Internet New Zealand Incorporated

Consolidated Financial Statements and

Statement of Service Performance

For the year ended 31 March 2025

Contents

Internet New Zealand Incorporated
Statement of Service Performance

For the year ended 31 March 2025

Entity information

InternetNZ runs the .nz domain name space for all of Aotearoa. We ensure that domain names ending in '.nz' are available for our people and businesses to function and thrive online. We work to ensure the Internet benefits all of Aotearoa by investing in communities, supporting research, promoting sound policy, and building strong partnerships.

Structure

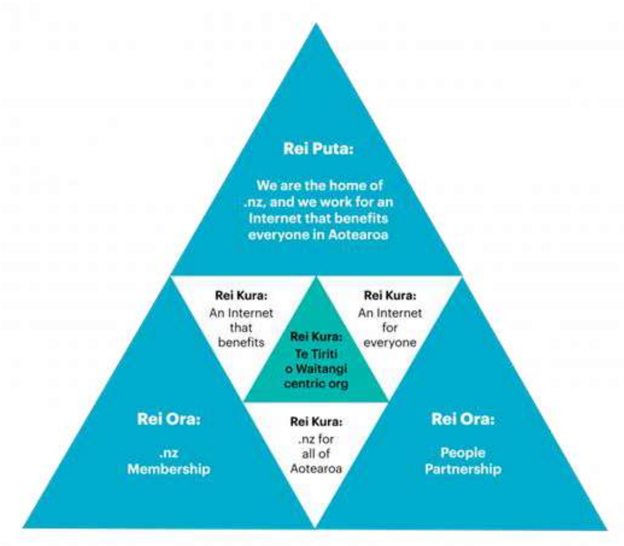
InternetNZ is a membership-based incorporated society with over 4600 members. Our governance includes a member-elected Board, which works alongside a professional executive team. Through our subsidiary – the Domain Name Commission — we carry out both regulatory and operational functions for .nz. We engage actively with our members, the technical community, industry and academia, government agencies, Māori, and the public.

The InternetNZ Group is structured as a parent-subsidiary model, comprising InternetNZ as the parent organisation and the Domain Name Commission (DNC) as wholly owned subsidiary. The DNC regulates the .nz domain name space with certain functions and powers vested in them under the .nz Rules relating to the oversight and enforcement of the .nz Rules, the accreditation of registrars, and the provision of a dispute resolution service (among other things). The terms and conditions under which those functions and powers are performed are set out in the Operating Agreement between the two parties. For further details, please refer to the Domain Name Commission Financial Statements and Statement of Service Performance for the year ended 31 March, 2025.

Our whakatauākī:

Our whakatauākī was gifted to us in January 2017 by Takawai Murphy of Ngāti Manawa, Ngā Rangitihi, and Ngāti Hinekura.

Our Niho Taniwha:



The Niho Taniwha design is a saw-toothed pattern found in tukutuku panels and tāniko weaving, often seen on the hems of cloaks. This motif symbolises strength, resilience, and connection to whakapapa. In Te Ao Māori, it represents a chief's lineage from the atua (gods), and the interconnectedness of whānau, hapū, and iwi. The design reflects our strategy and commitment to centring Te Tiriti o Waitangi in our work, acknowledging the depth, complexity, and continuity of the relationships upheld.

The Statement of Service Performance (SSP) outlines InternetNZ's outcomes and outputs for the year ended 31 March 2025, across its four whainga, or strategic priorities.

Comparatives, benchmarks/targets or quantitative outputs

In this SSP report, we make comparisons to previous years and reference targets or benchmarks, where appropriate and available. Qualitative evidence is used to illustrate our impact throughout.

The four Whainga — guiding our organisational priorities

- Whainga 1 — Te Tiriti o Waitangi centric organisation: Embedding Te Tiriti o Waitangi principles in how we operate.
- Whainga 2 — .nz for all of Aotearoa: Ensuring the .nz domain infrastructure is reliable, secure, and widely used by all New Zealanders.
- Whainga 3 — An Internet that benefits: Advocating for an Internet that is safer and more beneficial to people and communities.
- Whainga 4 — An Internet for everyone: Promoting digital inclusion so that everyone can access and participate in the digital world.

Our strategic outcomes

Whainga 1 — We are a Te Tiriti o Waitangi-centric organisation

Te Tiriti o Waitangi is central to how we work. Our journey to date has identified that relationship-building, harnessing knowledge, developing an understanding of te ao Māori world views, and embedding tikanga in our culture are all important elements.

Expected outcomes 2024–2025

- Begin implementing Ngā Pae, our five-year plan outlining how InternetNZ will embed Te Tiriti o Waitangi-centering practices and processes into the organisation.

- Plan for inaugural 'Kauwaka te Ipurangi'. A national Māori Internet hui demonstrating InternetNZ's support for the Māori community, and exploring how Māori might like to engage in Internet governance.

- Continue the 2 year commitment to year-on-year increase of ten percent to funding Māori partners over the next two years.

Benchmarks/Targets 2024–2025

In 2024–2025, we distributed a total of $999,500 (99.95%) to a range of community organisations and individuals.

Each year the InternetNZ Board agrees to the total pool of community funding that can be distributed in a financial year to serve the community and meet our charitable purpose. In 2024/25 Board approved a community funding envelope of $1,000,000, to meet two targets related to the community funding in 2024/25:

1. distribute the funding envelope ($1,000,000) to community partners and organisations in support of the internet community and our charitable purpose, and

2. increase the percentage of total funding awarded to Māori individuals and organisations.

Distribution of funds across whainga/goals

Each year the total amount of funds distributed to a specific whainga/goal varies, due to the nature of the partnerships entered into, the size or number of project funding that is granted, or a shift in annual focus. Many projects or grants could sit under more than one whainga/goal. In 2024/25, InternetNZ continued its focus on improving the allocation of funding to Māori individuals or organisations, and therefore more funding was allocated under Whainga 1 in this financial year.

In 2024/25 InternetNZ distributed 99.95% ($999,500) of the total envelope of community funds across our whainga/goals as follows:

- We are a Te Tiriti o Waitangi centric organisation: $448,390
- An internet for everyone: $326,600
- An internet that benefits: $224,510.

Funding Māori individuals or entities

Of the total funds distributed, 44.86% ($448,390) was allocated to Māori individuals or organisations. This was an increase from the 35.97% allocated in 2023/2024, and from the 25.02% allocated in 2022/2023.

