

(3) The provisions of sections forty to forty-four of the Local Bodies' Loans Act, 1926, shall apply with respect to such sinking fund.

SINKING FUND FOR UNCONVERTED SECURITIES.

20. (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 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 securities in respect of which such existing sinking fund is held, 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 sections forty to forty-four of the Local Bodies' Loans Act, 1926, shall, so far as applicable and with all necessary modifications, apply with respect to such sinking fund.

APPLICATION OF EXISTING SINKING FUND.

21. (1) As the whole of the securities issued in respect of the loan specified in the first column of the First Schedule hereto and outstanding at the date of conversion are not existing securities to which this Order applies, the existing sinking fund of such loan shall be divided into two parts, the first of which shall bear to the second the same proportion which the amount of the outstanding existing securities to which this Order applies bears to the amount of the outstanding securities to which this Order does not apply.

(2) Of the aforesaid two parts of the existing sinking fund, the first part shall be applied by the Commissioners thereof, so far as it will extend, 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 securities in respect of which such sinking fund is held;
- (b) Secondly, in payment, in accordance with the directions of the local authority, of the costs and charges (not exceeding in the aggregate one hundred and ten pounds) of and incidental to the conversion of existing securities to which this Order applies; and
- (c) Thirdly, in transferring the balance to the Commissioners of the sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund, and the second part of such sinking fund shall be retained by the Commissioners as a sinking fund for those securities issued in respect of the loan to which this Order does not apply.

BROKERAGE.

22. 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.

FIRST SCHEDULE.

LOAN TO BE CONVERTED.

Name.	Amount.	Rate of Interest.		Date of Maturity.
		Original.	Existing.	
Waterworks and Electric-light Loan, 1928, of £76,500 (part). (Debentures numbered 1 to 170, 181 to 200, 253 to 267, 278 to 292, and 371 to 400, each number being inclusive)	£ 25,000	Per Cent. 5½	Per Cent. 4½	1st April, 1953.

SECOND SCHEDULE.

FORMS.

(1) Notice.

[Name of local authority.]

CONVERSION under the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, and the Loan Conversion Order, 19 , of debentures numbered 1 to 170, 181 to 200, 253 to 267, 278 to 292, and 371 to 400 (both numbers in each case being included) issued in respect of the following loan [Particulars of loan].

Notice is hereby given to the holders of debentures, numbered as above, issued in respect of the above-mentioned loan that the [Name of local authority] intends to convert all such debentures (except those in respect of which dissent is duly signified) into new debentures having new maturity dates and bearing interest at 4½ per cent. per annum.