



# **Group financial statements**

to the quarter ended 31 December 2023

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## Consolidated Income Statement

**Internet New Zealand Group**  
**Consolidated Income Statement**  
**Year to date (YTD) 31 Dec 2023**

Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
<b>Income - Operating</b>								
Registry Fees	10,148,090	10,183,683	(35,593)	0%	10,148,090	10,183,683	(35,593)	0%
Broadband Map	33,850	48,450	(14,600)	-30%	33,850	48,450	(14,600)	-30%
Sundry Income	2 (a) 138,328	73,565	64,763	88%	288,523	261,960	26,563	10%
<b>Total Operating Income</b>	<b>10,320,268</b>	<b>10,305,698</b>	<b>14,571</b>	<b>0%</b>	<b>10,470,464</b>	<b>10,494,093</b>	<b>(23,629)</b>	<b>0%</b>
<b>Less Direct Expenses</b>								
Domain Name Commission Fee	1 (a) -	-	-	-	1,226,250	1,226,250	0	0%
.nz Costs	1,539,344	1,577,356	38,012	2%	1,539,344	1,577,356	38,012	2%
Other	86,905	94,625	7,720	8%	86,905	94,625	7,720	8%
<b>Total Direct Expenses</b>	<b>1,626,249</b>	<b>1,671,981</b>	<b>45,732</b>	<b>3%</b>	<b>2,852,499</b>	<b>2,898,231</b>	<b>45,732</b>	<b>2%</b>
<b>Less Other Expenses</b>								
Audit	-	-	-	-	-	-	-	-
Amortisation & Depreciation	278,692	279,988	1,296	0%	235,501	236,752	1,251	1%
Registrar Engagement	10,139	12,003	1,864	16%	2,998	6,000	3,002	50%
Communications	57,682	78,363	20,681	26%	-	15,000	15,000	100%
Community Investment	750,853	893,725	142,872	16%	750,853	893,725	142,872	16%
Domain Name Commission	105,390	107,651	2,261	2%	-	-	-	-
Employment	4,971,752	5,251,419	279,667	5%	4,312,318	4,543,198	230,880	5%
Governance	287,549	278,396	(9,153)	-3%	253,635	239,341	(14,294)	-6%
International	209,489	143,000	(66,489)	-46%	182,383	115,000	(67,383)	-59%
Legal	53,301	100,253	46,952	47%	46,587	62,750	16,163	26%
Operational	1,345,791	1,653,662	307,871	19%	1,286,400	1,540,670	254,270	17%
Projects	4,125	0	(4,125)	0%	-	-	-	-
Security	19,965	42,180	22,215	53%	19,965	42,180	22,215	53%
<b>Total Expenses</b>	<b>8,094,727</b>	<b>8,840,640</b>	<b>745,913</b>	<b>8%</b>	<b>7,090,640</b>	<b>7,694,616</b>	<b>603,976</b>	<b>8%</b>
<b>Net Operating Profit (Loss) Before Tax</b>	<b>599,291</b>	<b>(206,923)</b>	<b>806,215</b>	<b>-390%</b>	<b>527,324</b>	<b>(98,754)</b>	<b>626,078</b>	<b>-634%</b>
<b>Net Operating Profit (Loss) Before Tax</b>	<b>\$599,291</b>	<b>(\$206,923)</b>	<b>\$806,215</b>	<b>-390%</b>	<b>\$527,324</b>	<b>(\$98,754)</b>	<b>\$626,078</b>	<b>-634%</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 (a)** The DNCL fee paid by INZ (\$1,226,250) to DNCL.

**2 (a)** GSE paid by DNCL (\$207,395) to INZ

**Reference:**

Details on the DNCL results are available in the Quarterly DNCL report to Council dated 30th January 2024.