Outputs in 2024-2025 Financial Year

Comparative Outputs	2023–2024	2024–2025
Number of projects supported	20	29
Successful grants	$176,645	$259,000
Strategic partnerships	$100,000	$130,000
New funding streams	$155,000	$59,390
Total funding	**$431,645**	**$448,390**

In 2024–2025, $448,390 contributed to the 'Te Tiriti-centric organisation' whainga.

Te Tiriti o Waitangi is central to our funding partnership approach. We tested a place-based participatory grants process, based in Te Tairāwhiti with Tāiki E!. Principles of Tātau Katoa, Tātau Kōtahi, Tātau Tātau (all of us together, one together, we together) underpinned the distribution of funding. The bulk of the funding ($249,000) went towards digital equity-oriented projects within the 'Te Tiriti o Waitangi-centric' whainga, alongside Tāiki E!.

Participatory granting deliberately shifted away from competitive, contestable grants, and we worked closely with trusted local partners Tāiki E! to develop and implement an approach that supported tino rangatiratanga (autonomy) and mana motuhake (self-determination). The resulting grants process was highly collaborative, involving a collective of established local organisations and tuakana-teina mentoring, which supports small-scale innovation.

The success of this approach was due to the time and energy invested by both parties, to develop high-trust relationships, which maintained momentum towards creating lasting impact.

Strategic Partnerships

In 2024–2025, we continued to build our strategic partnerships within the 'Te Tiriti o Waitangi-centric' whainga. Reciprocal engagement contributes to our public impact and outreach initiatives, allowing us to more effectively engage communities, as well as inform Māori communities about available funding rounds. As a result of this approach, we have prioritised and increased funding for initiatives that are 'by Māori, for Māori'. Our partnership with Te Hapori Matihiko exemplifies this type of strategic collaboration.

Te Hapori Matihiko is the Māori tech association at the forefront of integrating Te Ao Māori into the digital realm, through system change, policy advocacy, community development, and pathway opportunities. Through our partnership, Te Hapori Matihiko have been able to run two 'Futures' events and develop their 'Futures Report'. Our partnership has also supported local meet-ups across Aotearoa, strengthening connections across the motu, and growing the community of Māori members in digital and tech to 1,200.

Whainga 2: .nz for all of Aotearoa

As the online home of Aotearoa, .nz infrastructure is vital to New Zealand's Internet, and to our place in the world wide web. A thriving and resilient .nz domain supports the performance of growth in the Aotearoa economy, and the wellbeing of New Zealanders and our communities.

Expected outcome

New Zealanders trust the .nz domain and its underlying infrastructure to be reliable, compatible, and functional for their intended purposes and applications.

Outputs	Outputs in 2023-2024	Target for 2024-2025	Outputs in 2024-2025
DNS availability	100.00%	100.00%	100.00%
EPP availability	99.99%	99.90%	99.99%
WHOIS availability	99.99%	99.90%	99.99%

DNSSEC update and community engagement

On 7 August 2024, routine DNSSEC operation resumed. In the reporting period, normal Domain Name System Security Extensions (DNSSEC) lifecycle operations took place as normal. To meet the return to normal operations, DNS and DNSSEC technical resourcing was undertaken, and has now fully transitioned from the 2023 incident.

In 2024, InternetNZ shared learnings from the incident at two presentations at industry events in Atlanta and Napier to update the local and global technical community. We have also hosted knowledge-sharing sessions online, where our technical team meets with international counterparts to share information and knowledge.

This helps grow the capability of both teams, and we enjoyed valuable time with both our Swedish and Dutch country code top level domain (ccTLD) counterparts.

Expected outcome

Outputs	2023-2024	Target for 2024-2025	Outputs in 2024-2025
Registrar channel growth	74 registrars	5% new registrars	4% new registrars
Registry Lock (Lite) product launch	In development	Offered to the market	Not offered
Organic growth of number of domains under management	747,256* domains under management	7,473 new domain registrations (1% growth)	3,653 new domain registrations 750,909 total domains under management (0.49% growth)

The Domains Under Management (DUMs) figure for the prior year was understated by 1,633 DUMs. The reported figure of 745,623 DUMs reflects the total as at 31 December 2023. As at 31 March 2024, the number of DUMs was 747,256.

Product Strategy Implementation

We developed a new product strategy in 2023, focused on a thriving, resilient, and sustainable .nz operation. The implementation of the strategy, in 2024–2025, has resulted in new revenue and allowed us to build that revenue further in 2025–2026. We also now provide wholesale domain name services to one new customer – the .kiwi registry. These first phases of strategy implementation provided the foundation for us to safely explore additional scalable opportunities, delivering on our product strategy vision of a more resilient and sustainable operation.

We had planned to launch 'Registry Lock', though it was not offered to the market in 2024–2025 due to a longer than expected phase of testing. We plan to offer it in 2025–2026.

We achieved significant gains in our goal of onboarding 5% new registrars, falling just short of the intended target. The 15,000 stimulated domain growth target was not achieved. We believe due to the delay of four months in launching a lead generation website (jumpstarter.co.nz). Consequently, the website traffic generation media campaign launch was also delayed.

Onboarding .kiwi

In August 2024, we signed a contract with Dot Kiwi Limited (DKL), to provide them with registry support services for the .kiwi generic top level domain (gTLD), and began service management for .kiwi support requests in November. The volume of work we undertook related to .kiwi incidents was well within the expected range, meaning we were appropriately resourced to manage it. We are improving our performance reporting as we gain a better understanding of the .kiwi operation.

Launching .nz promotional website

Using previous market analysis, in December 2024, InternetNZ launched the .nz promotional website JumpStarter later than expected. The website offers guidance to New Zealanders in the early stages of starting a business, highlighting the importance of having an online and website presence. JumpStarter has .nz domain availability search capability and generates qualified leads for authorised .nz registrars. 21,000 users visited JumpStarter during our 'soft launch' period, resulting in it being used to perform 5,000 domain name availability searches.

The Domain Name Commission (DNC)

Our goal for the Domain Name Commission is to be valued by market participants. InternetNZ appointed the DNC to develop and monitor a competitive registrar market and create a fair environment for registering and managing .nz domain names. The 2024–2025 DNC SSP and Annual Reports provide more detail on how these goals were reached.

The Domain Name Commission had three strategic priorities for 2024-25:

1. Centring Te Tiriti o Waitangi throughout all we do
2. Strengthening the home of .nz to reflect the importance of the .nz critical infrastructure for Aotearoa.
3. Effectively regulating the .nz domain name space.

The strategic priorities and key project goals for FY 24/25 facilitated:

- Building our internal capability and minimising key person risk.
- Setting minimum standards and expectations of Registrars through a new licensing framework.
- Developing an understanding of the risk and issues across the .nz domain name space (including Registrar risks and DNS abuse issues).

