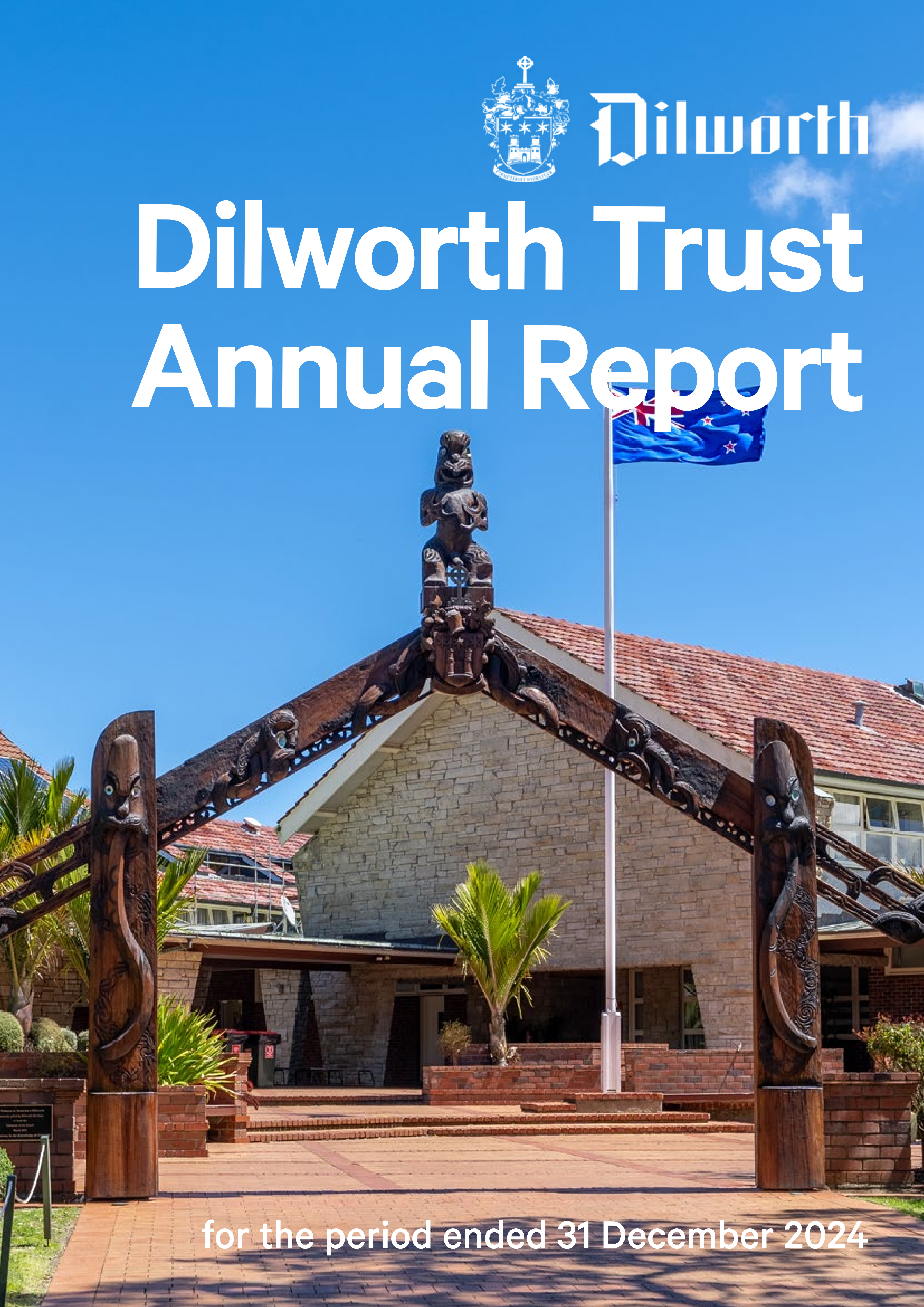
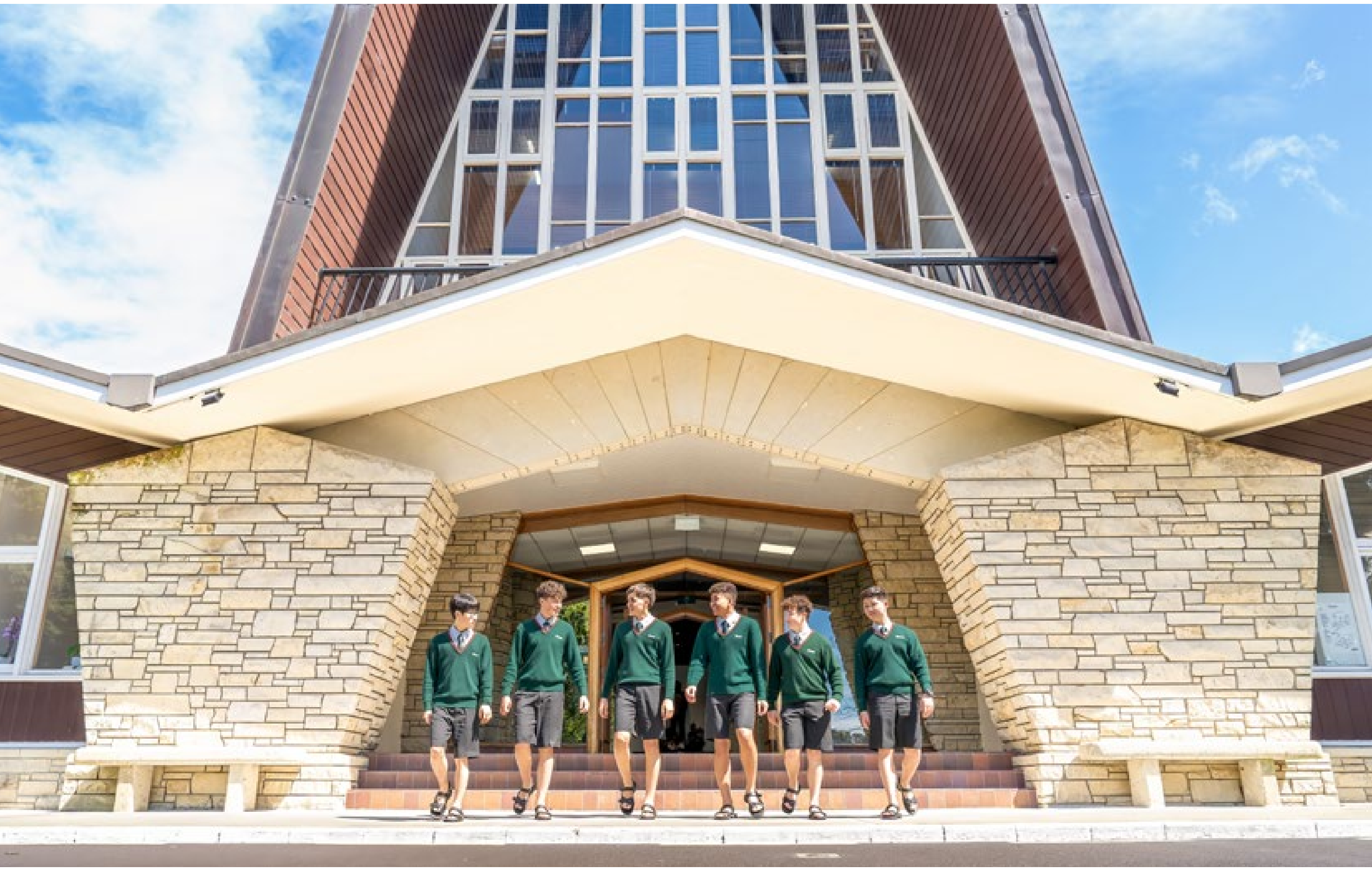
Dilworth

Dilworth Trust Annual Report



for the period ended 31 December 2024

Contents



Chairman's Review:

Introduction

Throughout the 2024 year, the Dilworth Trust Board has remained committed to driving transformative change across all areas of the organisation. Under the Board's strategic guidance, a comprehensive work programme was implemented to ensure that Dilworth School is modern, progressive, and student-centred, with student safeguarding at the centre of everything we do. The Board also continued to actively address the recommendations from the Dilworth Independent Inquiry which examined historical abuse at Dilworth School, demonstrating progress across each area of focus.

In the year where Dilworth Trust celebrates 130 years since its foundation in December 1894, Trustees have also made significant changes in the governance practices of the Trust. In enacting these changes, they have been careful to ensure the directions of James Dilworth are upheld. These changes have also been made in acknowledgement of the fact that this is the commencement of a journey to ensure the Trust, as one of New Zealand's largest charities, has fit for-purpose governance practices, while ensuring these practices support the achievement of the Trust's purpose.

Dilworth School

In 2024 Dilworth School marked the completion of a five-year transformational change programme under Headmaster Dan Reddiex, a programme which has driven significant shifts in culture, safety—including both physical health & safety and child safeguarding—and curriculum. These efforts have resulted in a more engaged student and whānau community with strong satisfaction levels and consistently strong NCEA results.

Our continued focus on student safety resulted in a positive mid-cycle Child Wise accreditation review. We are well on track to receive reaccreditation in 2025. Child Wise, now operating under the umbrella of the Australian Childhood Foundation, reviewed every aspect of Dilworth's safeguarding culture and practices. Dilworth remains the only school in New Zealand to have achieved Child Wise accreditation, which it received in 2022.

The five-year transformation programme also focused on a step-change within the Dilworth curriculum. This occurred in 2023. Dilworth School operates a three-pronged curriculum focused on academic learning, student wellbeing, and outdoor education. In the academic sphere, literacy and numeracy are focal points with many strategies employed to ensure success including developing a more culturally responsive pedagogy for Māori and Pasifika learners. This approach is yielding strong results for Dilworth students, with the School's academic results showing a near 100% pass rate for NCEA, higher than most equivalent boys' schools, placing Dilworth near the top of the national statistics.

Dilworth Response

The Dilworth Independent Inquiry Report into abuse at Dilworth School that was commissioned by the Board was released in September 2023. Since that time, the Board has made substantial progress in acting on all nineteen recommendations of the report. An implementation dashboard tracking system on the Dilworth Response website shows progress in each area and is updated quarterly.

Through the Dilworth Redress Programme, Dilworth Response oversaw the commencement of redress payments to former students who had suffered abuse. By the end of December, almost 190 redress applicants had received their redress settlement payments, while nearly 260 applications had been received by the programme. At the end of March 2025, the total number of applications received since inception had risen to 284.

Survivor-initiated collaboration between Dilworth and its Old Boy community also gathered pace, with a major milestone being reached in early March 2025 with the delivery of a full Dilworth Community Acknowledgement and Apology.

In November, the Board acknowledged the Government and Opposition's joint commitment to work together to implement findings from the Royal Commission of Inquiry into Abuse in Care, the plan of work dovetailing with the Dilworth Response programme of work. All relevant recommendations in this historically significant report had been included in the Dilworth Response work programme, and are being addressed.

Operational Performance

As a charitable organisation, Dilworth School is almost exclusively funded by revenue from its endowment, which is invested in property and financial assets, supplemented by a modest annual government contribution of $0.6 million.

In a challenging commercial property market, the investment property portfolio generated $33.3 million in gross rental income and a further $3.5 million from other revenue sources. However, this was insufficient to cover increasing School operational expenses, Trust Office expenses, and significant one-off costs, resulting in a net deficit before fair value adjustments of $22.9 million (prior period: net deficit of $18.1 million). Trustees view this as largely a cyclical issue, and reflective of a transitional phase in our property investment strategy, though are nevertheless focused on strong cost control to ensure the current deficit position is addressed.