## FOR INFORMATION PURPOSES ONLY

	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
<b>Investing Income</b>								
Interest Received	265,718	193,253	72,465	0	248,301	178,600	69,701	39%
Fair Value Gains/(Losses) on Managed Funds	402,380	182,619	219,761	120%	402,380	182,619	219,761	120%
Realised gains on Foreign Exchange	-	-	-	-	-	-	-	-
<b>Total Investment Income</b>	<b>668,098</b>	<b>375,872</b>	<b>292,226</b>	<b>78%</b>	<b>650,681</b>	<b>361,219</b>	<b>289,462</b>	<b>80%</b>
Managed Funds Fees	12,177	11,934	(243)	-2%	12,177	11,934	(243)	-2%
<b>Total Expenses</b>	<b>12,177</b>	<b>11,934</b>	<b>(243)</b>	<b>-2%</b>	<b>12,177</b>	<b>11,934</b>	<b>(243)</b>	<b>-2%</b>
<b>Net proceeds from Investing Activities</b>	<b>\$655,921</b>	<b>\$363,938</b>	<b>\$292,469</b>	<b>80%</b>	<b>\$638,504</b>	<b>\$349,285</b>	<b>\$289,705</b>	<b>83%</b>

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

## Consolidated Income Statement – By Function

### Internet New Zealand Group Consolidated Income - Function Based Year to date (YTD) 31 Dec 2023

Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
<b>Income - Operating</b>								
DNCL Sundry	57,200	19,000	38,200	201%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)	10,181,940	10,257,133	(75,193)	-1%	10,181,940	10,257,133	(75,193)	-1%
Te Puni Whiriaa (Public Impact)	76,794	29,265	47,529	162%	112,933	65,381	47,552	73%
Te Puni Raupa (Organisational Performance)	4,334	300	4,034	0%	175,590	171,579	4,011	2%
<b>Total Operating Income</b>	<b>10,320,268</b>	<b>10,305,698</b>	<b>14,570</b>	<b>0%</b>	<b>10,470,464</b>	<b>10,494,093</b>	<b>(23,629)</b>	<b>0%</b>
<b>Less Activity Expenditure</b>								
.nz Operations (DNCL) 2 (a)	1,004,087	1,146,024	141,937	12%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product) 1 (a)	3,565,743	3,731,608	165,865	4%	4,791,993	4,957,858	165,865	3%
Te Puni Whiria (Public Impact)	2,057,800	2,252,586	194,786	9%	2,057,800	2,252,586	194,786	9%
Te Puni Māori	296,774	413,271	116,497	28%	296,774	413,271	116,497	28%
Te Puni Raupa (Organisational Performance)	2,796,573	2,969,132	172,559	6%	2,796,573	2,969,133	172,560	6%
<b>Total Expenses</b>	<b>9,720,977</b>	<b>10,512,621</b>	<b>791,644</b>	<b>8%</b>	<b>9,943,139</b>	<b>10,592,848</b>	<b>649,709</b>	<b>6%</b>
<b>Net Operating Profit (Loss) Before Tax</b>	<b>599,291</b>	<b>(206,923)</b>	<b>806,214</b>	<b>-390%</b>	<b>527,324</b>	<b>(98,755)</b>	<b>626,079</b>	<b>-634%</b>
<b>Net Operating Profit (Loss) Before Tax</b>	<b>\$599,291</b>	<b>(\$206,923)</b>	<b>\$806,214</b>	<b>-390%</b>	<b>\$527,324</b>	<b>(\$98,755)</b>	<b>\$626,079</b>	<b>-634%</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 (a) The DNCL fee paid by INZ (\$1,226,250) to DNCL.

2 (a) GSE paid by DNCL (\$207,395) to INZ

#### FOR INFORMATION PURPOSES ONLY

	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
<b>Investing Income</b>								
Interest Received	265,718	193,253	72,465	37%	248,301	178,600	69,701	39%
Realised gains on Foreign Exchange	0	0	0	0%	0	0	0	0%
Fair Value Gains/(Losses) on Managed Funds	402,380	182,619	219,761	120%	402,380	182,619	219,761	120%
<b>Total Investment Income</b>	<b>668,098</b>	<b>375,872</b>	<b>292,226</b>	<b>78%</b>	<b>650,681</b>	<b>361,219</b>	<b>289,462</b>	<b>80%</b>
Managed Funds Fees	12,177	11,934	(243)	-2%	12,177	11,934	(243)	-2%
<b>Total Expenses</b>	<b>12,177</b>	<b>11,934</b>	<b>(243)</b>	<b>-2%</b>	<b>12,177</b>	<b>11,934</b>	<b>(243)</b>	<b>-2%</b>
<b>Net proceeds from Investing Activities</b>	<b>\$655,921</b>	<b>\$363,938</b>	<b>\$292,469</b>	<b>80%</b>	<b>\$638,504</b>	<b>\$349,285</b>	<b>\$289,705</b>	<b>83%</b>