- The development of systems and processes that are fit for purpose (record keeping, data analysis, outcomes reporting, compliance red flag reporting etc).
- Developing a cultural thread to weave throughout our core functions.

Whainga 3: An Internet that benefits

InternetNZ stands for an Internet that benefits all the people of Aotearoa. We work towards all New Zealanders being able to use, create, and innovate on the Internet. We work to shape developments affecting the Internet domestically and internationally to make the Internet better for the people that use it.

Expected outcome (short-medium term, 2022-2025)

To support organisations and individuals to work alongside InternetNZ on making the Internet better for people by funding distribution and active advocacy. In 2024–2025, $224,510 was allocated to An Internet that Benefits Whainga.

Outputs	Output in 2023-2024	Output in 2024-25
Number of projects supported	30	7
Successful grants	$104,693	$0
Strategic partnerships	$175,000	$130,000
New funding streams	$65,000	$94,510
Total funding	**$344,693**	**$224,510**

Building capability and connections

As the administrator of the ccTLD, we recognise the need for a better understanding of the technical aspects and infrastructure of the Internet to develop an internet that benefits.

Two of the projects we funded supported the capability and connections within the technical community. These were the inaugural New Zealand IAASysters programme at NZNOG, and our sponsorship of the entire NZNOG conference. NZNOG is New Zealand's primary Internet technology conference, and the IAASysters programme provided 12 women and non-binary people with support to attend the conference, and a ‘Day 0’. This provided them with guidance on the industry and a vital networking opportunity. The Internet industry, like many technical sectors, lacks diversity, and supporting IAASysters to be included as part of NZNOG enables more women to consider a pathway into the technical internet sector.

We also continued to support valuable educational programmes, for example those run by Digital Discipline who educate on healthy online lives, and All is for All who work with brands and businesses helping them be truly inclusive and accessible for disabled people.

Supporting research and data literacy

InternetNZ has ongoing partnerships, which contribute to research, reliable data, and fostering data literacy. These are with FigureNZ and AUT’s New Zealand Policy Research Institute’s work on the World Internet Project.

Our annual Internet Insights Survey also contributes to this goal by providing the country with a set of data each year, showing the way in which New Zealanders are using the Internet. Data collected includes how much time we spend online, what we're doing and how we feel about topics of the day, such as AI, remote working, and scams.

Policy work on Internet issues

InternetNZ has the goal of making sure that New Zealand's voice is heard and contributes to good global Internet governance. In 2024–2025, InternetNZ engaged in a number of Internet governance forums and meetings to support the global multi-stakeholder Internet governance system, maintain relationships with the international Internet community, and help shape the Internet's development for the benefit of Aotearoa and its people.

Globally, we have made contributions to an Internet that benefits, through our contributions to the global coalition Technical Community Coalition for Multistakeholderism (TCCM), that includes working with other ccTLDs. The TCCM advocates for the multistakeholder model of internet governance, and inputs to key Internet governance processes, such as WSIS+20.

We also continue to provide advice on public policy areas. In 2024–2025, we made government submissions and gave advice on Internet issues such as Blocking and Filtering of Overseas Gambling sites, the digital impact of the Treaty Principles Bill, and the Biometrics Code of Practice.

.nz Rules Work Programme

We undertook a review of the Conflicted Domain Name Process, which resulted in a new Process being adopted by the InternetNZ Board. The new process will come into effect on 1 July 2025.

Proposed improvements to the .nz Rules were released for feedback in April 2024 and changes were adopted by the InternetNZ Board in August 2024. These became Version 3 of the .nz Rules effective from 1 November 2024.

Whainga 4: An Internet for everyone

Everyone in Aotearoa should be able to make the most of an increasingly digital world, in a way that works for them.

InternetNZ works to enable all the people of Aotearoa to access, and effectively use, the Internet to participate in and equitably benefit from our society, democracy, and economy.

Expected outcome

To empower organisations and individuals to work on digital equity in Aotearoa through funding.

Outputs	Output in 2023-2024	Output in 2024-2025
Number of projects supported	26	17
Successful grants	$153,588	$94,622
Strategic partnership	$255,000	$156,500
New funding streams	$15,000	$75,478
Total funding	**$423,588**	**$326,600**

Improving accessibility

In 2024–2025, $326,600 supported the ‘An Internet for everyone’ whainga. The majority of the projects within this category supported digital accessibility through our inaugural Web Accessibility grants round.

This grants cycle recognises the significant barriers to Internet access encountered by many tāngata whaikaha (disabled individuals) in New Zealand. We provided funding to 11 organisations committed to enhancing online accessibility. These initiatives focus on improving usability and ensuring that digital resources and services are more navigable and inclusive.

By addressing these issues, the organisations are taking steps towards a more equitable online environment for everyone.

It should be noted that there is always some intersection between granting categories.

For example, the $249,000 funding round in Whainga 1, also strongly aligns with the outcomes sought for Whainga 4. All funding tagged to Māori individuals or organisations also aligns with Whainga 3 and 4, ‘An Internet that benefits’ and ‘An Internet for everyone’.

NetHui 2024

Planning for NetHui 2024 was undertaken in the financial year and included the development of the agenda with community members.

Economic conditions and high number of competing options for the Wellington tech audience, meant that sponsorship and participant numbers were likely to be lower than expected. The Board made a decision to defer NetHui to 2025. The venue costs were redeployed to support Kauwaka 2025.

Membership Engagement Plan

The Membership Engagement Plan was mostly delivered in the financial year and was informed by our Members Survey. This included an upgrade to our CiviCRM platform, a new members panui was introduced, and a Code of Conduct for NetHub (our membership community platform). Planning to reinstate a member-to-member email has been completed and next steps will be informed by this year’s Members Survey.

A surge in membership numbers has required new processes, additional resources, and systems to be put in place including moderation processes, and automating membership consents. A Special General Meeting was held on 31 March, 2025 to vote on the proposed Constitution which was successfully passed. Planning for membership changes including Board member elections and AGM under the new Constitution have also been progressed.

Other outputs of 2024-2025 Financial Year

Supporting partners work

We continue to support strategic partnerships and work closely with entities who contribute to the health of the digital equity ecosystem, such as Digital Futures Aotearoa, TUANZ, and Katoa Connect, as well as funding of specific digital equity projects.

Judgements

The decisions about what service performance information to present were made in consultation with the key management personnel, Te Kāhui Tumu | Executive Leadership team, the Audit & Risk Committee, and the InternetNZ Board.

An analysis of InternetNZ's key activities significantly influenced the judgments about what to report. These key activities correspond to the organisation's strategic priorities, goals, and constitution.

