



Group financial statements

to the quarter ended 31 March 2025

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Introduction

Here is the Year to date to March report for InternetNZ Group for the 2024/2025 financial year. We have prepared the financials in two separate areas.

1. Operational - Income Statement and Balance sheet
2. Funding Model - Income statement and Balance sheet.

The purpose of this is to show the position of both areas clearly and to also give the Board a full view of the financial position of InternetNZ group.

INZ Group Consolidated Income Statement – Operational

Internet New Zealand Group Consolidated Income Statement Year to date (YTD) 31 March 2025

	Notes	Group YTD	Group Budget	+/- \$	+/- %	Parent YTD	Parent Budget	+/- \$	+/- %
Income - Operating									
Registry Fees		13,384,410	13,602,942	(218,532)	-2%	13,384,410	13,602,942	(218,532)	-2%
Broadband Map		40,699	59,000	(18,301)	-31%	40,699	59,000	(18,301)	-31%
Sundry Income	1 (a)	162,875	701,497	(538,622)	-77%	445,962	982,280	(536,318)	-55%
Total Operating Income		13,587,985	14,363,439	(775,454)	-5%	13,871,071	14,644,222	(773,151)	-5%
Income - Investments									
Interest		314,735	460,000	(145,265)	-32%	274,757	420,000	(145,243)	-35%
Total Investment Income		314,735	460,000	(145,265)	-32%	274,757	420,000	(145,243)	-35%
Less Direct Expenses									
Domain Name Commission Fee	2 (a)	-	-	-	-	1,650,000	1,650,000	-	0%
.nz Costs		2,033,857	2,182,489	148,632	7%	2,033,857	2,182,489	148,632	7%
Other		83,877	100,760	16,883	17%	83,877	100,760	16,883	17%
Total Direct Expenses		2,117,734	2,283,249	165,515	7%	3,767,734	3,933,249	165,515	4%
Less Other Expenses									
Audit		52,955	45,500	(7,455)	-	40,505	33,000	(7,505)	-
Amortisation & Depreciation		334,663	338,212	3,549	1%	269,586	272,764	3,178	1%
Registrar Engagement		38,921	70,500	31,579	45%	33,421	65,000	31,579	-
Communications		84,624	107,057	22,433	21%	27,709	50,000	22,292	-
Community Engagement		288,298	710,145	421,847	59%	288,298	710,145	421,847	59%
Domain Name Commission		183,226	185,792	2,566	1%	-	-	-	-
Employment		7,560,070	7,732,754	172,684	2%	6,769,185	6,917,736	148,551	2%
Governance		462,719	475,439	12,720	3%	417,751	428,464	10,713	3%
International		369,881	372,508	2,627	1%	295,402	297,792	2,390	1%
Legal		170,744	170,500	(244)	0%	65,010	59,500	(5,510)	-9%
Operational		1,978,661	2,016,658	37,997	2%	1,921,145	1,949,110	27,965	1%
Projects		9,900	9,900	-	0%	-	-	-	-
Security		28,658	112,050	83,393	74%	28,658	112,050	83,393	74%
Total Expenses		11,563,321	12,347,015	783,694	6%	10,156,670	10,895,561	738,891	7%
Net Operating Profit (Loss) Before Tax		\$221,664	\$193,175	\$28,489	15%	\$221,424	\$235,412	(\$13,988)	-6%

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 (a) GSE paid by DNCL (\$311,886) to INZ

2 (a) The DNCL fee paid by INZ (\$1,650,000) to DNCL.