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

## Consolidated Movements in Equity

### Internet New Zealand Group Statement of Movements in Equity Year to date (YTD) 31 Dec 2023

	GROUP	INZ	DNCL
<b>Equity at start of period</b>			
Opening Retained Earnings	10,539,128	10,248,305	290,823
Shares Subscribed	-	-	580,000
	10,539,128	10,248,305	870,823
<b>Net Profit (Loss) After Tax</b>	1,255,213	1,165,828	89,384
<b>Equity at end of period</b>	<b>\$11,794,340</b>	<b>\$11,414,133</b>	<b>\$960,207</b>

## Consolidated Balance Sheet

### Internet New Zealand Group Balance Sheet As at 31 Dec 2023

	GROUP	INZ	DNCL
<b>Current Assets</b>			
Cash and Cash Equivalents	13,232,428	12,333,386	899,042
Managed Funds	5,376,781	5,376,781	-
Other Current Assets	1,612,966	1,555,389	57,577
<b>Total Current Assets</b>	<b>20,222,175</b>	<b>19,265,556</b>	<b>956,619</b>
<b>Non-current Assets</b>			
Property, Equipment & Software	3,681,240	3,325,419	355,821
less: Accumulated Depreciation	(2,140,273)	(1,944,655)	(195,619)
Intangible Assets	4,223,276	4,223,276	-
less: Amortisation	(1,141,914)	(1,141,914)	-
Investments	-	-	-
Shares and Loans	-	580,000.00	-
<b>Total Assets</b>	<b>24,844,505</b>	<b>24,307,683</b>	<b>1,116,821</b>
<b>Less Liabilities:</b>			
Deferred Income	11,606,214	11,606,214	-
Trade and Other Payables	1,443,950	1,287,336	156,614
<b>Total Liabilities</b>	<b>13,050,164</b>	<b>12,893,550</b>	<b>156,614</b>
<b>Net Assets</b>	<b>\$11,794,340</b>	<b>\$11,414,133</b>	<b>\$960,207</b>

Represented By:

<b>Total Equity</b>	<b>\$11,794,340</b>	<b>\$11,414,133</b>	<b>\$960,207</b>
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#### Notes:

The following items have been removed upon consolidation.

1 Share in DNCL wholly owned by InternetNZ.

2 Share subscription with respect to shares issued to InternetNZ by DNCL

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## Group Revenue Analysis to the Period ending 31 December 2023

Consolidated Revenue	Actual	Budget	Variance	% of Total Sales
Registry Fees	10,148,090	10,183,683	(35,593)	98.3%
BBM	33,850	48,450	(14,600)	0.3%
Sundry - Membership	3,859	3,264	595	0.0%
Sundry - Recharge & Misc	134,469	70,301	64,168	1.3%
<b>Total Operating Revenue</b>	<b>10,320,268</b>	<b>10,305,698</b>	<b>14,571</b>	<b>100%</b>

### FOR INFORMATION PURPOSES ONLY

<b>Net proceeds from Investing Activities</b>	655,921	363,938	291,983	6.4%
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- Revenue is reported excluding investment activities to reduce market distortion.
- Fair value gains of **\$291k** on managed funds for the third quarter saw a return to gains from the losses in Q2 of **(\$76k)**, resulting in a YTD return of **\$402K** after fees. Term deposit returns for the quarter were **\$97k**, YTD **\$248k**. Total investment returns (before fees) to the end of Q3 **\$651k**.
- The accounts report a Total Operating revenue for the quarter of **\$3.5M** and **\$10.5M** YTD, up by \$121k compared to the same period last year.