Internet New Zealand Incorporated
Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2025

	Notes	Group 2025 $	Group 2024 $	Parent 2025 $	Parent 2024 $
OPERATING ACTIVITIES					
Exchange Revenue					
Registry Fees		13,384,410	13,468,538	13,384,410	13,468,538
Other Income		199,967	248,598	483,053	453,725
Total Exchange Revenue		13,584,377	13,717,136	13,867,463	13,922,263
Total Operating Revenue		13,584,377	13,717,136	13,867,463	13,922,263
Operating Expenses					
Domain Name Commission		1,406,504	1,373,529	-	-
Community Funding		999,500	1,179,457	999,500	1,179,457
Te Puni Raupa (Organisation Performance)		4,023,905	3,977,110	4,023,905	3,977,110
Te Puni Whiria (Public Impact)		2,362,327	1,900,292	2,362,327	1,900,292
Te Puni Whakawhanake Rawa (Customer & Product)	**7(b)**	5,280,778	4,776,821	6,930,778	6,411,821
Te Puni Māori		607,395	458,191	607,395	458,191
Total Operating Expenses	**7(a)**	14,680,409	13,665,400	14,923,905	13,926,871
Surplus/(Deficit) From Operating Activities		(1,096,032)	51,736	(1,056,442)	(4,608)
INVESTING ACTIVITIES					
Interest Income		599,210	579,111	559,380	540,432
Fair Value Gains/(Losses) on Managed Funds		317,942	735,562	317,942	735,562
Surplus/(Deficit) From Investing Activities		917,152	1,314,673	877,322	1,275,994
SURPLUS/(DEFICIT) FOR THE YEAR		(178,880)	1,366,409	(179,120)	1,271,386
Other Comprehensive Revenue and Expense		-	-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR		(178,880)	1,366,409	(179,120)	1,271,386

These financial statements have been authorised for issue by the Board as follows:

SL Judd

Chairperson

3-Jul-2025

Date

Anjum Rahman (Jul 3, 2025 11:47 GMT+12)

Board Member

3-Jul-2025

Date

These financial statements should be read in conjunction with the notes to the financial statements.

Internet New Zealand Incorporated
Statement of Financial Position

As at 31 March 2025

	Notes	Group 2025 $	Group 2024 $	Parent 2025 $	Parent 2024 $
ASSETS					
Current					
Cash and Cash Equivalents	**8**	3,666,763	2,428,498	3,363,577	2,258,136
Trade Debtors and Other Receivables	**9**	1,689,002	1,519,795	1,671,215	1,517,690
Prepayments		653,481	553,437	630,286	524,064
Investments	**12**	9,374,638	10,529,044	8,622,964	9,820,059
Total Current Assets		15,383,884	15,030,774	14,288,042	14,119,949
Non-current					
Property, Plant and Equipment	**10**	1,046,901	1,264,992	1,041,516	1,257,223
Intangible Assets	**11**	2,581,383	3,028,454	2,491,166	2,876,415
Assets under Construction	**10**	611,401	379,874	611,401	379,874
Investment in Subsidiary	**6**	-	-	580,000	580,000
Investments	**12**	6,023,586	5,705,645	6,023,586	5,705,645
Total Non-Current Assets		10,263,271	10,378,965	10,747,669	10,799,157
TOTAL ASSETS		25,647,155	25,409,739	25,035,711	24,919,106
LIABILITIES					
Current					
Trade Creditors and Other Payables	**14**	1,468,222	1,082,056	1,312,398	1,053,443
Employee Entitlements	**16**	503,260	445,628	466,463	411,241
Deferred Revenue - Current	**15**	8,250,238	8,230,262	8,250,242	8,230,262
Other current liabilities	**19**	453,089	319,540	424,585	284,167
Total Current-Liabilities		10,674,813	10,077,486	10,453,688	9,979,112
Non-Current					
Deferred Revenue - Non Current	**15**	3,193,418	3,382,997	3,193,418	3,382,997
Employee Entitlements	**16**	52,270	43,722	48,035	37,307
Provisions		-	-	-	-
Total Non-Current Liabilities		3,245,688	3,426,719	3,241,453	3,420,304
TOTAL LIABILITIES		13,920,501	13,504,205	13,695,141	13,399,416
NET ASSETS		11,726,654	11,905,534	11,340,570	11,519,690
EQUITY					
Accumulated Funds		11,726,654	11,905,534	11,340,570	11,519,690
TOTAL EQUITY		11,726,654	11,905,534	11,340,570	11,519,690

These financial statements should be read in conjunction with the notes to the financial statements.

Internet New Zealand Incorporated
Statement of Changes in Net Assets

For the year ended 31 March 2025

	Group		Parent	
	2025	2024	2025	2024
	$	$	$	$
ACCUMULATED FUNDS				
Opening Balance	11,905,534	10,539,125	11,519,690	10,248,304
Surplus/(Deficit) for the Year	(178,880)	1,366,409	(179,120)	1,271,386
Total Comprehensive Revenue and Expense	(178,880)	1,366,409	(179,120)	1,271,386
CLOSING BALANCE ACCUMULATED FUNDS	11,726,654	11,905,534	11,340,570	11,519,690
TOTAL EQUITY	11,726,654	11,905,534	11,340,570	11,519,690

These financial statements should be read in conjunction with the notes to the financial statements.

Internet New Zealand Incorporated
Statement of Cash Flows

For the year ended 31 March 2025

	Notes	Group 2025 $	Group 2024 $	Parent 2025 $	Parent 2024 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Surplus/ Deficit		(178,880)	1,366,409	(179,120)	1,271,386
					-
Add Back Non-Cash Expenses					-
Depreciation & Amortisation		876,879	924,120	811,802	865,535
Gain/Loss on Sale of Non-Current Assets			64,865		64,865
Provision for Expected credit losses		1,944	-	1,944	-
Adjust for Movement in Working Capital					
Increase/Decrease in Inventory		-	-	-	-
Increase/Decrease in Trade and other Receivables		(245,736)	(898,126)	(261,685)	(885,164)
Increase/Decrease in Trade and other Payables		390,834	(614,811)	295,719	(483,707)
Net Cash Inflow/(Outflow) from Operating Activities		845,041	842,457	668,660	832,915
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment		(297,060)	(490,001)	(296,191)	(484,390)
Purchase of Intangible Assets		(146,181)	72,443	(146,181)	93,901
Cash Receipts from Sale of Investments/Long Term Assets		836,465	(457,609)	879,153	(435,000)
Net Cash Inflow/(Outflow) from Investing Activities		393,224	(875,167)	436,781	(825,489)
Net Increase/(Decrease) in Cash		1,238,265	(32,711)	1,105,441	7,424
Opening Cash as at the Beginning of the Year		2,428,498	2,461,208	2,258,136	2,250,712
Closing Cash as at the end of the Year	8	3,666,763	2,428,498	3,363,577	2,258,136
Net Increase/(Decrease) in Cash		1,238,265	(32,711)	1,105,441	7,424

These financial statements should be read in conjunction with the notes to the financial statements.

