



Group financial statements

to the quarter ended 30 September 2023

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Consolidated Income Statement

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

Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
Income - Operating								
	6,780,054	6,777,245	2,809	0%	6,780,054	6,777,245	2,809	0%
	23,650	21,000	2,650	13%	23,650	21,000	2,650	13%
2 (a)	82,174	42,990	39,184	91%	179,238	167,254	11,984	7%
	6,885,879	6,841,235	44,644	1%	6,982,942	6,965,499	17,443	0%
Less Direct Expenses								
1 (a)	-	-	-	-	817,500	817,500	0	0%
	975,494	1,014,409	38,915	4%	975,494	1,014,409	38,915	4%
	66,361	70,875	4,514	6%	66,361	70,875	4,514	6%
	1,041,855	1,085,284	43,429	4%	1,859,355	1,902,784	43,429	2%
Less Other Expenses								
	-	-	-	-	-	-	-	-
	185,787	186,324	537	0%	156,815	157,500	685	0%
	7,484	8,202	718	9%	2,784	4,200	1,416	34%
	37,017	49,500	12,483	25%	-	-	-	-
	629,254	639,725	10,471	2%	629,254	639,725	10,471	2%
	66,278	67,716	1,438	2%	-	-	-	-
	3,361,465	3,510,217	148,752	4%	2,886,499	3,037,534	151,035	5%
	192,945	177,061	(15,884)	-9%	170,412	151,025	(19,387)	-13%
	139,205	140,000	795	1%	114,925	115,000	75	0%
	49,219	69,502	20,283	29%	46,587	44,500	(2,087)	-5%
	882,358	1,024,011	141,653	14%	844,464	949,653	105,189	11%
	4,125	7,500	3,375	45%	-	-	-	-
	11,515	11,898	383	3%	11,515	11,898	383	3%
	5,566,652	5,891,656	325,004	6%	4,863,256	5,111,035	247,779	5%
	277,372	(135,705)	413,077	-304%	260,332	(48,320)	308,652	-639%
	\$277,372	(\$135,705)	\$413,077	-304%	\$260,332	(\$48,320)	\$308,652	-639%

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 (\$817,500) to DNCL.

2 (a) GSE paid by DNCL (\$138,264) to INZ

Reference:

DNCL detail available in the Quarterly DNCL report to Council dated 31st October 2023.

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	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
Investing Income								
	154,312	115,158	39,154	0	151,123	111,600	39,523	35%
	106,960	146,619	(39,659)	-27%	106,960	146,619	(39,659)	-27%
	-	-	-	-	-	-	-	-
	261,272	261,777	(505)	0%	258,083	258,219	(136)	0%
	8,074	7,956	(118)	-1%	8,074	7,956	(118)	-1%
	8,074	7,956	(118)	-1%	8,074	7,956	(118)	-1%
	\$253,197	\$253,821	(\$387)	0%	\$250,009	\$250,263	(\$18)	0%

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 Sept 2023

Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
Income - Operating								
DNCL Sundry	41,200	11,000	30,200	275%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)	6,803,705	6,798,245	5,460	0%	6,803,705	6,798,245	5,460	0%
Te Puni Whiriaa (Public Impact)	38,182	28,690	9,492	33%	62,283	52,768	9,515	18%
Te Puni Raupa (Organisational Performance)	2,792	300	2,492	0%	116,955	114,486	2,469	2%
Total Operating Income	6,885,879	6,838,235	47,644	1%	6,982,943	6,965,499	17,444	0%
Less Activity Expenditure								
.nz Operations (DNCL) 2 (a)	703,396	780,621	77,225	10%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product) 1 (a)	2,337,636	2,466,065	128,429	5%	3,155,136	3,283,565	128,429	4%
Te Puni Whiria (Public Impact)	1,472,127	1,558,895	86,768	6%	1,472,127	1,558,895	86,768	6%
Te Puni Māori	213,758	246,798	33,040	13%	213,758	246,798	33,040	13%
Te Puni Raupa (Organisational Performance)	1,881,590	1,924,561	42,971	2%	1,881,590	1,924,561	42,971	2%
Total Expenses	6,608,507	6,976,940	368,433	5%	6,722,611	7,013,819	291,208	4%
Net Operating Profit (Loss) Before Tax	277,372	(138,705)	416,077	-300%	260,332	(48,320)	308,652	-639%
Net Operating Profit (Loss) Before Tax	\$277,372	(\$138,705)	\$416,077	-300%	\$260,332	(\$48,320)	\$308,652	-639%

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 (\$817,500) to DNCL.

