Internet New Zealand Incorporated

Consolidated Financial Statements and Statement of Service Performance
for the year ended 31 March 2026

Contents

Internet New Zealand Incorporated
Statement of Service Performance

For the year ended 31 March 2026

Our structure

InternetNZ is an Incorporated Society and a member organisation. On 31 March 2026, we had a total of 5160 members. As a registered charity, the revenue we receive from .nz domain names is invested back into the community. InternetNZ is governed by a Board of member-elected and appointed Board members, supported by Te Kahui Tumu (InternetNZ's Executive Leadership Team).

The InternetNZ Group is structured as a parent-subsidiary model, comprising InternetNZ as the parent organisation and the Domain Name Commission (DNC) as a wholly owned subsidiary. The DNC regulates the .nz domain name space with certain functions and powers vested in them under the .nz Rules relating to the oversight and enforcement of the .nz Rules, the accreditation of registrars, and the provision of a dispute resolution service (among other things). The terms and conditions under which those functions and powers are performed are set out in the Operating Agreement between the two parties. For further details, please refer to the DNC Financial Statements and Statement of Service Performance for the year ended 31 March, 2026.

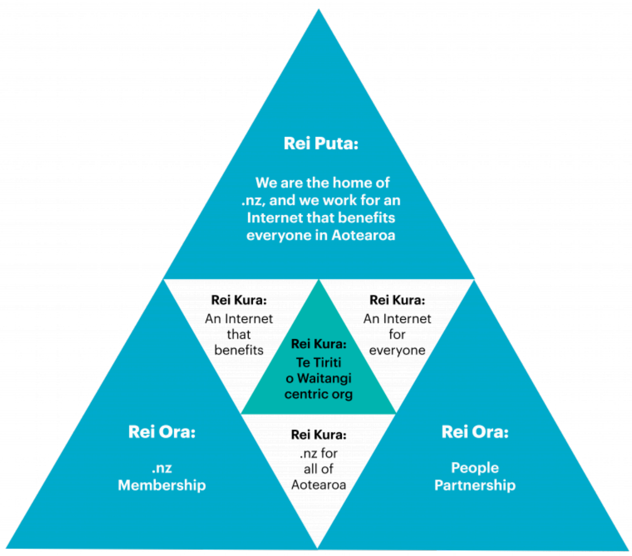
Our whakatauākī

Kua rāranga tahi tātou he whāriki ipurangi mō āpōpō.

Together, we weave the mat, in terms of the Internet, for future generations.

Our whakatauākī was gifted to us in January 2017 by Takawai Murphy of Ngāti Manawa, Ngāti Rangitihi, and Ngāti Hinekura.

Our strategic priorities



The Niho Taniwha design is a saw-toothed pattern found in tukutuku panels and tāniko weaving, often seen on the hems of cloaks. This motif symbolises strength, resilience, and connection to whakapapa. In Te Ao Māori, it represents a chief's lineage from the atua (gods), and the interconnectedness of whānau, hapū, and iwi. The design reflects our strategy and commitment to centering Te Tiriti o Waitangi in our work, acknowledging the depth, complexity, and continuity of the relationships upheld.

The 2025-26 financial year is the final year of the above strategy, with the InternetNZ Group Strategy 2026-2031 approved by the Board in March 2026.

The four Whainga guiding our organisational priorities for 2025–26

Whainga 1	Te Tiriti o Waitangi centric organisation: Embedding Te Tiriti o Waitangi principles in how we operate.
Whainga 2	.nz for all of Aotearoa: Ensuring the .nz domain infrastructure is reliable, secure, and widely used by all New Zealanders.
Whainga 3	An Internet that benefits: Advocating for an Internet that is safer and more beneficial to people and communities.
Whainga 4	An Internet for everyone: Promoting digital inclusion so that everyone can access and participate in the digital world.

This SSP report outlines our outcomes and outputs for the year ended 31 March 2026, across its four whainga, or strategic priorities.

Comparatives, benchmarks/targets or quantitative outputs

In this SSP report, we make comparisons to previous years and reference targets or benchmarks, where appropriate and available. Qualitative evidence is used to illustrate our impact throughout.

Distribution of community funds across whainga/goals

In 2025–26, we distributed $1,000,000 in community funds across our whainga/goals as follows:

- We are a Te Tiriti o Waitangi-centric organisation: $405,000
- An Internet for everyone: $320,000
- An Internet that benefits: $275,000

Whainga 1 — We are a Te Tiriti o Waitangi-centric organisation

Te Tiriti o Waitangi is central to how we work. We have completed foundational pillars, including our Te Tiriti o Waitangi statement (Te Korowai o Ipurangi Aotearoa), our values and a new five-year strategy. Te Korowai sits alongside our Strategy and guides our activities, creating an accountability loop for work on Te Tiriti o Waitangi within InternetNZ Group.

Expected outcomes for 2025–26

1. Funding to Māori individuals or entities is a minimum of 40% of available community funds in 2025–26.
2. Develop a vision for what it means to be Te Tiriti o Waitangi centered within the InternetNZ Group over the next five years.
3. Integrate Te Tiriti objectives into the InternetNZ Group Strategy 2026–31.
4. Delivery of Kauwaka and next steps on Māori-led engagement in international Internet Governance
5. An internal Te Ao Māori resource app is developed and rolled out to the InternetNZ Group toward uplifting cross cultural confidence

Our progress

Table 1: Funding to Māori individuals or entities		
Activity	Output in 2025–26	Output in 2024–25
Number of projects supported	14	29
Successful grants	$180,000	$259,000
Strategic partnerships	$130,000	$130,000
New funding streams	$95,000	$59,390
Total funding	**$405,000**	**$448,390**

Distribution of funding to Māori individuals or entities

Of the total funds distributed, we met our goal with 40.50% ($405,000) allocated to Māori individuals or entities. This represents a slight decrease from 44.86% distributed in 2024–25, but an increase from the 35.97% allocated in 2023–2024, and from the 25.02% allocated in 2022–2023.

Our commitment to centering Te Tiriti o Waitangi underpins all of our community funding practices. We continue to work closely with our Māori partners to uphold and strengthen their communities.

Our Māori strategic partners, Tāiki e! and Te Hapori Matihiko, have both had a busy year.

- Tāiki e! has been an essential backbone to our place-based grant funding in Te Tairāwhiti, and we are delighted to see the ongoing success and evolution of Haututu Hack Lab.

- Te Hapori Matihiko delivered a series of events across the motu and online. Their work fosters a thriving Māori technology community through scholarships, awards, educational programmes, and research initiatives.

We also further developed empowering approaches to grant-making through a second iteration of a community-led participatory grant round in Te Tairāwhiti, focused on digital equity. This included the projects that in 2024–25 received a first round of funding. In 2025–26, these projects successfully progressed through key milestones. We tracked the progress of these projects and provided an additional $180,000 funding support to deepen successful initiatives.