Internet New Zealand Incorporated
Notes to the financial statements

For the year ended 31 March 2025

1. Reporting Entity

These financial statements comprise the consolidated financial statements of Internet New Zealand Incorporated ('InternetNZ') for the year ended 31 March 2025.

The primary activity of InternetNZ | Ipurangi Aotearoa is the home and guardian for the .nz domain, and it's our mission to create an Internet for all New Zealanders that is safe, accessible and a place for good.

Separate Financial statements for InternetNZ (the "Parent") and consolidated financial statements comprising the Parent and its 100% subsidiary, Domain Name Commission Limited (the “Group”) are presented.

2. Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS RDR) and other applicable Financial Reporting Standards as appropriate to PBEs. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not large as defined by the financial reporting framework.

The Parent and Group is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that is does not have public accountability and annual expenditure of the Group does not exceed $33 million.

The Parent and Group is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

b. Basis of preparation

The financial statements have been prepared on a historical costs basis, except for investments measured at fair value.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

c. Presentation of currency

The financial statements are presented in New Zealand dollars.

All numbers are rounded to the nearest dollar ($), except when otherwise stated.

3. Summary of significant accounting policies

The accounting policies of the Parent and Group have been applied consistently to all years presented in these financial statements.

The significant accounting policies used in the preparation of these financial statements are summarised below:

a. Basis of consolidation

The Group financial statements consolidate the financial statements of the Parent and all entities over which the Parent has the power to govern the financial and operating policies so as to obtain benefits from their activities (defined as "subsidiaries").

Controlled entities are those entities over which the Parent has the power to govern the financial and operating activities so as to obtain benefits from their activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All subsidiaries have a 31 March balance date and consistent accounting policies are applied.

The consolidation of the Parent and subsidiary entities involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intra-group balances are eliminated on consolidation of the Group financial position, performance and cash flows.

In the Parent financial statements, investments in subsidiaries are stated at cost less any impairment losses.

b. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

c. Debtors and other receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

An allowance for impairment is established where there is objective evidence the Parent and Group will not be able to collect all amounts due according to the original terms of the receivable.

d. Creditors and other payables

Trade creditors and other payables are stated at cost.

e. Property, plant and equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

- **Additions and subsequent cost**

  Subsequent costs and the cost of replacing part of an item of property, plant and equipment are recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Parent and Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

  In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

- **Disposals**

  An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use. When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

- **Depreciation**

  Depreciation is recognised as an expense in the reported surplus or deficit and measured on a straight line (SL) basis on all property, plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied:

Building Fitout	Term of the lease	Straight Line
Furniture and Fittings	2.00 - 11.76 Years	Straight Line
Office equipment	2.50 - 9.80 Years	Straight Line
Computer hardware	1.49 - 8.00 years	Straight Line

The residual value, useful life, and depreciation methods of property, plant and equipment are reassessed annually.

f. Intangible assets

Intangible assets acquired separately are initially recognised at cost.

Intangible assets acquired by the Parent and Group, which have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses.

The following amortisation rates have been applied to each class of intangible assets:

Software	2.5 - 8 Years	Straight Line

Residual values and useful lives are assessed at each reporting date.

- **Disposals**

  Gains or losses on derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the surplus or deficit for the year.

- **Internally generated intangible assets**

  Expenditure on research activities is recognised in surplus or deficit as incurred.

  Development expenditure is capitalised only if the expenditure can be measured reliably, the process is technically and commercially feasible, future economic benefits are probable and the Parent and Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in surplus or deficit as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

g. Leased assets

Leases, where the Parent and Group assumes substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Lease payments on finance leases are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest (the effective interest rate) on the remaining balance of the liability. Finance charges are charged directly against the surplus or deficit, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group general policy on borrowing costs.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

h. Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain, when there is a present legal or constructive obligation as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate of the potential settlement can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

The Parent currently has an obligation to make good any alterations to the premises, remove any fixtures and fittings installed and restore the building to the condition it was in at the commencement of their current lease.

i. Employee entitlements

Employee benefits, previously earned from past services, that the Parent and Group expect to be settled within 12 months of reporting date, are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken, at the reporting date.

j. Impairment of non-financial assets

At each reporting date, the Parent and Group assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Parent and Group estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset's or CGU's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised immediately in surplus or deficit.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

k. Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments.

The Group derecognises a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either;

- the Group has transferred substantially all the risks and rewards of the asset; or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- **Financial assets**

  Financial assets within the scope of the PBE IPSAS 41 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, fair value through other comprehensive revenue and expenses or amortised cost. The classifications of the financial assets are determined at initial recognition.

  The Group classifies its financial assets as financial assets at amortised cost.

- **Amortised cost**

  Financial assets are classified in this category if they are held in order to collect their contractual cash flows, and their contractual cash flows are solely payments of principal and interest.

  The Group's financial assets carried at amortised cost are cash and cash equivalents, short term investments, investments and receivables from exchange transactions.

  Financial assets carried at amortised cost are initially recognised at fair value plus directly attributable transaction costs and are thereafter carried at amortised cost using the effective interest method, less provision for impairment.

- **Impairment of financial assets**

  The provision for impairment of receivables is determined by applying a simplified approach to measuring expected credit losses, which calculates a lifetime expected loss allowance. To measure expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. An expected loss rate is then applied to each of these groups; these loss rates are based on historical loss rates, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of counterparties to settle receivables. Impairment on receivables is recognised in a separate provision account, with the loss being recognised in surplus or deficit. On confirmation that a receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The entity assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment provisions for other financial assets are recognised based on a forward looking expected credit loss model.

The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those financial assets where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses, along with gross interest income, are recognised. For those financial assets for which credit risk has increased significantly, lifetime expected credit losses, along with gross interest income, are recognised. For those financial assets that are determined to be credit impaired, lifetime expected credit losses, along with interest income on a net basis, are recognised.

- **Financial Liabilities**
  The Group's financial liabilities include trade and other creditors (excluding GST and PAYE) and employee entitlements.

