

Mr. and Mrs. Hendre continue to give entire satisfaction. As might be expected, they found it difficult when first appointed to maintain the necessary discipline amongst a parcel of lads, some of them nineteen or twenty years of age; but their remarkable capacity for such a task was soon apparent, and, by kindly patience and firmness, they have not only established their ascendancy, but have secured the confidence and goodwill of their charges.

The place is open for inspection on any day of the week except Sundays. The trustees would be glad to see many more visitors, and much more public interest taken in the institution, which is doing a truly good work, and, they believe, in a satisfactory manner.

His Excellency the Governor and Lady Ranfurly visited the Institute on the 5th May, and were received with a gymnastic performance under Professor Carrollo. They inspected the buildings, and expressed themselves as much pleased with the order and tidiness of the various rooms. His Excellency took the boys apart and conversed individually with them, and showed much interest in the specimens of their work. The next day he sent them a handsome present of eighteen volumes of books for the library. A few days afterwards their Excellencies drove again to the Institute, and left a couple of volumes of engineering works for a boy who had attracted their attention by constructing in his spare hours a working model of a steam-engine. It was this poor lad who died in the hospital a little later on.

There have been five entertainments during the year—three concerts and two limelight exhibitions—and the lads had a most enjoyable week at the Kawau, where Mr. Ross most kindly placed a cottage at their disposal, and supplied them with milk and other necessities, and in other ways endeavoured to make their trip a pleasant one, for which the trustees offer him their hearty thanks.

The Church of England lads regularly attend Divine service at All Saints' on Sunday mornings, and go there for Sunday school in the afternoons, where they are instructed by Messrs. Tayler and Stewart. Both Canon and Mrs. Calder are much interested in them, and have great influence over them. Lads of other denominations attend their respective places of worship, and are well looked after. Sunday evenings are spent in learning the lessons for Sunday school, and in singing hymns, &c.

The balance-sheet shows a deficiency of £160 on the year's working, but one principal cause of this has been an unusual expenditure for repairs and other items, which are not likely to occur again to the same extent; and there has also been a falling-off in the amount received as interest on investments, consequent on the lower rates that are now prevailing, and it is evident that the strictest economy must be observed to bring the expenditure within the receipts.

The assets are still £1,110 in excess of the original bequests of Mr. Costley and Mrs. Rebecca Hodge, proving that there has been no extravagant waste of funds, and that due care has been exercised in their investment.

THE COSTLEY TRAINING INSTITUTE.
BALANCE-SHEET ON 31ST DECEMBER, 1900.

<i>Receipts.</i>			<i>Expenditure.</i>		
	£	s. d.		£	s. d.
Costley bequest	12,150	0 0	Buildings, land, &c. ..	4,067	6 9
Rebecca Hodge bequest ..	672	3 9	Mortgages and interest due ..	9,654	0 0
Trust Account, boys' ..	200	0 0	Piano	35	0 0
Trust, Savings-bank ..	45	10 0	Manager's cash	12	5 4
Revenue Account	1,110	17 5	Savings-bank	45	10 0
			Bank of New Zealand ..	364	9 1
	<u>£14,178</u>	<u>11 2</u>		<u>£14,178</u>	<u>11 2</u>

REVENUE ACCOUNT FOR YEAR ENDING 31ST DECEMBER, 1900.

<i>Dr.</i>			<i>Cr.</i>		
	£	s. d.		£	s. d.
Maintenance	869	19 11	Interest	488	0 0
Boys' allowances	18	12 0	Boys' earnings	294	9 5
General expenses	55	2 6	Balance (loss)	161	5 0
	<u>£943</u>	<u>14 5</u>		<u>£943</u>	<u>14 5</u>
	£	s. d.		£	s. d.
Balance	161	5 0	Balance, 31st December, 1899 ..	1,272	2 5
Balance per balance-sheet ..	1,110	17 5			
	<u>£1,272</u>	<u>2 5</u>		<u>£1,272</u>	<u>2 5</u>

I have examined the above balance-sheet, together with its accompanying Revenue Account, compared them with the books and vouchers, and found them correct. I am of opinion that the balance-sheet presents a true and correct view of the affairs of the institute as on the 31st December, 1900.

Auckland, 21st January, 1901.

O. B. WAYMOUTH, M.C.A., Auditor.

Approximate Cost of Paper.—Preparation, not given; printing (1,375 copies), £1 7s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1901.