

(2) Out of such sinking fund there shall be transferred to the Public Trustee, as Commissioner 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.

(3) Subject to the provisions of the preceding subclause (2) hereof such sinking fund, together with all accretions thereto, shall be paid to the Public Trustee as Commissioner of the Consolidated Sinking Fund (to be held as part thereof), on or before the 1st day of October, one thousand nine hundred and thirty-six.

23. For the purposes of the next two succeeding clauses the sinking fund of every loan in the First Schedule hereto (other than the loan referred to in the preceding clause twenty-two hereof) some only of the existing securities issued in respect of which are held by the Public Trustee shall be divided into two parts the first of which shall bear to the second the same proportion which the amount of the existing securities so held by the Public Trustee bears to the amount of the existing securities held by persons other than the Public Trustee. The said parts shall be applied as follows:—

- (a) The first part of such sinking fund shall be applied by the Commissioner thereof in accordance with the provisions of clause twenty-four hereof as if the existing securities issued in respect of the loan and held by the Public Trustee were a separate loan to which that clause applies and such first part of the sinking fund were the sinking fund of such separate loan.
- (b) The second part of such sinking fund shall be applied by the Commissioner thereof in accordance with the provisions of clause twenty-five hereof as if the existing securities issued in respect of the loan and held by persons other than the Public Trustee were a separate loan to which that clause applies and such second part of the sinking fund were the sinking fund of such separate loan.

24. (1) Subject to the provisions of clause twenty-three hereof, the existing sinking fund of every loan in the First Schedule hereto (other than the loan referred to in the preceding clause twenty-two hereof) the securities issued in respect of which are held by the Public Trustee, shall be applied by the Public Trustee as Commissioner 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 Commissioner 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, as far as it will extend to the nearest multiple of five pounds, in repayment as at the date of conversion of the principal secured by the existing securities issued in respect of such loan and held by the Public Trustee; and
- (c) Thirdly, in transferring the balance to the Commissioner of the consolidated sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

(2) Interest up to the date of conversion on any existing securities so repaid in accordance with paragraph (b) of the last preceding subclause shall be paid by the local authority out of the local fund.

25. Subject to the provisions of clause twenty-three hereof, the existing sinking fund of every loan referred to in the First Schedule hereto (other than the loans referred to in the preceding clauses twenty-two and twenty-four hereof) shall be applied by the Public Trustee as Commissioner 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 Commissioner 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; and
- (b) Secondly, in payment, in accordance with the directions of the local authority, of any cash payments required by this Order to be made to reduce to the nearest multiple of one hundred pounds the aggregate amount of principal represented by the new securities (including new securities issued by way of premium) to which any holder is entitled on the conversion of any existing securities to which this Order applies (whether issued in respect of such loan or of any other loan referred to in the First Schedule hereto); and
- (c) Thirdly, in transferring the balance to the Commissioner of the consolidated sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

CONSOLIDATED SPECIAL RATE.

26. (1) As a security for the new securities and the unconverted securities the local authority shall forthwith, by resolution gazetted (in the form numbered (4) in the Second Schedule hereto), make and levy a special rate to provide for the payment of interest, sinking fund, and other charges in respect of such securities. Such special rate shall be made and levied over all that area of the district of the local authority over any part of which any existing special rate in respect of any loan specified in the First Schedule hereto was made and levied.

(2) Subject to the provisions of this Order, the provisions of the Local Bodies' Loans Act, 1926, and of any other Act shall, so far as applicable and with all necessary modifications, apply with respect to such special rate, and with