INZ Group Consolidated Income Statement – Operational - By Function

Internet New Zealand Group Consolidated Income Statement - Function Based Year to date (YTD) 31 March 2025									
	Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
		YTD	Budget	\$	%	YTD	Budget	\$	%
Income - Operating									
Domain Name Commission - Sundry		68,778	71,103	(2,325)	-3%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)		13,482,809	13,994,586	(511,777)	-4%	13,482,809	13,994,586	(511,777)	-4%
Te Puni Whiria (Public Impact)		72,547	337,450	(264,903)	-79%	91,447	356,350	(264,903)	-74%
Te Puni Raupa (Organisational Performance)		278,585	420,300	(141,715)	0%	571,572	713,286	(141,714)	-20%
Total Operating Income		13,902,719	14,823,439	(920,720)	-6%	14,145,828	15,064,222	(918,394)	-6%
Less Activity Expenditure									
Domain Name Commission	2 (a)	1,406,651	1,451,454	44,803	3%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)	1 (a)	5,280,778	5,625,431	344,653	6%	6,930,778	7,275,431	344,653	5%
Te Puni Whiria (Public Impact)	3 (a)	2,362,327	2,788,388	426,061	15%	2,362,327	2,788,388	426,061	15%
Te Puni Māori		607,395	630,369	22,974	4%	607,395	630,369	22,974	4%
Te Puni Raupa (Organisational Performance)		4,023,905	4,134,622	110,717	3%	4,023,905	4,134,622	110,717	3%
Total Expenses		13,681,055	14,630,264	949,209	6%	13,924,404	14,828,810	904,406	6%
Net Operating Profit (Loss) Before Tax		\$221,664	\$193,175	\$28,489	15%	\$221,424	\$235,412	(\$13,988)	-6%

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 (a) GSE paid by DNCL(\$311,886) to INZ

2 (a) The DNCL fee paid by INZ (\$1,650,000) to DNCL.

3 (a) Te Puni Whiria - Funding is now reported separately below

INZ Consolidated Movements in Equity – Operational

Internet New Zealand Group
Statement of Movements in Equity
Year to date (YTD) 31 March 2025

	GROUP	INZ	DNCL
Equity at start of period			
Opening Retained Earnings	931,375	545,528	385,847
Shares Subscribed	-	-	580,000
	931,375	545,528	965,847
Net Profit (Loss) After Tax	221,664	221,424	241
Equity at end of period	\$1,153,039	\$766,952	\$966,087

Notes:

4 (a) As we have ring fenced \$11m from INZ retained earnings to sustain a new funding model that will assist in sustaining future funding and we have decided to report funding separately from INZ Operational activities. Funding reports are on page 10 of this report.

Due to this decision the INZ Operating Retained Earnings reduced by \$10,974,161, being the amount now reported under the funding retained earnings. INZ Operating retained earnings opening balance reduced to \$545,528.

This change is also reflected in the Balance Sheet on the following page, which excludes the managed funds and funding.

INZ Consolidated Balance Sheet – Operational

Internet New Zealand Group

Balance Sheet

As at 31 March 2025

	Notes	GROUP	INZ	DNCL
Current Assets				
Cash and Cash Equivalents		8,730,783	7,675,924	1,054,859
Managed Funds		-	-	-
Other Current Assets		2,310,138	2,269,156	40,981
Total Current Assets		11,040,921	9,945,081	1,095,840
Non-current Assets				
Property, Equipment & Software		3,198,201	2,826,512	371,690
less: Accumulated Depreciation		(1,449,684)	(1,173,596)	(276,089)
Intangible Assets		4,235,003	4,235,003	-
less: Amortisation		(1,743,836)	(1,743,836)	-
Investments		-	-	-
Shares and Loans	5 (a)	-	580,000	-
Total Assets		15,280,606	14,669,164	1,191,441
Less Liabilities:				
Deferred Income		11,443,656	11,443,656	-
Trade and Other Payables		2,683,910	2,458,556	225,354
Total Liabilities		14,127,566	13,902,212	225,354
Net Assets		\$1,153,040	\$766,952	\$966,087
Represented By:				
Current Year Earnings		221,664	221,424	241
Retained Earnings	4 (a)	931,375	545,528	385,847
Share Capital	5 (a)	-	-	580,000
Total Equity		\$1,153,039	\$766,952	\$966,087

Notes:

The following items have been removed upon consolidation.

5 (a) Share in DNCL wholly owned by InternetNZ.

Share subscription with respect to shares issued to InternetNZ by DNCL

Outlined below is a summary of each function.