In addition, Dilworth is at a juncture where some buildings and facilities on the Senior Campus require repairs and investment to support the delivery of our student wellbeing, academic, sport, and community initiatives. This will put further pressure on the endowment's ability to sustainably fund school operations.

Alongside implementing stringent cost controls, during the period the Board sought to further diversify and increase its revenue streams. One way this has been achieved is through making the School's facilities available for hire for sports teams, community events, and tournaments. These efforts are part of a broader strategy to utilise the School's assets more effectively, particularly at times when they are not in use by the School.

The Board also further reinforced its commitment to Advancement. This included initiatives aimed at building stronger alumni relations, fostering partnerships with corporate and community stakeholders, and enhancing fundraising efforts. These measures are designed to broaden and enhance engagement with the Dilworth community and provide our students with experiences currently beyond the means of the Dilworth Trust.

An example of this was the Dilworth World Tour in October which saw the School's elite basketball and rugby teams, together with the School's Fortissimo choir, tour the United States, Europe, Great Britain, and Northern Ireland. A highlight of the trip was a visit to Royal School Dungannon and the community where founder, James Dilworth, and founding Trustee, Reverend George MacMurray, grew up. For the large majority of students this was their first overseas trip, giving them invaluable exposure to international universities and potential scholarships, in addition to a tremendous life experience. Approximately 30% of the trip was funded by students and fundraising.

Highlights of the tour included Fortissimo singing with the Vienna Boys' Choir in Austria before going on to London to experience a workshop with Welsh composer Paul Mealor, who famously composed the music for the coronation of King Charles.

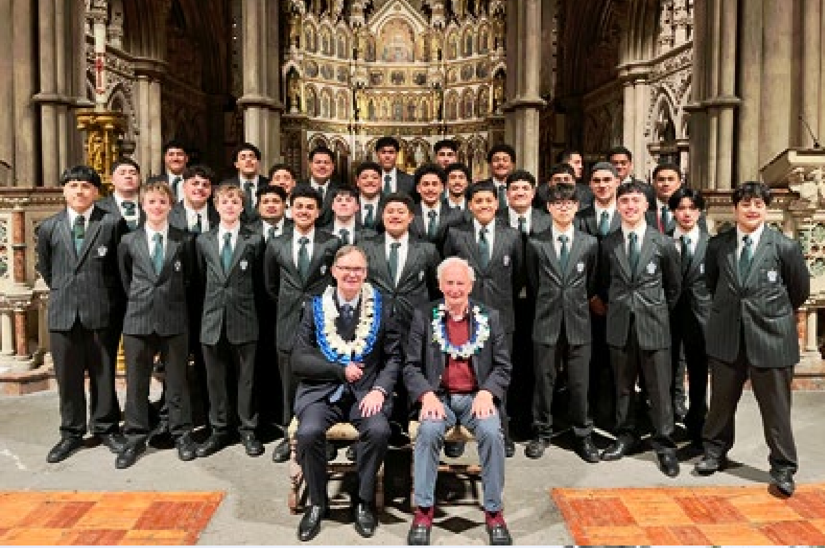
The 26 senior Dilworth Rugby Development Pathway students spent invaluable time at the Los Angeles Professional Rugby Teams Academy in California. They also visited the High Performance Sports Academy at Twickenham, the home of rugby in the UK.

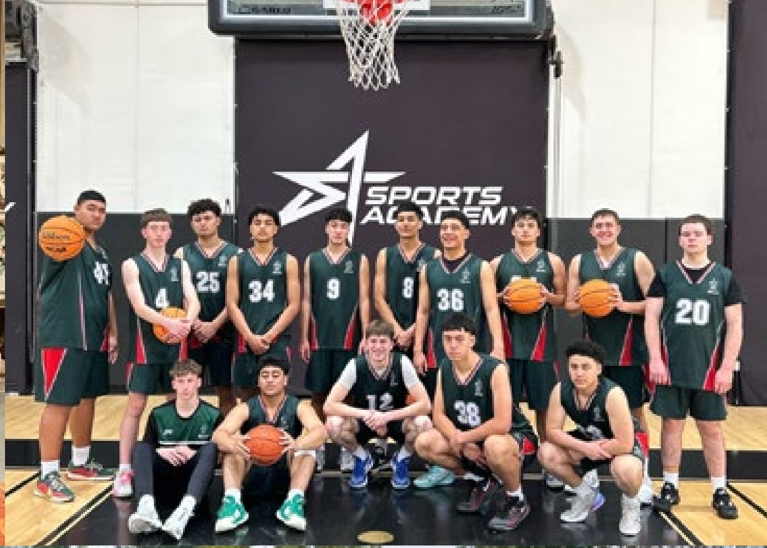
Students selected from Dilworth's Basketball Performance Pathway had an action-packed trip. They played in tournaments and games around Los Angeles and visited the Los Angeles High Performance Sports Centre with their rugby peers.

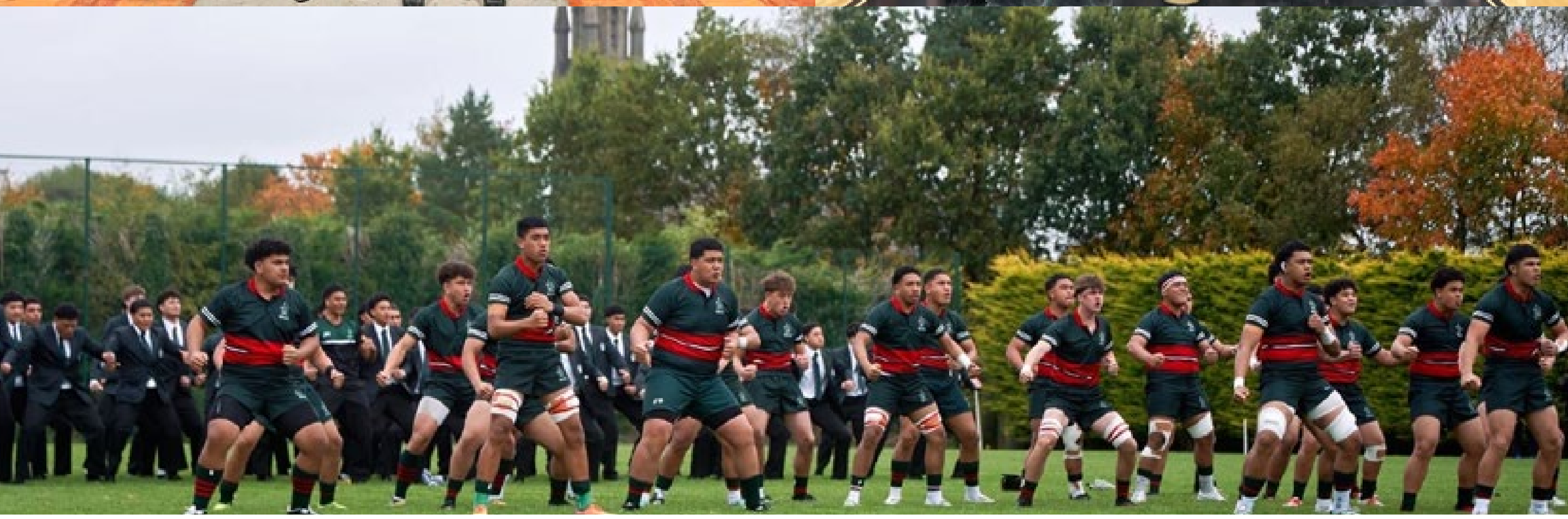
Head of Dilworth Senior Campus Tom Murdoch explained what this opportunity meant for Dilworth students, many of whom had never travelled out of Auckland before.

"Not only did this tour give our young men a chance to experience international travel, but it also helped develop their appreciation of what it means to be a global citizen and to see different cultures and how different people live, expanding their horizons".

Advancement at Dilworth will make possible more of these and other important educational experiences in the future.







Collectively, these initiatives represent a comprehensive approach to financial management, aimed at securing and strengthening Dilworth's financial position over the coming years.

Endowment

The endowment is large but is nevertheless being fully utilised to support the operational needs of the School. A summary of the Trust's financial performance during the period is as follows:

$000's	11 months to 31 December 2024	12 months to 31 January 2024	12 months to 31 January 2023
Net Investment Property Income (1)	$27,768	$34,362	$31,576
Net Income Available for School Use	$20,068	$25,700	$22,489
School Operating Expenses	$33,586	$34,508	$31,577
School Capital Investment (2)	$11,097	$6,075	$19,331
Funds Applied to School Use	$44,683	$40,583	$50,908

(1) Excluding fair value adjustments
(2) Funded from reserves/divestment of investments

The Trust faced ongoing challenges during the period, including declining investment portfolio values due to high interest rates and a challenging real estate market. This was further exacerbated by shortfalls in net income available for School use and significant one-off operational and capital investments requiring divestments of endowment fund capital.

As of 31 December 2024, the investment portfolio's value had decreased from $969 million in January 2023, and $952 million in January 2024, to $858 million. In addition, the Trust holds $186 million of (non-income earning) School property, plant, and equipment.

It is of paramount importance that the Trust preserves the endowment in perpetuity and also grows its value to maintain the purchasing power of investment income. Educational institutions typically have multiple sources of income such as tuition fees and philanthropy, particularly alumni philanthropy. Dilworth does not charge tuition and has limited philanthropic contributions to support the operation of the School.

To ensure sustainability over the long term, a guiding principle is that Dilworth's annual spend, on average and over time, should be within the range of four to five per cent of the value of the endowment. This practice is employed by many endowment-funded organisations around the world. On the current value of the investment portfolio and at the mid-point of this range, the Trust currently has capacity to meet around $38.5 million of School and Trust Office operating costs each year. This figure is presently being exceeded to a material degree and a significant current focus of the Board is to ensure the organisation returns to an operating position that is financially sustainable in the long term.

The Board is committed to ensuring financial sustainability through long term financial planning. We prepare long term financial plans to determine the sufficiency of the endowment and to determine student and staff numbers at the School. This includes leveraging commercial property and financial assets, maintaining a strong focus on liquidity management, and optimising investment returns to prevent undue erosion of funds.

Governance

The Dilworth Independent Inquiry in its September 2023 report recommended reforming and revitalising the governance of Dilworth Trust. In this section, we provide some insight into significant changes Trustees have made in the governance of the Trust over the past year.

In 2023, Trustees commissioned a comprehensive independent governance review aimed at examining the governance structures of Dilworth Trust and providing recommendations to enhance governance procedures and practice. This review sought feedback from students, parents, advisory groups, staff and Old Boys.

The Dilworth Independent Inquiry recommended careful examination of the Trust's governance model. It provided two possible models for consideration: Model One was an integrated Board model and Model Two was a dual Board model. Considering this recommendation and with the benefit of the independent governance review, Trustees determined Model One would best enable Dilworth to deliver its mission. This model retains a single Board structure with enhanced use of Committees, and the engagement of independent Committee members with specialist expertise and experience as appropriate.

This year's Annual Report also provides an extensive Governance Statement detailing how the Trust is governed. The aim of this disclosure is to provide greater transparency of the governance of Dilworth Trust and Dilworth School.

As our governance reforms involve a different way of working and communicating with the wider Dilworth Community, it is expected to take some time to fully experience their impact. In summary they include:

- Appointment of an independent Chair: In February 2025 we announced I would step down from the Chairman role and that independent Trustee Jonathan Mason would offer himself for appointment at the Trust Annual General Meeting at the end of April 2025.

