Up to the 31st March I have admitted nine boys. Of these, five were under the age of fourteen years, three were between the ages of fifteen and twenty years, and one case was over twenty years.

Of the above cases, two are probably the output from dissolute progenitors, two are of the "Mongolian" type, one case may be attributed to meningitis, one case to shock to mother prior to birth, one of phthisical family history, one of consanguinity of parents, and one case of which no family history could be obtained.

There have been no discharges or deaths during the year. On the whole the health of the children has been remarkably good, and there has been no epidemic disease of any kind.

The greatest part of the year has been devoted to the initial equipment of the institution. The whole of the furniture and necessaries for the boys and staff have been purchased, as well as the equipment of the farm. As we have had to commence de novo in every department, only those who have had a similar experience in commencing an institution can appreciate the difficulties which arise on every hand when undertaking such a task.

A private residence, however well adapted for ordinary domestic purposes, cannot be converted into an ideal institution. Rooms set apart for dormitories, dining-rooms, day-rooms, schoolrooms, &c., are not usually to be found in private houses, of suitable sizes for institution requirements. Difficulties as to provision for proper supervision of the boys at night, bath and lavatory accommodation, escape in case of fire, proper ventilation, arrangements for cooking, store and office accommodation, drainage, and water-supply have to be overcome.

During the year we have erected fire-escapes, so as to provide means of egress from the boys' dormitories and staff rooms. A new large cooking-range, with the additional provision for the supply of hot water, new sinks in scullery, new baths and lavatories for the children and staff, have been provided. The erection of a new laundry has been taken in hand, also W.C.s and lavatories for the children. The provision of these new buildings has entailed an enormous amount of work, inasmuch as all the ground on which the buildings are to be erected has had to be cleared and stumped.

It is very questionable whether the building of suitable premises for the accommodation of the children, and the retention of the present buildings as an administrative block, would not have been the wiser course to pursue, according to the plans I submitted in the first instance.

The accommodation of the necessary staff (other than the Principal and his family) is a question which should be attended to at once. Neither the male nor female staff at present have any sitting-room. As soon as our laundry is completed I can arrange for a female-staff sitting-room by utilising the present room where we wash the clothes. This will be satisfactory, as it is adjoining the kitchen. The only room which will be available as a male sitting-room is the one I am using as an office.

In an institution of this sort it is essential that every inducement should be held out to the members of the staff to remain in the service. Again, as we are some nine or ten miles from a village, it can be easily seen that the staff, when off duty, have to find their own recreation either in the building itself or about the grounds. In the summer, the need of a comfortable sitting-room is not so keenly felt, inasmuch as the staff generally prefer, when off duty, to be out of doors. During the winter, however, in this isolated spot, it is imperative that a sitting-room, equipped with games, newspapers, and books, should be provided, both from the point of view of keeping the male staff contented and from a disciplinary point of view. I would therefore suggest that offices be built for the clerical work of the establishment, so that the existing offices may be utilised as a male-staff sitting-room. The sleeping-accommodation for the teachers will also have to be provided, as we have no spare rooms at our disposal.

The initial outlay for horses, implements, &c., with which to work our farm land, has of necessity been somewhat heavy; but, on the whole, I can congratulate the farm and garden staff on a satisfactory year's work. This outdoor work has afforded a useful, healthy, and pleasurable occupation for the boys.

The whole of the milk, vegetables, and fruit, and most of the mutton, we use have been supplied from the garden and farm.

The following is an approximate list of the principal articles of consumption supplied to the Institution from the farm and garden during the year: Oats, 1,822 bushels; wheat, 165 bushels; hay, 75–100 tons; potatoes, 50 tons; turnips, 60 tons; mangolds, 100 tons; chaff, 1,000 bags; butter, 250 lb.; eggs, 1,500; milk, 1,250 gallons. The estimated value of farm and garden produce for the year is between £1,100 and £1,200. In addition to the above, the farm hands perform the carting of coal and goods from the railway-siding (three miles distant), as well as much of the carting in connection with building-works.

The necessity for classification in an institution of this kind presents itself from the very outset. Provision on the cottage or villa principle should be at once made for that class of children who are addicted to pernicious habits, and given to self-abuse. These children are a continual source of danger to all the other children in the institution. In a school of normal children one sees the baneful influence of a few lads of this type. Will-power and self-control are always weak among feeble-minded children, and it is surprising the amount of harm which can be accomplished by a few boys of this type, who often, by reason of their deficiency, have not the sense of shame sufficiently developed to prompt them to secrecy when indulging in these vicious practices.

Again, the younger children should be accommodated separately; and those lads of fairly robust health and habits, who generally find useful work on the farm and garden, should also be located in buildings apart from the smaller children. I would advise, then, that the younger children make use of the present building, and that separate villas be erected for the other two classes referred to above. In making any further provision, it should be borne in mind that a central dining-hall, with kitchen and stores attached, is the most economical and satisfactory arrangement for meals.

It is satisfactory to be able to report that in almost every case a decided improvement, both physically and mentally, is shown by the boys. Most of the children, on admission, showed very little