Te Puni Whakawhanake Rawa/ Customer and Product

- Running of the .nz registry and Broadband Map services.
- Data insights and analytics
- IT infrastructure and product technology

Te Puni Whiria/Public Impact

- Public policy, internet governance, including international
- Community Engagement, including membership, Communications – External and brand and Events Management

Te Puni Māori

- Māori sector partnership and relationships
- Rautaki Māori
- Māori cultural intelligence and cultural capability

Te Puni Raupa/Organisation Performance

- Governance, Strategy, planning, and performance.
- Security, compliance (including legal) and Privacy.
- HR and Finance, Technology Strategy, and Internal IT

Summary reporting by functional areas of expenditure - Operational INZ Group Revenue Analysis to the Period ending 31 March 2025

Consolidated Revenue	Actual	Budget	Variance	% of Total Sales
Registry Fees	13,384,410	13,602,942	(218,532)	96.3%
BBM	40,699	59,000	(18,301)	0.3%
Sundry - Membership	3,797	6,269	(2,472)	0.0%
Sundry - Misc.	473,813	1,155,228	(681,415)	3.4%
Total Operating Revenue	13,902,719	14,823,439	(920,720)	100%

- The accounts report Total Operating revenue of \$13,903,719 YTD March up by \$194,355 from the same period last year. Revenue from Registry fees grew by .5% over the year leaving a shortfall to budget of over \$200k,
- Several key factors have contributed to the year-to-date negative variance in Misc Revenue of \$681,415. Notably, the Nethui project was postponed, and we had budgeted sponsorship revenue \$260,000 for. Also delays in wholesale registry fees (.tk) of approx \$200,000 and interest income fell short by \$145,000

INZ Group Expenditure Analysis by Function to the Period ending 31 March 2025

Consolidated Expenditure by Function	Actual	Budget	Variance	% of Total Expenditure
Domain Name Commission 1 (a)	1,406,651	1,451,454	44,803	10.3%
Te Puni Whakawhanake Rawa/Cust & Prod	5,280,778	5,625,431	344,653	38.6%
Te Puni Whiria/Public Impact	2,362,327	2,788,388	426,061	17.3%
Te Puni Maori	607,395	630,369	22,974	4.4%
Te Puni Raupa/Organisational Performance	4,023,905	4,134,622	110,717	29.4%
Total Operating Expenditure	13,681,055	14,630,264	949,209	100.0%

Notes:

DNCL expenditure excludes

1 (a) GSE paid by DNCL (\$311,886) to INZ

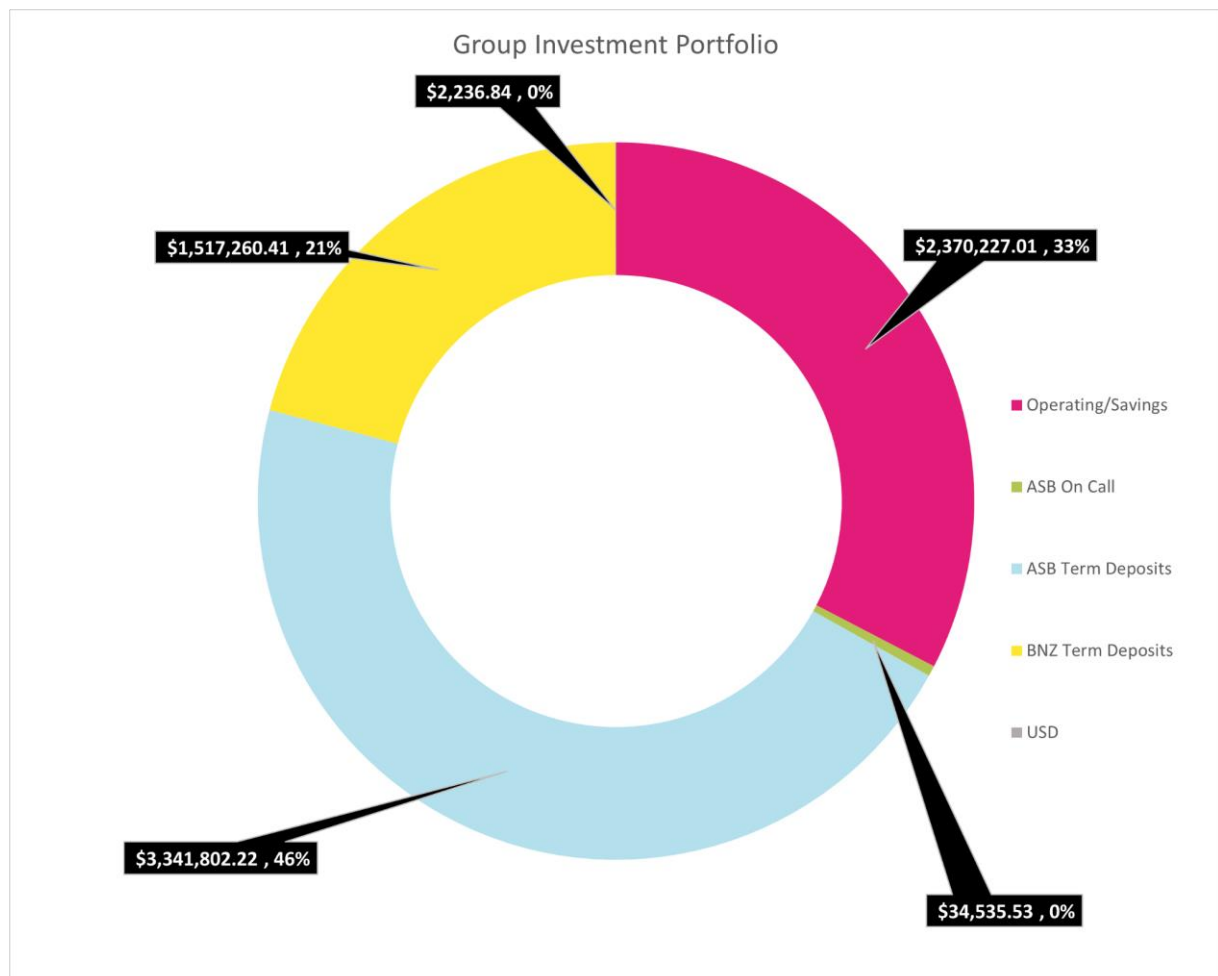
Underspend variances arise from several factors, with the key contributor being Nethui was postponed and we have budgeted costs of at \$385,000 unspent.