Some examples of the work this funding went towards:

- Supporting strategy wānanga to support accountability, shared learning and prepare for long-term partnerships and co-investment.
- Supporting the development of an intergenerational digital inclusion initiative that brings kaumātua and rangatahi into shared learning spaces.
- Designing and implementing a collective-wide communications strategy, shifting from one-off storytelling to an ongoing communications system.

During 2025, we embedded Te Tiriti into our revised Community Funding policy. The updated internal policy addresses gaps identified in the former framework, strengthens accountability measures, and adopts a principles-based approach. This ensures that fund distribution processes are robust, fair, and equitable, while maintaining the flexibility to respond to the evolving needs of the communities we serve.

Te Tiriti vision statement — Te Korowai o Ipurangi Aotearoa

In 2025, we created a vision statement that reflects our long-standing commitment to Te Tiriti o Waitangi. Throughout the development process, various wānanga were held to gather, kōrero, and discuss aspirations that would enliven this commitment.

A report of this work was produced, which contributed to the development of our Te Tiriti o Waitangi commitment — Te Korowai o Ipurangi Aotearoa (Te Korowai). This guiding document sits alongside our Strategy, and outlines our organisation’s vision and commitment to Te Tiriti o Waitangi and to serving all of Aotearoa New Zealand.

Strategic Te Tiriti objectives are integrated into InternetNZ Group Strategy 2026–31

In December 2025, InternetNZ’s Board approved Te Korowai. Te Korowai has been embedded in the InternetNZ Group Strategy 2026–31, and outlines how the Strategy supports our aspirations to be a Te Tiriti-centric organisation, as part of our vision for the future.

Kauwaka Te Ipurangi 2025

In May 2025, we held Kauwaka Te Ipurangi 2025 (Kauwaka 2025). The hui was dedicated to advancing Māori leadership, voice, and sovereignty in Internet governance and the broader digital ecosystem.

Grounded in tikanga Māori, the hui brought together iwi, hapū, Māori technologists, strategists, policymakers, rangatahi, international experts, digital innovators, and public sector partners to shape a future where Māori lead in online governance, sovereignty, and data stewardship.

The hui was attended by 113 people from across Aotearoa New Zealand and the wider Asia–Pacific region.

We asked attendees to provide feedback via an online survey. A total of 27 people completed this, and 73% of respondents rated their overall experience positively (from good to excellent). Participants reported that it was successful in increasing their understanding of Māori perspectives on Internet governance.

Internal Te Ao Māori resource app

In December 2025, we launched our ".nz Taonga" app, an accessible, user-friendly cultural capability tool and resource for the InternetNZ Group staff and Board. The app includes key information on Te Tiriti o Waitangi, Te Reo Māori phrases, greetings, pronunciation guides, waiata, karakia, and our newly developed Ngā Uara (organisational values).

The app has received good feedback from staff and is regularly used for organisation meetings, where kaimahi are encouraged to use it for guidance on karakia, waiata, our values framework Ngā Uara, and key practices we undertake.

Whainga 2: .nz for all of Aotearoa

The .nz infrastructure is vital to New Zealand's Internet, and to our place on the World Wide Web. A thriving and resilient .nz domain supports economic growth in Aotearoa, and the wellbeing of New Zealanders and our communities.

Expected outcomes for 2025–26

- 100% DNS availability
- 99.9% EPP availability
- 99.9% WHOIS availability
- Complete delivery of the 2024–26 Product Strategy
- Organic growth of the number of Domains Under Management (DUMs) — 7,509 new domain registrations (1% growth)

Our progress

Table 2: .nz operational measures

Activity	Outputs in 2025–26	Outputs in 2024–25
DNS availability	100.00%	100.00%
EPP availability	99.99%	99.99%
WHOIS availability	99.99%	99.99%
Complete delivery of the 2024–26 Product Strategy	Partially complete	n/a
Organic growth of the number of Domains Under Management	14,185 new domain registrations 765,094 total domains under management (1.9% growth)	3,653 new domain registrations 750,909 total domains under management (0.49% growth)

Infrastructure platform and system development

In 2025–26, progress was made on technical and platform requirements planning to support the Domain Lock (previously referred to as Registry Lock) feature within the InternetNZ Registry System (IRS).

We also continued our research into DNS platform technologies to inform design requirements for 2027 and beyond. This research includes various engineering considerations and system design improvements, such as enhanced deployment pipelines, security architectures, and possible future DNS feature adoption.

To enhance platform capabilities and product improvements, foundational scoping work began to increase our infrastructure engineering capacity. This ensures the team has the required resources for the current and future workload.

Product Strategy implementation

The 2024–2026 Product Strategy implementation focused on a thriving, resilient, and sustainable .nz operation. While our priority focus of creating a world-class registry service and DNS was completed, a small number of the Product Strategy areas remain incomplete.

For example, offering ‘Domain Lock’ was not achieved. During 2025–26, the product requirements evolved to better meet the needs of the market. The subsequent delivery schedule will see the Domain Lock completed and ready for market in 2026-27.

No new registrars were onboarded during the reporting period. One potential new registrar failed to complete the authorisation, and two more are currently working through being authorised.

.nz promotional website progress

In December 2024, we launched a .nz promotional website jumpstarter.co.nz. The website offers guidance to New Zealanders starting a business, highlights the importance of having a website, and provides a domain availability search. About 50,000 users visited the website during the 2025-26 financial year, resulting in 23,000 domain availability searches and 3,700 qualified leads for .nz Registrars.

User experience research was conducted to identify areas for improvement on the JumpStarter website to streamline the domain availability search experience and improve the homepage content visibility. These were implemented during the financial year.

.kiwi update

The .kiwi registrar base sits at 87. Over the 2025–26 reporting period, registry support services for the .kiwi gTLD remained stable with a predictable demand, alongside a growth of 8.1% in .kiwi Domains Under Management.

Domain Name Commission

The Domain Name Commission (DNC) provides regulatory oversight of the .nz domain name space. This includes authorising registrars, monitoring regulated parties’ compliance, and enforcing non-compliance with the .nz Rules to promote fairness, transparency, and accountability in the registration and management of .nz domain names.

The DNC team achieved all the measures set out under its five goals, except for one deliverable that was not achieved: The Thematic Survey of Registrars will be completed as part of the 2026–27 Monitoring Plan.

The DNC publishes a separate Statement of Service Performance (SSP) Report to provide the public with details on its performance.

Whainga 3: An Internet that benefits

We stand for an Internet that benefits all the people of Aotearoa. We work towards all New Zealanders being able to use, create, and innovate on the Internet. We work to shape developments affecting the Internet domestically and internationally to make the Internet better for the people who use it.

Expected outcomes for 2025–26

To support organisations and individuals to work alongside us on making the Internet better for people by funding distribution and active advocacy.

Our progress

In 2025–26, $275,000 was contributed to the ‘an Internet that benefits’ whainga. This funding supports shared community outcomes and value for an Internet that benefits all of Aotearoa.

