

July 2013

Dr Frank March  
President  
InternetNZ

Dear Frank

### First Quarter 2013/14 report

As for the 2012/13 reporting to Council, DNCL are reporting .nz activities in a joint Quarterly report with NZRS. This means that generally the financial reporting is all that remains to be reported to Council. As you are aware, the DNCL financials are not complicated and so I have included the Profit and Loss Statement in this letter. If Council requires any further information please let me know so I can include it in future reports.

#### Profit and Loss Statement For Quarter ending 30 June 2013

	Apr - June 2013			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>INCOME</b>						
Management Fees	373,968	373,968	0	373,968	373,968	0
Authorisation Fees	3,000	3,000	0	3,000	3,000	0
DRS Complaint Fees	4,000	9,000	(5,000)	4,000	9,000	(5,000)
Interest Income	1,363	1,500	(137)	1,363	1,500	(137)
<b>Total Income</b>	<b>382,331</b>	<b>387,468</b>	<b>(5,137)</b>	<b>382,331</b>	<b>387,468</b>	<b>(5,137)</b>
<b>EXPENSES</b>						
Staff and Office Costs	164,929	201,467	36,538	164,929	201,467	36,538
Professional Services and Communications	18,370	44,580	26,210	18,371	44,580	26,209
Dispute Resolution Services	9,827	17,520	7,693	9,827	17,520	7,693
DNCL and DNC activities	41,311	52,785	11,474	41,310	52,785	11,475
International	39,884	51,510	11,626	39,884	51,510	11,626
<b>Total Expenditure</b>	<b>274,321</b>	<b>367,862</b>	<b>93,541</b>	<b>274,321</b>	<b>367,862</b>	<b>93,541</b>
<b>Net Profit/Loss</b>	<b>108,010</b>	<b>19,606</b>	<b>88,404</b>	<b>108,010</b>	<b>19,606</b>	<b>88,404</b>

Variations against budget for this quarter largely reflect the budget being evenly distributed across the year whereas the activities undertaken are not so linear. It is expected the variance will level out as the year progresses.

DNCL also advises Council in this report that the Board has written to the NZRS Board in relation to the process issue at the registry that resulted in IDN names being registered contrary to .nz policy, as also noted in the joint .nz report. Whilst we are satisfied at an operational level that the root cause was identified and remedied to prevent any such failures in the future, DNCL is seeking confirmation that the NZRS Board is confident all the issues have been appropriately addressed. DNCL has also requested a review of the IDN implementation be undertaken and reported to DNCL so that there can be confidence in the technical solution around .nz IDNs. Council will be advised of the outcome of this.

The Board of DNCL recommends that the Council of InternetNZ receives this report. Please do not hesitate to contact me if you have any questions.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Foley', with a long horizontal flourish extending to the right.

Michael Foley  
Director, DNCL Board