



Group financial statements

to the quarter ended 30 June 2023

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Consolidated Income Statement

Internet New Zealand Group Consolidated Income Statement to the year ended 30 Jun 2023

	Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
		YTD	Budget	\$	%	YTD	Budget	\$	%
Income - Operating									
Registry Fees		3,373,797	3,370,695	3,102	0%	3,373,797	3,370,695	3,102	0%
Broadband Map		10,950	10,200	750	7%	10,950	10,200	750	7%
Sundry Income	2 (a)	30,001	26,077	3,924	15%	86,133	84,209	1,924	2%
Total Operating Income		3,414,748	3,406,972	7,776	0%	3,470,880	3,465,104	5,776	0%
Less Direct Expenses									
Domain Name Commission Fee	1 (a)	-	-	-	-	408,750	408,750	0	0%
.nz Costs		494,609	515,876	21,267	4%	494,609	515,876	21,267	4%
Other		35,864	37,501	1,637	4%	35,864	37,501	1,637	4%
Total Direct Expenses		530,473	553,377	22,904	4%	939,223	962,127	22,904	2%
Less Other Expenses									
Audit		-	-	-	-	-	-	-	-
Amortisation & Depreciation		92,778	93,162	384	0%	78,295	78,750	455	1%
Registrar Engagement		4,229	6,968	2,739	39%	1,879	4,967	3,088	62%
Communications		19,890	24,750	4,860	20%	-	-	-	-
Community Investment		416,872	425,325	8,453	2%	416,872	425,325	8,453	2%
Domain Name Commission		31,313	39,052	7,739	20%	-	-	-	-
Employment		1,519,605	1,595,167	75,562	5%	1,281,644	1,360,422	78,778	6%
Governance		57,299	49,843	(7,456)	-15%	46,602	36,825	(9,777)	-27%
International		95,411	96,000	589	1%	92,585	93,000	415	0%
Legal		17,434	24,501	7,067	29%	17,434	12,000	(5,434)	-45%
Operational		393,437	446,967	53,530	12%	373,812	404,484	30,672	8%
Projects		1,500	3,750	2,250	60%	-	-	-	-
Security		5,815	5,949	134	2%	5,815	5,949	134	2%
Total Expenses		2,655,583	2,811,434	155,851	6%	2,314,938	2,421,722	106,784	4%
Net Operating Profit (Loss) Before Tax		228,692	42,161	186,531	442%	216,719	81,255	135,464	167%
Net Operating Profit (Loss) Before Tax		\$228,692	\$42,161	\$186,531	442%	\$216,719	\$81,255	\$135,464	167%

Notes:

The income and expenditure lines for the individual entities

Do not add to the Group totals due to the following intra-group entries being eliminated.

1 (a) The DNCL fee paid by INZ (\$408,750) to DNCL.

2 (a) GSE paid by DNCL (\$69,132) to INZ

Reference:

DNCL detail available in the Quarterly DNCL report to Council dated 26th July 2023.

FOR INFORMATION PURPOSES ONLY

Investing Income

Interest Received	47,797	18,648	29,149	2	47,654	18,600	29,054	156%
Fair Value Gains/(Losses) on Managed Funds	182,731	110,119	72,612	66%	182,731	110,119	72,612	66%
Realised gains on Foreign Exchange	-	-	-	-	-	-	-	-
Total Investment Income	230,528	128,767	101,761	79%	230,385	128,719	101,666	79%

Managed Funds Fees	4,007	3,978	(29)	-1%	4,007	3,978	(29)	-1%
Total Expenses	4,007	3,978	(29)	-1%	4,007	3,978	(29)	-1%

Net proceeds from Investing Activities	\$226,521	\$124,789	\$101,790	82%	\$226,378	\$124,741	\$101,695	82%
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Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Consolidated Income Statement – By Function

Internet New Zealand Group Consolidated Income - Function Based to the year ended 30 Jun 2023

	Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
		YTD	Budget	\$	%	YTD	Budget	\$	%
Income - Operating									
DNCL Sundry		13,000	11,000	2,000	18%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)		3,384,748	3,380,895	3,853	0%	3,384,748	3,380,895	3,853	0%
Te Puni Whiriaa (Public Impact)		17,001	15,077	1,924	13%	29,051	27,116	1,935	7%
Te Puni Raupa (Organisational Performance)		0	0	0	0%	57,081	57,093	(12)	0%
Total Operating Income		3,414,749	3,406,972	7,777	0%	3,470,880	3,465,104	5,776	0%
Less Activity Expenditure									
.nz Operations (DNCL)	2 (a)	340,645	389,712	49,067	13%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)	1 (a)	1,149,124	1,202,628	53,504	4%	1,557,874	1,611,378	53,504	3%
Te Puni Whiria (Public Impact)		781,290	833,325	52,035	6%	781,290	833,325	52,035	6%
Te Puni Māori		99,559	116,293	16,734	14%	99,559	116,293	16,734	14%
Te Puni Raupa (Organisational Performance)		815,439	822,853	7,414	1%	815,438	822,853	7,415	1%
Total Expenses		3,186,057	3,364,811	178,754	5%	3,254,161	3,383,849	129,688	4%
Net Operating Profit (Loss) Before Tax		228,692	42,161	186,531	442%	216,719	81,255	135,464	167%
Net Operating Profit (Loss) Before Tax		\$228,692	\$42,161	\$186,531	442%	\$216,719	\$81,255	\$135,464	167%

Notes:

The income and expenditure lines for the individual entities

Do not add to the Group totals due to the following intra-group entries being eliminated.

1 (a) The DNCL fee paid by INZ (\$408,750) to DNCL.

2 (a) GSE paid by DNCL (\$69,132) to INZ

FOR INFORMATION PURPOSES ONLY

Investing Income

Interest Received	47,797	18,648	29,149	156%	47,654	18,600	29,054	156%
Realised gains on Foreign Exchange	0	0	0	0%	0	0	0	0%
Fair Value Gains/(Losses) on Managed Funds	182,731	110,119	72,612	66%	182,731	110,119	72,612	66%
Total Investment Income	230,528	128,767	101,761	79%	230,385	128,719	101,666	79%

Managed Funds Fees	4,007	3,978	(29)	-1%	4,007	3,978	(29)	-1%
Total Expenses	4,007	3,978	(29)	-1%	4,007	3,978	(29)	-1%

Net proceeds from Investing Activities	\$226,521	\$124,789	\$101,790	82%	\$226,378	\$124,741	\$101,695	82%
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Consolidated Movements in Equity

Internet New Zealand Group
Statement of Movements in Equity
to the year ended 30 Jun 2023

	GROUP	INZ	DNCL
Equity at start of period			
Opening Retained Earnings	10,539,128	10,248,305	290,823
Shares Subscribed	-	-	580,000
	10,539,128	10,248,305	870,823
Net Profit (Loss) After Tax	455,213	443,097	12,116
Equity at end of period	\$10,994,341	\$10,691,402	\$882,939

Consolidated Balance Sheet

Internet New Zealand Group
Balance Sheet
As at 30 June 2023

	GROUP	INZ	DNCL
Current Assets			
Cash and Cash Equivalents	12,355,204	11,543,483	811,721
Managed Funds	5,165,302	5,165,302	-
Other Current Assets	1,721,410	1,656,938	64,472
Total Current Assets	19,241,916	18,365,724	876,193
Non-current Assets			
Property, Equipment & Software	3,652,695	3,260,643	392,052
less: Accumulated Depreciation	(2,015,710)	(1,804,325)	(211,385)
Intangible Assets	4,223,276	4,223,276	-
less: Amortisation	(848,770)	(848,770)	-
Investments	-	-	-
Shares and Loans	-	580,000.00	-
Total Assets	24,253,407	23,776,547	1,056,860
Less Liabilities:			
Deferred Income	11,826,689	11,826,689	-
Trade and Other Payables	1,432,377	1,258,455	173,921
Total Liabilities	13,259,066	13,085,144	173,921
Net Assets	\$10,994,342	\$10,691,402	\$882,939

Represented By:

Total Equity	\$10,994,341	\$10,691,402	\$882,939
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Notes:

The following items have been removed upon consolidation.