Additionally savings were made in the following areas against budget

- Employment costs - \$148,000
- Cost of Sales (Registry support) - \$165,000
- Underspend across areas such as Communication,Policy and Security - \$110,000
- Delays in Marketing - \$37,000

INZ Group Investments as of 31 March 2025 (Operational)

The chart below shows the percentage spread of INZ Operating funds invested **(\$7,266,062.00)** across all institutions as of 31 March 2025.



Reporting on New Funding Model

To ensure funding for public impact, a fund has been created where interest generated from the fund will support public impact grants and strategic partnerships.

Approved budget included:

- Setting the size of the initial fund contribution at \$11M,
- Setting public impact funding for 2024/25 at \$1M.

Ring-fencing the funds within the Balance Sheet was introduced to formally reserve the Funds. The following reporting provides transparency of the ring-fenced funding performance YTD December.

Funding Reporting

INZ Funding Income Statement

Internet New Zealand Funding Income Statement Year to date (YTD) 31 March 2025				
	Group	Group	+/-	+/-
Funding Investment Income	YTD	Budget	\$	%
Interest Received	297,313	280,000	17,313	0
Fair Value Gains/(Losses) on Managed Funds	317,942	320,000	(2,058)	-1%
Total Investment Income	615,255	600,000	15,255	3%
Funding Rounds	646,500	650,000	3,500	1%
Strategic Partners	353,000	350,000	(3,000)	-1%
Total Expenses	999,500	1,000,000	500	0%
Net Funding Profit (Loss)	(\$384,245)	(\$400,000)	\$15,755	-4%

INZ Funding Movements in Equity

Internet New Zealand Statement of Movements in Equity - Funding Year to date (YTD) 31 March 2025		
	2025	2024
Equity at start of period		
Opening Retained Earnings	10,974,161	10,974,161
	10,974,161	10,974,161
Net Profit (Loss) After Tax	(384,245)	
Equity at end of period	\$10,589,916	\$10,974,161

