effect as if the College were named therein instead of the body concerned.

Construction of  
bequests, etc.

8. Any power or right of University College, Cardiff or the Institute or of any officer or employee of either of them to appoint or nominate a member of any education authority or of the governing body of any educational, charitable or other institution (other than the University of Wales) shall on the appointed day be transferred to and may be exercised by the College or by the officer or employee of the College who in the opinion of the Council most nearly performs the functions formerly performed by the former officer or employee in question.

Transfer of  
powers to appoint  
or nominate.

## PART III

## INVESTMENT POOLS

9. In this Part of this Act, unless the subject or context otherwise requires—  
“accounting period” means the yearly period commencing on 1st August in each year or other period for which the accounts and financial affairs of the College are for the time being made up, arranged and calculated;

Definitions in  
Part III.

“auditor” means the auditor of the College;

PART III  
—cont.

1960 c. 58.

“certified capital value” means, in reference to any investment with respect to which the expression is used, the capital value of that investment as certified by the auditor in pursuance of the provisions of section 13 of this Act;

“the Commissioners” and “the court” have the same meanings as in the Charities Act 1960;

“endowment fund” means a fund which is applicable for the benefit of the College or any work, purpose or feature thereof and the investments of which are for the time being held by and in the name of the College;

“general pool” means the general investment pool set up in pursuance of the provisions of section 11 of this Act;

“investment unit” means a share in the trustee investments pool or the general pool, as the case may be, of the value determined from time to time pursuant to section 15 of this Act;

“operative date” means such date as the Council may by resolution passed in pursuance of section 10 of this Act determine;

“shareholding” means, in regard to the trustee investments pool or the general pool and in reference to any endowment fund with respect to which the expression is used, the aggregate of the investment units in that pool to which such fund is entitled;

“trustee investments endowment fund” means an endowment fund the investments of which are by reason of the provisions of an instrument (including an Act of Parliament) relating to that fund to be confined to investments for the time being authorised by law for the investment of trust property;

“trustee investments pool” means the trustee investments pool set up in pursuance of the provisions of section 11 of this Act.

Adoption of  
Part III.

10. If the Council so resolve, the provisions of this Part of this Act shall apply to the College and the Council on and after such date as may be determined in the resolution.

Pooling of  
investments.

11.—(1) The Council shall, on the operative date, set up and shall thereafter maintain two investment pools which shall be called respectively “the trustee investments pool” and “the general pool” and shall be administered by the Council in the manner provided in this Act.

(2) On, or at any time after, the operative date, the Council may carry into the trustee investments pool any such investments and money as belong for the time being to any trustee investments endowment fund.

(3) On, or at any time after, the operative date, the Council may carry into the general pool any such investments and money as belong for the time being to any endowment fund:

Provided that the Council shall not carry into the general pool any investment or money belonging to a trustee investments endowment fund.

(4) The aggregate amount of the certified capital values, certified at the date when they are carried in, of all the investments and money belonging to any endowment fund which are carried into the trustee investments pool or the general pool (as the case may be) at any one time in pursuance of the provisions of this section shall be divided by the value at that time of an investment unit. The result of such division (any fraction amounting to less than one-half being ignored and any fraction amounting to one-half or more



being reckoned as one) shall be the number of investment units to which that endowment fund is entitled by virtue of the investments and money so carried in.

PART III  
—cont.

12.—(1) The trustee investments pool shall constitute a trust fund for the purposes of the Trustee Investments Act 1961 (“the 1961 Act”) and shall be invested in the name of the College in the manner authorised by section 1 of that Act:

Administration  
of investment  
pools.  
1961 c. 62.

Provided that—

(a) in its application to the powers of investment conferred by the said section 1, section 2 of the 1961 Act shall have effect, subject to the provisions of subsection (8) below, as if—

(i) in subsection (1) of that section for the words “the parts being, subject to the provisions of this Act, equal in value at the time of the division” there were substituted the words “the value of the wider-range part at the time of the division bearing to the then value of the narrower-range part the proportion of two to one”;

(ii) in paragraph (b) of subsection (3) of that section, for the words “each part of the fund is increased by the same amount” there were substituted the words “the wider-range part of the fund is increased by an amount which bears to the amount by which the narrower-range part of the fund is increased the proportion of two to one”;

(b) nothing in section 3 or 4 of the 1961 Act shall apply to the exercise of the powers of this Act.

(2) Any money for the time being in the general pool and available for investment shall be invested in the name of the College in the purchase of or on the security of such stocks, funds, shares, securities or other investments (including land of any tenure or any interest therein) of whatsoever nature and wheresoever and whether involving liability or not, and whether or not authorised by law for the investment of trust funds and generally in such manner as the Council shall, in their absolute discretion, think fit.

(3) Any money for the time being comprised in the trustee investments pool or the general pool and awaiting investment may be paid by the Council into a bank to a deposit or other account in the name of the College and all interest (if any) payable in respect thereof shall be applied as if it were income from an investment comprised in that pool.

(4) At any time after the operative date the Council, if they, for any of the purposes of any endowment fund or in order to separate that fund in whole or in part from the pool, decide to realise any investment units forming the whole or any part of the shareholding of that fund in the trustee investments pool or the general pool, may effect such realisation by cancelling those investment units and withdrawing from the pool in which those investment units are held either—

(a) an amount of money equal to the aggregate nominal value of the investment units so cancelled; or

(b) investments the certified capital value of which is equal to such aggregate nominal value; or

(c) an amount equal to such aggregate nominal value and composed partly of money and partly of investments the certified capital value of which when added to the amount of such money gives a total amount equal to such aggregate nominal value.

PART III  
—cont.