- Skills and experience of Trustees: While the Board has had a practice of recruiting based on defined skills, we are reporting for the first time the skills and experience of Trustees. This skills matrix was reviewed as part of our governance review.

- Trustee appointments: Trustee appointment processes are now well publicised and utilise the expertise of an independent recruiting firm. The skills sought in new Trustees are determined based on our skills matrix.

- Diversity of Trustees: We are currently in the process of appointing three new Trustees to bolster the diversity and expertise of the Board.

- Board Committees and Advisory Groups: The Board Committees and Advisory Groups are described in the Governance Statement. This year we added an Education Committee, chaired by John Morris, and this includes staff, student and parent representatives. Our Property Committee includes an independent member who provides specialist knowledge and experience. Our Advisory Groups include School staff, students, parents and whānau.

- Trustee Remuneration: Trustee remuneration is subject to High Court review every five years. The most recent review was undertaken by remuneration specialists Strategic Pay and approved by the High Court in March 2025.

- Term Limits: Trustees have approved a nine-year term limit, with the ability to be extended up to 12 years in exceptional circumstances. These term limits apply equally to all Trustees, irrespective of whether they are an Old Boy or not.

- Communication with our community: There are a wide range of initiatives in place, and continuously being further developed, to enhance communication with our community. These include updates in School newsletters; updates to our Old Boy community via The Reunion newsletter and other channels; annual meetings (at a minimum) with a number of key stakeholder groups including parent / whānau groups, student prefect groups, staff, Dilworth Old Boys' Association, Staples Education Foundation, and the Bishop of Auckland; external communication such as via this document; and updates on social media and our website.

The substantial work undertaken during the year would not have been possible without the unwavering dedication and commitment of fellow Trustees, Headmaster Dan Reddiex, Trust CEO Ewen Anderson, staff, and the wider Dilworth community. There has been significant change over the last seven years during my tenure as Board Chairman and I thank all those who have been responsible for supporting the necessary changes.

Our world is experiencing unprecedented change and challenges, and Dilworth is equipping young men to make significant contributions to this exciting new world. I am truly excited about how Dilworth's young men will contribute to New Zealand's future and to solving some of the complex issues the world is facing.

Looking ahead, our strategic priorities will continue to shape the future of Dilworth, ensuring that more deserving young men have access to the first-class education available at Dilworth School. An education that empowers them to pursue personal excellence and drive societal change, regardless of their circumstances, while bringing to fruition the vision articulated by Dilworth's founders, James and Isabella Dilworth, 130 years ago.

On a personal note, after serving on the Board for 12 years and as Chairman for seven years, I am retiring at the end of April 2025. Independent Trustee Jonathan Mason has been appointed as the new Board Chair effective from 28 April 2025.

I wish the Board and Dilworth all the best for the future.

Firmeter et Fideliter

Aaron P. Snodgrass
Board Chairman

Dilworth Trust
General Purpose Financial Report

for the period ended 31 December 2024

Dilworth Trust

Statement of Service Performance
Our Mission and Vision

Dilworth's mission and vision have stayed true to the intent expressed in James Dilworth's Will 130 years ago.

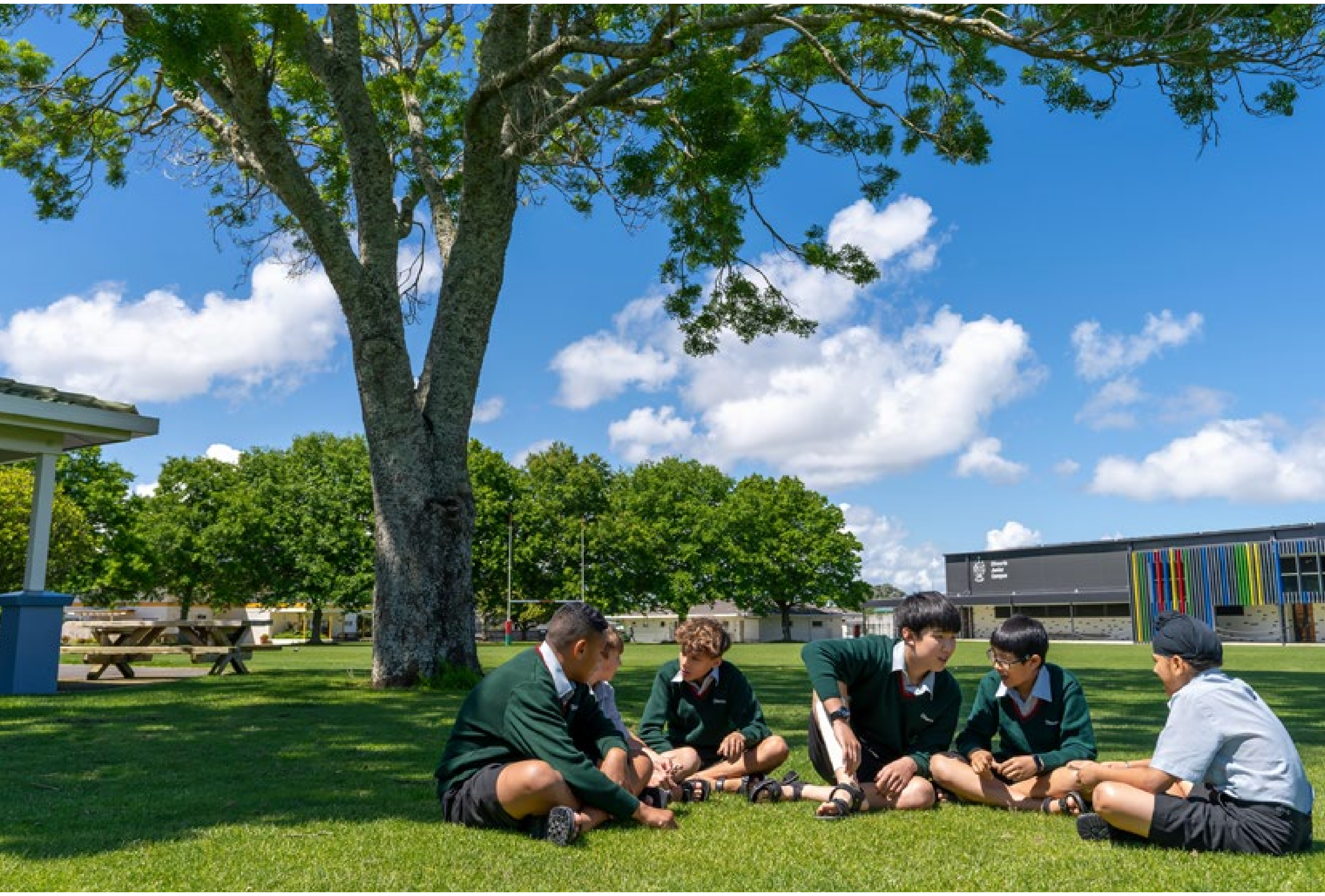
Mission

To support young men to reach their potential and become good and useful members of society

---

Vision

To develop young men of good character, achieving personal excellence, who flourish in life



Dilworth Trust

Statement of Service Performance Dilworth Trust Purpose

Dilworth's purpose, what it intends to achieve, and how it goes about it were set out in the terms of James Dilworth's Will. The Will provided an endowment to fund the education and training of as many young men as possible, providing them with opportunities they may not have otherwise had available to them—enabling them to reach their potential and become good and useful members of society.

A key role of the Board is to assess the School's requirements, i.e. admissions, teaching, and other facilities that will best enable the School to achieve its mission while balancing the limits of funds available from the endowment in any particular year.

Trustees are appointed to an Admissions Committee, Education Committee, Disciplinary Committee, People & Culture Committee, Property Committee, and an Audit, Finance & Risk Committee to oversee these key areas of operation on behalf of the Board.

Dilworth Trust

Service Performance of Dilworth School

About Dilworth

At Dilworth, students are offered an excellent education, a strong pastoral care system, and many extracurricular opportunities—ensuring Dilworth students today are fully equipped to reach their potential and attain personal excellence.

Dilworth has three campuses in Auckland: a Junior Campus (Years 7 - 8), a Senior Campus (Years 9-13), and an outdoor Campus at Mangatāwhiri for dedicated outdoor learning.

Keeping students safe from harm is Dilworth's highest priority. The School has worked hard over a five-year programme to build a new culture from the ground up, with student safety at its core. Safety includes physical health and safety, as well as child safeguarding.

In 2022, Dilworth was the first school in New Zealand to become Child Wise accredited, affirming the School has met the criteria to be a child-safe environment under the umbrella of the Australian Childhood Foundation. The accreditation process included an independent review of the School, which came back with a range of recommendations. Dilworth has implemented every recommendation and now works under a three-year review cycle, an accreditation requirement. This ensures a process of continuous improvement.

Dilworth School, led by Headmaster Dan Reddiex, is responsible for delivering quality educational programmes to support the best individual educational outcomes for each student.

The School's curriculum has been specifically designed and integrated to give students the best possible chance of succeeding in life and has been an integral part of the reset of the School over the last five years. It comprises three distinct strands: an academic curriculum, Ako Puāwaitanga for student wellbeing, and a Learning in the Outdoors programme to support the development of emotional resilience and wider life skills.

Dilworth follows education guidelines provided by the Ministry of Education and continues to offer the NCEA curriculum. NCEA is offered in Years 12 and 13. However, in 2024, Dilworth introduced its own qualification, the Dilworth Diploma, at Year 11 to better prepare students for NCEA Level 2. A new programme, 'Learning to Learn,' also commenced, aimed at supporting junior students in building capability and understanding, facilitating greater independence, and setting them up for academic success.

Students in all year levels are challenged academically and supported extensively. Small class sizes, a bespoke curriculum, and specialist teachers ensure students reach their academic potential, and student results reflect this reality with a strong NCEA pass rate of nearly 100%.

In 2024 Dilworth moved to a flexible boarding model at the Junior Campus and also accommodated day school students. Dilworth's modern boarding school environment fosters a sense of community, and house staff aim to meet the students' physical, social, and academic needs in a 'home-away-from-home' environment. In addition, when a student's home or boarding environment is temporarily disrupted, Isabella Dilworth Lodge provides short-term residential care.

During the year, the Dilworth Board continued investing in the Learning in the Outdoors Programme at the Mangatāwhiri Campus. A highlight of the year was Qualworx accreditation for Dilworth's safety management system measured against Adventure Activity regulations. Investment also went into a high ropes course, and a Year 12 select group Leadership Development Programme was launched to help students learn to lead teams effectively.

Admissions requirements are regularly reviewed by the Board and a committee of Trustees oversees the application of admissions criteria to applicants.

The Christian faith, as expressed by the Anglican Church, is central to all parts of School life.

Service performance for the period ended 31 December 2024

Outcome	Measure	2024 Academic Year	2023 Academic Year	2022 Academic Year
To carry out its purpose, Dilworth provides scholarships which includes free tuition, boarding, uniforms, sports fees, and music tuition for boys from Year 7 to Year 13.	Number of Educational Opportunities Funded	489	501	498
	New Students Admitted	96	82	79
	Number of NCEA Scholarships	14	7	9
	NCEA Achievements:			
	Level 1*	N/A	91%	100%
	Level 2	98%	96%	100%
	Level 3	94%	97%	100%
	Number of Students Graduated at End of Year	63	67	68
To provide outstanding education opportunities, Dilworth employs staff across the School and Trust Office. It has three campuses in Auckland: the Junior Campus houses our Year 7 and 8 students, Years 9 to 13 are located at the Senior Campus, and all students have the opportunity during the year for Learning in the Outdoors at the Mangatāwhiri Campus.	Number of Staff Employed	243	221	204
	Number of Students at Boarding Houses	489	478	498

**Not offered in 2024 and replaced by the Dilworth Diploma*

The construction of a new chapel and gathering space which is designed to accommodate gatherings of the School and its whānau community at the Senior Campus continued. The completion date is expected to be in August 2025.