2 (a) GSE paid by DNCL (\$138,264) to INZ

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	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
Investing Income								
Interest Received	154,312	115,158	39,154	34%	151,123	111,600	39,523	35%
Realised gains on Foreign Exchange	0	0	0	0%	0	0	0	0%
Fair Value Gains/(Losses) on Managed Funds	106,960	146,619	(39,659)	-27%	106,960	146,619	(39,659)	-27%
Total Investment Income	261,272	261,777	(505)	0%	258,083	258,219	(136)	0%
Managed Funds Fees	8,074	7,956	(118)	-1%	8,074	7,956	(118)	-1%
Total Expenses	8,074	7,956	(118)	-1%	8,074	7,956	(118)	-1%
Net proceeds from Investing Activities	\$253,197	\$253,821	(\$387)	0%	\$250,009	\$250,263	(\$18)	0%

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

Consolidated Movements in Equity

Internet New Zealand Group Statement of Movements in Equity to the year ended 30 Sept 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	530,570	510,341	20,229
Equity at end of period	\$11,069,697	\$10,758,646	\$891,052

Consolidated Balance Sheet

Internet New Zealand Group Balance Sheet As at 30 Sept 2023

	GROUP	INZ	DNCL
Current Assets			
Cash and Cash Equivalents	12,566,791	11,731,849	834,941
Managed Funds	5,085,464	5,085,464	-
Other Current Assets	2,577,456	2,536,032	41,424
Total Current Assets	20,229,711	19,353,345	876,366
Non-current Assets			
Property, Equipment & Software	3,654,645	3,256,133	398,512
less: Accumulated Depreciation	(2,100,040)	(1,874,165)	(225,874)
Intangible Assets	4,223,276	4,223,276	-
less: Amortisation	(995,776)	(995,776)	-
Investments	-	-	-
Shares and Loans	-	580,000.00	-
Total Assets	25,011,817	24,542,814	1,049,003
Less Liabilities:			
Deferred Income	11,900,732	11,900,732	-
Trade and Other Payables	2,041,387	1,883,436	157,951
Total Liabilities	13,942,119	13,784,168	157,951
Net Assets	\$11,069,697	\$10,758,646	\$891,052

Represented By:

Total Equity	\$11,069,697	\$10,758,646	\$891,052
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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

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Group Revenue Analysis to the Period ending 30 September 2023

Consolidated Revenue	Actual	Budget	Variance	% of Total Sales
Registry Fees	6,780,054	6,777,245	2,809	99.1%
BBM	23,650	21,000	2,650	0.3%
Sundry - Membership	3,747	2,690	1,057	0.1%
Sundry - Recharge & Misc	37,227	26,300	10,927	0.5%
Total Operating Revenue	6,844,679	6,827,235	17,444	100%

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Net proceeds from Investing Activities	253,197	253,821	(624)	3.7%
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- Revenue is reported excluding investment activities to reduce market distortion.
- Fair value losses of **(\$76k)** on managed funds for the second quarter saw a complete turnaround from the gains in Q1 of \$183k, resulting in a YTD return of \$99K after fees. Term deposits returns for the quarter were \$89k, YTD \$151k. Total investment returns to the end of Q2 \$250k.
- The accounts report a Total Operating revenue for the quarter of \$3.4M, and \$6.8M YTD, up by \$100k compared to the same period last year.

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

Consolidated Expenditure by Function	Actual	Budget	Variance	% of Total Expenditure
Domain Name Commission	703,396	780,621	77,225	10.6%
Te Puni Whakawhanake Rawa/Cust & Prod	2,337,636	2,466,065	128,429	35.4%
Te Puni Whiria/Public Impact	1,472,127	1,558,895	86,768	22.3%
Te Puni Maori	213,758	246,798	33,040	3.2%
Te Puni Raupa/Organisational Performance	1,881,590	1,924,561	42,971	28.5%
Total Operating Expenditure	6,608,507	6,976,940	368,433	100.0%

Notes:

DNCL expenditure excludes
2 (a) GSE paid by DNCL (\$138,264) to INZ

Underspend variances are attributable to recruitment delays and 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 and delays in recruitment.

