We have recently erected a gymnasium, in which (thanks to the kindness of Professor Carrollo, who first assisted us with his advice as to the most approved building to erect and how best to furnish it, and then took in hand the training of the lads) you have this evening witnessed a gymnastic performance. A balance-sheet will be presented you showing receipts and expenditure, moneys earned, cost of management, &c., from which you will see we are in a sound financial position, though we have been extravagant enough to purchase a new piano. Before closing, kindly allow us a word or two as to the method of admission of inmates.

As reported at most of our previous annual meetings, we do not admit any boy or girl who has been convicted of theft or any offence of the kind. All the boys and girls on the roll are of good character. Being orphans, or having parents unable or unwilling to care for them, they have through no fault of their own come under the category of neglected or destitute children. Before admission each one must have been committed to an industrial school by a Magistrate, and from that school we take them. We wish to emphasize this, as many applications are made to us to take children who have not been so committed, and our refusal to accept them has caused disappointment. To prevent as far as practicable the accession to our ranks of any child not in good health, and of moral character, each inmate before being enrolled is taken on probation for at least one month, and subjected to a medical examination as to his health. Of the domestic arrangements of the institution we need not speak. They are open to your inspection this evening, and as they now are so you will find them on any occasion should you care to pay a visit. We promise you a cordial welcome on the afternoon of any day except Sunday. The improvement of the religious, social, and moral qualities of the inmates is kept prominently in view. We recognise the hand of our Father in Heaven in the success which has attended our efforts in the past, and pray that in all our future work we may have His help and guidance.

W. C. Daldy, Chairman.

COSTLEY INSTITUTE. BALANCE-SHEET TO 31st DECEMBER, 1898.

Receipts. \pounds s.						Expenditure.	١.	a
To Costley bequest R. Hodge Savings-Bank	••	••	12,150 672 369	0 3	d . 0 9	By Land, buildings, furni- £ s. d. ture 4,258 7 0 Less written off for de-	,	u.
Balance Revenue Account	••		1,309		9	preciation 258 7 0	^	_
							-	Õ
						,	7	6
						Savings-Bank Trust Account 369 19	9	7
						Cash balance 21	5	5
						Bank balance 56 1	5	7
		-		—				_
		£ ==	£14,501	18	1	£14,501 1	8	1

REVENUE ACCOUNT FOR THE YEAR ENDING 31st DECEMBER, 1898.

	23 (121. 0 22	110000111	- 0-				The district of the second of	
Receipts.					•		Expenditure.	
	·			£	s.	d.	£ s. d	1.
To Maintenance				891	12	8	By Interest Account 489 9 1	0.
Boys' wages					13	6		1
General expense	3	• •	• •	43	19	0	Balance 63 2	3
•				£949	5	2	£949 5	2
				2010			######################################	_
				£	в.	đ.	£ s. d	- 1.
To Balance				63	2	3		0
Written off for d			٠	258		0		
Balance Revenue	Account	• •	• •	1,309	14	9		
								-
				31,631	4	. 0	£1,631 4 (0
			•					-

Examined and compared with the books, vouchers, and securities, and found to agree therewith. I am of opinion that the above balance-sheet presents a true position of the Costley Institute as on the 31st December, 1898.

Auckland, 31st March, 1899.

O. B. WAYMOUTH, C.A. Eng., Auditor.

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