Table 3: 2025-26 funding towards an Internet that benefits		
Activity	Output in 2025–26	Output in 2024–25
Number of projects supported	6	7
Successful grants	n/a	n/a
Strategic partnerships	$195,000	$130,000
New funding streams	$80,000	$94,510
Total funding	**$275,000**	**$224,510**

Supporting research

We continue to support and fund relevant research about the Internet. Three projects this year were:

1. World Internet Project (WIP)

   In November 2025, our partners at Auckland University of Technology’s New Zealand Policy Research Institute (AUT NZPRI) released the latest World Internet Project, a global study that we fund and support. The biennial research covers the social, economic and cultural impacts of the Internet and digital technologies. For the first time, the report included questions about how New Zealanders feel about and use Artificial Intelligence (AI), highlighting the influence of age, education levels and employment status when it comes to AI.

2. Social cohesion in New Zealand report

Alongside several other funders, we supported Shamubeel Eaqub's work to deliver a second iteration of the Social Cohesion in New Zealand report. Barriers to social cohesion, such as the spread of false information online, have significant consequences for communities, weakening the bonds that unite us. The latest results point to a widening gap between aspirations and lived experiences, with financial stress emerging as the strongest predictor of low cohesion.

3. Tahi project

We contributed to the development of a locally governed, permissions-based, retrieval-augmented generation (RAG) AI platform. This platform draws on information from authoritative New Zealand sources, with all data hosted and governed domestically. Currently, the model-agnostic system will enable orchestration across large language models (LLMs) for the final stage of the process; however, this is kept as minimal as possible. Tahi will use a private database and provide a citation-first user experience, showing sources or references next to the text provided to users.

Internet Insights research

We continued our annual survey of New Zealanders' views on the Internet. In March 2026, we published our 2025 Internet Insights. This annual research provides New Zealanders with real-time insights into how people use and perceive the Internet. This includes how much time we spend online, our concerns regarding various aspects of online life, and which social media platforms we use.

To ensure our findings remain relevant and reflect new themes and contexts important to the public in the 2025 research, we included new questions about artificial intelligence (AI), as well as questions to understand New Zealanders' awareness of digital equity issues.

Media coverage for the research launch highlighted the relevance and interest in the findings, with more than 20 mentions across media outlets, and three radio interviews to discuss the findings.

Some key insights:

- On average, New Zealanders spend three hours or more a day on the Internet for personal use.
- 79% of New Zealanders have used AI in the past year.
- 44% of New Zealanders are aware of the digital divide in Aotearoa.
- Positive sentiment about the Internet is high (72%). However, positivity has declined year-on-year since 2019.

Policy work on Internet issues

Our public policy team continued to advocate for an open, global, and secure Internet by responding to several major legislative and regulatory proposals.

Key written submissions included:

- Opposing Internet fragmentation through blocking and filtering in the Online Casino Gambling Bill
- Arguing against classifying the Internet New Zealand operated Domain Name System (DNS) as a "lifeline utility" in the Emergency Management Reform

- Argued against the Regulatory Standards Bill due to its potential to undermine effective digital regulation, social equity, and Te Tiriti o Waitangi obligations.

Furthermore, we continued to advocate for a dedicated digital regulator for New Zealand, and youth-specific technical safeguards to address systemic online harms, and argued for the prioritisation of digital infrastructure and digital equity as part of the Draft National Infrastructure Plan.

As well as these written submissions, we provided oral submissions at Select Committees to support our submissions, and we engaged directly with officials, policymakers, and MPs.

.nz Rules programme

Changes to the conflicted domain names process came into effect on 1 July 2025, after they were approved in February 2025. On the same day (1 July), the new wholesale fee for .nz domain names came into force.

We undertook two successful .nz Rules consultations in 2025, resulting in the Board approving new version 3.2 of the .nz Rules. Version 3.2 commenced on 17 March 2026.

The changes adopted are detailed on our website on our consultations webpage.

DNS Abuse Strategy

In mid-2025, we started development of an issues paper on malicious use in the .nz domain name space. In November 2025, we commenced targeted engagements to develop an operational strategy to respond to DNS abuse in the .nz name space — meeting with government and private entities, DNS experts and other ccTLDS, other regulators, and InternetNZ and DNC staff.

The resulting strategy was presented to the InternetNZ Board at its 13 March 2026 meeting and was adopted by the Board as an in-principle strategy, until the subsequent .nz Rules consultation and Board approval is completed.

The strategy first focuses on disrupting scams and fraud in the first 2–3 years, with a focus on registration abuse. We will then consider appropriate measures to respond to other criminal activity in the .nz domain name space.

Whainga 4: An Internet for everyone

Everyone in Aotearoa should be able to make the most of an increasingly digital world in a way that works for them.

We work to enable all the people of Aotearoa to access and effectively use the Internet to participate in and equitably benefit from our society, democracy, and economy.

Expected outcome for 2025–26

To empower organisations and individuals to work on digital equity in Aotearoa through funding.

We have consistently and intentionally moved towards fewer funding contracts overall and a slightly larger funding allocation per contract to support initiatives more meaningfully and ensure they have the necessary resources to achieve a significant and lasting impact.

Some of the individual project funding can be captured under more than one goal. For our reporting purposes in this SSP, we have represented them in a single reporting section.

Our progress

Table 4: Whainga 4		
Activity	Output in 2025–26	Output in 2024–25
Number of projects supported	5	17
Successful grants	Refer to Table 1	$94,622
Strategic partnerships	$230,000	$156,500
New funding streams	$90,000	$75,478
Total funding	**$320,000**	**$326,600**

Strategic partners

Our strategic partners have continued to play a critical role in advancing digital equity and improving connectivity in Aotearoa.

The Digital Equity Coalition Aotearoa (DECA) undertook significant initiatives to support communities during the 3G network shutdown, providing guidance and resources. They continued to advocate for digital equity, including launching the inaugural No Tech Day — a national day to raise awareness of digital inequities.

Digital Futures Aotearoa celebrated the fifth anniversary of Recycle a Device (RAD), and we acknowledge the ongoing success of programmes such as RAD and Code Club, as well as the launch of new initiatives like Ōtautahi Outreach.

The collaborative kaupapa, Awhi Matihiko, a long-running collaboration between the New Zealand Red Cross, Digital Inclusion Alliance Aotearoa, and the Spark Foundation, highlights the importance of working together to help all New Zealanders access and effectively use the Internet and participate fully in society. The initiative supports former refugees and is investigating options for long-term self-sufficiency.

Access Advisors

In response to widespread positive feedback, we supported Access Advisors to deliver free, practical web accessibility training. This hands-on training was designed to accommodate participants with limited technical expertise and constrained budgets, furthering our goal of a more accessible online environment. The work continues into 2026–27, with the training workshops scheduled to begin in April 2026.

