



Education Reform Act 1988

1988 CHAPTER 40

PART I

SCHOOLS

CHAPTER IV

GRANT-MAINTAINED SCHOOLS

Winding up and disposal of property

96 Surplus money and investments

(1) Subject to subsection (2) below—

(a) any money held by a governing body in liquidation (whether in cash or to their account at or on deposit with any bank or other institution which may lawfully take deposits within the meaning of the Banking Act 1979); and

(b) any investments to which this section applies held by such a governing body; after discharge of all their liabilities (other than any not required to be discharged before the dissolution date is appointed) and all costs of the winding up shall be paid or (as the case may be) transferred to the Secretary of State.

(2) Where the Secretary of State is satisfied as to the whole or any part of any such money or as to any such investments—

(a) that the money or that part of it was derived or (as the case may be) those investments were acquired otherwise than from grants paid by him under this Chapter; and

(b) that it ought to be paid, or the investments ought to be transferred, to a local education authority or to some other person;

he may require the governing body to pay that money, or an amount equal to the part in question, or to transfer those investments, to such local education authority or other

Status: This is the original version (as it was originally enacted).

person as he may specify, either beneficially or to be held on trust for such purposes as he may specify.

- (3) Without prejudice to the power of the Secretary of State under subsection (2) above, any payment of money or transfer of investments under this section shall be free of any trusts on which the money or investments are held by the governing body before the payment or transfer is made.
- (4) This section applies to any investment within the meaning of the Financial Services Act 1986 which falls within—
 - (a) any of paragraphs 1 to 6 of Schedule 1 to that Act; or
 - (b) paragraph 11 of that Schedule, so far as referring to investments falling within any paragraph of that Schedule mentioned in paragraph (a) above.
- (5) References in subsection (4) above to any paragraphs of Schedule 1 to that Act include references to those paragraphs as amended by any order under section 2 of that Act which amends those paragraphs for the purposes of all the provisions of that Act.