

## CONSOLIDATED SINKING FUND FOR NEW SECURITIES.

20. (1) In order to provide funds for the repayment of the new securities the local authority shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a consolidated sinking fund, of which such persons as the local authority appoints shall be the Commissioners.

(2) For such purpose the local authority shall permanently appropriate and shall pay to the Commissioners of the consolidated sinking fund on each thirtieth day of September following the date of conversion up to and including the thirtieth day of September, one thousand nine hundred and fifty-one, a contribution of six hundred pounds, reduced in respect of each contribution by the aggregate of the sums which during the twelve months preceding the date of payment of such contribution have, pursuant to the provisions of the next succeeding clause, been paid to the sinking fund for unconverted securities.

(3) The provisions of section thirty-three of the Fire Brigades Act, 1926, shall apply with respect to such sinking fund.

## SINKING FUND FOR UNCONVERTED SECURITIES.

21. (1) If dissent is signified in accordance with the provisions of this Order from the conversion of any existing securities issued in respect of the loan referred to in the First Schedule hereto, the local authority, in order to provide funds for the repayment of the unconverted securities issued in respect of such loan, shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a sinking fund, of which the persons who at the date of conversion were Sinking Fund Commissioners in respect of such loan shall be the first Commissioners.

(2) For such purpose the local authority shall permanently appropriate a sum which bears the same proportion to the annual contribution payable, before the date of conversion, to the existing sinking fund of such loan as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the existing securities issued in respect of such loan, and shall pay such sum to the Commissioners yearly and every year until the maturity date of such unconverted securities, or until the Commissioners are satisfied that the accumulations of sinking fund will suffice to redeem such securities at maturity.

(3) The first of such yearly payments shall be made not later than one year after the date on which the last annual contribution payable before the date of conversion to the existing sinking fund of such loan was payable.

(4) Subject to the provisions of this Order, the provisions of section thirty-three of the Fire Brigades Act, 1926, shall, so far as applicable and with all necessary modifications, apply with respect to such sinking fund:

## APPLICATION OF EXISTING SINKING FUND.

22. (1) The existing sinking fund of the loan referred to in the First Schedule hereto shall be applied by the Commissioners thereof in accordance with the following provisions of this clause.

(2) All debentures or other securities issued by the local authority and held by the said Commissioners as an investment of the sinking fund shall be transferred to the local authority to be cancelled. Such cancellation shall be effected by the local authority in the presence of the Commissioners, or a person appointed by them for the purpose, and under the supervision of an officer appointed by the Audit Office to exercise such supervision at the expense of the local authority. On the cancellation of such debentures the liability of the local authority and of the Commissioners in respect of the debentures and of the moneys secured thereby shall forthwith cease.

(3) So much of the existing sinking fund as is not represented by the debentures referred to in the last preceding subclause shall be applied by the Commissioners thereof in or towards making the following payments, in the following order of priority, namely:—

- (a) First, in transferring to the Commissioners of the sinking fund hereinbefore required to be created for the unconverted securities issued in respect of such loan a sum which bears the same proportion to the amount of such existing sinking fund at the date of conversion as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the existing securities issued in respect of such loan;
- (b) Secondly, in payment, in accordance with the directions of the local authority, of any cash payments required or authorized by this Order to be made in respect of premiums;
- (c) Thirdly, in payment in accordance with the directions of the local authority of the costs and charges (not exceeding in the aggregate the sum of one hundred and fifty pounds of and incidental to the conversion of any existing securities to which the Order applies; and
- (d) Fourthly, in transferring the balance to the Commissioners of the consolidated sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

## SECURITIES HELD BY TRUSTEES.

23. The provisions of sections twenty-two, twenty-three, and twenty-four of the New Zealand Debt Conversion Act, 1932-33 (relating to the adjustment of premiums as between capital and income and to the powers of trustees and other persons in relation thereto), shall apply with respect to existing securities converted into new securities in accordance with this Order in the same way as they apply with respect to securities converted under that Act, save that the references in the said section twenty-two to the first day of April, one thousand nine hundred and thirty-three, shall be construed as references to the day following the date of conversion.

## BROKERAGE.

24. The local authority shall not, in respect of the conversion into new securities of any existing securities to which this Order applies, enter into any contract for the payment of brokerage at a rate exceeding one-quarter per centum of the amount of such existing securities.