Blind Low Vision

Another accessibility initiative we funded uses AI in a meaningful and practical way. The initiative led by Blind Low Vision NZ contributes to an inclusive Internet, and this year focused on enhancing the accessibility of their Alexa Skills through AI integration. They are developing natural language processing capabilities to make this voice-controlled technology more user-friendly and intuitive.

NetTalks

In 2025–26, we developed a new and more adaptable engagement offering: NetTalks — Short Talks, Big Impact. This accessible, low-cost format blends listening, learning, and connection for people working in, or simply interested in, the tech sector.

Our pilot event, held in October 2025, was well-received by attendees. It demonstrated format appeal, strong engagement, positive feedback, and a strong mix of participants from across our InternetNZ and tech communities, with 93 tickets sold. These results validated NetTalks as a promising direction for future engagement events.

Membership engagement

Our membership continued to grow in 2025–26, reaching 5,160 members by 31 March 2026. This growth followed a surge in February 2025, taking membership numbers from 375 to 4,699 members by 31 March 2025.

This sharp increase led to a corresponding rise in enquiries to the membership team. In response, a membership portal was developed that enables members to access key membership information and streamlines the membership renewal process.

Throughout the year, members were offered a range of opportunities to engage with us. These included participation in the Annual Membership Survey, providing feedback on the five-year organisational strategy, attending regular online quarterly hui with the InternetNZ Chief Executive, and invitations to our 30th anniversary celebration in Wellington and an end-of-year stakeholder event in Auckland. Nearly 1,900 members engaged through these avenues, with nearly 1,700 using their voices online and around 200 members joining us for our in-person events.

Judgements

The decisions about which service performance information to present were made in consultation with the key management personnel, Te Kāhui Tumu | Executive Leadership team, the Audit & Risk Committee, and the InternetNZ Board.

An analysis of InternetNZ's key activities significantly influenced the judgements about what to report. These key activities correspond to the organisation's strategic priorities, goals, and constitution.

Internet New Zealand Incorporated
Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2026

	Notes	Group		Parent	
		2026	2025	2026	2025
		$	$	$	$
OPERATING ACTIVITIES					
Exchange Revenue					
Registry Fees		14,198,872	13,384,410	14,198,872	13,384,410
Other Income		183,729	199,967	485,146	483,053
Total Exchange Revenue		14,382,601	13,584,377	14,684,018	13,867,463
Total Operating Revenue		14,382,601	13,584,377	14,684,018	13,867,463
Operating Expenses					
Domain Name Commission		1,529,462	1,406,504	-	-
Community Funding		1,000,000	999,500	1,000,000	999,500
Te Puni Raupa (Organisation Performance)		4,174,079	4,023,905	4,174,079	4,023,905
Te Puni Whiria (Public Impact)		2,631,597	2,362,327	2,631,597	2,362,327
Te Puni Whakawhanake Rawa (Customer & Product)	7(b)	5,633,473	5,280,778	7,332,973	6,930,778
Te Puni Māori		763,283	607,395	763,283	607,395
Total Operating Expenses	7(a)	15,731,894	14,680,409	15,901,932	14,923,905
Surplus/(Deficit) From Operating Activities		(1,349,293)	(1,096,032)	(1,217,914)	(1,056,442)
INVESTING ACTIVITIES					
Interest Income		290,712	599,210	255,017	559,380
Fair Value Gains/(Losses) on Managed Funds		269,253	317,942	269,253	317,942
Surplus/(Deficit) From Investing Activities		559,965	917,152	524,270	877,322
SURPLUS/(DEFICIT) FOR THE YEAR		(789,328)	(178,880)	(693,644)	(179,120)
Other Comprehensive Revenue and Expense		-	-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR		(789,328)	(178,880)	(693,644)	(179,120)

These financial statements have been authorised for issue by the Board on 9 July 2026

SL Judd

9 July 2026

Chairperson

Date

9 July 2026

INZ Board Member

Date

Internet New Zealand Incorporated
Statement of Financial Position

As at 31 March 2026

	Notes	Group 2026 $	Group 2025 $	Parent 2026 $	Parent 2025 $
ASSETS					
Current					
Cash and Cash Equivalents	8	3,307,058	3,666,763	3,088,559	3,363,577
Trade Debtors and Other Receivables	9	1,871,234	1,689,002	1,857,257	1,671,215
Prepayments		1,273,291	653,481	1,256,233	630,286
Investments	12	4,030,400	9,374,638	3,239,406	8,622,964
Total Current Assets		10,481,983	15,383,884	9,441,455	14,288,042
Non-current					
Property, Plant and Equipment	10	980,521	1,046,901	971,663	1,041,516
Intangible Assets	11	2,106,288	2,581,383	2,076,060	2,491,166
Assets under Construction	10	414,648	611,401	414,648	611,401
Investment in Subsidiary	6	-	-	580,000	580,000
Investments	12	12,292,839	6,023,586	12,292,839	6,023,586
Total Non-Current Assets		15,794,296	10,263,271	16,335,210	10,747,669
TOTAL ASSETS		26,276,279	25,647,155	25,776,665	25,035,711
LIABILITIES					
Current					
Trade Creditors and Other Payables	14	1,270,905	1,468,222	1,172,100	1,312,398
Employee Entitlements	16	508,799	503,260	452,141	466,463
Deferred Revenue - Current	15	9,757,697	8,250,242	9,757,697	8,250,242
Other Current Liabilities	19	312,890	453,089	266,323	424,585
Total Current Liabilities		11,850,291	10,674,813	11,648,261	10,453,688
Non-Current					
Deferred Revenue - Non Current	15	3,430,589	3,193,418	3,430,589	3,193,418
Employee Entitlements	16	58,073	52,270	50,889	48,035
Provisions		-	-	-	-
Total Non-Current Liabilities		3,488,662	3,245,688	3,481,478	3,241,453
TOTAL LIABILITIES		15,338,953	13,920,501	15,129,739	13,695,141
NET ASSETS		10,937,326	11,726,654	10,646,926	11,340,570
EQUITY					
General Reserves	23	10,937,326	11,726,654	10,646,926	11,340,570
TOTAL EQUITY		10,937,326	11,726,654	10,646,926	11,340,570

These financial statements should be read in conjunction with the notes to the financial statements.

Internet New Zealand Incorporated
Statement of Changes in Net Assets

For the year ended 31 March 2026

	Group		Parent	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
ACCUMULATED FUNDS				
Opening Balance	11,726,654	11,905,534	11,340,570	11,519,690
Surplus/(Deficit) for the Year	(789,328)	(178,880)	(693,644)	(179,120)
Total Comprehensive Revenue and Expense	(789,328)	(178,880)	(693,644)	(179,120)
CLOSING BALANCE ACCUMULATED FUNDS	10,937,326	11,726,654	10,646,926	11,340,570
TOTAL EQUITY	10,937,326	11,726,654	10,646,926	11,340,570

These financial statements should be read in conjunction with the notes to the financial statements.