Service Performance of the Trust Office

Dilworth relies primarily on the endowment established by James and Isabella Dilworth 130 years ago to fund the current and future operational and capital needs of the School. Trustees have been charged with protecting and nurturing that endowment so that the School will be able to operate in perpetuity.

The Trust Office is the commercial arm of Dilworth, responsible for managing the endowment and a range of other related commercial activities. The mission of the Trust Office is to safeguard and grow the endowment established by James and Isabella Dilworth.

Alongside this, the Trust Office also supports the delivery of the Dilworth Redress Programmes, and management of a range of shared services including Health & Safety, Finance activities, and Advancement (alumni relations and fundraising).

Service performance for the period ended 31 December 2024

Outcome	**Measure**	**FY Dec 2024 (11 months)**	**FY Jan 2024 (12 months)**	**FY Jan 2023 (12 months)**
Dilworth relies largely on the endowment to fund the current and future operational and capital needs of the School. Trustees are charged with protecting and nurturing the endowment.	Average Net Income Generated and Available for School Use* in Last Five Years	$21.8m	$23.0m	$24.4m
	Net Income Generated and Available for School Use*	$20.0m	$25.7m	$22.5m
	Total Assets	$1,055m	$1,148m	$1,239m
	Total Trust Equity	$991m	$1,042m	$1,127m

*Excluding changes in historical abuse provisions and fair value changes

The Trust Office continues to develop and implement a clear long-term plan to ensure continued financial sustainability of the endowment. Key to the execution of this plan is building on its core competence in commercial property, providing expert oversight of the financial assets portfolio, and the development and maintenance of robust, fit-for-purpose systems and processes.

Judgements in the selection, measurement, aggregation, and presentation of performance
The Trustees exercise judgement in deciding how to select, measure, aggregate, and present service performance information. This judgement focuses on determining the most appropriate and meaningful performance measures that are of particular value for accountability and decision-making purposes. The Trustees have chosen to present the performance measures selected above after consideration of the qualitative aspects and constraints on the collection of information. This included consideration of other information such as student academic, sporting and cultural achievements published in the Trust's annual review on its website, and elsewhere. This other information has not been selected as it does not meet the qualitative characteristics required of service performance information. The service performance indicators selected focus on the Trust's ability to fulfil its mission, which is to educate and support as many young men as possible to help them reach their full potential and become good and useful members of society.

Financial Statements

Dilworth Trust
Statement of Comprehensive Revenue and Expense
For the period ended 31 December 2024
in thousands of dollars

Expenses	**Note**	**11 months to Dec 2024**	**12 months to Jan 2024**
School operating expenses		33,586	34,508
Trust Office operating expenses		7,700	8,662
Investment property expenses		8,264	5,958
Interest expenses	14	3,329	3,715
Funds management expenses		182	197
Provision for historical abuse	13	15,389	11,021
Total expenses	5	68,450	64,061
Funded by:			
Income			
Investment property rental income*		32,975	40,522
Government grants		556	731
Interest income		544	3,061
Donations, bequests & other income*	6	865	106
Gain on disposal of property, plant and equipment		40	1,496
Dividends received*		1,477	6
Total income before fair value (loss) / gain on investment property and managed funds		36,457	45,922
Net deficit before fair value (loss) / gain on investment property and managed funds		(31,993)	(18,139)
Net fair value (loss) / gain on investment properties		(16,155)	(70,833)
Net fair value (loss) / gain on investment properties held for sale		(19,416)	(9,088)
Net fair value (loss) / gain on managed funds		16,126	12,742
Share of income from associates		440	497
Deficit for the period		(50,998)	(84,821)
Total comprehensive revenue and expenses		(50,998)	(84,821)

*See Note 6 for details regarding reclassification of investment property rental income, donations, bequests and other income and dividends received.

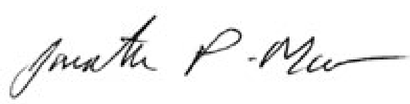
Dilworth Trust
Statement of Financial Position
As at 31 December 2024
in thousands of dollars

Assets	**Note**	**Dec 2024**	**Jan 2024**
Cash and cash equivalents		11,481	12,342
Receivables and other assets	7	2,236	4,193
Managed funds	8	132,257	123,703
Investment property - held for sale	11	81,780	92,882
Interest in associate	9	7,467	7,186
Investment property	10	633,960	728,153
Property, plant and equipment	12	186,259	179,179
Total assets		1,055,440	1,147,638
Liabilities			
Trade and other payables from exchange transactions		13,541	10,561
Employee benefits liability		2,250	1,783
Provision for historical abuse	13	22,824	40,237
Bank loan	14	25,000	52,157
Trust and special funds	15	526	603
Total liabilities		64,141	105,341
Total net assets		991,299	1,042,297
Trust equity			
Accumulated comprehensive revenue and expense		991,299	1,042,297
Total Trust equity		991,299	1,042,297

Trustee

Date: 28 April 2025

Trustee



Date: 28 April 2025

Dilworth Trust

Statement of Changes in Net Assets / Equity
For the period ended 31 December 2024
in thousands of dollars

	Accumulated comprehensive revenue and expense	Total Equity
Balance at 1 February 2023	1,127,118	1,127,118
Total comprehensive revenue and expenses for the 12 month period	(84,821)	(84,821)
Balance at 31 January 2024	1,042,297	1,042,297
Balance at 1 February 2024	1,042,297	1,042,297
Total comprehensive revenue and expenses for the 11 month period	(50,998)	(50,998)
Balance at 31 December 2024	991,299	991,299

Dilworth Trust
Cash Flow Statement
For the period ended 31 December 2024
in thousands of dollars

Cash flows from operating activities	**Note**	**11 months to Dec 2024**	**12 months to Jan 2024**
Rental income from investment properties		34,606	41,333
Government grants		556	869
Donations, bequests & other income		865	344
Interest received		703	3,050
Dividends received		1,477	-
Interest paid		(3,469)	(3,943)
Cash paid to employees		(20,866)	(21,289)
Cash paid to suppliers		(24,814)	(32,256)
Cash paid to survivors		(30,283)	(2,850)
Net cash from / (used in) operating activities		(41,225)	(14,742)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	4,500
Proceeds from sale of investment property		88,151	2,700
Proceeds from sale of fund investments		11,167	-
Acquisition of property, plant and equipment		(11,097)	(6,075)
Capital expenditure on investment property		(18,593)	(12,719)
Acquisition of investment property	10	-	(35,478)
Acquisition of fund investments		(2,107)	(2,213)
Income from associates	9	-	191
Net cash from / (used in) investing activities		67,521	(49,094)
Cash flows from financing activities			
Proceeds from bank loans		42,843	17,157
Repayment of bank loans		(70,000)	(25,000)
Net cash from / (used in) financing activities	14	(27,157)	(7,843)
Net increase / (decrease) in cash and cash equivalents		(861)	(71,679)
Cash and cash equivalents at start of period		12,342	84,021
Cash and cash equivalents at end of period		11,481	12,342

Dilworth Trust

Reconciliation of (deficit) surplus with net cash flows (used in) / from operating activities
For the period ended 31 December 2024
in thousands of dollars

	Note	11 months to Dec 2024	12 months to Jan 2024
(Deficit) / surplus for the year		(50,998)	(84,821)
Non-cash movements:			
Decrease / (increase) in investment properties due to revaluation	10	16,155	70,833
Decrease / (increase) in investment properties held for sale due to revaluation	11	19,416	9,088
Decrease / (increase) in financial investments due to revaluation		(17,605)	(12,742)
Increase/ (decrease) in interest rate swap liability		1,478	-
(Gain) / loss on disposal of property, plant and equipment		(40)	(1,496)
Depreciation	12	4,017	4,943
Increase in value of associates		(440)	(306)
Impairment of assets under construction	10	2,942	823
Increase / (decrease) in provision for historical abuse		(17,413)	337
Add / (deduct) movements in working capital:			
Increase / (decrease) in payables and other liabilities		166	(1,323)
Decrease / (increase) in receivables and other assets		1,097	(78)
Net cash used in operating activities		(41,225)	(14,742)

Notes to the Financial Statements

for the period ended 31 December 2024

Note 1: Reporting entity
Dilworth Trust (the "Trust") is a Trust domiciled in New Zealand and registered under the Charitable Trusts Act 1957 and the Charities Act 2005. The general purpose financial report (comprising the statement of service performance and the financial statements) has been prepared in accordance with the requirements of the 2005 Act.

For the purposes of financial reporting, the Trust is a public benefit entity (not-for-profit).

The Trust was established under the Will of James Dilworth who died on 23 December 1894. Under the terms of the Will the Trustees are directed to maintain and educate boys from families of good character in straitened circumstances to enable them to become good and useful members of society.

Note 2: Basis of preparation
a) Statement of compliance
The general purpose financial report has been prepared in accordance with and complies with New Zealand Generally Accepted Accounting Practice (NZ GAAP). It complies with the Public Entity Standards (PBE Standards) as appropriate for Tier 1 Not-For-Profit Public Benefit Entities (PBEs). As a registered charity, the Trust is required to prepare a general purpose financial report in accordance with NZ GAAP as specified in standard XRB A1. The Trust is a Tier 1 reporting entity.

The general purpose financial report was approved by the Trustees on 28 April 2025.

b) Basis of measurement
The financial statements have been prepared on an historical cost basis except for the following items in the Statement of financial position:

- Investment property, which is measured at fair value

- Managed funds, which are measured at fair value

c) Functional and presentation currency
The financial statements are presented in New Zealand dollars ("NZD"), which is the functional and reporting currency of the Trust and all values are rounded to the nearest thousand ($000) unless indicated otherwise.

d) Statement of financial position presentation
The statement of financial position is presented broadly in order of liquidity, as it is considered to be a more relevant and faithful representation of the financial position of the Trust than a current/non-current presentation.

e) Change in financial year end
During the year the Trust changed its financial year end. The financial statements are prepared for the 11 month period ended 31 December 2024. The comparatives are for the 12 month period ended 31 January 2024.

Note 3: Use of judgements and estimates
In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods. Actual results may vary from these estimates.

The significant judgements, estimates and assumptions made in the preparation of these financial statements are outlined below.

a) Judgements, assumptions and estimation uncertainties
Information about judgements, assumptions and estimation uncertainties in the period ended 31 December 2024 that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 4(i) & Note 8 – fair value estimation – managed funds
- Note 4(d) & Note 10 – fair value estimation – investment property
- Note 4(l) & Note 13 – provision for historical abuse estimation

b) Measurement of fair values
A number of the Trust's accounting policies and disclosures require the measurement of fair values, for both financial and investment property assets. The Trust has an established control framework with respect to the measurement of fair values. If third party information, such as independent property valuations is used to measure fair values, management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of PBE Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified. When measuring the fair value of an asset or a liability, the Trust uses observable market data as far as possible. Significant valuations are monitored by the Audit, Finance & Risk Committee.

Transactional evidence supported investment property asset valuations at 31 December 2024. The independent valuers determining the fair value of the Trust's investment properties note the valuations are based on market conditions at 31 December 2024.

