GENERAL STATEMENT of ACCOUNTS for the Year ended 31st December, 1903.

Receipts.	£	s.	d.	Expenditure.	£	s.	d.	
Balance at beginning of year	398	18	11	Office expenses	0	11	4	
Current income from reserves	150	0	0	Other expenses of management	0	12	6	
Interest on moneys invested and on unpaid				Teachers' salaries and allowances	10	0	0	
purchase-money	146	5	0	Scholarships	12	3	3	
Paid by School Commissioners	391	3	2	Prizes	4	8	0	
Interest on current account at Post-Office				Printing, stationery, and advertising	1	2	8	
Savings-Bank	5	4	3	Typewriter for technical classes	16	0	0	
Other receipts, namely—				Technical classes	19	13	6	
Government capitation on technical classes	19	13	6	Hawke's Bay Education Board	223	2	3	
Mortgages recharged	2,825	0	0	Balance in hand and in bank at end of year—				
				In Union Bank	136	16	8	
				In Post-Office Savings-Bank	136	14	8	
				On mortgages	3,375	0	0	
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	£3,936	4	10	£	3,936	4	10	

W. Morgan, Chairman.

C. A. DE LAUTOUR, Secretary and Treasurer.

Examined and found correct.—J. K. WARBURTON, Controller and Auditor-General.

MARLBOROUGH HIGH SCHOOL.

Staff.

Mr. John Innes, M.A., LL.D.; Mr. V. White, B.A.; Miss M. C. Ross, M.A.

1. Report of the Governors.

There has been no change in the *personnel* of the Board since last year, the retiring members of the Education Board having been re-elected without opposition.

The Governors held sixteen meetings during the year—twelve ordinary and four special meetings. The average attendance of members at these meetings was seven.

The most noteworthy event of the past year, as affecting secondary education, has been the establishment of "free places" in the high schools available for all scholars who have passed the Sixth Standard in the primary schools. This new departure has been cordially received by the Governors, although, owing to the limited accommodation at the High School at the time, they found it impossible to at once grant admission to all who were qualified. However, they admitted sixteen, or as many as it was possible to accommodate with the existing staff and the limited space at their disposal.

The steady increase in the number of scholars on the roll is very satisfactory evidence of the estimation in which the school is held by the community. The number of scholars at the close of each of the three years of its existence was 32, 55, 77, and this year 93. Of this number 42 are boys, and 51 girls. There are only two pupils under twelve years of age, and these having passed Standard VI. a year ago, there are no pupils at a stage below Standard V.—the standard now fixed by the Secondary Schools Act as that of admission to a high school. During the year under review 2 scholars sat for the University junior scholarship, 7 for matriculation, 6 for the Junior Civil Service, 1 for the Senior Civil Service, and 1 for the E certificate.

The Principal, in his report to the Governors, says, with regard to the system of free places, "I am pleased to say that the system seems likely to prove a success from a teacher's point of view. The pupils are, as is to be expected from the qualifications on which they were admitted, bright and intelligent; and, though they suffer from having lost the first third of the year's work, their progress has been very satisfactory."

Although confident of the continued and increasing success of the school, the Governors are temporarily placed in a somewhat difficult position through the introduction of free secondary education. It is to be expected that the influx of fee-paying pupils will be very much reduced, if not entirely stopped; and, while it is hoped that the Government allowance for free places will ultimately be almost sufficient to compensate for the absence of paying pupils, the steps that must be taken, and have already been commenced, to cope with the number that may be expected to attend in the near future will strain the resources of the Governors to their utmost extent. An enlargement of the building has already been completed, and an additional teacher is to be added to the staff at the end of the first term of 1904. The Governors, moreover, must provide such salaries as will attract and retain the best teachers procurable in the colony. Already they have lost the services of a most competent teacher in the gentleman who filled the position of first assistant, but who accepted a more lucrative appointment elsewhere; and, unless adequate salaries are paid, what has happened before is certain to occur again in the case of any efficient teacher who may enter the Governors' service.

As regards the building, the new wing, at the time of writing, is ready for occupation, but its erection has compelled the Governors to overdraw their account at the bank, and they venture to request that the hope held out to their Chairman by the Premier will soon be made good by a grant in aid of the said building.

Scholarships.—The recent changes under the Secondary Schools Act, &c., render necessary some alterations in the Governors' regulations respecting "endowment free places." A revision of these regulations is now under consideration, and will shortly be submitted for the approval of the Minister.