



# Group financial statements

For the quarter ended 31 March 2020

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Internet New Zealand Group  
Consolidated Income Statement  
For the Quarter Ended 31 March 2020

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
<b>Income</b>						
Registry Fees	2,682,774	10,745,463	2,682,774	10,745,463	-	-
Broadband Map	16,100	53,552	16,100	53,552	-	-
Management Fees	-	-			835,001	1,840,004
Interest Received	154,737	403,738	151,701	391,379	3,037	12,359
Managed Funds Income	(277,324)	12,343	(277,324)	12,343	-	-
Sundry Income	47,021	177,604	100,596	371,213	3,000	33,000
<b>Total Income</b>	<b>2,623,308</b>	<b>11,392,700</b>	<b>2,673,847</b>	<b>11,573,949</b>	<b>841,037</b>	<b>1,885,363</b>
<b>Less Direct Expenses</b>						
DNC Fee	-	-	835,001	1,840,004	-	-
.nz Costs	170,351	682,770	170,351	682,770	-	-
Other IT	68,196	169,923	68,196	169,923	-	-
<b>Total Direct Expenses</b>	<b>238,548</b>	<b>852,693</b>	<b>1,073,549</b>	<b>2,692,697</b>	<b>-</b>	<b>-</b>
<b>Less Other Expenses</b>						
Audit Costs	21,500	22,027	17,000	17,040	4,500	4,987
Governance Costs	103,365	276,254	93,969	244,668	9,396	31,586
International Travel	46,818	343,477	24,389	252,268	22,429	91,210
International Membership	40,438	141,234	29,312	130,108	11,126	11,126
Community Investment	778,696	1,328,102	752,178	1,268,000	26,518	60,102
Legal Fees	77,502	328,338	16,887	60,493	60,616	267,845
Office Costs	263,612	1,043,959	246,220	988,256	73,967	282,311
Project Costs	113,470	318,627	106,183	284,469	7,287	34,159
Employment Costs	1,739,267	6,008,916	1,559,068	5,407,357	180,199	601,558
Other Operating Expenses	432,906	1,128,305	407,122	1,058,445	25,784	69,860
Other Comprehensive Items	-	-			-	-
<b>Total Expenses</b>	<b>3,617,575</b>	<b>10,939,239</b>	<b>3,252,328</b>	<b>9,711,105</b>	<b>421,822</b>	<b>1,454,743</b>
<b>Net Profit (Loss) Before Tax</b>	<b>(1,232,814)</b>	<b>(399,232)</b>	<b>(1,652,030)</b>	<b>(829,852)</b>	<b>419,216</b>	<b>430,619</b>
<b>Less Provision for Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Profit (Loss) After Tax</b>	<b>(\$1,232,814)</b>	<b>(\$399,232)</b>	<b>(\$1,652,030)</b>	<b>(\$829,852)</b>	<b>\$419,216</b>	<b>\$430,619</b>

**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. GSE paid by DNCL to INZ
2. The DNCL fee paid by INZ to DNCL
3. DNCL Legal fees, erviously classified as Other Comprehensive Items, is no re-classified as Legal Expenses

Internet New Zealand Group  
Consolidated Income Statement - Activity Based  
For the Quarter Ended 31 March 2020

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
<b>Income</b>						
Registry Fees	2,682,774	10,745,463	2,682,774	10,745,463	-	-
Broadband Map	16,100	53,582	16,100	53,582	-	-
Management Fees	-	-			835,001	1,840,004
Interest Received	154,737	403,738	151,701	391,379	3,037	12,359
Managed Funds Income	(277,324)	12,343	(277,324)	12,343	-	-
Sundry Income	47,021	177,574	100,596	371,183	3,000	33,000
<b>Total Income</b>	<b>2,623,308</b>	<b>11,392,700</b>	<b>2,673,847</b>	<b>11,573,949</b>	<b>841,037</b>	<b>1,885,363</b>
<b>Less Activity Expenditure</b>						
Policy	394,563	1,265,590	394,563	1,265,590	-	-
Outreach & Engagement						
Funding	796,837	1,255,947	796,837	1,255,947	-	-
Communications	209,793	666,244	209,793	666,244	-	-
Engagement	100,405	535,220	100,405	535,220	-	-
.nz Operations	859,039	3,372,692	1,391,216	4,178,131	359,398	1,261,174
Commercial	479,323	1,218,643	479,323	1,218,643	-	-
Compliance	23,847	25,564			23,847	25,564
Broadband	31,446	96,542	31,446	96,542	-	-
Projects	7,287	34,159			7,287	34,159
Technical Research	121,135	547,494	121,135	547,494	-	-
Technology Strategy	88,683	152,207	88,683	152,207	-	-
International Engagement	135,676	611,504	115,151	535,085	20,525	76,419
Organsational & Governance	603,932	1,962,404	594,536	1,930,819	9,396	31,586
Other Operating Expenses	4,157	47,721	2,788	21,879	1,368	25,842
Other Comprehensive Items	-	-			-	-
<b>Total Expenses</b>	<b>3,856,122</b>	<b>11,791,932</b>	<b>4,325,876</b>	<b>12,403,801</b>	<b>421,822</b>	<b>1,454,743</b>
<b>Net Profit (Loss) Before Tax</b>	<b>(1,232,814)</b>	<b>(399,232)</b>	<b>(1,652,030)</b>	<b>(829,852)</b>	<b>419,216</b>	<b>430,619</b>
<b>Less Provision for Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Profit (Loss) After Tax</b>	<b>(\$1,232,814)</b>	<b>(\$399,232)</b>	<b>(\$1,652,030)</b>	<b>(\$829,852)</b>	<b>\$419,216</b>	<b>\$430,619</b>