Note 4: Significant accounting policies
The accounting policies set out below have been applied in preparing the financial statements for the period ended 31 December 2024. There are no new, revised, or amended standards that are applicable to the Trust which are in issue but are not yet required to be adopted for the period ended 31 December 2024, which would have a significant impact on the Trust's financial statements.

a) Revenue from non-exchange transactions
Non-exchange transactions are those where the Trust receives value from another entity without giving approximately equal value in exchange. Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that the Trust will receive an inflow of economic benefits or service potential; and
- The fair value of the inflow can be measured reliably.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation; and
- The amount of the obligation can be estimated reliably.

Grants
The recognition of non-exchange revenue from grants depends on whether the grant comes with any conditions on the use of a transferred asset. Conditions that specifically require the Trust to return the inflow of resources received if they are not used in the way stipulated, result in the recognition of a liability that is subsequently recognised as non-exchange revenue as and when the conditions are satisfied. Conditions that are restrictions that do not specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue. The Trust receives a Government grant (Ministry of Education); the grant is provided to cover operational expenses in providing education to students. The grant does not impose any conditions on the Trust that require a return of unspent funds. Revenue in relation to this grant is recognised when it is payable to the Trust.

Donations and bequests
Donations and bequests are recognised as revenue at their fair value. Donations and bequests are voluntary transfers of assets including cash or other monetary assets, goods in-kind, and services in-kind that the Trust receives which are free from stipulations. Donations and bequests are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the Trust, and the fair value of the assets can be measured reliably. For donations and bequests, this is usually on receipt of cash or other assets.

b) Taxes
The Trust is a charitable organisation and is exempt from income tax, as it operates for public benefit and to relieve the Government of its burden to provide welfare services and assist disadvantaged people.

c) Property, plant and equipment
All property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Work in progress includes expenditure on partially completed assets that the Trust expects will form part of the asset cost at completion. Work in progress is measured at cost and will be depreciated once the asset is available for its original intended use.

Where an asset is acquired in a non-exchange transaction for no or nominal consideration, the asset is initially measured at its fair value.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Trust. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Depreciation is calculated to expense the cost of items of property, plant and equipment less their residual values using the straight-line method over their useful lives and is recognised in surplus or deficit. The estimated useful lives of property, plant and equipment are as follows:

- Buildings - New or refurbished: 50 – 80 years
- Buildings - Services and infrastructure: 10 – 25 years
- Plant and equipment: 3 – 20 years

If components of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d) Investment property
Investment property is commercial real estate held to earn rental income and for capital appreciation. Investment property is initially recognised at cost, except property acquired through non-exchange transactions which is measured at fair value as its deemed cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Investment properties are subsequently measured at fair value with changes in fair value recognised in surplus or deficit. Investment properties under construction are carried at cost until it is possible to reliably determine their fair value.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the surplus or deficit in the period of derecognition.

e) Investment property - held for sale
Investment property is transferred to investment property held for sale when it is actively marketed for sale and its carrying amount will be recovered principally through a sale transaction rather than from continuing use. Investment properties held for sale are carried at fair value. Where a contracted sale price is available, the investment property is carried at that value as this is considered the best estimate of fair value.

f) Leases
The Trust owns land and developed properties leased to commercial tenants. Both ground leases and developed property leases are classified as operating leases, on the basis that the Trust retains legal ownership and substantially all of the risks and rewards incidental to ownership.

Some leases provide for periodic fixed rent increases. Where the rent increase is based on a fixed dollar amount or percentage increase, the contractual increase is reflected in the determination of the lease income and recognised on a straight-line basis over the lease term. Where the contractual increase is based on movements in the consumer price index, this is recognised as income in the period the increase occurs.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on a straight-line basis. Incentives granted to lessees in negotiating a new or renewal lease are recognised as a reduction to rental income straight-lined over the lease term.

g) Impairment of non-financial assets
The carrying amount of the Trust's non-financial assets other than investment properties are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication of impairment exists, then the asset's recoverable amount is estimated. An impairment loss is then recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of a non-financial asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated cash flows (for cash-generating assets) or remaining service potential (for non-cash generating assets) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money specific to the asset.

The Trust has determined that non-financial assets not held for investment purposes are non-cash generating and they are held for the operation of the Trust. All other non-financial assets are cash generating assets.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Trust estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

h) Investment in associate
The Trust's interests in equity-accounted investees comprises an interest in an associate. Associates are those entities in which the Trust has significant influence, but not control or joint control, over the financial and operating policies. An interest in associate is accounted for using the equity method. The interest is initially recognised at cost. Subsequent to initial recognition, the financial statements include the Trust's share of the surplus or deficit and other comprehensive revenue and expense of the equity-accounted investee, until the date on which significant influence ceases.

i) Financial assets
The Trust's financial assets include cash and cash equivalents, receivables and managed funds.

Managed Funds
Managed funds are carried in the statement of financial position at fair value with the change in fair value recognised in surplus or deficit. At reporting date, the fair value of each investment in funds is derived from the Trust's relative interest in the total fair value of the fund as reported by the fund manager, and where applicable with adjustments for any significant changes leading up to the reporting date of the Trust.

Given the size of the Trust's holding in some financial assets, subsequent sale may result in a recoverable amount that is less than the fair value calculated on market value immediately prior to the sale. No liquidity adjustments have been estimated on the fair values recorded in Note 8 (31 January 2024: none).

Financial assets at amortised cost
Cash and cash equivalents and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognised in the surplus or deficit.

Derecognition of financial assets
The Trust derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Trust neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets
The Trust considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Trust in full. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data, such as significant financial difficulty of the debtor; a breach of contract such as a default; or it is probable the debtor will enter bankruptcy.

j) Financial liabilities
The Trust's financial liabilities include bank loans and trade payables.

All financial liabilities are recognised initially at fair value and, in the case of loans, plus directly attributable transaction costs. All the Trust's financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in surplus or deficit.

Derecognition of financial liabilities
The Trust derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Trust also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

k) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

l) Provisions
Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Trust expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of comprehensive revenue and expense net of any reimbursement.

m) Employee benefits
Short and long-term employee benefits
The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service. The Trust provides long-term incentives to eligible employees, payable on completion of years of employment. The Trust's liability is based on an actuarial valuation. Changes in the value of the liabilities are recognised in the Statement of comprehensive revenue and expense. The estimated obligation is measured using the projected unit credit method.

n) Related parties
The Trust regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Trust, or vice versa. Members of key management (those that comprise the senior management group as disclosed in Note 19) and the Trustees are considered related parties.

o) Interest expense
The interest charges on bank loans are expensed in the period in which they occur, other than associated transaction costs which are capitalised and amortised over the term of the facility to which they relate. To determine the amount of borrowing costs capitalised to investment properties and property, plant and equipment that are being constructed for future use, the Trust uses the average interest rate applicable to its borrowing during the year.

p) Adoption of new and revised standards
Amendments to PBE IPSAS 1 – Disclosure of Fees for Audit Firm's Services
Amendments to PBE IPSAS 1 – Disclosures of Fees for Audit Firm's Services, aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services.

The Trust has adhered to the additional disclosure requirements as noted on Note 5.

No other standards, amendments or interpretations are expected to have a material impact to the Trust in the current or future reporting periods and on foreseeable future transactions.

Note 5: Expenses
in thousands of dollars

Total expenses include the following specific items:	**11 months to Dec 2024**	**12 months to Jan 2024**
Employee benefits	20,306	20,725
Contributions to defined contribution funds (Kiwisaver)	867	896
Depreciation	4,017	4,991
Fees paid to BDO Auckland for audit of financial report	103	92
Fees paid to BDO Auckland for other matters	-	-

No other non audit or assurance related services have been provided by BDO Auckland.

Note 6: Donations, bequests and other income
in thousands of dollars

	11 months to Dec 2024	12 months to Jan 2024
Donations and bequests	119	5
Facility hire	512	101
Parent contributions	205	-
Other	29	-
Total Donations, bequest and other income*	865	106

*The Trust previously presented other income as a separate income category; however management consider it to be more appropriate to be classified as Investment property rental income, Donations, bequests and other income and dividends received. Prior year comparatives for the year ended 31 January 2024 have been restated by reclassifying $309,000 of other income with $202,000 to investment property rental income, $101,000 to donations, bequests, and other income and $6,000 to dividends received.

Note 7: Receivables and other assets
in thousands of dollars

	Dec 2024	Jan 2024
Receivables from exchange transactions	330	741
Expected credit loss provision	(8)	(229)
Net receivables from exchange transactions	322	512
Accrued revenue from exchange transactions	821	2,123
Prepayments and other current assets	838	1,084
Interest rate hedging instrument asset	-	205
GST receivable	255	269
Total receivables and other assets	2,236	4,193

Bad debt expenses of $3,000 (January 2024: $nil) have been recorded within Investment property expenses in the Statement of Comprehensive Revenue and Expenses

The provision for doubtful debts is calculated by reviewing all overdue balances and assessing the likelihood the balance will be paid. Where there is doubt that the full amount will be paid a full provision is made for that balance. Provision used during the period on bad debt expense $256,000 (January 2024: $nil), additional provision expense made during the period $35,000 (January 2024: $197,000)

Note 8: Managed funds
in thousands of dollars

Managed funds are recognised at fair value in the statement of financial position, with fair values based on the Net Asset Value (NAV) unit price excluding adjustment for buy/sell spreads as reported by the respective fund manager. The fund manager's assessments of NAV of the managed funds which are held on behalf of the Trust use the following methods:

- Level 1: the fair value is calculated using quoted prices in active markets.
- Level 2: the fair vaule is calculated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) in active markets
- There are no Level 3 funds (31 January 2024: nil)

	Level 1	**Level 2**	**Total**
31 December 2024			
Financial assets designated at fair value:			
Managed funds	-	132,257	132,257
Total financial assets measured at fair value	-	132,257	132,257
31 January 2024			
Financial assets designated at fair value:			
Managed funds	1,576	122,127	123,703
Total financial assets measured at fair value	1,576	122,127	123,703

Note 9: Interest in associate

On 30 November 2021 the Trust invested $4,905,000 in ArborGen ANZ, a limited partnership, established to acquire, operate and maintain the New Zealand and Australian business of ArborGen Holdings Limited. In addition, the Trust, in its capacity as a Limited Partner, lent $1,795,000 to ArborGen ANZ to fund working capital and general corporate purposes of the business.

The associate is accounted for using the equity method. The carrying amount of the investment in associate is increased or decreased to recognise the Trust's share of the surplus or deficit and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Trust.

The loan to associate attracts interest at 7.0% per annum, with interest to be paid every 31 March and 30 September. 50% of the loan is due to be repaid on 31 December 2025 and 50% on 31 December 2026.

Note 10: Investment property
in thousands of dollars

	Dec 2024	Jan 2024
Opening balance	728,153	853,582
Additions	-	35,478
Additions (development expenditure)	13,597	8,477
Additions (subsequent expenditure on existing properties)	4,996	4,242
Impairment of assets under construction	(2,942)	(823)
Reclassifications to assets held for sale	(93,689)	(101,970)
Carrying amount pre-revaluation	650,115	798,986
Increase / (decrease) in fair value	(16,155)	(70,833)
Closing balance	633,960	728,153

External, independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued, have valued the Trust's investment property portfolio at least every 12 months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair values of the developed properties were determined based on valuations performed by Colliers International, Jones Lang LaSalle, Bayley's Valuations, CBRE and Savills New Zealand; registered independent valuers at 31 December 2024. The valuers are industry specialists in valuing investment properties of the type and location held by the Trust. All valuations were prepared and authorised by members of the New Zealand Institute of Valuers.

The fair values of ground lease properties as at 31 December 2024 were assessed by Savills New Zealand, CBRE, Seagar's and Colliers International; registered independent valuers and all valuations were prepared and authorised by members of the New Zealand Institute of Valuers.