  All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method. The entity holds no financial liabilities at fair value through surplus or deficit.

l. Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Parent and Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The Parent and Group assess its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship, only the portion of revenue earned on the Parent and Group’s own account is recognised as gross revenue in the Statement of Comprehensive Revenue and Expense.

The following specific recognition criteria must be met before revenue is recognised:

- **Rendering of services**
  Revenue from services rendered is recognised in the accounting periods in which the services are provided.

  The Group recognises revenue from rendering services in proportion to the stage of completion of a transaction at the reporting date.

  The stage of completion is assessed based on surveys of work performed.

Revenue from registry fees is recognised for the month it relates to and the rest is classified as deferred revenue.

- **Interest income**
  Interest income is recognised as it is earned.

m. Foreign currency translation

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction.

Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from then settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

n. Income tax

Due to its charitable status, the Parent and Group is exempt from income tax.

o. Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the Statement of Financial Position.

p. Grant expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria for the grant. They are recognised as expense when the application has been received. The Parent and Group's non-discretionary grants have no substantive conditions (i.e. use for restricted purposes or repay).

Discretionary grants are those grants where the Parent and Group has no obligation to award a grant on receipt of a grant application. For discretionary grants without substantive conditions, the total committed funding is recognised as expense when the grant is approved, and the approval has been communicated to an applicant.

Discretionary grants with substantive conditions are recognised as an expense at the earlier of the grant payment or when the grant conditions have been satisfied.

Grant expenses are disclosed as part of community funding in the Statement of Comprehensive Revenue and Expense.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with PBE standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

5. Capital management policy

The Parent and Group capital is its equity, being the net assets represented by retained earnings and other equity reserves. The primary objectives of the Parent and Group's capital management policy is to ensure adequate capital reserves are maintained in order to support its activities. The Parent and Group manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgetary discretionary expenditure is reduced to avoid the need for external borrowings.

6. Subsidiaries

The consolidated financial statements of the Group include the following subsidiary of the Parent:

All subsidiaries are incorporated in New Zealand under the Companies Act 1993 and registered as charities under the Charities Act 2005.

Name of subsidiary	Principal activity
Domain Name Commission Limited (100%)	Regulating and managing the .nz domain name space and protecting the interests and rights of everyone involved in using it.

7. Operating expense

a. Operations

Operating expenses	Group		Parent	
	2025	2024	2025	2024
	$	$	$	$
Amortisation of intangibles	622,904	642,768	561,080	588,382
Audit fees	52,955	42,100	40,505	33,000
Depreciation of property, plant and equipment	275,991	316,447	272,738	312,250
Loss on disposal of property, plant and equipment	-	64,865	-	64,865
Operating lease payments	338,332	303,904	338,332	303,904
Wages, salaries and other employee costs	7,496,454	6,956,443	6,711,183	5,909,922
Other overheads and administration costs	5,893,773	5,338,872	7,000,067	6,714,548
Total Operating Expenses	14,680,409	13,665,399	14,923,905	13,926,871

b. IT Operations

The Group Te Puni Whakawhanake Rawa (Customer & Product) Operations expenses are $1,650,000 less than the Parent Te Puni Whakawhanake Operations due to the elimination of the management fee paid to Domain Name Commission Limited (2024: $1,635,000).

8. Cash and cash equivalents

	Group 2025 $	Group 2024 $	Parent 2025 $	Parent 2024 $
Cash at bank and in hand	3,666,763	2,428,498	3,363,577	2,258,136
Cash and cash equivalents at end of the year	3,666,763	2,428,498	3,363,577	2,258,136

The carrying amount of cash and cash equivalents approximates their fair value.

9. Trade debtors and other receivables

	Group 2025 $	Group 2024 $	Parent 2025 $	Parent 2024 $
Trade receivables	1,474,421	1,328,901	1,474,359	1,328,901
Accrued interest	75,962	161,728	58,237	134,171
GST receivable	140,563	29,166	140,563	54,618
Expected credit losses	(1,944)	-	(1,944)	-
Total trade debtors and other receivables	1,689,002	1,519,795	1,671,215	1,517,690

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore, the carrying value of trade debtors and other receivables approximates its fair value.

As at 31 March 2025 and 2025, all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.

10. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

Group 2025	Furniture and fittings $	Building fitout $	Computer hardware $	Office equipment $	Assets under construction $	Total $
Gross carrying amount						
Opening balance	326,392	866,831	957,205	74,813	-	2,225,241
Additions	7,110	-	57,575	869	-	65,554
Transferred from WIP	-	-	-	-	611,401	611,401
Disposals of fully amortised assets	-	-	-	-	-	-
Closing balance	333,502	866,831	1,014,780	75,682	611,401	2,902,196
Accumulated depreciation and impairment						
Opening balance	205,192	187,813	500,200	67,046	-	960,251
Current year depreciation	37,737	86,683	148,318	3,253	-	275,991
Depreciation written back on disposal	7,654	-	-		-	7,654
Closing balance	250,583	274,496	648,518	70,299	-	1,243,896
Carrying amount 31 March 2025	82,919	592,335	366,262	5,383	611,401	1,658,300

Group 2024 **Opening balance**	Furniture and fittings $	Building fitout $	Computer hardware $	Office equipment $	Assets under construction $	Total $
Current year depreciation						
Gross carrying amount						
Opening balance	358,605	866,831	2,035,070	69,204	-	3,329,710
Additions	8,411	-	34,646	5,609	-	48,666
Transferred from WIP			-	-	379,874	379,874
Disposals of fully amortised assets	(40,624)	-	(1,112,783)	-	-	(1,153,407)
Closing balance	326,392	866,831	956,933	74,813	379,874	2,604,843
Accumulated depreciation and impairment						
Opening balance	183,478	101,130	1,446,077	62,847	-	1,793,532
Current year depreciation	60,711	86,683	164,854	4,199	-	316,447
Depreciation written back on disposal	(38,997)	-	(1,111,005)		-	(1,150,002)
Closing balance	205,192	187,813	499,926	67,046	-	959,977
Carrying amount 31 March 2024	121,200	679,018	457,007	7,767	379,874	1,644,866

Movements for each class of property, plant and equipment are as follows:

Parent 2025	Furniture and fittings $	Building fitout $	Computer hardware $	Assets under construction $	Total $
Gross carrying amount					
Opening balance	326,392	866,831	957,205	-	2,150,428
Additions	7,110	-	57,575	-	64,685
Work In Progress	-	-	-	611,401	611,401
Disposals	-	-	-	-	-
Closing balance	333,502	866,831	1,014,780	611,401	2,826,514
Accumulated depreciation and impairment					
Opening balance	205,192	187,813	500,200	-	893,205
Current year depreciation	37,737	86,683	148,318	-	272,738
Revaluation	7,654	-	-	-	7,654
Closing balance	250,583	274,496	648,518	-	1,173,597
Carrying amount 31 March 2025	82,919	592,335	366,262	611,401	1,652,917