Internet New Zealand Incorporated
Statement of Cash Flows
For the year ended 31 March 2026

	Notes	Group		Parent	
		2026	2025	2026	2025
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Surplus/ Deficit		(789,328)	(178,880)	(693,644)	(179,120)
Add Back Non-Cash Expenses					
Depreciation & Amortisation		866,667	876,879	808,815	811,802
Gain/Loss on Sale of Non-Current Assets		1,127		1,127	
Provision for Doubtful Debts		(1,944)	1,944	(1,944)	1,944
Adjust for Movement in Working Capital					
Increase/Decrease in Trade and other Receivables		(800,102)	(245,736)	(810,049)	(261,685)
Increase/Decrease in Trade and other Payables		1,418,456	390,834	1,434,601	295,719
Net Cash Inflow/(Outflow) from Operating Activities		694,876	845,041	731,479	668,660
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment		(46,455)	(297,060)	(37,691)	(296,191)
Purchase of Intangible Assets		(83,111)	(146,181)	(90,538)	(146,181)
Purchase/Cash Receipts from Sale of Investments/ Long-Term Assets		(925,015)	836,465	(885,695)	879,153
Net Cash Inflow/(Outflow) from Investing Activities		(1,054,581)	393,224	(1,006,497)	436,781
Net Increase/(Decrease) in Cash		(359,705)	1,238,265	(275,018)	1,105,441
Opening Cash as at the Beginning of the Year		3,666,763	2,428,498	3,363,577	2,258,136
Closing Cash as at the end of the Year	8	3,307,058	3,666,763	3,088,559	3,363,577
Net Increase/(Decrease) in Cash		(359,705)	1,238,265	(275,018)	1,105,441

These financial statements should be read in conjunction with the notes to the financial statements.

1. Reporting Entity

These financial statements comprise the consolidated financial statements of Internet New Zealand Incorporated ('InternetNZ') for the year ended 31 March 2026

The primary activity of InternetNZ | Ipurangi Aotearoa is the home and guardian for the .nz domain, and it's our mission to create an Internet for all New Zealanders that is safe, accessible and a place for good.

Separate Financial statements for InternetNZ (the "Parent") and consolidated financial statements comprising the Parent and its subsidiary (the "Group") are presented.

2. Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS with RDR) and other applicable Financial Reporting Standards as appropriate to PBEs. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not large as defined by the financial reporting framework.

The Parent and Group is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and annual expenditure of the Group does not exceed $33 million.

The Parent and Group is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards apart from note 21 and in doing so has taken advantage of most of the applicable Reduced Disclosure Regime (RDR) disclosure regime.

(b) Basis of Measurement

The financial statements have been prepared on a historical costs basis, except for investments measured at fair value.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

(c) Presentation Currency

The financial statements are presented in New Zealand dollars.

All numbers are rounded to the nearest dollar ($), except when otherwise stated.

3. Summary of significant accounting policies

The accounting policies of the Parent and Group have been applied consistently to all years presented in these financial statements.

The significant accounting policies used in the preparation of these financial statements are summarised below:

(a) Basis of consolidation

The Group financial statements comprise the financial statements of the Parent and all entities that it controls. The Parent controls an entity when it is exposed, or has rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the entity. In assessing control, the Parent considers all relevant facts and circumstances, including the purpose and design of the entity, substantive rights, and the relationship between power and benefits. Subsidiaries are consolidated from the date on which control is obtained and are deconsolidated from the date that control ceases. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation.

All subsidiaries have a 31 March balance date and consistent accounting policies are applied.

The consolidation of the Parent and subsidiary entities involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intra-group balances are eliminated on consolidation of the Group financial position, performance and cash flows.

In the Parent financial statements, investments in subsidiaries are stated at cost less any impairment losses.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

(c) Debtors and other receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

An allowance for impairment is established where there is objective evidence the Parent and Group will not be able to collect all amounts due according to the original terms of the receivable.

(d) Creditors and other payables

Trade creditors and other payables are stated at cost.

(e) Property, plant and equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions and subsequent costs

Subsequent costs and the cost of replacing part of an item of property, plant and equipment are recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Parent and Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use. When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on a straight line (SL) basis on all property, plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied:

Building Fitout	Term of the lease	Straight Line
Furniture and Fittings	2.00 - 11.76 Years	Straight Line
Office equipment	2.50 - 9.80 Years	Straight Line
Computer hardware	1.49 - 8.00 years	Straight Line

The residual value, useful life, and depreciation methods of property, plant and equipment are reassessed annually.

(f) Intangible assets

Intangible assets acquired separately are initially recognised at cost.

Intangible assets acquired by the Parent and Group, which have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses.

The following amortisation rates have been applied to each class of intangible assets:

Software	1 - 10 Years	Straight Line

Residual values and useful lives are assessed at each reporting date.

Disposals

Gains or losses on derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the surplus or deficit for the year.

Internally generated intangible assets

Expenditure on research activities is recognised in surplus or deficit as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the process is technically and commercially feasible, future economic benefits are probable and the Parent and Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in surplus or deficit as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

(g) Leased assets

Leases, where the Parent and Group assumes substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Lease payments on finance leases are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest (the effective interest rate) on the remaining balance of the liability. Finance charges are charged directly against the surplus or deficit, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group general policy on borrowing costs.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

(h) Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain, when there is a present legal or constructive obligation as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate of the potential settlement can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

The Parent currently has an obligation to make good any alterations to the premises, remove any fixtures and fittings installed and restore the building to the condition it was in at the commencement of their current lease.

(i) Employee entitlements

Employee benefits, previously earned from past services, that the Parent and Group expect to be settled within 12 months of reporting date, are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken, at the reporting date.

(j) Impairment of non-financial assets

At each reporting date, the Parent and Group assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Parent and Group estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset's or CGU's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised immediately in surplus or deficit.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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 an indication exists, the Group estimates the asset's or cash-generating unit's recoverable 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 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 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.

(k) Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments.

The Group derecognises a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either;

- the Group has transferred substantially all the risks and rewards of the asset; or

- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets

Financial assets within the scope of the PBE IPSAS 41 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, fair value through other comprehensive revenue and expenses or amortised cost. The classifications of the financial assets are determined at initial recognition.

The Group classifies its financial assets as financial assets at amortised cost.

Amortised cost

Financial assets are classified in this category if they are held in order to collect their contractual cash flows, and their contractual cash flows are solely payments of principal and interest.

The Group's financial assets carried at amortised cost are cash and cash equivalents, short term investments, investments and receivables from exchange transactions.

Financial instruments

Financial assets carried at amortised cost are initially recognised at fair value plus directly attributable transaction costs and are thereafter carried at amortised cost using the effective interest method, less provision for impairment.

