

# University of Bristol Act, 1960

8 & 9 ELIZ. 2 Ch. xxvi

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## ARRANGEMENT OF SECTIONS

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## CHAPTER xxvi

An Act to provide for the pooling of investments and moneys of certain endowment funds of the University of Bristol and for other purposes.

[29th July 1960.]

**W**HEREAS the University of Bristol (hereinafter referred to as "the University") was established and incorporated by Royal Charter dated the twenty-fourth day of May nineteen hundred and nine with faculties and powers as therein provided and by the University of Bristol Act 1909 the property of University College Bristol previously existing in the city of Bristol was transferred to the University:

9 Edw. 7  
c. xlii.

And whereas the University enjoys the benefit of numerous endowment funds the investments of which are held by and in the name of the University but as separate holdings on behalf of the particular funds to which they respectively relate and it is anticipated that from time to time in future the University will become the holder of the investments of other endowment funds similarly held and enuring for the benefit of the University:

And whereas it is expedient to make provision for the pooling of the investments belonging to the endowment funds held by the University and as to their investments:

And whereas it is expedient that the other provisions in this Act should be enacted:

And whereas the purposes of this Act cannot be effected 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:—

1.—(1) This Act may be cited as the University of Bristol Act 1960.

Short title and  
commence-  
ment.

(2) This Act shall come into operation on the first day of August nineteen hundred and sixty.

## Interpretation.

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

“the University” means the University of Bristol;

“the charter” means the charter incorporating the University granted by His Late Majesty King Edward the Seventh on the twenty-fourth day of May nineteen hundred and nine and includes any amendment alteration or addition thereto;

“the council” means the council of the University;

“the treasurer” means the treasurer of the University;

“the auditor” means the auditor of the University accounts;

“the appointed day” means the first day of August nineteen hundred and sixty;

“accounting period” means the yearly period commencing on the first day of August in each year or other the period for which the accounts and financial affairs of the University are for the time being made up arranged and calculated;

“endowment fund” means a fund which is applicable for the benefit of the University 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 University;

“trustee securities 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 trustee securities;

“the 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 treasurer or the auditor (as the case may be) in pursuance of the provisions of section 5 (Certification of capital values of investments) of this Act;

“the trustee securities pool” means the trustee securities pool set up in pursuance of the provisions of section 3 (Pooling of investments) of this Act;

“the general pool” means the general investment pool set up in pursuance of the provisions of section 3 (Pooling of investments) of this Act;

“investment unit” means a share in the trustee securities pool or the general pool as the case may be of the value determined from time to time pursuant to section 7 (Increase or reduction of value of investment unit) of this Act;

“ trustee securities ” means securities in which trustees are by law authorised to invest trust money at the date of the passing of this Act;

“ commercial investments ” has the meaning assigned to that expression by section 9 (Authorised securities) of this Act;

“ authorised securities ” means investments which are either trustee securities or commercial investments;

“ shareholding ” means in regard to the trustee securities 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.

3.—(1) The council shall on the appointed day set up and shall thereafter maintain two investment pools which shall be called respectively “ the trustee securities pool ” and “ the general pool ” and shall be administered respectively by the council in the manner provided in this Act.

Pooling of investments.

(2) On or at any time after the appointed day the council may carry into the trustee securities pool any trustee securities and money belonging for the time being to any trustee securities endowment fund.

(3) On or at any time after the appointed day the council may carry into the general pool any investments and money belonging for the time being to any endowment fund other than a trustee securities endowment fund. The council shall not carry into the general pool any investment or money belonging to any trustee securities endowment fund.

(4) The aggregate amount of the 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 securities 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 such endowment fund is entitled in virtue of the investments and money so carried in.

4.—(1) Any amount of money for the time being in the trustee securities pool and available for investment shall be invested in the name of the University in authorised securities.

Administration of the investment pools.

(2) Any amount of money for the time being in the general pool and available for investment shall be invested in the name of the University in the purchase of or on the security of such



stocks funds shares securities and other investments (including subject to the limitations imposed by the charter land of any tenure or any interest therein) of whatsoever nature and where-soever 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 uncontrolled discretion think fit.

(3) Any amount of money for the time being comprised in the trustee securities 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 University 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 appointed day the council if they for any of the purposes of any endowment fund or in order to separate such fund in whole or in part from the pool require to realise any investment units forming the whole or any part of the share-holding of that fund in the trustee securities pool or the general pool may effect such realisation by cancelling such investment units and withdrawing from the pool in which such 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 (as at the date of such withdrawal) 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 (as at the time of such withdrawal) when added to the amount of such money gives a total amount equal to such aggregate nominal value.

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

(6) The council may at any time vary or transpose any investments in either pool for or into others of any nature authorised for such pool but subject in the case of the variation or transposition of investments comprised in the trustee securities pool to the provisions of section 9 (Authorised securities) of this Act.

