



Group financial statements

For the quarter ended 30 June 2020

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**Internet New Zealand Group
Consolidated Income Statement
For the Quarter ended 30 June 2020**

	GROUP		INZ		DNCL	
	Q1	YTD	Q1	YTD	Q1	YTD
Income						
Registry Fees	2,707,113	2,707,113	2,707,113	2,707,113	-	-
Broadband Map	13,156	13,156	13,156	13,156	-	-
Management Fees	-	-	-	-	362,425	362,425
Interest Received	39,928	39,928	39,921	39,921	7	7
Managed Funds Income	292,773	292,773	292,773	292,773	-	-
Sundry Income	14,029	14,029	63,867	63,867	10,000	10,000
Total Income	3,066,999	3,066,999	3,116,830	3,116,830	372,432	372,432
Less Direct Expenses						
DNC Fee	-	-	362,425	362,425	-	-
.nz Costs	182,390	182,390	182,390	182,390	-	-
Other IT	50,954	50,954	50,954	50,954	-	-
Total Direct Expenses	233,344	233,344	595,769	595,769	-	-
Less Other Expenses						
Audit Costs	-	-	-	-	-	-
Governance Costs	37,200	37,200	26,426	26,426	10,774	10,774
International Travel	-	-	-	-	-	-
International Membership	15,893	15,893	15,703	15,703	189	189
Community Investment	58,328	58,328	58,328	58,328	-	-
Legal Fees	80,196	80,196	22,897	22,897	57,299	57,299
Office Costs	172,569	172,569	164,879	164,879	67,528	67,528
Project Costs	101,564	101,564	95,648	95,648	5,916	5,916
Employment Costs	1,526,118	1,526,118	1,379,414	1,379,414	146,704	146,704
Other Operating Expenses	159,870	159,870	141,575	141,575	18,295	18,295
Other Comprehensive Items	-	-	-	-	-	-
Total Expenses	2,151,738	2,151,738	1,904,870	1,904,870	306,706	306,706
Net Profit (Loss) Before Tax	681,917	681,917	616,191	616,191	65,726	65,726
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	\$681,917	\$681,917	\$616,191	\$616,191	\$65,726	\$65,726

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. The DNCL fee paid by INZ to DNCL.
2. GSE paid by DNCL to INZ.

DNCL Legal fees include amounts incurred in the ongoing US litigation matters.

Internet New Zealand Group
Consolidated Income Statement - Activity Based
For the Quarter ended 30 June 2020

	GROUP		INZ		DNCL	
	Q1	YTD	Q1	YTD	Q1	YTD
Income						
Registry Fees	2,707,113	2,707,113	2,707,113	2,707,113	-	-
Broadband Map	13,156	13,156	13,156	13,156	-	-
Management Fees	-	-	-	-	362,425	362,425
Interest Received	39,928	39,928	39,921	39,921	7	7
Managed Funds Income	292,773	292,773	292,773	292,773	-	-
Sundry Income	14,029	14,029	63,867	63,867	10,000	10,000
Total Income	3,066,999	3,066,999	3,116,830	3,116,830	372,432	372,432
Less Activity Expenditure						
Policy	277,763	277,763	277,763	277,763	-	-
Outreach & Engagement						
Communications	154,737	154,737	154,737	154,737	-	-
Engagement	55,549	55,549	55,549	55,549	-	-
Funding	171,230	171,230	171,230	171,230	-	-
.nz Operations	742,898	742,898	901,320	901,320	204,003	204,003
Commercial	228,874	228,874	228,874	228,874	-	-
Compliance	2,042	2,042	-	-	2,042	2,042
Broadband & Defenz	52,288	52,288	52,288	52,288	-	-
Projects	5,916	5,916	-	-	5,916	5,916
Technical Research	117,991	117,991	117,991	117,991	-	-
Technology Strategy	81,567	81,567	81,567	81,567	-	-
International Engagement	66,147	66,147	65,958	65,958	189	189
Org. Services, Governance & Security	411,826	411,826	393,362	393,362	78,302	78,302
Other Operating Expenses	16,253	16,253	-	-	16,253	16,253
Other Comprehensive Items	-	-	-	-	-	-
Total Expenses	2,385,082	2,385,082	2,500,639	2,500,639	306,706	306,706
Net Profit (Loss) Before Tax	681,917	681,917	616,191	616,191	65,726	65,726
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	\$681,917	\$681,917	\$616,191	\$616,191	\$65,726	\$65,726

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. The DNCL fee paid by INZ to DNCL.
2. GSE paid by DNCL to INZ.