Impairment of financial assets

The provision for impairment of receivables is determined by applying a simplified approach to measuring expected credit losses, which calculates a lifetime expected loss allowance. To measure expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. An expected loss rate is then applied to each of these groups; these loss rates are based on historical loss rates, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of counterparties to settle receivables. Impairment on receivables is recognised in a separate provision account, with the loss being recognised in surplus or deficit. On confirmation that a receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The entity assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment provisions for other financial assets are recognised based on a forward looking expected credit loss model.

The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those financial assets where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses, along with gross interest income, are recognised. For those financial assets for which credit risk has increased significantly, lifetime expected credit losses, along with gross interest income, are recognised. For those financial assets that are determined to be credit impaired, lifetime expected credit losses, along with interest income on a net basis, are recognised.

Financial Liabilities

The Group's financial liabilities include trade and other creditors (excluding GST and PAYE) and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method. The entity holds no financial liabilities at fair value through surplus or deficit.

(l) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Parent and Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The Parent and Group assess its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship, only the portion of revenue earned on the Parent and Group’s own account is recognised as gross revenue in the Statement of Comprehensive Revenue and Expense.

The following specific recognition criteria must be met before revenue is recognised:

Rendering of services

Registry fees are recognised in accordance with PBE IPSAS 9 Revenue from Exchange Transactions, reflecting the transfer of services to customers over time. Registry fees are typically billed in advance and relate to services provided over the registration term. These fees give customers the right to access services over the registration term.

Revenue is therefore recognised on a straight-line basis over the period in which the services are delivered, as this best reflects the pattern of service provision and consumption by the customer.

Deferred Income

Amounts invoiced and received in advance of service delivery are recognised initially as deferred income (contract liabilities) in the statement of financial position. Deferred income is subsequently recognised as revenue over the registration period as the performance obligations are satisfied.”

Interest income

Interest income is recognised as it is earned.

(m) Foreign currency translation

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction.

Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from then settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(n) Income tax

Due to its charitable status, the Parent and Group is exempt from income tax.

(o) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the Statement of Financial Position.

(p) Grant expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria for the grant. They are recognised as expense when the application has been received. The Parent and Group's non-discretionary grants have no substantive conditions (i.e. use for restricted purposes or repay).

Discretionary grants are those grants where the Parent and Group has no obligation to award a grant on receipt of a grant application. For discretionary grants without substantive conditions, the total committed funding is recognised as expense when the grant is approved and the approval has been communicated to an applicant.

Discretionary grants with substantive conditions are recognised as an expense at the earlier of the grant payment or when the grant conditions have been satisfied.

Grant expenses are disclosed as part of community funds.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with PBE standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

5. Capital management policy

The Parent and Group capital is its equity, being the net assets represented by retained earnings and other equity reserves. The primary objectives of the Parent and Group's capital management policy is to ensure adequate capital reserves are maintained in order to support its activities. The Parent and Group manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgetary discretionary expenditure is reduced to avoid the need for external borrowings.

6. Subsidiaries

The consolidated financial statements of the Group include the following subsidiary of the Parent:

All subsidiaries are incorporated in New Zealand under the Companies Act 1993 and registered as charities under the Charities Act 2005.

Name of subsidiary	Principal activity
Domain Name Commission Limited	Regulating and managing the .nz domain name space and protecting the interests and rights of everyone involved in using it.

7. Operating expenses and IT operations

7(a) Operating expenses

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Amortisation of intangibles	567,980	622,904	505,644	561,080
Audit fees	50,000	52,955	38,000	40,505
Depreciation of property, plant and equipment	306,112	275,991	303,169	272,738
Loss on disposal of property, plant and equipment	1,127	-	1,127	-
Operating lease payments	360,022	338,332	360,022	338,332
Wages, salaries and other employee costs	7,874,630	7,496,454	6,987,538	6,711,183
Other overheads and administration costs	6,572,023	5,893,773	7,706,432	7,000,067
Total Operating Expenses	15,731,894	14,680,409	15,901,932	14,923,905

7(b) IT operations

The Group Te Puni Whakawhanake Rawa (Customer & Product) Operations expenses are $1,699,500 less than the Parent Te Puni Whakawhanake Operations due to the elimination of the management fee paid to Domain Name Commission Limited (2025: $1,650,000).

8. Cash and cash equivalents

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Cash at bank and in hand	3,307,058	3,666,763	3,088,559	3,363,577
Cash and cash equivalents at end of the year	3,307,058	3,666,763	3,088,559	3,363,577

The carrying amount of cash and cash equivalents approximates their fair value.

9. Trade debtors and other receivables

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Trade receivables	1,791,512	1,474,421	1,791,512	1,474,359
Accrued interest	48,762	75,962	34,785	58,237
GST receivable	30,960	140,563	30,960	140,563
Impairment allowance	-	(1,944)	-	(1,944)
Total trade debtors and other receivables	1,871,234	1,689,002	1,857,257	1,671,215

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore, the carrying value of trade debtors and other receivables approximates its fair value.

As at 31 March 2025 and 2026, all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.

10. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

Group 2026	Furniture and fittings $	Building fitout $	Computer hardware $	Office equipment $	Assets under construction $	Total $
Gross carrying amount						
Opening balance	333,502	866,831	1,014,780	75,682	611,401	2,902,196
Additions	3,432	-	234,144	6,416	-	243,992
Work In Progress	-	-	-	-	(196,753)	(196,753)
Disposals	(23,237)	-	(99,379)	(54,097)	-	(176,713)
Closing balance	313,697	866,831	1,149,545	28,001	414,648	2,772,722
Accumulated depreciation and impairment						
Opening balance	250,583	274,496	648,518	70,299	-	1,243,896
Current year depreciation	39,496	86,683	176,990	2,943	-	306,112
Depreciation written back on disposal	(18,977)	-	(99,379)	(54,097)	-	(172,453)
Closing balance	271,102	361,179	726,129	19,145	-	1,377,555
Carrying amount 31 March 2026	42,595	505,652	423,416	8,856	414,648	1,395,167

Group 2025	Furniture and fittings $	Building fitout $	Computer hardware $	Office equipment $	Assets under construction $	Total $
Gross carrying amount						
Opening balance	326,392	866,831	957,205	74,813	-	2,225,241
Additions	7,110	-	57,575	869	-	65,554
Transferred from WIP	-	-	-	-	611,401	611,401
Disposals of fully amortised assets	-	-	-	-	-	-
Closing balance	333,502	866,831	1,014,780	75,682	611,401	2,902,196
Accumulated depreciation and impairment						
Opening balance	205,192	187,813	500,200	67,046	-	960,251
Current year depreciation	37,737	86,683	148,318	3,253	-	275,991
Depreciation written back on disposal	7,654	-	-		-	7,654
Closing balance	250,583	274,496	648,518	70,299	-	1,243,896
Carrying amount 31 March 2025	82,919	592,335	366,262	5,383	611,401	1,658,300

Movements for each class of property, plant and equipment are as follows:

