

228. Large sums of money are annually paid for lawyers' fees and law costs: Do they all go to Mr. Quick?—Some of them do. Where you see any large sum of money paid into the accounts, it means I have collected the lease fees and paid them into the trust account, and then sent a cheque for the amount to Mr. Quick.

229. Do you think as a business man it is desirable that the solicitor for the trustees should be also a trustee?—I would rather you did not ask me that question.

230. *The Chairman.*] As the rents come is are they paid direct into the trust account?—Yes.

231. *Mr. Hogben.*] You prepared this return No. 7, of the Secondary Schools Accounts, 1904?—Yes.

232. It is called a balance-sheet, but it is really only a statement of receipts and expenditure?—Yes.

233. Can you find the figures for the several entries in your books?—Yes.

234. Have you a separate account for office-expenses?—No.

235. Then how do you get out the office-expenses by themselves?—I make an abstract of the two accounts—maintenance and management.

236. Is it not expedient that you should subdivide them all ready in the books, so that you should not have to go all through them for these particulars?—It is not. I have found in practice I have adopted a more convenient method. I have to prepare a trustees balance-sheet on the 31st March, and I have to prepare your statement on the 31st December. Your headings are in many cases different to the trustees' headings. I have to give you different information to that which I give to the trustees. I find no difficulty in giving the information I do.

237. You take out a pencil or ink statement which another person looking through the books might prepare in a different way: They might classify the items in a different way?—I have to classify them all.

238. Do you not think the books should afford their own classification of accounts?—It is a matter of opinion. I do not think it is necessary.

239. Do you know it is done in every secondary school in the colony, and out of the colony?—I am not aware of that.

240. Have you an account for the capitation?—Yes; it is here.

241. Where are the debits?—There are no debits.

242. Should there not be something on the debit side?—No. The debit side is debited to the Salaries Account.

243. In other words, you do not keep the books by double entry?—No.

244. Do you not think double entry is necessary for an institution like this?—I have not found it necessary and no fault has been found with my method during the twenty years I have been in charge.

245. Have you got an account with Mr. Empson, for instance?—No.

246. Supposing Mr. Empson were a less businesslike man than he is, and he came to you and said, "How do I stand?" could you tell him?—I should ask him for his figures, and then I could tell him. All I have to do is to receive Mr. Empson's accounts and square them.

247. But supposing he made a mistake, how do you find out whether he has made a mistake?—I take his accounts that he sends to me.

248. How can you tell him he has given a proper account of capitation?—He sends me the number of pupils.

249. How could anybody, who looked up your books, tell that Mr. Empson has paid the full amount of capitation due?—By looking at the cash-book and referring to the voucher he sends me, showing the number of boys and the amount of fees.

250. Would it not be more businesslike to enter the amount you receive from him on one side, and the amount due on the other side?—I enter the balance in.

251. How do you know whether you have been paid the proper amount of fees?—I must know by the number of pupils.

252. When you get the number of pupils, do you enter a debit something like this, assuming there are 100 pupils: 100 pupils at £4 each, £400, and then you know it is paid off when you get £400 from Mr. Empson?—No; because he sends me the money with the statement.

253. But supposing some of the parents are late in paying the fees, does Mr. Empson send the money before he is paid?—I think he does. I always get the money with the statement. For instance, yesterday he paid me to the end of the first term of the current year.

254. That means it happens that all the parents have paid this term?—I do not say that; but Mr. Empson has paid. As a matter of fact, Mr. Empson has frequently informed me that the parents owed him money.

255. Supposing something happened to Mr. Empson, you could give no assistance to Mr. Empson's representatives to show how much was due from parents for fees unpaid?—No; I do not collect them.

256. Although they are due finally to the trustees, you could give no assistance to show what fees were unpaid by parents?—Mr. Empson has a special agreement with the trustees, and we have nothing to do with collecting fees from the parents.

257. In other words, these are not complete books, for they do not show the whole of the transactions as between the parents and the trust?—No. Mr. Empson keeps those accounts.

258. Is there a sinking fund for rebuilding the present buildings?—No.

259. Does this return of free places represent the full value of all the free places given?—I presume it does.

260. You have no means of checking that?—No.

261. You do not put credits for all tuition fees for free places?—No.

262. So there is no account for all the boys in the school, but only for those who pay?—That is so; but Mr. Empson returns all the boys in the school, and he tells me the ones who do not pay.