2. *Council.*—During the year Mr. Samuel Luke ceased to be Chairman of the Board of Education, and was succeeded by Mr. Richard Hobbs on the 15th April, 1898; Mr. Peter Dignan ceased to be Mayor, and was succeeded by Mr. David Goldie on 21st December, 1898; Sir George Maurice O'Rorke, Knight, M.A., LL.D., was reappointed a member of the Council by His Excellency the Governor in Council; Mr. Jackson Palmer was re-elected a member of the Council by the members of the General Assembly; and Dr. James Scott Maclaurin was re-elected by the graduates.

3. *Professors and Lecturers.*—Dr. A. McArthur was appointed Lecturer on Jurisprudence and Constitutional History on the 21st March, and delivered courses of lectures on these subjects, which were well attended. The salary of M. E. de Montalk, B. ès L., O.A., Lecturer on Modern Languages, was raised from £50 to £100 per annum. No other changes have taken place either in the staff or in the amounts of their salaries.

4. *Increased Accommodation.*—Owing to the increase in the number of students it was found necessary to provide additional lecture-rooms, and Parliament, on the invitation of the Government, granted £1,000 for this purpose. This increased accommodation will be of great advantage to the College, which is now hampered only by the fact that the income at the disposal of the Council has been virtually stationary since the foundation of the College, and is not now adequate to the requirements of the institution. It will be understood how scanty the amount of accommodation for teaching purposes was when it is stated that there were only two lecture-rooms for the three Professors of Classics, Mathematics, and English, and the two Lecturers in Modern Languages and Jurisprudence and Constitutional History—two rooms for five classes. There was further a pressing demand for a room for teaching mechanical drawing in order that at least the first year's course of engineering should be obtainable in this College. An offer had also been made to deliver lectures in history and political economy, whilst there was a probability of Hebrew being one of the subjects taught. There was also a desire to bring the School of Music within the College buildings. These matters were all considered at a meeting of the Council held on 20th June, 1898, when the Chairman was deputed to appeal to the Government to obtain from Parliament a grant of £1,000 for the addition of a new wing to the present building, and was requested at the same time to state that this was the first time since the foundation of the College that any pecuniary aid had been applied for to the Government. The Government recognised the justice of the claim, and invited Parliament to grant a sum of £1,000, which was agreed to. The thanks of the Council for this timely aid were tendered to Government by resolution of date 28th November, 1898. It is proposed to proceed at once with the erection of the building.

5. *Scholarships held in 1898.*—The following students held University Senior Scholarships during the year: 1. P. H. Watts, mathematics; 2. R. W. Allen, chemistry. The following students held University Junior Scholarships during the year: 1. Alice M. D. Dinneen; 2. H. D. Bamford; 3. J. C. Dromgool; 4. M. A. Hunter; 5. Marguerita B. Pickmere; 6. M. Walker; 7. Florence J. Patterson. The following student held a Sinclair Scholarship: 1. Alice M. D. Dinneen. The following student held a Gillies Scholarship: 1. J. C. Dromgool.

I have, &c.,

G. Maurice O'Rorke, Chairman.

Statement of Receipts and Expenditure of the Auckland University College for the Year ended on 31st December, 1898.

I.—General Account.

Receipts.	£	s.	d.
To Balance, 1st January, 1898	1,215	9	0
Statutory grant	4,000	0	0
Taupiri rent	108	6	8
Endowments	197	18	4
Examination fees	46	4	0
Calendars sold	1	8	9
Miscellaneous receipts	14	9	11
Interest on fixed deposits	42	0	0
	£5,625	16	8

Expenditure.				£	s.	d
By Salaries				3,608	6	0
Office expenses				14	18	6
Stationery				36	12	8
Advertising				98	14	0
Printing				43	7	10
Cleaning, lighting, and warming ..				53	1	2
Fidelity bond				3	0	0
Legal expenses				0	10	6
Insurance				36	16	3
Furniture and fittings				13	8	8
Repairs				172	1	7
Water-rates				15	13	6
Lecture requisites				226	2	4
Library				76	9	3
Premiums				15	15	0
Examination expenses				33	4	10
Glasgow medal expenses				1	5	0
School of Music				32	0	0
Endowment expenses, Waikato ..				15	14	3
" Raglan ..				13	19	0
" Waitemata ..				1	17	6
Interest on overdraft				1	13	4
Balance, 31st December, 1898—						
Fixed deposit, Bank of New Zealand				1,000	0	0
Current account ..	119	7	7			
Outstanding cheques	16	8	9			
				102	18	10
Cash on hand				8	6	8
				£5,625	16	8