Parent 2024	Furniture and fittings $	Building fitout $	Computer hardware $	Assets under construction $	Total $
Gross carrying amount					
Opening balance	358,605	866,831	2,035,070	-	3,260,506
Additions	8,411	-	34,646	-	43,057
Work In Progress	-	-	-	379,874	379,874
Disposals	(40,624)	-	(1,112,783)	-	(1,153,407)
Closing balance	326,392	866,831	956,933	379,874	2,530,030
Accumulated depreciation and impairment					
Opening balance	183,478	101,130	1,446,077	-	1,730,685
Current year depreciation	60,711	86,683	165,128	-	312,250
Depreciation written back on disposal	(38,997)	-	(1,111,005)	-	(1,150,002)
Closing balance	205,192	187,813	500,200	-	892,933
Carrying amount 31 March 2024	121,200	679,018	456,733	379,874	1,637,097

As at 31 March 2025, the Parent and Group have no contractual commitments to acquire property, plant and equipment (2024: none)

11. Intangible assets

Movements for each class of intangible assets are as follows:

Group 2025	Software $	Intangibles under construction $	Total $
Gross carrying amount			
Opening balance	4,348,592	-	4,348,592
Additions	182,521	-	182,521
Reallocation	-	-	-
Disposals in current year	-	-	-
Closing balance	4,531,113	-	4,531,113
Accumulated amortisation and impairment			
Opening balance	1,320,138	-	1,320,138
Current year amortisation	622,904	-	622,904
Reallocation	-	-	-
Revaluation	6,688	-	6,688
Closing balance	1,949,730	-	1,949,730
Carrying amount 31 March 2025	2,581,383	-	2,581,383

Group 2024 **Opening balance**	Software $	Intangibles under construction $	Total $
Current year amortisation			
Gross carrying amount			
Opening balance	4,594,641	-	4,594,641
Additions	25,859	-	25,859
Reallocation	(56,639)	-	(56,639)
Disposals in current year	(215,269)	-	(215,269)
Closing balance	4,348,592	-	4,348,592
Accumulated amortisation and impairment			
Opening balance	886,073	-	886,073
Current year amortisation	642,768	-	642,768
Reallocation	(56,639)		(56,639)
Amortisation written back on disposal	(152,064)	-	(152,064)
Closing balance	1,320,138	-	1,320,138
Carrying amount 31 March 2024	3,028,454	-	3,028,454

Movements for each class of intangible assets are as follows:

Parent 2025	Software $	Intangibles under construction $	Total $
Gross carrying amount			
Opening balance	4,052,480	-	4,052,480
Additions	182,521	-	182,521
Category reallocation	-	-	-
Disposals	-	-	-
Closing balance	4,235,001	-	4,235,001
Accumulated Amortisation and impairment			
Opening balance	1,176,065	-	1,176,065
Current year Amortisation	561,080	-	561,080
Category reallocation	-	-	-
Revaluation	6,688	-	6,688
Closing balance	1,743,833	-	1,743,833
Carrying amount 31 March 2025	2,491,168	-	2,491,168

Parent 2024	Software $	Intangibles under construction $	Total $
Gross carrying amount			
Opening balance	4,275,513	-	4,275,513
Additions	4,400	-	4,400
Category reallocation	(56,639)	-	(56,639)
Disposals	(170,794)	-	(170,794)
Closing balance	4,052,480	-	4,052,480
Accumulated Amortisation and impairment			
Opening balance	751,911	-	751,911
Current year Amortisation	588,382	-	588,382
Category reallocation	(56,639)	-	(56,639)
Amortisation written back on disposal	(107,589)	-	(107,589)
Closing balance	1,176,065	-	1,176,065
Carrying amount 31 March 2024	2,876,415	-	2,876,415

12. Investments

	Group		Parent	
	2025 $	2024 $	2025 $	2024 $
Loans and receivables				
Term deposits	9,374,638	10,529,044	8,622,964	9,820,059
Financial assets at fair value through surplus or deficit				
Managed Funds	6,023,586	5,705,645	6,023,586	5,705,645
Total Financial Assets	15,398,224	16,234,689	14,646,550	15,525,704

All the term deposits for the year are between 6 and 12 months and interest rates varies between 2.50% and 5.70%.

There is no impairment provision for investments.

Managed funds

InternetNZ holds managed funds with Fisher Funds (formerly Kiwi Wealth) and Milford Asset Management. Managed funds are held with the aim to deliver long term capital growth with moderate risk.

The fair value of the Parent and Group investments have been determined by reference to their quoted prices at the reporting date.

Funds invested in Fisher Funds (formerly Kiwi Wealth) are under their Growth plan which is up to 90% in shares and other growth assets, with the remainder invested in cash and fixed interest assets.

Milford Asset Management funds are invested in a Balanced Plan which is a diversification fund primarily invested in equities, with an allocation to fixed interest securities.

13. Total unspent funds held

	Group		Parent	
	2025 $	2024 $	2025 $	2024 $
Total unspent funds held:				
Cash and cash Equivalents	3,666,763	2,428,498	3,363,577	2,258,135
Investments	15,398,224	16,234,689	14,646,550	15,525,704
Total unspent funds held	19,064,987	18,663,187	18,010,127	17,783,839
The total unspent funds are held by:				
Internet New Zealand Incorporated	18,010,127	17,783,839	18,010,127	17,783,839
Domain Name Commission Limited	1,054,860	879,348	-	-
Total unspent funds held	19,064,987	18,663,187	18,010,127	17,783,839
Represented by:				
Funds held but not yet spent	7,621,331	7,049,928	6,566,471	6,170,580
Deferred revenue	11,443,656	11,613,259	11,443,656	11,613,259
Total unspent funds held	19,064,987	18,663,187	18,010,127	17,783,839

14. Trade creditors and other payables

	Group		Parent	
	2025 $	2024 $	2025 $	2024 $
Trade creditors	1,468,222	1,082,056	1,312,398	1,053,443
Other accruals	306,950	303,540	278,452	188,735
Grant committed	40,000	16,000	40,000	16,000
GST Payable	4,235			
Total trade creditors and other payables	1,819,407	1,401,596	1,630,850	1,258,178

Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms; therefore their carrying amount approximates their fair value.