(5) The Council may at any time sell any of the investments for the time being comprised in the trustee investments pool or the general pool if such a sale is required for the purpose of realising any investment units in that pool or is thought by the Council to be expedient.

(6) The Council may at any time vary or transpose any investments in either pool for or into other investments of any nature authorised for that pool, but subject, in the case of the variation or transposition of investments comprised in the trustee investments pool, to the provisions of the 1961 Act, as modified by subsection (1) above.

(7) The income arising from the investments comprised from time to time in the trustee investments pool and the general pool respectively shall be dealt with in the manner specified in section 14 of this Act.

(8) If the Treasury by order under subsection (1) of section 13 of the 1961 Act prescribe a proportion greater than two to one, subsection (1) above shall be amended by the substitution in paragraph (i) and in paragraph (ii) of proviso (a) thereto, of the proportion so prescribed for the proportion of two to one.

Certification of  
capital values of  
investments.

13. Whenever the capital value of any investment requires for any purpose of this Act to be certified, the amount of that capital value shall be certified in writing by the auditor. For the purpose of such certification the auditor shall ascertain, calculate or estimate the capital value of the investment upon such basis as is in his judgment the most accurate and reliable basis available and, in the case of any security for which reliable market prices are available, the valuation shall be based on the mid-market price.

Apportionment  
of income  
from pooled  
investments.

14.—(1) The net amount of the aggregate income for any accounting period from the investments comprised in the trustee investments pool or the general pool after deduction of—

- (a) any expenses of administration of the pool;
- (b) any amount which may be retained in the pool in pursuance of the provisions of subsection (2) below; and
- (c) any amount set aside in pursuance of the provisions of subsection (3) below;

shall be apportioned among the endowment funds entitled to share in the pool in proportion to the numbers of investment units in the pool to which those funds are respectively entitled and, in the case of any investment unit or units to which an endowment fund was entitled during only a part of that accounting period, after paying due regard to the time during which that fund was so entitled.

(2) The Council may retain in the pool and carry to a reserve fund in the accounts of the pool at the end of any accounting period any such amount of income from the investments comprised in the pool, not exceeding such percentage as the Council may by resolution from time to time determine of the gross aggregate amount of that income for that accounting period, as the Council may consider it expedient to reserve with a view to supplementing the income from the investments comprised in the pool to be apportioned in any subsequent accounting period, and so helping to equalise the rates of the annual distributions of income in respect of the pool: the whole or any part of the income thus held in reserve for the time being in the pool may be applied at the discretion of the Council by way of addition to the amount of income otherwise falling to be apportioned in respect of any subsequent accounting period among the endowment funds entitled to share in the pool and as if it were part of that income.



(3) The Council may retain in the pool and carry to a capital redemption account in the accounts of the pool at the end of any accounting period any such amount of income from the investments comprised in the pool not exceeding such percentage as the Council may by resolution from time to time determine of the gross aggregate amount of that income for that accounting period as the Council may consider it expedient to set aside to meet capital losses.

PART III  
—cont.

(4) Any sums set aside pursuant to subsection (2) or (3) above shall be invested by the Council in the same manner as that in which money for the time being in the pool and available for investment is required to be invested in pursuance of the provisions of section 12 of this Act and the capital and income of such investments shall respectively form part of the capital and income of the pool.

(5) If an investment is redeemed or terminated or, in pursuance of the provisions of section 12 of this Act, withdrawn from the pool or sold, the Council may deduct a sum, being not greater than the capital loss, if any, resulting from such redemption, termination, withdrawal or sale, from the capital redemption account of the pool, and may apply it at their discretion in meeting the capital loss.

15.—(1) The auditor shall as soon as practicable after the end of each accounting period, and at any other time if so required by the Council, make to the Council a report on the investments for the time being comprised in the trustee investments pool and in the general pool, and if at any time the Council, after investigation and after receiving such report, shall come to the conclusion that by reason of appreciation or depreciation of the values of investments or by reason of the deduction of any sum standing to the credit of a capital redemption account in pursuance of the provisions of subsection (5) of section 14 of this Act the aggregate amount of the capital values of the investments and any money for the time being comprised in the trustee investments pool or the general pool is substantially greater or substantially less than the total value of all the investment units in that pool, the Council shall make such an addition to or reduction of the nominal value of an investment unit in that pool, as the Council may deem appropriate in the circumstances, so as to equate that total value with such aggregate amount.

Increase or  
reduction of  
value of  
investment  
unit.

(2) The initial value of an investment unit shall be five pounds.

16.—(1) The trustee investments pool and the general pool shall be treated for all purposes as if they were funds established under section 22 of the Charities Act 1960.

Supplementary  
provisions.  
1960 c. 58.

(2) The court and the Commissioners shall have the same powers after the passing of this Act to make and bring into operation schemes relating to an endowment fund, the trustee investments pool and the general pool as they would have if the provisions of this Part of this Act were contained in an order made under the said section 22 instead of in an Act of Parliament; and this Part of this Act shall, accordingly, have effect subject to the provisions of any such scheme.

(3) Except as provided in subsection (2) above, this Part of this Act shall have effect notwithstanding the provisions of any instrument relating to any endowment fund.

## PART IV

## MISCELLANEOUS

- Costs of Act.      **17.** The costs, charges and expenses preliminary or incidental to the preparation of, and the application for, and the obtaining and passing of, this Act may be paid by the College out of its funds.
- College to be exempt charity.      **18.** The College and any institution which is for the time being administered by or on behalf of the College being an institution established for the general purposes of, or for any special purpose of, or in connection with, the College shall be an exempt charity within the meaning, and for the purposes of, the Charities Act 1960.
- 1960 c. 58.

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# University of Wales College of Cardiff Act 1988

CHAPTER xxiii

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