National Book Prize for painting from still life, and three third-grade prizes for painting foliage. The certificates and passes were twenty in number—in third-grade art, for painting still life, plant form, monochrome from the cast, landscape from nature, shading in chalk from the cast and from objects, outline from the cast, and geometrical drawing. In second-grade art four certificates were obtained, these being the only papers in this grade sent up. Miss Mary E. Richardson is to be congratulated upon obtaining the first art class teacher's certificate from the Department of Science and Art obtained solely in the Australasian Colonies. Mrs. Bronsden and the late Mrs. Holmes also obtained their final passes for the art class teachers' certificate, the former being a student of the Newtown branch, and the latter a student of the Central School. The earlier passes in both cases were obtained in England.

LOCAL PRIZES.—I have during the year awarded prizes to the value of £10, the recipients being as follows: Misses Richardson, Hill, Moorhouse; Messrs. Ballingall and Strange-Muir. Mr. A. de B. Brandon has very kindly presented a bronze medal to the engineering section, and the

prize was awarded to Mr. Rochefort for the best design of a model engine.

EXHIBITIONS.—About sixty sheets of drawings, paintings, &c., were exhibited at the Wellington Art and the Dunedin Exhibitions. The works consisted of a complete illustration of the course of study pursued under the Board, from the simplest primary work to the higher branches of painting and design taught in the School of Design.

Branch Class.—The classes at Masterton, Featherston, and Newtown are still in operation. The assistance given by your Committee will enable the instructor to remain in the Wairarapa

district, and so be a valuable aid to those teachers who are able to attend the classes.

APPARATUS AND LIBRARY.—Considerable additions have been made to the appliances of the institution, and have enabled the work to proceed more smoothly. The works of the students obtaining prizes and certificates are utilised as examples of work, and are of considerable value in that direction. A few necessary works have been added to the technical library, which is in constant use, and especially serviceable to the mechanical and architectural sections of the school. My endeavour to obtain subscribers to suitable periodicals for the use of students has proved a failure.

Spread of Work.—Your committee may be congratulated upon the considerable spread of work, and this I consider may be taken as a proof of its soundness. It has little prettiness to commend its earlier stages, or lure the student, but its assistance to labour power is full compensation to those who are willing to study. The fact that applications have been received for affiliation from schools in Wanganui, Bull's, Marton, Westport, and Greymouth is in itself proof of the advantages gained by your system. The increase of time required for correspondence and general management has been exceptionally heavy, ten and a half hours being my average working day, and often thirteen and fourteen hours per day are required to keep pace with the constantly increasing duties. I find this much too heavy, and feel that, if it continues, assistance should be provided by your committee if the instruction and supervision are to be effectually maintained.

Class Arrangements and Working.—The working has been difficult, owing to the very serious want of space. The rooms require to be rearranged daily for the various classes, and the constant removal is showing itself markedly upon the apparatus and models. The continuation of work from February to December without the midwinter vacation has proved beneficial to all classes. The mechanical and architectural classes have improved during the year, owing to the excellent appointments made by your committee in Messrs. Welsby and Hamilton as instructors.

In conclusion I have to thank you for your consideration of all matters relating to the school, and hope that your committee will be enabled in future to relieve me of the necessity of providing a portion of the funds towards the school's support. Whilst pointing out the great increase of work, I would place on record the loyal co-operation of my staff in carrying on this work.

I have, &c.,

The School of Design Committee.

ARTHUR D. RILEY, Director for Art.

GENERAL STATEMENT OF RECEIPTS	and Expend	TURE for the Year ending 31st December, 1889.
Receipts.	\mathfrak{L} s. d.	Expenditure. \pounds s. d.
To Balance at beginning of year	0.100 1 4	
Government grant for buildings	'00F 40 0	
Government statutory capitation	000 1 0	Inspector's salary
Scholarship grant		Inspector's travelling expenses 194 3 0
Inspection subsidy		Examination of pupil-teachers 18 16 9
Payments by School Commissioners		
Government grant for School of Design		5144111 5 140,011 10 B
Fees from students	$290 \ 12 \ 3$	Incidental expenses of schools 2,296 17 2
Maps sold	4 15 0	No data data pro
-		Paid to scholars 742 10 0
		Examination expenses 56 13 8
		School buildings—
,		New buildings 929 15 10
		Improvements of buildings 2,638 2 5
•		Furniture and appliances 346 19 0
		Sites
		To
		Balance (not including £41 14s. on de-
		posit account) at end of year—
, and the second		Dr. on Building Account £18 4 11 1,259 10 9
5 。		Cr. on General Account 1,277 15 8 1,259 10 ,9
-	£36,068 2 3	£36,068 2 3
		A TO