Valuation methodologies and significant inputs
Independent valuers have adopted two or more of the following methodologies in arriving at the fair valuation calculations:

a) Discounted cash flows
A financial modelling methodology assessing the long-term return that is likely to be derived from an asset. Explicit assumptions are required for rental income growth and leasing up metrics on expiries, along with terminal value at the end of the cash flow period, typically a 10-year horizon. A market-derived discount rate is then applied to the assessed cash flows and discounted to a present value to determine fair value.

Key inputs – rental income, incentive costs, occupancy rate, vacancy rate, terminal capitalisation rate, rental growth rate and discount rate.

b) Income capitalisation
Determines fair value by capitalising the net income at a capitalisation rate reflecting the nature, location and tenancy profile of the asset. Subsequent near-term capital adjustments are then made which typically include letting-up allowances for vacancy and pending expiries, capital expenditure allowances, and under/over renting reversions.

Key inputs – gross market rent and core capitalisation rate.

c) Residual value
A methodology normally used for property which is undergoing, or is expected to undergo, redevelopment. Fair value is determined by firstly calculating a gross realisation which forecasts what a property is worth on completion and deducts all costs associated with the development of the property. These costs typically include letting and sale costs, a market required profit and risk margin, construction costs and finance costs.

Key inputs – profit and risk allowance and forecast development costs.

d) Sales comparison
Fair value is determined by applying positive and negative adjustments to recently transacted assets of a similar nature.

Note 11: Investment property - held for sale
in thousands of dollars

	Dec 2024	**Jan 2024**
Opening balance	92,882	-
Carrying value of investment properties transferred to held for sale	93,689	101,970
Sale of investment properties held for sale	(86,730)	-
Fair value gain / (loss) on revaluation at reporting date	(18,062)	(9,088)
Closing balance	81,780	92,882

The Trust has actively marketed for sale 14 (January 2024: 11) properties, of which 7 are contracted for sale as at 31 December 2024 (January 2024: 3 properties). As of the date of approving these financial statements the sale of 2 properties have fully settled with the remaining 12 (January 2024: 10) expected to settle within the next 1 year.

Note 12: Property, plant and equipment
in thousands of dollars

	Land	Buildings	Plant & Equipment	Work in Progress	Total
Cost or deemed costs					
Balance at 1 February 2024	94,209	93,562	15,626	3,096	206,493
Additions	-	-	-	11,107	11,107
Disposals	-	-	(92)	-	(92)
Transfer of Work in Progress during the year	-	267	2,034	(2,301)	-
Balance at 31 December 2024	94,209	93,829	17,568	11,902	217,508
Accumulated depreciation					
Balance at 1 February 2024	-	21,362	5,952	-	27,314
Depreciation expense	-	2,352	1,665	-	4,017
Disposals	-	-	(82)	-	(82)
Balance at 31 December 2024	-	23,714	7,535	-	31,249
Carrying balance at 31 December 2024	94,209	70,115	10,033	11,902	186,259
Cost or deemed costs					
Balance at 1 February 2023	96,103	88,028	11,808	8,962	204,901
Additions	-	-	-	6,075	6,075
Disposals	(1,894)	(1,859)	(730)	-	(4,483)
Transfer of Work in Progress during the year	-	7,393	4,548	(11,941)	-
Balance at 31 January 2024	94,209	93,562	15,626	3,096	206,493
Accumulated depreciation					
Balance at 1 February 2023	-	18,590	4,796	-	23,386
Depreciation expense	-	3,118	1,825	-	4,943
Disposals	-	(346)	(669)	-	(1,015)
Balance at 31 January 2024	-	21,362	5,952	-	27,314
Carrying balance at 31 January 2024	94,209	72,200	9,674	3,096	179,179

Note 13: Provision for historical abuse
in thousands of dollars

	Dec 2024	Jan 2024
Opening balance	40,237	39,900
Additional provisions made	15,389	11,021
Amounts incurred and charged against the provision	(32,802)	(10,684)
Closing balance	22,824	40,237

Background
In 2019 the Trust publicly acknowledged historical abuse had occurred at Dilworth School. At the same time, the Trust provided former students who had suffered abuse and their families with access to an independent, confidential Listening Service providing fully funded access to an independent clinical psychologist and other forms of support. The Listening Service continues to be available to and used by former students who suffered abuse and their families.

The Trust is committed to openly and honestly confronting the issue of historical abuse at Dilworth School. As part of its response, the Trust established two other key programmes: an Independent Inquiry ("Inquiry") and an independent Redress Programme ("Redress Programme") during the 2023 financial year. The Inquiry completed its work on 18 September 2023, while the Redress Programme is ongoing.

The Trust has been contacted by lawyers representing some former students seeking redress for historical abuse. These claimants have settled their claims through the Redress Programme. In June 2021, a representative claim was made against the Trust under the Human Rights Act 1993 by former students who have indicated they were sexually abused while at School; this claim remains outstanding. The Trust acknowledges that these potential claimants may have grounds for claims through the Redress Programme and will support former students who choose to participate in this programme.

Provision and constructive obligations
A public announcement of the Trust's intentions and the sharing of details of the proposed Inquiry and Redress Programme in 2021 with former students who had suffered abuse led to the existence, at 31 January 2022 of a constructive obligation for future cash outflows to meet claims related to historical abuse, in particular through the Redress Programme.

The Trustees note a high degree of judgement has been required to quantify the provision for historical abuse based on this constructive obligation in the financial statements.

Assumptions and Estimates
The assumptions and estimations made in their calculations included some uncertainties but were based on current information available to Trustees at that time, payments to date, best estimates, and predictions. These may be subject to material changes in future periods. The Trustees consider the provision to be the best estimate at a specific point in time and caution readers of the financial statements that the final amounts incurred may differ, potentially materially, from the estimates provided.

Quantification
In considering the quantification of the constructive obligation, the Trust has considered the potential ongoing costs associated with the Redress Programme, and associated wellbeing and ongoing support costs for former students who suffered abuse. These cost categories have been considered in estimating the provision for historical abuse.

In order to prepare a reasonable estimate for the provision for historical abuse, Trustees have had to exercise significant judgment due to the outcomes of the Redress Programme not being known or capable of prediction by the Trust.

The following assumptions have been made:

- The Redress Programme is expected to be in operation until at least December 2025.
- Based on the number of eligible applicants to date, the total number of applicants to the Redress Programme could be approximately 290 to 330 (Jan 2024: 225 to 250) .
- Since March 2024 the independent Redress Panel has, in accordance with its Terms of Reference, awarded redress payments to former students who suffered abuse of up to $300,000. In addition, the independent Redress Panel has discretion to make an additional award for ongoing therapy.

Due to the number of unknown factors and outcomes for each of the assumptions, the Trustees have quantified the remaining provision of $22,824,000 (Jan 2024: $40,237,000), all of which is expected to be settled within the next 12 months. The costs are based on the acceptances and payments so far.

The Trustees acknowledge that there may be a claimant, or group of claimants, who choose not to accept the offer made through the Redress Programme. A contingent liability exists as those individuals might bring a separate claim outside the Redress Programme against the Trust. However, apart from the claims mentioned above, the Trustees were not aware of any such claims at the date of approval of the financial statements.

Note 14: Bank loan
The Trust has arranged bank funding from Industrial and Commercial Bank of China (New Zealand) Limited (ICBC) and Westpac New Zealand Limited. As at 31 December 2024, bank facilities of $25 million were drawn from ICBC of which a total $60 million of facilities was available to be drawn (January 2024: $52.2 million was drawn from ICBC of which a total $60 million was available to be drawn). An additional $50 million (January 2024: $50million) facility is available from Westpac New Zealand Limited, this was drawn down and repaid during the year (January 2024: was not yet drawn). Both facilities are secured against a portfolio of investment properties (Note 10). The borrowings are in the name of the Trust.

The interest rate on the loans is BKBM rate plus a margin and fees which range between 1.71% and 2.51% (January 2024: 1.71% and 2.51%) depending on the loan and the Trust's position within relevant covenant ratios. Interest expense incurred during the reporting period was $3,329,000 (January 2024: $3,715,000).

The loan facility contains covenants requiring a maximum permitted loan to value ratio of 50%, a minimum interest cover ratio of 2:1, and a weighted average lease term that is higher than the unexpired term of the facility with a minimum of 36 months. The Trust was compliant with these covenants during both periods.

The terms of the loan facility require a drawing for each interest period (one to six months) for which a drawdown notice is provided. At the end of the interest period the loan must be repaid, and the Trust has the right to reborrow if it is in compliance with the terms of the loan. The expected repayment of the facility has been outlined in Note 20.

Reconciliation of liabilities arising from financing activities:
in thousands of dollars

	Dec 2024	**Jan 2024**
Opening balance	52,157	60,000
Interest charged (non-cash)	3,329	3,715
Interest paid (cash)	(3,329)	(3,715)
Proceeds (cash)	42,843	17,157
Repayment (cash)	(70,000)	(25,000)
Closing balance	25,000	52,157

Note 15: Trust and special funds
The Board holds a number of funds on behalf of beneficiaries related to the operation of the School, totalling $526,000 (Jan 2024: $603,000). These are donations received with specific criteria provided by the donor and certain funds belonging to students.

Note 16: Operating leases as lessor

in thousands of dollars

Future minimum lease income under non-cancellable operating leases:

	Dec 2024	Jan 2024
Due within one year	29,490	30,548
Due between one and five years	103,826	104,977
Due later than five years	124,036	130,429
Total non-cancellable operating lease payments	257,352	265,954

The information in the table above is gross and undiscounted.

Note 17: Contingent liabilities and assets
Other than as disclosed in note 13, there were no contingent liabilities or contingent assets at 31 December 2024 (January 2024: Nil).

Note 18: Capital commitments
in thousands of dollars

	Dec 2024	Jan 2024
Committed investment in managed funds	4,889	6,423
Committed investment property capital expenditure	1,104	13,115
Committed school capital expenditure	2,701	10,045
Capital commitments	8,694	29,583

Note 19: Related parties, Board and senior management
The total remuneration of 5 Trustees (January 2024: 6 Trustees) that held office during the period was $534,000 (January 2024: $543,000).

The senior management group are the key management personnel responsible for the operation of Dilworth School and the Trust. The senior management group consists of eight persons, being the Headmaster and the Chief Executive Officer, who both report to the Board, and certain members of the senior management teams. The total remuneration of the senior management group in the period was $2,566,000 (January 2024: $2,760,000) which includes salary, superannuation and, where applicable, on-campus housing and use of motor vehicles.

There are no loans or receivables which have been granted to any Trustee or member of the senior management group. (January 2024: $nil)

The Dilworth Foundation was incorporated under the Charitable Trusts Act 1957 on 4 August 2016. The Dilworth Trust Board retains control of The Dilworth Foundation as the Trustees are the same for both organisations. There were no transactions with the Dilworth Foundation during the period (January 2024: $nil). The total assets and net assets of the Foundation at reporting date was $16,417 (January 2024: $15,504), therefore consolidated financial statements including the Foundation have not been prepared.

Note 20: Financial risk management
The Board has overall responsibility for the establishment and oversight of the Audit, Finance and Risk Committee, which is responsible for developing and monitoring the Trust's risk management policies. The Committee reports regularly to the Board on its activities. The Committee oversees how management monitors compliance with policies and procedures and monitors the adequacy of the risk management framework in relation to the risks faced by the Trust.

Investment portfolio construction
The Trust's income is generated from its investments which are used to fund the School's operations.