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

Internet New Zealand Group  
Statement of Movements in Equity  
For the Quarter Ended 31 March 2020

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Equity at start of period						
Opening Retained Earnings	11,691,120	10,857,818	11,823,219	11,001,040	(132,099)	(143,223)
Shares Subscribed	-	-	-	-	580,000	580,000
	11,691,120	10,857,818	11,823,219	11,001,040	447,901	436,777
Net Profit (Loss) After Tax	(1,232,814)	(399,485)	(1,652,030)	(829,825)	419,216	430,340
Equity at end of period	\$ 10,458,306	\$ 10,458,332	\$10,171,189	\$ 10,171,215	\$ 867,117	\$ 867,117

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 31 March 2020**

	Group	INZ	DNCL
<b>Current Assets</b>			
Cash and Cash Equivalents	14,927,192	13,975,370	951,822
Managed Funds	3,064,015	3,064,015	-
Other Current Assets	2,038,615	1,963,032	75,583
<b>Total Current Assets</b>	<b>20,029,822</b>	<b>19,002,417</b>	<b>1,027,404</b>
Property, Equipment & Software			
Fixed Assets at Cost	3,037,976	2,948,095	89,881
Less Accumulated Depreciation	(2,209,444)	(2,157,039)	(52,406)
Intangible Assets	501,492	501,492	-
Investments	-	-	-
Shares and Loans	-	580,000	-
<b>Total Assets</b>	<b>21,359,845</b>	<b>20,874,966</b>	<b>1,064,880</b>
<b>Less Liabilities:</b>			
Deferred Income	8,123,202	8,123,202	-
Trade and Other Payables	2,778,337	2,580,575	197,763
<b>Total Liabilities</b>	<b>10,901,540</b>	<b>10,703,777</b>	<b>197,763</b>
<b>Net Assets</b>	<b>\$ 10,458,306</b>	<b>\$ 10,171,188</b>	<b>\$ 867,117</b>
Represented By:			
<b>Total Equity</b>	<b>\$ 10,458,306</b>	<b>\$ 11,277,139</b>	<b>\$ 448,180</b>

**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 Year-ended 31 March 2020

	GROUP YTD	INZ YTD	DNCL YTD
<b>Operating Activities</b>			
Receipts from customers	14,216,796	12,125,655	2,091,141
Payments to suppliers and employees	(14,280,839)	(12,630,959)	(1,649,880)
Movement from other operating activities	52,943	61,259	(8,316)
<b>Net Cash Flows from Operating Activities</b>	<b>(11,099)</b>	<b>(444,045)</b>	<b>432,946</b>
<b>Investing Activities</b>			
Proceeds from sale of property, plant and equipment	2,392	0	2,392
Payment for property, plant and equipment	(907,694)	(886,876)	(20,818)
Other cash items from investing activities	(221,456)	(193,243)	(28,212)
<b>Net Cash Flows from Investing Activities</b>	<b>(1,126,757)</b>	<b>(1,080,119)</b>	<b>(46,638)</b>
<b>Financing Activities</b>			
Other cash items from financing activities	(7,258)	241,546	(248,804)
<b>Net Cash Flows from Financing Activities</b>	<b>(7,258)</b>	<b>241,546</b>	<b>(248,804)</b>
<b>Net Cash Flows</b>	<b>(1,145,114)</b>	<b>(1,282,619)</b>	<b>137,505</b>
<b>Cash and Cash Equivalents</b>			
Cash and cash equivalents at beginning of period	16,072,306	15,257,989	814,317
Cash and cash equivalents at end of period	14,927,192	13,975,370	951,822
<b>Net change in cash for period</b>	<b>(1,145,114)</b>	<b>(1,282,619)</b>	<b>137,505</b>