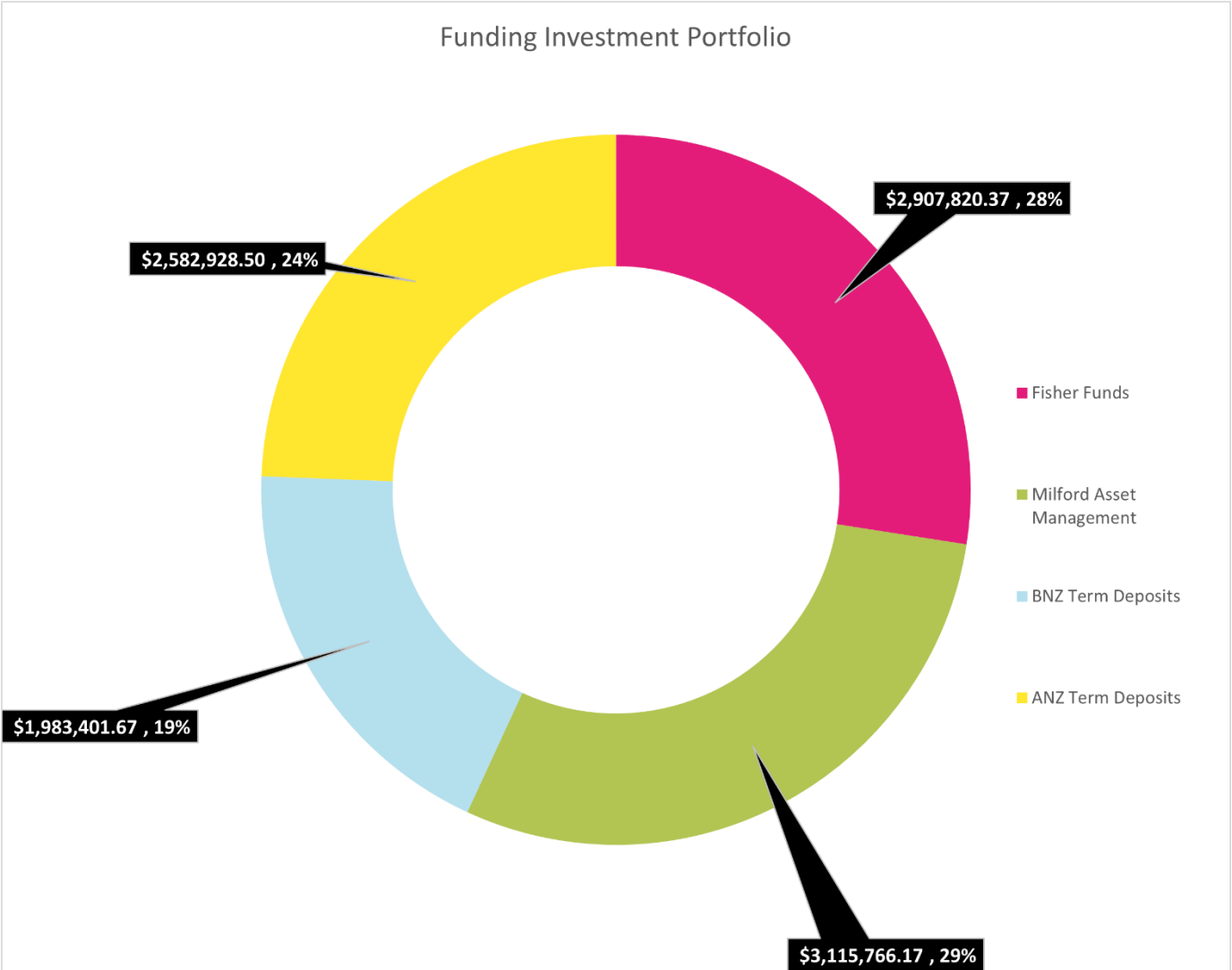
INZ Funding Balance Sheet

**Internet New Zealand
Funding Balance Sheet
As at 31 March 2025**

	INZ
Current Assets	
Cash and Cash Equivalents	4,566,330
Managed Funds	6,023,587
Total Current Assets	10,589,917
Non-current Assets	
Investments	-
Total Assets	10,589,917
Less Liabilities:	
Trade and Other Payables	-
Total Liabilities	0
Net Assets	\$10,589,917
Represented By:	
Current Year Earnings	(384,245)
Retained Earnings	10,974,161
Total Equity	\$10,589,917

INZ Funding Investments as of 31 March 2025

The chart below shows the percentage spread of funds invested \$10,589,917 across all institutions as of 31 March 2025.



Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.