The portfolio is invested in direct property, directly held equity, and pooled and segregated funds and financial assets managed by 12 investment managers (January 2024: 12). Under normal circumstances the Investment Portfolio is regularly reviewed to ensure that asset classes remain within the Strategic Asset Allocation set out in Dilworth's Statement of Investment Policy and Objectives (SIPO). The Board's Investment Advisor (Cambridge Associates LLC) carries out that review quarterly. Investment managers are recommended by the Board's Investment Advisor and ultimately approved by the Board. The Board is not involved with the analysis, sale or purchase of individual asset securities.

For financial assets, each asset class and the portfolio as a whole are measured against an appropriate internationally accepted standard benchmark or index. For direct property, the returns are measured against an internally set benchmark reflective of the market.

Through its investing activities, the Trust is exposed to credit risk, liquidity risk and market risk.

Credit risk
Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which subject the Trust to credit risk principally consist of cash and cash equivalents, trade receivables and managed funds. The carrying amount of financial assets represents the maximum credit exposure.

The Trust conducts credit assessments to determine worthiness prior to entering lease agreements. In addition, trade receivables balances are monitored on an ongoing basis with the result that the Trust's exposure to credit risk is not significant. There were no impairment losses on lease rentals recognised in comprehensive revenue and expense (January 2024: nil).

The Trust manages credit risk on managed funds through a diversified and non-correlated basket of investments across traditional and alternative assets classes; the use of a multi-fund manager approach to portfolio investments; and compliance with mandate requirements of each investment. There is no significant concentration of credit risk as financial assets are spread amongst reputable financial institutions as managers, including across different types of asset classes in different jurisdictions.

The Trust does not currently have any direct holdings in bonds (January 2024: nil).

Liquidity risk
Liquidity risk is the risk that the Trust will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Trust monitors and evaluates liquidity requirements on an ongoing basis and generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. The Trust's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable risk. This is done by ensuring the Trust has cash available and that its cash flows are in excess of expected cash outflows on financial liabilities. The exposure to liquidity risk is limited to accounts payable which are due within 0 to 60 days and bank loans. The Trust expects to have the ability to reborrow if it is in compliance with the current loan agreement and has no immediate plans for repayment of the full balance.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

in thousands of dollars

	Carrying value	Total	Less than 2 months	2 to 12 months	1 to 2 years	2 to 5 years
31 December 2024						
Non-derivative financial liabilities:						
Bank loan	(25,000)	(27,775)	(388)	(1,822)	(371)	(25,194)
Trade payables	(5,465)	(5,465)	(5,465)	-	-	-
Total non-derivative financial liabilities	(30,465)	(33,240)	(5,853)	(1,822)	(371)	(25,194)

	Carrying value	Total	Less than 2 months	2 to 12 months	1 to 2 years	2 to 5 years
31 January 2024						
Non-derivative financial liabilities:						
Bank loan	(52,157)	(58,319)	(562)	(3,609)	(1,466)	(52,682)
Trade payables	(5,444)	(5,444)	(5,444)	-	-	-
Total non-derivative financial liabilities	(57,601)	(63,763)	(6,006)	(3,609)	(1,466)	(52,682)

As disclosed in Note 14, the Trust has a secured bank loan that contains financial covenants. A future breach of the covenants may require the Trust to repay the loan earlier than indicated in the above table. Under the agreement, the covenants are monitored on a regular basis by the treasury function and regularly reported to the Board to ensure compliance with the agreement.

The interest payments on the variable interest secured loan in the table reflect market forward interest rates at the reporting date offset and these amounts may change as the interest rates change. Except for this it is not expected that the cashflows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk affecting the Trust's income or its holding of financial instruments
Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates, will affect the Trust's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Interest rate risk
The Trust is exposed to interest rate risk from the bank loan. The interest rate on the bank loan is comprised a variable amount, the BKBM rate, and a fixed margin. An increase of 100 basis points in interest rate during the year would have decreased total comprehensive revenue and expense for the year by $250,000 (January 2024: $520,000). This analysis assumes that all other variables remain constant. The Trust has a Treasury Policy which allows for the use of hedging instruments to manage the interest rate risk, and the entry into any hedging instrument must be approved by the Board. The Trust has interest rate hedging arrangements for $50,000,000 of loans at an average rate of 4.62% in order to fix the otherwise variable BKBM portion. 50% of those arrangements expire in July 2026, the rest in October 2027. As at 31 December 2024 the Trust's interest rate hedging instrument was a liabilty of $1,273,000 included in trade and other payables from exchange contracts (31 January 2024; an asset of $205,000 included in receivables and other assets).

The Trust is also exposed to interest rate risk from cash and cash equivalents. The interest rate on cash and cash equivalents is variable. A decrease of 100 basis points in interest rate during the year would have decreased total comprehensive revenue and expense for the year by $115,000 (January 2024: $123,000). This analysis assumes that all other variables remain constant.

b) Market price risk
The Trust is exposed to equity price risk, which arises from managed fund investments measured at fair value through comprehensive revenue and expense. The Trust manages these financial assets through the policies set out in its Statement of Investment Policy and Objectives, monitoring the proportion of exposure to equity price risk through the approved strategic asset allocation. The primary goal of the Trust's investment strategy is to maximise investment returns, whilst managing and controlling market risk exposures within acceptable parameters. Management is assisted by external advisers in this regard.

c) Currency risk
The Trust is exposed to currency risk on managed fund investments. The mitigation of foreign exchange risk within each portfolio is dependent on the investment mandate for each manager, who select whether foreign exchange positions are hedged or unhedged. The Board, in conjunction with its investment adviser, considers the hedged or unhedged characteristics at the time the investment is made as part of the overall balance of the portfolio structure. In addition, there are managed fund investments held in currencies other than NZD.

At 31 December 2024, the Trust held managed fund assets that were denominated in Australian dollars ("AUD") and United States dollars ("USD") (December 2024: AUD$17.8 million and USD$12.3 million; January 2024: AUD$15.6 million and USD$13.4 million).

A 10% strengthening (weakening) of the NZD against the USD and AUD at 31 December 2024 and 31 January 2024 would have not have materially affected the measurement of financial instruments denominated in a foreign currency or equity and surplus or deficit. This assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Capital Management
The Trust's capital is its equity, which comprises accumulated comprehensive revenue and expense. Equity is represented by net assets. The Trust manages its equity prudently as part of the process of effectively managing its revenues, expenditure, assets, liabilities and all related financial affairs. To ensure that the Trust achieves all its charitable objectives and purpose, the Trust has a Board of Trustees that actively controls and monitors progress of plans and activities against key performance indicators. The Trust is not subject to any externally imposed capital requirements.

Note 21: Subsequent Events
In April 2025 the Trust extended the bank funding from Industrial and Commerical Bank of China (New Zealand) Limited (ICBC) for a futher 2 years, expiring in 2027 (Note 14).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DILWORTH TRUST

Opinion

We have audited the general purpose financial report of Dilworth Trust ("the Trust") which comprises the financial statements on pages 14 to 35, and the statement of service performance on pages 9 to 13. The complete set of financial statements comprise the statement of financial position as at 31 December 2024, the statement of comprehensive revenue and expense, statement of changes in net assets/equity, and cash flow statement for the 11 month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying general purpose financial report presents fairly, in all material respects:

- the financial position of the Trust as at 31 December 2024, and its financial performance, and its cash flows for the 11 month period then ended; and
- the service performance for the 11 month period ended 31 December 2024 in that the statement of service performance is appropriate and meaningful and prepared in accordance with the Trust's measurement bases or evaluation methods

in accordance with Public Benefit Entity Standards ("PBE Standards") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) The Audit of Service Performance Information (NZ). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

Emphasis of Matter

We draw attention to Note 13 to the general purpose financial report, which describes the uncertainty related to the Provision for Historical Abuse. The Provision incorporates a high degree of estimation uncertainty surrounding the number of eligible applicants and the amount of the settlement per eligible applicant. The final amounts of the actual settlements may differ to the Provision estimated. Our opinion is not modified in respect of this matter.

Other Information

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the statement of service performance and the financial statements and our auditor's report thereon.

Our opinion on the statement of service performance and financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the statement of service performance and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the statement of service performance and the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Trustees' Responsibilities for the General Purpose Financial Report

The Trustees are responsible on behalf of the Trust for:

a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with PBE Standards;

b) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present a statement of service performance that is appropriate and meaningful in accordance with PBE Standards;

c) the preparation and fair presentation of a statement of service performance in accordance with the Trust's measurement bases or evaluation methods, in accordance with PBE Standards;

d) the overall presentation, structure and content of the statement of service performance in accordance with PBE Standards; and

e) such internal control as the Trustees determine is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the general purpose financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at
https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14-1/

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Trust's Trustees as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Auckland

BDO Auckland
Auckland
New Zealand
7 May 2025

Governance Statement
For the period ended 31 December 2024

Dilworth Mission
The purpose of the Dilworth Trust was established by the directions within the will of James Dilworth, an Auckland farmer and property investor who died on 23 December 1894.

The Will provided for an endowment that is to be used to fund the maintenance, education and training of as many young men as the endowment will allow, providing them with opportunities they may not otherwise have had available to them, and in doing so enabling them to reach their potential and become good and useful members of society.

Role of the Board
Trustees are responsible for governing the Dilworth Trust in accordance with the Will. In doing so they are responsible for the governance of Dilworth School and the Dilworth Trust Office, including the delivery of educational and pastoral care outcomes and prudent stewardship of the endowment and its investments.

In governing the School, the Board is responsible for the strategic oversight of a wide range of matters so as to enable the School to achieve the mission while balancing the limits of funds available from the endowment. The Board's governance responsibilities extend across areas such as health and safety, student safety and discipline, resourcing requirements, curriculum, admissions, teaching, infrastructure and facilities, people and culture, stakeholder engagement, and risk management.

Dilworth relies almost exclusively on the endowment established by James and Isabella Dilworth 130 years ago to fund the current and future operational and capital needs of the School. In addition to providing a range of services that facilitate the efficient operation of the School, the Dilworth Trust Office is a commercially sophisticated operation responsible for the management and protection of the endowment in a manner that enables the School to fulfil the mission in perpetuity. The endowment incorporates a large commercial property portfolio alongside a significant international equities portfolio, and Trustees are charged with protecting and nurturing it in such a way as to ensure it is protected in perpetuity and grows in order to maintain purchasing power. Trustees discharge this obligation through regular review of investment policies and objectives and via governance oversight of financial management and investment decisions.

Under the guidance of the Board, the various elements of Dilworth form a social enterprise that is one of New Zealand's largest charities.

Our Governance Structure

The Board
The Board is responsible for guiding the overall strategic direction of Dilworth Trust, to fufil its mission while also fulfilling fiduciary duties to protect the interests of the organisation and its beneficiaries.

Chairman: Aaron Snodgrass
Deputy Chair: Peter Alexander
Members: Jonathan Mason, Leo Foliaki, John Morris

Admissions Committee	Education Committee	Disciplinary Committee	People & Culture Committee	Audit, Finance & Risk Committee	Property Committee
Chair: Leo Foliaki	*Chair: John Morris*	*Chair: Peter Alexander*	*Chair: Jonathan Mason*	*Chair: Jonathan Mason*	*Chair: Peter Alexander*
Peter Alexander *Jonathan Mason* *John Morris*	*Aaron Snodgrass*	*Leo Foliaki* *Jonathan Mason* *John Morris*	*Aaron Snodgrass* *John Morris*	*Aaron Snodgrass* *Leo Foliaki*	*Aaron Snodgrass* *Jonathan Mason* *Leo Foliaki*

Independent Member:
Michael Holloway

A key governance body is the Safeguarding Committee. The Safeguarding Committee is a School management committee of which the Headmaster, Safeguarding Officer, General Manager HR, Board Chairman, and Deputy Chair (who is the Board-appointed Safeguarding Trustee) are members.

