Year by year it is becoming more apparent that the present premises are not suitable for technical-school purposes, and already the rooms at our disposal are found to be altogether inadequate for the work of the classes. During the year arrangements were made for the occupancy of the building opposite the Technical School, and in this building the apparatus for the teaching of practical electricity has been erected. But the rent of these premises is relatively a heavy item, and the arrangement can therefore at best be regarded only as a temporary expedient. The accommodation for the practical-plumbing class has by the erection of extra benches been somewhat extended; but here, too, further and more complete provision requires to be made. During the year the class for carpentry has been given for the models, appliances, and material required for the classes in chemistry, carpentry, and theoretical plumbing. Consideration must be given to the equipment of a laboratory for the use of students of the electrical and engineering class. It is also suggested that a few of the oldest and most worn typewriters be replaced by new and up-to-date machines. The sewing-machine procured for the use of the pupils of the dressmaking class has proved such an advantage that the advisability of purchasing another during the current year will probably be considered.

A copy of the statement of receipts and expenditure for the year ended the 31st December is herewith appended, and shows the credit balance at that date to be £279 9s. 6d., a pleasing contrast to last year's statement, which showed a balance of £99 on the other side of the ledger. The Education Department deserves thanks for the spirit in which all claims for grants and capitation have been met during the past year. The association, it may be mentioned, has on its part refrained from claiming to the

utmost.

The thanks of the association are again due to the examiners for so willingly undertaking the annual examination of the work, and to the Press for valuable assistance rendered during the year. The Superintendent and his staff also deserve mention for the success which has attended the past year's operations.

Statement of Receipts and Expenditure for Year ended 31st December, 1903.

		•	-		*			•							
		Receipts.				s.	d.	Expenditure.					£	s.	d.
$\mathbf{Fees}$			٠		570	14	0	Bank over	rdraft, 31st	December,	1902		99	9	11
Donations					131	5	0	Salaries					734	12	8
Government	grants-	-						Printing,	advertising,	&c.			37	17	1
Capitation	allowan	ce (techni	cal classes	3)	228	8	11	Insurance	• •				16	12	4
Capitation	allowar	ce (contir	nuation cla	asses)	165	13	8	Rates					7	2	0
Subsidy on	Donation	ıs			122		6	Rent		• • .			27	10	0
Grant for ap	paratus,	fittings, a	and furnit	ure	292	17	<b>2</b>	Gas		••			29	16	5
Grant for m	aterial				65	1	4	Materials					88	15	2
								Apparatus	s, fittings, a	nd furnitur	e		249	11	3
								Repairs	••				6	3	3
								Bank bala	ince, 31st I	ecember, l	903		279	9	6
				-	1 550	70						-	01 550	10	
				±	1,576	19	_7						£1,576	19	_7

Examined and found correct.

Dunedin, 22nd January, 1903.

C. GRATER, F.N.Z.A.A., Auditor.

Extract from the Report of the Superintendent.

The number of students enrolled during the present year was 775, as compared with 634 in 1902. In continuation subjects the following fifteen classes were carried on: English (junior, intermediate, and senior); Latin (junior and senior); French (junior and senior); Maori, mathematics (junior, senior, and advanced); arithmetic (junior and senior); elocution (junior and senior). The adoption by the association of the technical-scholarship regulations brought a large influx of students to the classes for Most of the newcomers were young people with much of the ordinary school-work still fresh in their minds, and consequently able to take full advantage of the instruction given in our school. This enabled a higher standard to be reached, and the three outside examiners in their separate reports each commend the excellence of the work, particularly the training given in English composition. the best student of this class Professor Gilray offers free tuition in his class at the University, and the competition for this led to healthy rivalry among the students of the senior class this year, so much so that two students are bracketed equal. The attendance at the Latin class was somewhat greater than in former years, and, taking the examiner's report, the results indicate that the instruction given is both thorough and systematic. The class for French was but fairly attended; probably this is owing to the limited demand for instruction in the subject, as the teacher is noted for his painstaking manner as well as for his ability and enthusiasm. Maori received little attention this year, and the subject will in all probability not find a place in next year's syllabus. In arithmetic the senior class was, as is usual with this subject, the better attended, and the more satisfactory one of the two. Evidently it will soon be necessary either to bring the subject within the commercial group or to establish a separate class for the treatment of commercial arithmetic. Since the division of the class for mathematics the attendance has gradually increased, and this year the classes were larger than in any previous year. To meet the tendency of the times the work was treated in a more practical way than formerly. At the request of a number of students the teacher agreed to carry on a preparatory class for instruction in the course of mathematics prescribed for the B.A. degree, and the support accorded the undertaking justifies provision being made for such a class.

The nine classes for instruction in commercial subjects were: Shorthand (elementary, theory and practice, speed), book-keeping (junior taking single entry, senior taking double entry), typewriting (elementary and advanced), commercial law, and penmanship and commercial correspondence. After the midwinter vacation so many beginners entered for shorthand that the classes had to be rearranged. The elementary and junior divisions, however, proved rather large for efficient working, and should the