Parent 2026	Furniture and fittings $	Building fitout $	Computer hardware $	Assets under construction $	Total $
Gross carrying amount					
Opening balance	333,502	866,831	1,014,780	611,401	2,826,514
Additions	3,432	-	234,144	-	237,576
Work In Progress	-	-	-	(196,753)	(196,753)
Disposals	(23,237)	-	(99,379)	-	(122,616)
Closing balance	313,697	866,831	1,149,545	414,648	2,744,721
Accumulated depreciation and impairment					
Opening balance	250,583	274,496	648,518	-	1,173,597
Current year depreciation	39,496	86,683	176,990	-	303,169
Depreciation written back on disposal	(18,977)	-	(99,379)	-	(118,356)
Closing balance	271,102	361,179	726,129	-	1,358,410
Carrying amount 31 March 2026	42,595	505,652	423,416	414,648	1,386,311

Parent 2025	Furniture and fittings $	Building fitout $	Computer hardware $	Assets under construction $	Total $
Gross carrying amount					
Opening balance	326,392	866,831	957,205	-	2,150,428
Additions	7,110	-	57,575	-	64,685
Work In Progress	-	-	-	611,401	611,401
Disposals	-	-	-	-	-
Closing balance	333,502	866,831	1,014,780	611,401	2,826,514
Accumulated depreciation and impairment					
Opening balance	205,192	187,813	500,200	-	893,205
Current year depreciation	37,737	86,683	148,318	-	272,738
Revaluation	7,654	-	-	-	7,654
Closing balance	250,583	274,496	648,518	-	1,173,597
Carrying amount 31 March 2025	82,919	592,335	366,262	611,401	1,652,917

As at 31 March 2026 the Parent and Group have no contractual commitments to acquire property, plant and equipment (2025: none)

11. Intangible assets

Movements for each class of intangible assets are as follows:

Group 2026	Software $	Intangibles under construction $	Total $
Gross carrying amount			
Opening balance	4,531,113	-	4,531,113
Additions	92,885	-	92,885
Reallocation	-	-	-
Disposals in current year	-	-	-
Closing balance	4,623,998	-	4,623,998
Accumulated amortisation and impairment			
Opening balance	1,949,730	-	1,949,730
Current year amortisation	567,980	-	567,980
Reallocation	-	-	-
Revaluation	-	-	-
Closing balance	2,517,710	-	2,517,710
Carrying amount 31 March 2026	2,106,288	-	2,106,288

Group 2025	Software $	Intangibles under construction $	Total $
Current year amortisation			
Gross carrying amount			
Opening balance	4,348,592	-	4,348,592
Additions	182,521	-	182,521
Reallocation	-	-	-
Disposals in current year	-	-	-
Closing balance	4,531,113	-	4,531,113
Accumulated amortisation and impairment			
Opening balance	1,320,138	-	1,320,138
Current year amortisation	622,904	-	622,904
Reallocation	-	-	-
Amortisation written back on disposal	6,688	-	6,688
Closing balance	1,949,730	-	1,949,730
Carrying amount 31 March 2025	2,581,383	-	2,581,383

Movements for each class of intangible assets are as follows:

Parent 2026	Software $	Intangibles under construction $	Total $
Gross carrying amount			
Opening balance	4,235,001	-	4,235,001
Additions	90,538	-	90,538
Disposals	-	-	-
Closing balance	4,325,539	-	4,325,539
Accumulated Amortisation and impairment			
Opening balance	1,743,833	-	1,743,833
Current year Amortisation	505,644	-	505,644
Revaluation	-	-	-
Closing balance	2,249,477	-	2,249,477
Carrying amount 31 March 2026	2,076,062	-	2,076,062

Parent 2025	Software $	Intangibles under construction $	Total $
Gross carrying amount			
Opening balance	4,052,480	-	4,052,480
Additions	182,521	-	182,521
Category reallocation	-	-	-
Disposals	-	-	-
Closing balance	4,235,001	-	4,235,001
Accumulated Amortisation and impairment			
Opening balance	1,176,065	-	1,176,065
Current year Amortisation	561,080	-	561,080
Category reallocation	-	-	-
Amortisation written back on disposal	6,688	-	6,688
Closing balance	1,743,833	-	1,743,833
Carrying amount 31 March 2025	2,491,168	-	2,491,168

12. Investments

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Loans and receivables				
Term deposits	4,030,400	9,374,638	3,239,406	8,622,964
Financial assets at fair value through surplus or deficit				
Managed Funds	12,292,839	6,023,586	12,292,839	6,023,586
Total Financial Assets	16,323,239	15,398,224	15,532,245	14,646,550

All the term deposits for the year are between 6 and 12 months and interest rates vary between 3.40% and 4.25%.

There is no impairment provision for investments.

Managed funds

InternetNZ holds managed funds with Fisher Funds (formerly Kiwi Wealth), Harbour Asset Management and Milford Asset Management. Managed funds are held with the aim to deliver long term capital growth as per the group investments policy. The fair value of the Parent and Group investments have been determined by reference to their quoted prices at the reporting date.The company does not have any intention to liquidate its community funding managed funds in the next 12 months.

Portfolio Allocation as at 31 March 2026

Fisher Funds - Income 40.21%, Growth 59.71% and Cash Equivalents 0.08%
Milford Asset Management - Active Growth 16.31%, Balanced 52.03% and Diversified Income 31.66%
Harbour Asset Management - Active Growth 33.89% and Income 66.11%

13. Total unspent funds held

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Total unspent funds held:				
Cash and cash equivalents	3,307,058	3,666,763	3,088,559	3,363,577
Investments	16,323,239	15,398,224	15,532,245	14,646,550
Total unspent funds held	19,630,297	19,064,987	18,620,804	18,010,127
The total unspent funds are held by:				
Internet New Zealand Incorporated	18,620,804	18,010,127	18,620,804	18,010,127
Domain Name Commission Limited	1,009,493	1,054,860	-	-
Total unspent funds held	19,630,297	19,064,987	18,620,804	18,010,127
Represented by:				
Funds held but not yet spent	6,442,011	7,621,327	5,432,518	6,566,467
Deferred revenue	13,188,286	11,443,660	13,188,286	11,443,660
Total unspent funds held	19,630,297	19,064,987	18,620,804	18,010,127

14. Trade creditors and other payables

	Group		Parent	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Trade creditors	1,270,905	1,468,222	1,172,100	1,312,398
Other accruals	272,580	306,950	226,018	278,452
Grant committed	-	40,000	-	40,000
GST Payable	16,685	4,235	-	-
Total trade creditors and other payables	1,560,170	1,819,407	1,398,118	1,630,850

Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms; therefore their carrying amount approximates their fair value.

15. Deferred revenue

	Group		Parent	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Current	9,757,697	8,250,242	9,757,697	8,250,242
Non-current	3,430,589	3,193,418	3,430,589	3,193,418
Total deferred revenue	13,188,286	11,443,660	13,188,286	11,443,660

Registry fees received by InternetNZ Limited are recognised as revenue on a straight line basis over the period of registration which ranges from 1 to 10 years. Registry fee receipts received for periods subsequent to balance date are treated as deferred revenue.