15. Deferred revenue

	Group 2025 $	Group 2024 $	Parent 2025 $	Parent 2024 $
Current	8,250,238	8,230,262	8,250,238	8,230,262
Non-current	3,193,418	3,382,997	3,193,418	3,382,997
Total deferred revenue	11,443,656	11,613,259	11,443,656	11,613,259

Registry fees received by InternetNZ Limited are recognised as revenue on a straight-line basis over the period of registration which ranges from 1 to 10 years. Registry fee receipts received for periods subsequent to balance date are treated as deferred revenue.

16. Employee entitlements

	Group 2025 $	Group 2024 $	Parent 2025 $	Parent 2024 $
Annual leave entitlements (current)	503,260	445,628	466,463	411,241
Liability for long-service leave (non-current)	52,270	43,722	48,035	37,307
Total employee entitlements	555,530	489,350	514,498	448,548

Short–term employee entitlements represent the Parent and Group's obligation to its current and former employees that are expected to be settled within 12 months of balance date. These mainly consist of accrued holiday entitlements at the reporting date.

Long–term employee entitlements represent the Parent and Group's obligation to its current and former employees for services provided up to reporting date which settlement will be beyond 12 months of reporting date. These mainly consist of long-service leave entitlements at the reporting date.

During the year, the number of employees who received remuneration greater than $100,000 is 32 (2024: 24)

17. Operating leases

Operating leases are held for premises used for office space.

Non-cancellable operating leases are payable as follows:	Group 2025 $	Group 2024 $	Parent 2025 $	Parent 2024 $
Less than one year	334,105	325,161	334,105	325,161
Between one and five years	655,058	583,508	655,058	583,508
More than five years	-	-	-	-
Total operating lease commitment	989,163	908,669	989,163	908,669

18. Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Parent or Group.

The Parent and Group has a related party relationship with its Subsidiaries, Executive Officers and other Key Management Personnel.

a. Transactions between Parent and subsidiaries

Internet New Zealand Incorporated (InternetNZ) owns 100% of the share capital in its subsidiaries:

- Domain Name Commission Limited (DNCL).

DNCL paid administration fees to InternetNZ during the year of $311,886 (2024: DNCL $276,527).

InternetNZ paid a management fee to DNCL during the year of $1,650.000 (2024: DNCL $1,635,000)

InternetNZ has trade debtors owing from DNCL of $2,956.58 (2024: $1,987.46).

InternetNZ has trade creditors owing to DNCL of $0 (2024: $0)

b. Other related party transactions

DNCL paid directors fees of $35,436.12 (2024: $35,470).

A close family member of a key management person was engaged in work around Kauwaka design system valued at $3,000 NZD. (2024: $0)

c. Key management compensation

The Parent and Group have a related party relationship with its key management personnel. Key management personnel include the Parent's Board Members, Subsidiary Directors and the Senior Management.

Key management personnel compensation includes the following expenses:	**Group**		**Parent**	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Governance fees, salaries and other short-term employee benefits	1,756,784	1,644,012	1,462,770	1,349,998
Total remuneration	1,756,784	1,644,012	1,462,770	1,349,998
Number of persons recognised as key management personnel	20	20	16	16

19. Other current liabilities

These liabilities represent an obligation to pay cash to Christchurch Call Advisory Network (CCAN). The Group is performing secretarial duties for these entities and receives cash and pays expenses on their behalf. There are no restriction on the use of this cash. The liability is the outstanding amount due to CCAN.

20. Financial instruments

a. Carrying value of financial instruments

The carrying amounts of all material financial assets and liabilities are considered to be equivalent to fair value.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

b. Classification of financial instruments

All financial assets held by the Parent and Group classified as "loans and receivables" are carried at cost less accumulated impairment losses. Investments in managed funds are classified as "Financial assets at fair value through surplus or deficit" as disclosed in Note 12.

All financial liabilities held by the Parent and Group are carried at amortised cost using the effective interest rate method.

	Group		Parent	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Financial assets (loans and receivables)				
Cash and cash equivalents	3,666,763	2,428,498	3,363,577	2,258,136
Term deposits	9,374,638	10,529,044	8,622,964	9,820,059
Trade debtors	1,689,002	1,331,126	1,671,215	1,463,072
Financial assets (fair value through surplus and deficit)				
Managed funds	6,023,586	5,705,645	6,023,586	9,820,059
Total financial assets	20,753,989	19,994,313	19,681,342	23,361,326
Financial liabilities (amortised cost)				
Trade creditors	1,468,222	1,450,996	1,312,398	1,053,443
Employee entitlements	503,260	445,628	466,463	411,241
Other current liabilities	453,083	319,540	424,585	319,540
Total financial liabilities	2,424,565	13,829,423	2,203,446	13,397,483

Deferred revenue was included under financial liabilities in prior years but this year it has been removed under IPSAS 41.

21. Contingent assets and contingent liabilities

The Parent and Group have no contingent assets or continent liabilities (2024 : None)

22. Events after the reporting period

There were no events that have occurred after balance date that would have a material impact on these financial statements. (2024 : None).

Grant Thornton

Independent Auditor's Report

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To the Board Members of Internet New Zealand Incorporated

Report on the Audit of the Performance Report

Opinion

We have audited the performance report of Internet New Zealand Incorporated and its controlled entities (the "Group") which comprise the consolidated financial statements on pages 12 to 32 and the consolidated service performance information on pages 3 to 11. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive revenue and expense, statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying performance report presents fairly, in all material respects:

- the financial position of the Group as at 31 March 2025, its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 31 March 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the Group's measurement bases or evaluation methods

in accordance with the Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board ("applicable financial reporting framework").

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out certain business advisory and consulting work for the Group. The firm has no other relationship with, or interests in, the Group.

Other information Other than the Performance Report and Auditor's Report thereon

The Board Members are responsible for the other information. The other information comprises the information included in the annual report and any external links included in the statement of service performance but does not include the performance report and our auditor's report thereon.

Our opinion on the performance report does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board Members for the Performance Report

The Board Members are responsible on behalf of the Group for:

- the preparation, and fair presentation of the performance report in accordance with applicable financial reporting framework.
- the selection elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the applicable financial reporting framework.
- the preparation and fair presentation of service performance information in accordance with the Group's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework.
- the overall presentation, structure, and content of the service performance information in accordance with the applicable financial reporting framework; and
- such internal control as the Board members determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board members are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

A further description of the auditor's responsibilities for the audit of the performance report is located at the External Reporting Board's website at: https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/

Restriction on use of our report

This report is made solely to the Board Members, as a body. Our audit work has been undertaken so that we might state to them those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board Members, as a body, for our audit work, this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited

Grant Thornton

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Director

Wellington

8 July 2025