

Group financial statements

For the quarter ended 30 September 2018



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**Internet New Zealand Group
Consolidated Income Statement
For the Quarter Ended 30 September 2018**

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income						
Registry Fees	2,710,998	5,391,167	2,710,998	5,391,167	-	-
Broadband Map	27,305	30,585	27,305	30,585	-	-
Management Fees	-	-	-	-	330,000	660,000
Interest Received	113,748	153,488	107,547	147,252	6,201	6,236
Managed Funds Income	104,585	189,122	104,585	189,122	-	-
Sundry Income	51,321	79,801	99,032	159,223	10,000	23,000
Total Income	3,007,958	5,844,162	3,049,467	5,917,348	346,201	689,236
Less Direct Expenses						
DNC Fee	-	-	330,000	660,000	-	-
.nz Costs	122,199	270,655	122,199	270,655	-	-
Other IT	46,425	60,888	46,425	60,888	-	-
Total Direct Expenses	168,623	331,543	498,623	991,543	-	-
Less Other Expenses						
Audit Costs	7,907	16,948	7,907	16,948	-	-
Governance Costs	96,388	132,548	89,157	114,017	7,231	18,531
International Travel	78,593	155,129	63,854	125,393	14,739	29,736
Community Investment	160,768	369,931	160,768	369,931	-	-
Legal Fees	32,546	51,874	21,217	39,726	11,329	12,148
Office Costs	189,793	388,876	181,143	357,006	66,361	134,293
Project Costs	34,203	34,203	-	-	34,203	34,203
Employment Costs	1,157,852	2,511,662	1,027,467	2,209,741	130,385	301,921
Other Operating Expenses	394,314	764,833	370,702	701,359	23,612	63,474
Other Comprehensive Items	169,163	307,181	5,400	5,400	163,763	301,781
Total Expenses	2,321,525	4,733,184	1,927,615	3,939,520	451,621	896,086
Net Profit (Loss) Before Tax	517,809	779,435	623,230	986,285	(105,420)	(206,850)
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	\$ 517,809	\$ 779,435	\$ 623,230	\$ 986,285	(\$105,420)	(\$206,850)

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. Removal of the GSE paid by DNCL to INZ on consolidation.
2. Removal of the DNCL Management fee paid by INZ to DNCL, on consolidation.
3. Removal of the GSE from the Office Costs line on Consolidation.
4. Removal of the DNC Fee on consolidation.

Internet New Zealand Group
Consolidated Income Statement - Activity Based
For the Quarter Ended 30 September 2018

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income						
Registry Fees	2,710,998	5,391,167	2,710,998	5,391,167	-	-
Broadband Map	27,305	30,585	27,305	30,585	-	-
Management Fees	-	-	-	-	330,000	660,000
Interest Received	113,748	153,488	107,547	147,252	6,201	6,236
Managed Funds Income	104,585	189,122	104,585	189,122	-	-
Sundry Income	51,321	79,801	99,032	159,223	10,000	23,000
Total Income	3,007,958	5,844,162	3,049,467	5,917,348	346,201	689,236
Less Activity Expenditure						
Policy	170,587	337,546	170,587	337,546	-	-
Outreach & Engagement						
Funding	112,085	336,841	112,085	336,841	-	-
Communications	119,105	232,201	119,105	232,201	-	-
Engagement	67,956	229,430	67,956	229,430	-	-
.nz Operations	363,904	772,322	481,589	961,764	229,351	500,330
Commercial	104,197	198,153	104,197	198,153	-	-
Broadband	17,035	29,772	17,035	29,772	-	-
Projects	-	-	-	-	34,203	34,203
Technology Services	539,476	1,049,840	539,476	1,049,840	-	-
Technical Research	119,258	245,117	119,258	245,117	-	-
International Engagement	95,516	210,441	80,777	180,705	14,739	29,736
Organsational & Governance	505,619	932,249	504,862	952,165	7,231	18,531
Other Operating Expenses	106,247	183,634	103,911	172,129	2,336	11,506
Other Comprehensive Items	169,163	307,181	5,400	5,400	163,763	301,781
Total Expenses	2,490,148	5,064,727	2,426,238	4,931,063	451,621	896,086
Net Profit (Loss) Before Tax	517,809	779,435	623,230	986,285	(105,420)	(206,850)
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	\$ 517,809	\$ 779,435	\$ 623,230	\$ 986,285	(\$105,420)	(\$206,850)

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. Removal of the GSE paid by DNCL to INZ on consolidation.
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4. Removal of the DNC Fee on consolidation.

Internet New Zealand Group
Statement of Movements in Equity
For the Quarter Ended 30 September 2018

	Group	INZ	DNCL
	Qtr	Qtr	Qtr
Equity at start of period			
Opening Retained Earnings	10,844,278	10,398,841	445,437
Shares Subscribed	-	-	580,000
	10,844,278	10,398,841	1,025,437
Net Profit (Loss) After Tax	779,435	986,285	(206,850)
Equity at end of period	\$ 11,623,713	\$ 11,385,126	\$ 818,587

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 September 2018**

	Group	INZ	DNCL
Current Assets			
Cash and Cash Equivalents	15,534,014	14,654,165	879,850
Managed Funds	3,070,959	3,070,959	-
Other Current Assets	1,687,706	1,651,877	35,829
Total Current Assets	20,292,680	19,377,001	915,679
Property, Equipment & Software Fixed Assets at Cost	6,938,505	6,733,673	204,832
Less Accumulated Depreciation	(6,002,201)	(5,815,705)	(186,496)
Intangible Assets	33,448	33,448	-
Investments	-	-	-
Shares and Loans	-	580,000	-
Total Assets	21,262,432	20,908,417	934,015
Less Liabilities:			
Deferred Income	8,667,120	8,667,120	-
Trade and Other Payables	971,598	856,171	115,427
Total Liabilities	9,638,718	9,523,291	115,427
Net Assets	\$ 11,623,714	\$ 11,385,126	\$ 818,587
Represented By:			
Total Equity	\$ 11,623,714	\$ 11,385,126	\$ 818,587

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 3 months ended 30 September 2018

	GROUP Jul-Sep 2018	INZ Jul-Sep 2018	DNCL Jul-Sep 2018
Operating Activities			
Receipts from customers	3,196,558	2,797,357	399,201
Payments to suppliers and employees	(2,961,772)	(2,382,332)	(579,441)
Cash receipts from other operating activities	104,888	105,715	(827)
Net Cash Flows from Operating Activities	339,673	520,740	(181,067)
Investing Activities			
Proceeds from sale of property, plant and equip.	8,786	8,786	-
Payment for property, plant and equipment	(335,386)	(335,386)	-
Other cash items from investing activities	157,135	133,625	23,510
Net Cash Flows from Investing Activities	(169,465)	(192,975)	23,510
Financing Activities			
Other cash items from financing activities	235,695	238,523	(2,828)
Net Cash Flows from Financing Activities	235,695	238,523	(2,828)
Net Cash Flows	405,903	566,288	(160,385)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	15,128,112	14,087,877	1,040,234
Cash and cash equivalents at end of period	15,534,014	14,654,165	879,850
Net change in cash for period	405,903	566,288	(160,385)