16. Employee entitlements

	Group		Parent	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Annual leave entitlements (current)	508,799	503,260	452,141	466,463
Liability for long-service leave (non-current)	58,073	52,270	50,889	48,035
Total employee entitlements	566,872	555,530	503,030	514,498

Short–term employee entitlements represent the Parent and Group's obligation to its current and former employees that are expected to be settled within 12 months of balance date. These mainly consist of accrued holiday entitlements at the reporting date.

Long–term employee entitlements represent the Parent and Group's obligation to its current and former employees for services provided up to reporting date which settlement will be beyond 12 months of reporting date. These mainly consist of long-service leave entitlements at the reporting date.

During the year, the number of employees who received remuneration greater than $100,000 is 34 (2025: 32).

17. Operating lease

Operating leases are held for premises used for office space.

	Group		Parent	
	2026	2025	2026	2025
Non-cancellable operating leases are payable as follows:	$	$	$	$
Less than one year	320,848	334,105	320,848	334,105
Between one and five years	230,614	655,058	230,614	655,058
More than five years	-	-	-	-
Total operating lease commitment	551,462	989,163	551,462	989,163

18. Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Parent or Group.

The Parent and Group have a related party relationship with its Subsidiaries, Executive Officers and other Key Management Personnel.

Transactions between Parent and subsidiaries

Internet New Zealand Incorporated (InternetNZ) owns 100% of the share capital in its subsidiaries:

- Domain Name Commission Limited (DNCL).

DNCL paid administration fees to InternetNZ during the year of $304,417 (2025: DNCL $311,886).

InternetNZ paid a management fee to DNCL during the year of $1,699,500 (2025: DNCL $1,635,000).

InternetNZ has trade debtors owing from DNCL of $18,355 (2025: $2,956).

InternetNZ has trade creditors owing to DNCL of $0 (2025: $0).

Other related party transactions

DNCL paid directors' fees of $35,470 (2025: $35,436).

Key management compensation

The Parent and Group have a related party relationship with its key management personnel. Key management personnel include the Parent's Board Members, Subsidiary Directors and the Senior Management.

Key management personnel compensation includes the following expenses:	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Governance fees, salaries and other short-term employee benefits	1,828,375	1,756,784	1,559,312	1,462,770
Total remuneration	1,828,375	1,756,784	1,559,312	1,462,770
Number of persons recognised as key management personnel	19	20	16	16

19. Other current liabilities

This figure represents year-end accruals, membership renewals and obligations to the Christchurch Call Advisory Network (CCAN). As the CCAN secretariat, we manage their funds and expenses; this recorded liability represents the total outstanding balance with no restrictions on cash usage.

20. Financial instruments

(a) Carrying value of financial instruments

The carrying amounts of all material financial assets and liabilities are considered to be equivalent to fair value.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

(b) Classification of financial instruments

All financial assets held by the Parent and Group are classified as financial assets at amortised costs are carried at amortised cost less accumulated impairment losses. Investments in managed funds are classified as "Financial assets at fair value through surplus or deficit" as disclosed in Note 12.

All financial liabilities held by the Parent and Group are carried at amortised cost using the effective interest rate method.

	Group		Parent	
	2026	2025	2026	2025
	$	$	$	$
Financial assets (amortised cost)				
Cash and cash equivalents	3,307,058	3,666,763	3,088,559	3,363,577
Term deposits	4,030,400	9,374,638	3,239,406	8,622,964
Trade debtors and other receivables	1,871,234	1,689,002	1,857,257	1,671,215
Financial assets (fair value through surplus and deficit)				
Managed funds	12,292,839	6,023,586	12,292,839	6,023,586
Total financial assets	21,501,531	20,753,989	20,478,061	19,681,342
Financial liabilities (amortised cost)				
Trade creditors	1,270,905	1,468,222	1,172,100	1,312,398
Employee entitlements	508,799	503,260	452,141	466,463
Other current liabilities	312,890	453,089	266,323	424,585
Total financial liabilities	2,092,594	2,424,571	1,890,564	2,203,446

21. Contingent assets and contingent liabilities

The Parent and Group have no contingent assets or contingent liabilities (2025: None).

22. Events after the reporting period

There were no events that have occurred after balance date that would have a material impact on these financial statements. (2025: None).

23. Equity - General Reserves

The General Reserve represents accumulated funds retained by the Society from prior years' operating surpluses.

The purpose of the General Reserve is to support the financial sustainability and ongoing operations of the Society, including:

- providing needs-based working capital and operational funding to support strategic priorities that extend beyond annual revenue funding;
- maintaining financial resilience for unforeseen circumstances or future commitments; and
- supporting community funding, grants, programmes, projects, and other activities that advance the Society's charitable purposes and objectives.

The General Reserve is not subject to external restrictions and may be applied by resolution of the Board in accordance with the Society's rules, policies, and approved budgets.

Grant Thornton

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Independent Auditor's Report

To the Board Members of Internet New Zealand Incorporated

Report on the Audit of the Performance Report

Opinion

We have audited the performance report of Internet New Zealand Incorporated and its controlled entities (together referred as the "Group") which comprise the consolidated and standalone financial statements on pages 14 to 35 and the statement of service performance on pages 3 to 13. The complete set of financial statements comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive revenue and expense, statement of changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying performance report presents fairly, in all material respects:

- the financial position of the Group as at 31 March 2026, its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 31 March 2026 in that the service performance information is appropriate and meaningful and prepared in accordance with the Group's measurement bases or evaluation methods

in accordance with the Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board ("applicable financial reporting framework").

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 service performance information in accordance the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Group 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.

Our firm carries out certain business advisory and consulting work for the Group. The firm has no other relationship with, or interests in, the Group.

Other information Other than the Performance Report and Auditor's Report thereon

The Board Members are responsible for the other information. The other information comprises the information included in the annual report and any external links included in the statement of service performance but does not include the performance report and our auditor's report thereon.

Our opinion on the performance report does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

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

If, based on the work we have performed, 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.

Responsibilities of the Board Members for the Performance Report

The Board Members are responsible on behalf of the Group for:

- the preparation, and fair presentation of the performance report in accordance with applicable financial reporting framework.
- the selection elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the applicable financial reporting framework.
- the preparation and fair presentation of service performance information in accordance with the Group's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework.
- the overall presentation, structure, and content of the service performance information in accordance with the applicable financial reporting framework; and
- such internal control as the Board members determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board members are responsible for assessing the Group'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 Board members either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

A further description of the auditor's responsibilities for the audit of the performance report is located at the External Reporting Board's website at: https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/

Restriction on use of our report

This report is made solely to the Board Members, as a body. Our audit work has been undertaken so that we might state to them those matters which we are required to state 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 Board Members, as a body, for our audit work, this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited

Grant Thornton

S Adhau

Director

Wellington

16 July 2026