1 Share in DNCL wholly owned by InternetNZ.

2 Share subscription with respect to shares issued to InternetNZ by DNCL

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Group Revenue Analysis to the Period ending 30 June 2023

Consolidated Revenue	Actual	Budget	Variance	% of Total Sales
Registry Fees	3,373,797	3,370,695	3,102	98.8%
BBM	10,950	10,200	750	0.3%
Sundry - Membership	3,341	2,077	1,264	0.1%
Sundry - Recharge & Misc	26,660	24,000	2,660	0.8%
Total Operating Revenue	3,414,748	3,406,972	7,776	100%

FOR INFORMATION PURPOSES ONLY

Net proceeds from Investing Activities	226,521	124,789	101,732	6.6%
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- Revenue is reported excluding investment activities to reduce market distortion.
- Fair value gains for the quarter of **\$183k** from managed funds continues the trend exhibited at the end of last year, positive returns and contributed towards 79% of the total return on Investments of **\$230k** after fees. Term deposits returns for the quarter were **\$47k**.
- The accounts report a Total Operating revenue for the quarter of **\$3.5M**, up by \$100k compared to the same period last year.

Group Expenditure Analysis by Function to the Period ending 30 June 2023

Consolidated Expenditure by Function	Actual	Budget	Variance	% of Total Expenditure
Domain Name Commission	340,645	389,712	49,067	10.7%
Te Puni Whakawhanake Rawa/Cust & Prod	1,149,124	1,202,628	53,504	36.1%
Te Puni Whiria/Public Impact	781,290	833,325	52,035	24.5%
Te Puni Maori	99,559	116,293	16,734	3.1%
Te Puni Raupa/Organisational Performance	815,439	822,853	7,414	25.6%
Total Operating Expenditure	3,186,057	3,364,811	178,754	100.0%

Notes:

DNCL expenditure excludes
2 (a) GSE paid by DNCL (\$69,132) to INZ

Underspend variances are attributable to budget phasing.

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Summary reporting by functional areas of expenditure: -

All functional areas of the organisation were underspent in the first quarter of the new financial year, which is quite often the case, due to budget phasing.

Outlined below is a summary of each function.

Te Puni Whakawhanake Rawa/ Customer and Product

- Running of the .nz registry, and Broadband Map services.
- Data insights and analytics
- IT infrastructure and product technology

Te Puni Whiria/Public Impact

- Funding, Public policy, internet governance, including international
- Community Engagement, including membership, Communications – External and brand and Events Management

Te Puni Māori

- Māori sector partnership and relationships
- Rautaki Māori
- Māori cultural intelligence and cultural capability