Other important stakeholder groups which contribute to governance at Dilworth include:

- Key parent groups Dilworth Family Connect, Pasifika Advisory Group, and the whānau Māori group
- Student Council
- Senior Leadership Teams for both the School and Trust Office
- Dilworth Old Boys' Association
- Bishop of Auckland and Auckland Diocese

Admissions Committee
The Will requires Trustees to interview and approve all students being admitted to Dilworth School. The objective of the Admissions Committee is to assist the Board in discharging these responsibilities – to formulate admissions criteria and to review admissions processes.

Sub-delegation from Board: Consider, review, and make recommendations to the Board. Support the Chairman where decisions are appealed.

Education Committee
In discharging the Board's responsibilities to govern the delivery of education at Dilworth School, the Committee's function is to:

- Ensure the Board and Headmaster have a shared vision of academic excellence and a clear road map to achieve it.
- Ensure that all Trustees understand and support the academic assurances and targets outlined in various School and public documents and are also clear on how well the organisation is performing against those assurances and targets.
- Inform, advise, and educate the Board to ensure proper oversight of the School's academic programme.

Sub-delegation from Board: Consider, review, and make recommendations to the Board.

Disciplinary Committee
The objective of the Committee is to assist the Board in discharging its responsibilities in relation to reviewing:

- Disciplinary breaches by ākonga/students while attending Dilworth School.
- Situations where ākonga/students may be deemed unsuitable for boarding and attending Dilworth School.
- Situations where an ākonga/student demonstrates they are not upholding Dilworth School's Ākonga/Student Code of Conduct and to decide if continuation of attendance at Dilworth School is appropriate.

Sub-delegation from Board: Consider, review, and make decisions on matters presented to it. Support the Chairman where decisions are appealed.

People & Culture Committee
The objective of the Committee is to assist the Board in discharging its responsibilities in relation to:

- Establishing and reviewing people and culture policies and practices for the employees of the School and the Trust Office.

- Overseeing the establishment of remuneration policies and practices to ensure Dilworth continues to attract and retain top talent at all levels.

- Conducting performance reviews and remuneration setting for the Headmaster and Chief Executive Officer.

- Leadership and culture:

    - Monitoring and reviewing Dilworth's people strategies.

    - Maintaining oversight of HR development processes with a specific focus on culture, leadership and capability, succession planning, employee development, inclusiveness, diversity, and engagement.

    - Making recommendations to the Board about any steps the Committee considers the Board should take to address any deficiencies in Dilworth's culture.

- Trustees:

    - Review of Trustee remuneration.

    - Planning the Board's composition, including succession planning to ensure there is an appropriate mix of skills, experience, expertise, and diversity.

    - Recommending to the Board the strategy for Trustee development.

Sub-delegation from Board: Consider, review, and make recommendations to the Board.

Audit, Finance & Risk Committee
The objective of the Committee is to advise and assist the Board in discharging its responsibilities in relation to investment allocation, financial reporting, risk management, compliance, audit oversight and internal controls.

Sub-delegation from Board: Limited to approval of the issuance of credit cards and changes in credit card limits. Otherwise, to consider and make recommendations to the Board.

Property Committee
The objective of the Committee is to assist the Board in discharging its responsibilities in relation to matters of commercial property including but not limited to acquisition, divestment, development and maintenance of commercial property, and ensuring that proposed initiatives and actions are supported by quality investment cases and rationale that advance Dilworth's strategic and financial objectives.

Sub-delegation from Board: Consider, review, and make recommendations to the Board.

Our Trustees

Aaron Snodgrass, Board Chairman, Old Boy
Aaron is a Dilworth Old Boy (Class of 1989) who joined the Dilworth Trust in 2013 before becoming Chairman in 2018. He was most recently Chief Financial Officer of Eastland Group, a Gisborne-based infrastructure company, and has previously worked as a Chartered Accountant at PwC and Deutsche Bank. He is a trustee of Independent Schools of New Zealand and has served as a director on various commercial boards, including Eastland Generation and Flick Electric.

Aaron is a Chartered Accountant Fellow (FCA) and a Chartered Fellow of the Institute of Directors (CFInstD), a Justice of the Peace, an Issuing Officer, and a Judicial Justice serving in the District Court. He is married with four school aged children.

Date of appointment: 1 May 2013

Peter Alexander, Deputy Board Chair and Safeguarding Trustee
Peter joined the Dilworth Trust in 2017. A property and investment expert, Peter is an independent property investment and development advisor and a Fellow of the Royal Institution of Chartered Surveyors. He has previously held senior executive roles at a number of publicly listed companies including Auckland International Airport, Stride Property Group (where he was Chief Executive), Goodman, Property for Industry, and SkyCity Entertainment. He is a past Chairman of community housing provider Homes of Choice Limited and a past Director of HLC Limited (formerly Hobsonville Land Co Limited).

Peter is married and the father of two adult sons. He is a keen sportsman with a passion for water sports. His interests include youth development, water safety, social housing initiatives, and the disabilities sector. He is also an active volunteer in his local Pest Free initiative.

Date of appointment: 27 March 2017

Jonathan Mason, Board Member
Jonathan joined the Dilworth Trust in 2019. He serves on the Board of Zespri, is a trustee of WWF-NZ and the University of Auckland Endowment Fund, a Member of the University Council for the University of Auckland, and is Chair of the NZUS Council. He has recently held Board positions on major New Zealand companies Vector, Westpac New Zealand, and Air New Zealand. He was previously Chief Financial Officer for Fonterra and, earlier, Carter Holt Harvey. Jonathan is also an adjunct Professor of Management at the University of Auckland and helps to recruit New Zealand students to attend Yale University in the United States.

Jonathan and his wife have two adult daughters, and his interests include watching cricket and US football, tramping, and birdwatching.

Date of appointment: 8 March 2019

Leo Foliaki, Board Member
Leo was formerly a senior partner at PwC and joined the Dilworth Trust in 2022. His governance experience includes Board membership of New Zealand Opera, The Cause Collective Trust, Auckland University of Technology Council, and TupuToa Trust. He has also been an independent member of the audit committees for Oranga Tamariki and Counties Manukau DHB.

Leo values mentoring and developing young people. He is the co-chair of TupuToa Trust, which aims to increase Māori and Pasifika representation in corporate leadership. Since its foundation, it has successfully placed almost 1,000 Māori and Pasifika interns into organisations in NZ.

Date of appointment: 11 February 2022

John Morris ONZM, Board Member
John was appointed to the Dilworth Trust in 2023 and brings significant experience in secondary school education and governance. He is a former Headmaster of Takapuna Grammar School (1990-93), Auckland Grammar School (1993-2012), and more recently, Executive Principal of Crimson Global Academy (2019-23), a global online high school. John has sat on several educational boards, including as an Independent Director of Academic Colleges Group, Tertiary Education Commission, Education NZ, and the NZ Partnership Schools' Board, and has chaired the Education Council of Aotearoa NZ Transition Board.

In the sporting arena, John was Chairman of NZ Football and a member of the FIFA Technical Committee, having previously represented New Zealand at international level. John and his wife Jan have three adult children, two of whom are lawyers and one in the executive search profession.

Date of appointment: 26 October 2023

2024 Skills Matrix - Dilworth Specific Skills

	Individual Trustee Expertise and Experience					Overall Board Capability	Targeted Skills for Recruitment
Educational Leadership							Yes
Admissions							
Commercial Property Investment							Yes
Investment Management							

Key: Level of expertise and experience

Expert   Moderate   Developing

Board / Committee attendance – 1 February to 31 December 2024

Trustee	Board	Education	P&C	AFR	Property
Number of meetings	8	2	2	7	8
Attendances:					
Aaron Snodgrass	8	2	2	7	7
Peter Alexander	8	NA	NA	NA	8
Jonathan Mason	8	NA	2	7	8
Leo Foliaki	8	NA	NA	7	7
John Morris	8	2	1[1]	NA	NA

[1] John Morris was appointed to the People & Culture Committee partway through the year.

The Admissions and Disciplinary Committees meet as and when required.

Trustee Honoraria
Trustee Remuneration is subject to High Court approval every five years. The last review was completed by Strategic Pay and approved by the High Court in March 2025.

While the High Court approved formula sets a maximum aggregate remuneration level for Trustees, the full amount of this remuneration is not required to be utilised by Trustees. In recent years, the Trustees have elected not to take up the maximum aggregate remuneration to which they are entitled.

Total Aggregate Trustee Remuneration

	31 December 2024 $000s	31 January 2024 $000s
Available Pool	613	640
Remuneration Paid[1]	534	543

[1] Note that the remuneration paid has also been reduced as a result of less than six trustees being on the Board.

Term Limits
Trustee terms are limited to nine years with the ability to extend this to 12 years in exceptional circumstances. Current Trustee terms and retirement dates are as follows:

	Date of Appointment	Current Term	Retirement Date	Term at Retirement Date
Aaron Peter Snodgrass	1 May 2013	12 years	30 April 2025	12 years
Peter John Alexander	27 March 2017	8 years	27 March 2026	9 years
Jonathan Parker Mason	8 March 2019	6 years	7 March 2027	8 years
Leopino Sosefo Foliaki	11 February 2022	3 years	11 February 2031	9 years
John Morris	26 October 2023	18 months	26 October 2026	3 years

Trustee Engagement/Activities
The Board provides regular updates to the School and parent community on key decisions and issues, and maintains engagement with the wider community in a number of ways, such as:

- Regularly updating the community through the Dilworth School website
- Providing updates in the School newsletter
- At least annual meetings with a range of key stakeholders, including:
    - Dilworth Family Connect
    - Pasifika Advisory Group
    - Whānau Māori group
    - Students: prefects, Student Council
    - Staff
    - Dilworth Old Boys' Association
    - Staples Education Foundation
    - Bishop of Auckland and Diocese of Auckland

- Updating Old Boys in the Reunion newsletter, hosting and attending reunions, updating DOBA Council meetings
- Comprehensive reporting in the Annual Report
- The use of social media
- Providing information on the Board in the Dilworth Prospectus

Trustee Recruitment and Selection
Trustee appointments are well publicised and utilise the expertise of an independent recruiting firm. Skills of new Trustees are determined based on our skills matrix.

The Board commenced a process for the recruitment of three new Trustees in 2025 to further enhance skills and diversity on the Board. With an overall lens on enhancing diversity, key focuses for these roles include a proven track record in hands-on management in the secondary school and/or tertiary sector, and extensive executive leadership experience in the commercial property sector.

Independent Governance Review
In late 2023 Trustees commissioned a comprehensive independent governance review aimed at examining the governance structures of the Dilworth Trust and providing recommendations to enhance governance procedures and practice. This review sought feedback from students, parents, advisory groups, staff and Old Boys. Recommendations from the review included:

- Retaining a single Board structure
- An intention to increase the number of Trustees from six to seven
- A commitment to enhance diversity on the Board
- The introduction of term limits that are equally applicable to all Trustees, including Old Boy Trustees
- The continuation of annual Trustee reviews
- The inclusion of co-opted members on Board Committees to expand the range of skills, experiences and attributes of Committee members
- An expansion of the remit of the People & Culture Committee
- The continuation of annual reviews of Board Committee terms of reference
- The continuation and enhancement of regular, structured communication with parents, students and staff
- The publishing of governance documents (such as this Annual Report) in accessible locations such as on the School's website

Dilworth