(7) The income arising from the investments comprised from time to time in the trustee securities pool and the general pool respectively shall be dealt with in the manner specified in section 6 (Apportionment of income from pooled investments) of this Act.

5. Whenever the capital value of any investment requires for any purpose of this Act to be certified the amount of such capital value shall be certified in writing by the treasurer:

Certification of capital values of investments.

Provided that the council may if they think fit require that the value certified by the treasurer shall be revised by the auditor and in that event the auditor after consultation with the treasurer shall certify in writing the capital value of the investment and his certificate shall be substituted for that of the treasurer.

For the purpose of any such certification the treasurer or the auditor as the case may be 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.

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

Apportionment of income from pooled investments.

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

shall be apportioned among the endowment funds entitled to share in that pool in proportion to the numbers of investment units in that pool to which such 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 trustee securities pool or the general pool and carry to a reserve fund in the accounts of that pool at the end of any accounting period any such amount of income from the investments comprised in that pool not exceeding four per centum upon the gross aggregate amount of such 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 that 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 that pool. The whole or any part of the income thus held in reserve for the time being in the trustee securities pool or the general 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 that pool and as if it were part of that income.

(3) Where any investment of a redeemable or terminable nature has been purchased for or transferred to the trustee securities pool or the general pool at a price which would but for the provisions of this subsection result in a capital loss on the redemption or termination of such investment the council may set aside to a capital redemption account out of the income from the investments comprised in the trustee securities pool or the general pool as the case may be such sum or sums as in the aggregate shall not be greater than the amount of such capital loss.

(4) Any sums set aside pursuant to subsection (2) or (3) of this section may be invested by the council and the capital and income of such investments shall respectively form part of the capital and income of the trustee securities pool or the general pool as the case may be.

(5) If and when the council in pursuance of the provisions of section 4 (Administration of the investment pools) of this Act withdraw from the trustee securities pool or the general pool or sell any investment in respect of which any sum or sums has or have been set aside to a capital redemption account under this section the amount then standing to the credit of such account in respect of such investment shall be cancelled and enure for the general benefit of the pool to which it relates.

(6) The council shall apportion between the trustee securities pool and the general pool any expenses of administration incurred jointly for both of those pools in respect of any accounting period.

Increase or  
reduction of  
value of  
investment  
unit.

7.—(1) The treasurer and 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 respectively make to the council a report on the investments for the time being comprised in the trustee securities pool and in the general pool and if at any time the council after investigation and after receiving such reports shall come to the conclusion that by reason of appreciation or depreciation of the values of investments or by reason of the cancellation of any sum standing to the credit of a capital redemption account in pursuance of the provisions of subsection (5) of section 6 (Apportionment of income from pooled investments) of this Act the aggregate amount of the capital values of the investments and any money for the time being comprised in the trustee securities 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 under the circumstances so as to equate such total value with such aggregate amount.

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

8. This Act shall have effect notwithstanding the provisions of any instrument relating to any endowment fund.

Effect of Act on operation of instruments.

9. In addition to any securities in which trust moneys may be invested under the general law the University may invest moneys in the trustee securities pool in debentures debenture stock loan stock or stock or fully paid shares of any company (in this Act called "commercial investments") subject at the time of investment to the following qualifications:—

Authorised securities.

(a) A commercial investment must have a quotation on the London Stock Exchange;

(b) The proportion of the trustee securities pool which may be invested in commercial investments shall not exceed sixty-six and two-thirds per centum of the value of the whole of that pool;

(c) No investment shall be made in any company which has not paid a dividend of at least four per centum on the ordinary stock or shares of the company for each of the five years immediately preceding the date of investment or if the company has been incorporated or has been trading for less than five years before that date unless—

(i) the company has paid such dividend for each of the years since incorporation or commencement of trading as the case may be; or

(ii) in the case of a company which has not been incorporated or trading for at least one year before the date of investment but which has been formed by the amalgamation of other companies each of such other companies has paid a dividend of at least four per centum on its ordinary stock or shares for each of the five years immediately preceding the date of the amalgamation;

except in the case of a rights issue in respect of debentures stock or shares already held in the trustee securities pool.

10. The provisions of sections 1 and 14 of the Prevention of Fraud (Investments) Act 1958 (which except in certain cases respectively prohibit dealing in securities without a licence and the distribution or possession for distribution of certain circulars) shall not apply to any dealings undertaken by or on behalf of the University in connection with the setting up or operation of the trustee securities pool or the general pool or to the distribution in that connection by or on behalf of the University of any document or to the possession of any document for the purpose of such distribution.

Exclusion of Prevention of Fraud (Investments) Act 1958.

6 & 7 Eliz. 2 c. 45.



Costs of Act.

11. The costs charges and expenses of and incidental to the preparing for obtaining and passing of this Act or otherwise in relation thereto shall be paid by the University out of the general funds of the University.

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