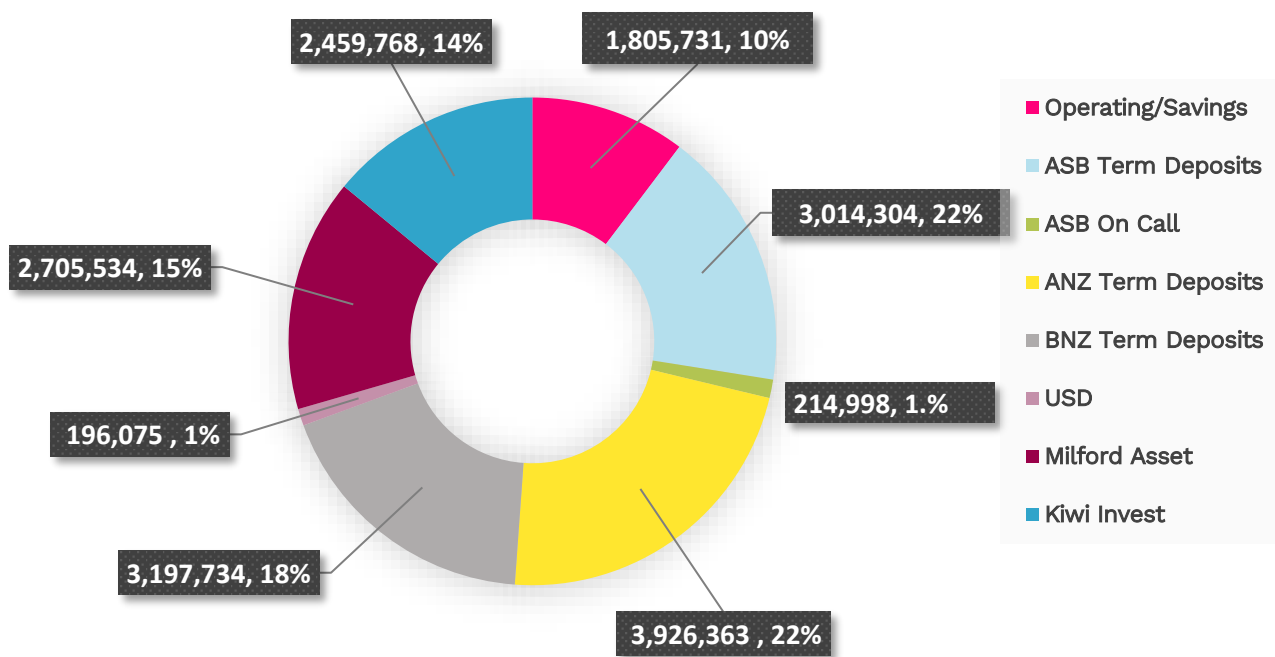
Te Puni Raupa/Organisation Performance

- Governance, Strategy, planning and performance.
- Security, compliance (including legal) and Privacy.
- HR and Finance, Technology Strategy, and Internal IT

Group Investments as of 30 June 2023

The chart below shows the percentage spread of funds invested (**\$17,520,506**) across all institutions as of 30 June 2023.

Group Investment Portfolio

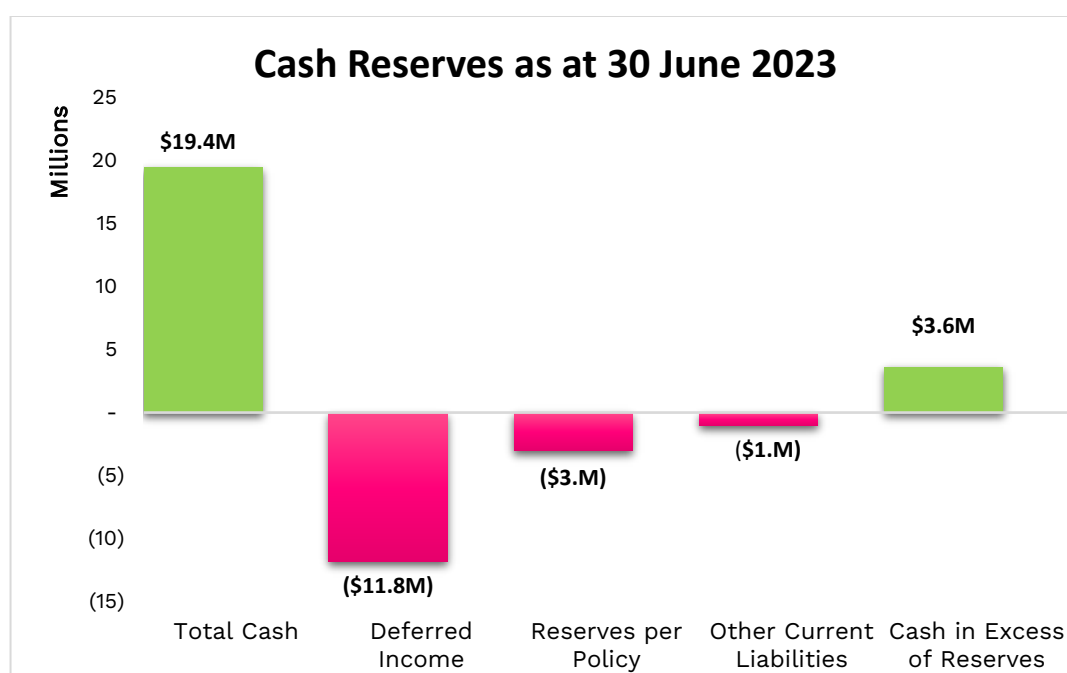


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Group Cash in Excess of Reserves as of 30 June 2023

We report the Cash in Excess of Reserves position as of 30 June 2023 at **\$3.6M** as provided below:

Total Cash & Current Assets	\$19,438,253
less: Deferred Income	(\$11,826,689)
less: Reserves as per the policy	(\$2,982,899)
less: other Current Liabilities	(\$1,012,121)
Cash in Excess of Reserves	\$3,616,544



The close for the quarter-ended June 2023-24 financial year sees **Net Equity at \$11.M** (reported at year-end 31 March 2023 as \$10.5M) and the **Net Equity minus Reserves** position at **\$7.4M** (\$7.6M in the previous quarter).

This exceeds the measure currently required by the *Financial and Investment Strategy Policy*, which sets the Net Equity minus Reserves target at \$5.5M.