**Internet New Zealand Group
Statement of Movements in Equity
For the Quarter ended 30 June 2020**

	GROUP		INZ		DNCL	
	Q1	YTD	Q1	YTD	Q1	YTD
Equity at start of period						
Opening Retained Earnings	10,458,306	10,458,306	10,171,189	10,171,189	287,117	287,117
Shares Subscribed	-	-	-	-	580,000	580,000
	10,458,306	10,458,306	10,171,189	10,171,189	867,117	867,117
Net Profit (Loss) After Tax	681,917	681,917	616,191	616,191	65,726	65,726
Equity at end of period	\$ 11,140,223	\$ 11,140,223	\$ 10,787,380	\$ 10,787,380	\$ 932,843	\$ 932,843

Notes:

The components that make up the total opening equity at the beginning of the period have been removed to calculate Group Totals upon consolidation.

1. Share Subscribed: shares are wholly owned by InternetNZ.

Internet New Zealand Group
Balance Sheet
As at 30 June 2020

	GROUP	INZ	DNCL
Current Assets			
Cash and Cash Equivalents	14,223,607	13,303,084	920,522
Managed Funds	3,356,788	3,356,788	-
Other Current Assets	1,894,053	1,815,380	78,673
Total Current Assets	19,474,448	18,475,253	999,195
Non-current Assets			
Property, Equipment & Software	3,410,617	3,316,582	94,035
less: Accumulated Depreciation	(2,300,534)	(2,244,390)	(56,144)
Intangible Assets	1,052,856	1,052,856	-
less: Amortisation	(437,657)	(437,657)	-
Investments	-	-	-
Shares and Loans	-	580,000	-
Total Assets	21,199,731	20,742,644	1,037,086
Less Liabilities:			
Deferred Income	8,829,397	8,829,397	-
Trade and Other Payables	1,230,111	1,125,868	104,243
Total Liabilities	10,059,508	9,955,265	104,243
Net Assets	\$ 11,140,223	\$ 10,787,380	\$ 932,843

Represented By:

Total Equity	\$ 11,140,223	\$ 10,787,380	\$ 932,843
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Notes:

The following items have been removed upon consolidation:

1. Shares in DNCL wholly owned by InternetNZ.
2. Share Subscription with respect to shares issued to InternetNZ by DNCL.

Internet New Zealand Group
Statements of Cashflows
For the Quarter ended 30 June 2020

	GROUP	INZ	DNCL
Operating Activities			
Receipts from customers	3,459,074	3,034,228	424,846
Payments to suppliers and employees	(3,186,684)	(2,844,607)	(342,076)
Movement from other operating activities	196,832	234,656	(37,824)
Net Cash Flows from Operating Activities	469,223	424,277	44,945
Investing Activities			
Proceeds from sale of property, plant and equipment	8,550	8,550	-
Payment for property, plant and equipment	(543,350)	(522,880)	(20,470)
Other cash items from investing activities	(333,499)	(303,473)	(30,026)
Net Cash Flows from Investing Activities	(868,299)	(817,803)	(50,496)
Financing Activities			
Other cash items from financing activities	(304,508)	(278,760)	(25,748)
Net Cash Flows from Financing Activities	(304,508)	(278,760)	(25,748)
Net Cash Flows	(\$703,585)	(\$672,286)	(\$31,299)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	14,927,192	13,975,370	951,822
Cash and cash equivalents at end of period	14,223,607	13,303,084	920,522
Net change in cash for period	(\$703,585)	(\$672,286)	(\$31,299)