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

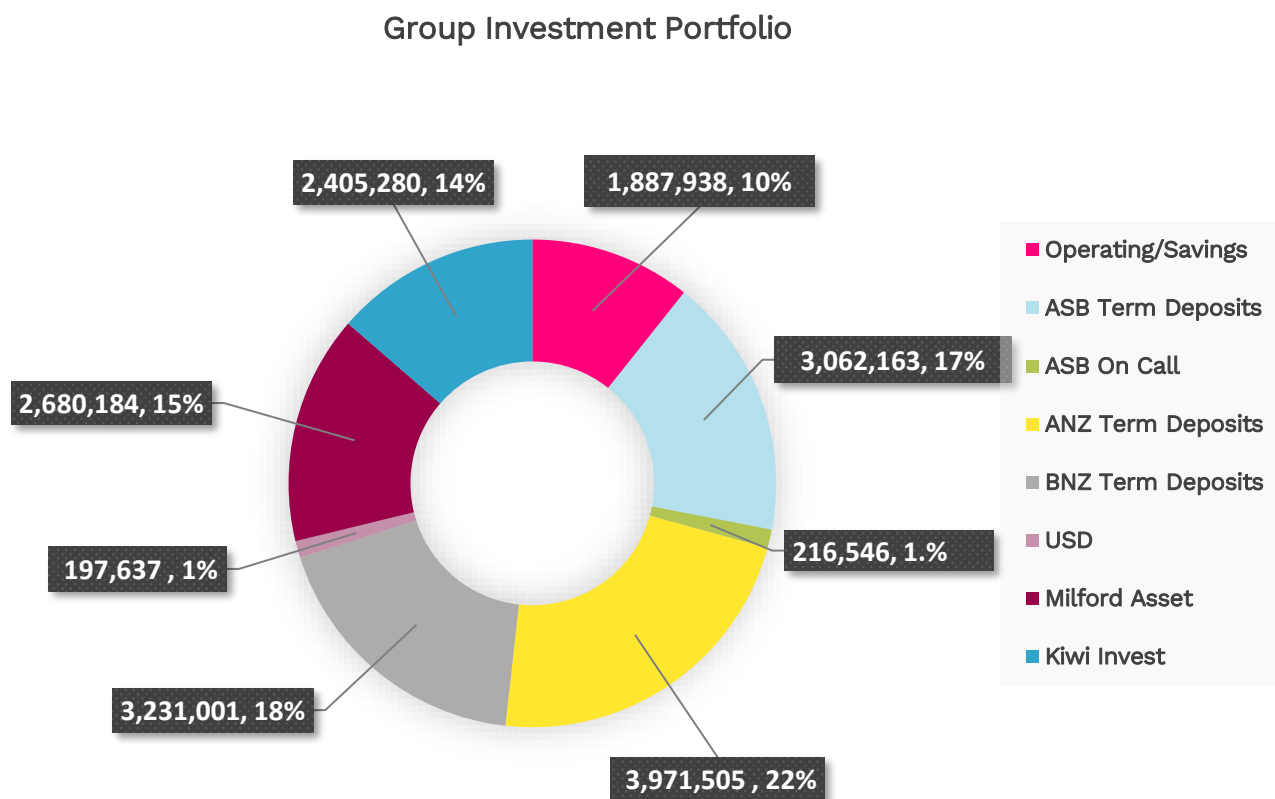
- Māori sector partnership and relationships
- Rautaki Māori
- Māori cultural intelligence and cultural capability

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 September 2023

The chart below shows the percentage spread of funds invested (**\$17,652,254**) across all institutions as of 30 September 2023.

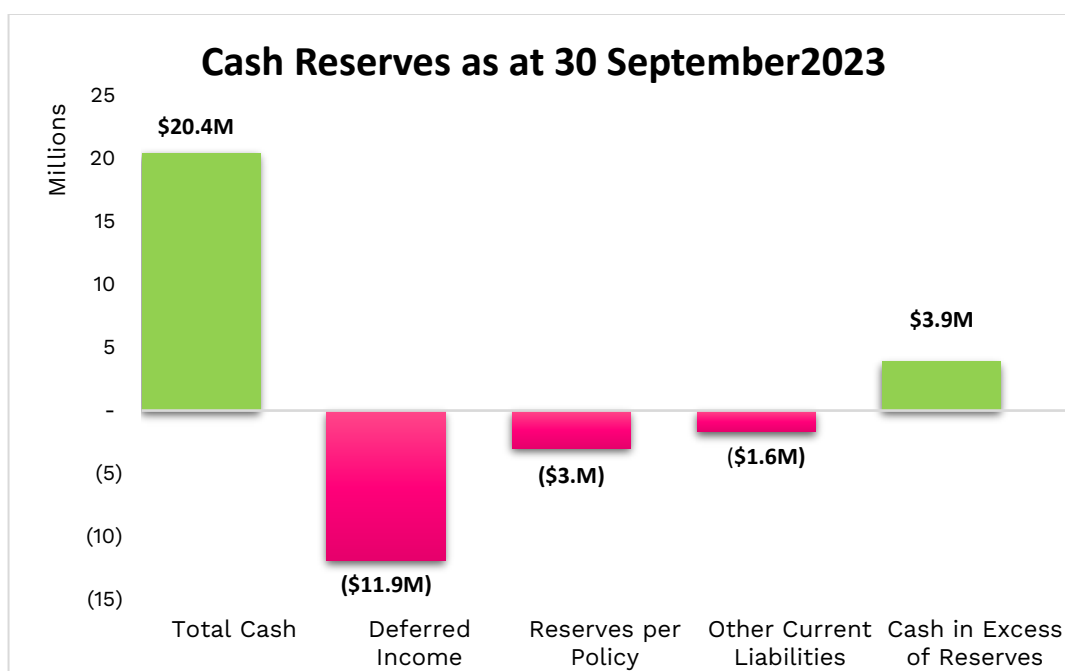


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Group Cash in Excess of Reserves as of 30 September 2023

We report the Cash in Excess of Reserves position as of 30 September 2023 at **\$3.9M** as provided below:

Total Cash & Current Assets	\$20,445,791
less: Deferred Income	(\$11,900,732)
less: Reserves as per the policy	(\$2,975,849)
less: other Current Liabilities	(\$1,680,767)
Cash in Excess of Reserves	\$3,888,444



The close for the quarter-ended Sept 2023-24 financial year sees **Net Equity at \$11.M** (reported at quarter-ended 31 July 2023 as \$11.M) and the **Net Equity minus Reserves** position at **\$7.2M** (\$7.4M 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.