

A further sum of £152 15s. has been received during the year on General Income Account, being proceeds of sale of thirteen permanent-investment shares which had been accumulated from income during previous years.

Rents have been well paid. The arrears on the 30th April were £239, as compared with £257 on the 30th April, 1885. I append a detailed list of tenants in arrear. I consider all these amounts good except one, which I have marked bad, and which I would ask authority to write off.

Receipts from tuition fees show an increase of about £400, due to the increased number of boys attending the school. Fees have been fairly well paid, but in several instances I have had to take legal proceedings to enforce payment. A list of arrears is submitted herewith showing £260 unpaid on the 30th April, which was only one day after the end of term. Several amounts have since been paid, and the total now outstanding is very small as compared with the total receivable. I consider all these arrears good, except the following amounts of £8 1s. 5d., 13s. 6d., and £6 12s., all of which have been outstanding for many years, and which I now consider bad. I estimate receipts for the ensuing year, on the General Account, as follows: Rent of land, £1,750; tuition fees (exclusive of books and stationery), £3,900. This may be increased by £50 or £100 if certain town sections, now under offer, are sold.

The principal items of expenditure will probably be: Interest, bank overdraft, and temporary deposits, £175; masters, £4,500; bursar (moiety), £50; porter, £100; insurance, £120; furniture and repairs, £100; examiners' fees, £65; prizes, £55; coals, gas, printing, and advertising, £120; expenses connected with weekly tenancies, £40; cost of management, salaries, &c., £300. I have omitted both payments and receipts for books and stationery, as sales cover cost.

The number of boys attending the school has considerably increased as compared with previous twelve months: Second term, 1884, 204; 1885, 227. Third term, 1884, 205; 1885, 244. First term, 1885, 224; 1886, 243.

The balance-sheets and statement have been audited by Mr. A. M. Ollivier, and are now submitted to the governing body. It will be seen that there is a credit balance carried forward on the General Income Account of £239; but against this there is a liability of about £90 for master's passage-money, &c., which was not paid until after these accounts were closed. If allowance is also made for the extraordinary item of receipts, £152, for sale of permanent-investment shares, the expenditure for the twelve months would have almost exactly equalled the receipts.

I am now able to keep the Building Account in a more satisfactory manner than hitherto, as under the authority of "The Christ's College Act, 1885," the balance of £3,698, which has been standing to credit of Land Account for many years, has now been transferred to credit of a new account called "Building Account," which has been debited with £5,700, spent out of Income Account on buildings up to the 30th April, 1885, and also with £3,357 spent on buildings, drainage, &c., during the past year. Temporary deposits to the amount of £1,450, at 5 per cent., have been received on this account, making a debt of £5,458 to be provided for by sale of land. This sum will be further increased during the ensuing year by about £1,200 on account of new stone classrooms; and if the debit balances on Chapel-building Account, £840, and the building formerly Principal's House Account, £211, are carried to Building Account, there will be a total liability of £7,708 against future sales of land. The Library Account I would suggest might be closed, and the debit balance transferred to Income Account.

The rental of the Somes Estate has been (including rent and interest on special investment) £717; the expenditure on scholarships, £743; other expenditure, £176. Permanent-investment shares, which represent accumulated surplus of income during previous years to the amount of £2,890, have been realised, and the cash carried to the credit of the account. A credit balance of £2,157 is carried forward to credit of the Somes Scholarship Account. Lyttelton Town Section No. 1 has, with the consent of Mrs. Somes, been sold, realising £5,211 (net), of which sum £3,466 has been reinvested in the purchase of three-quarters of an acre of land, with buildings, in Antigua Street, leaving about £1,750 yet to be invested in the purchase of land. This must be done before November next in compliance with Mrs. Somes's instructions.

Rent and interest, Buller and Reay Endowment, have realised £470, being about £100 below my estimate. This is due to the failure of a mortgagor (owing £160 for interest) shortly before the closing of the year's accounts. The amount has, however, since been paid in full. The expenditure has been upwards of £1,000.

Rent and interest, Rowley Endowment, have been paid in full, realising my estimate of £160. Only one scholarship of £100 was paid from this fund, leaving a credit balance of £264 carried forward. If the suggestion made by me to the governing body is acted upon, £100 from this fund and a similar sum from the Buller and Reay should be carried to Building Account. There will be an increase in the rental of the Rowley Estate next year of £57, owing to the expiry of an old lease, and the granting of Glasgow leases at higher rents.

The proceeds of the Watts-Russell and Hulsean-Chichele Endowments have not quite realised my estimate of £410, but the full amount will, in all probability, be made up with next year's receipts.

The amount paid for Principal's salary and rent-allowance, £534, was for thirteen months and some days, bringing the quarterly dates of payment to end of March, June, &c. A sum of about £20 has been expended on furniture for lecture-room, making, with sundry charges, total expenditure about £90 in excess of receipts; but, as there was a credit balance of £180 at the beginning of the financial year, there still remains about £100 to carry forward to next year. Students' fees have amounted to £100, but will probably be considerably more next year.

The income on both the Dudley and Tancred Scholarship accounts is at present accumulating, there being no payments for scholarships.

The total amount expended last year on scholarships and exhibitions was as follows: Somes Scholarships, £743 10s. 1d.; Buller and Reay (sons-of-clergy exhibitions), £503 16s. 8d.; Buller and Reay (scholarships and other exhibitions), £471 5s. 10d.; Rowley Scholarship, £100.