## Group Expenditure Analysis by Function to the Period ending 31 December 2023

Consolidated Expenditure by Function	Actual	Budget	Variance	% of Total Expenditure
Domain Name Commission	1,004,087	1,146,024	141,937	10.3%
Te Puni Whakawhanake Rawa/Cust & Prod	3,565,743	3,731,608	165,865	36.7%
Te Puni Whiria/Public Impact	2,057,800	2,252,586	194,786	21.2%
Te Puni Maori	296,774	413,271	116,497	3.1%
Te Puni Raupa/Organisational Performance	2,796,573	2,969,132	172,559	28.8%
<b>Total Operating Expenditure</b>	<b>9,720,977</b>	<b>10,512,621</b>	<b>791,644</b>	<b>100.0%</b>

#### Notes:

DNCL expenditure excludes  
2 (a) GSE paid by DNCL (\$207,395) to INZ

Underspend variances are attributable to several factors, including recruitment delays resulting in delayed planned work and funding budget phasing.

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

## Summary reporting by functional areas of expenditure: -

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**

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

### **Te Puni Māori**

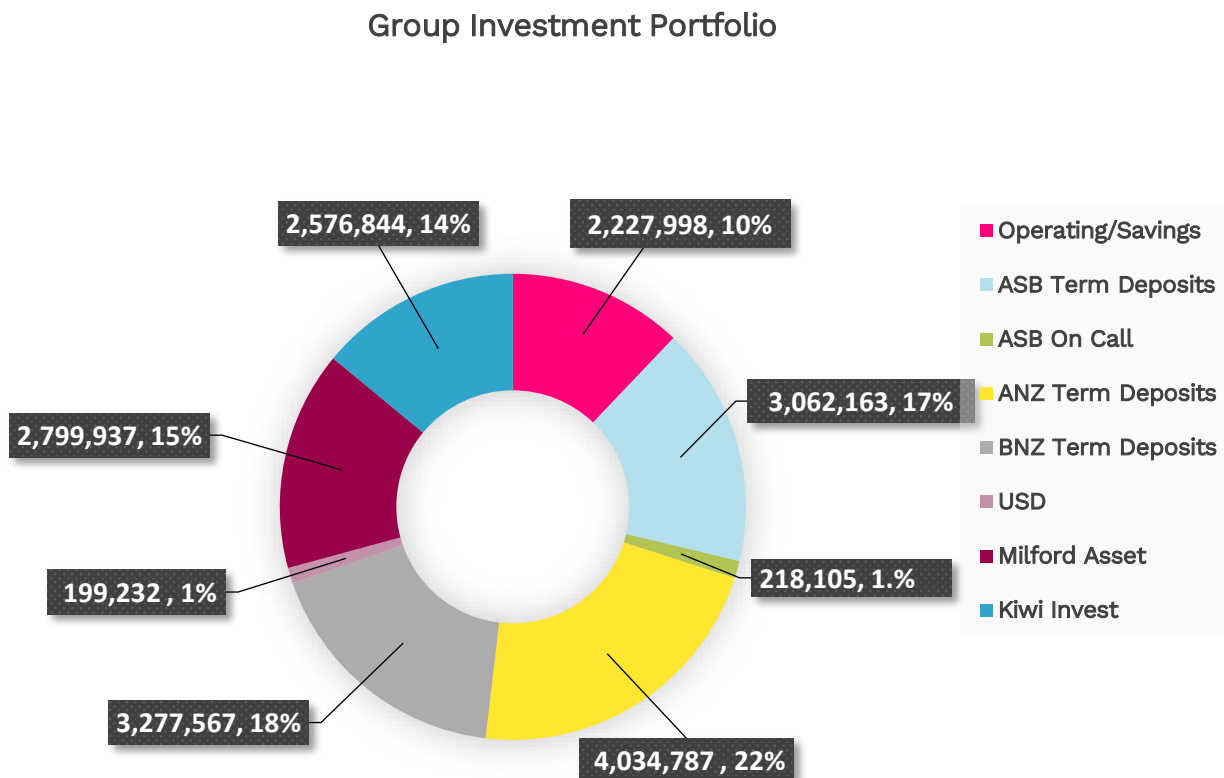
- Māori sector partnership and relationships
- Rautaki Māori
- Māori cultural intelligence and cultural capability

### **Te Puni Raupa/Organisation Performance**

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

## Group Investments as of 31 December 2023

The chart below shows the percentage spread of funds invested (**\$18,396,634**) across all institutions as of 31 December 2023.



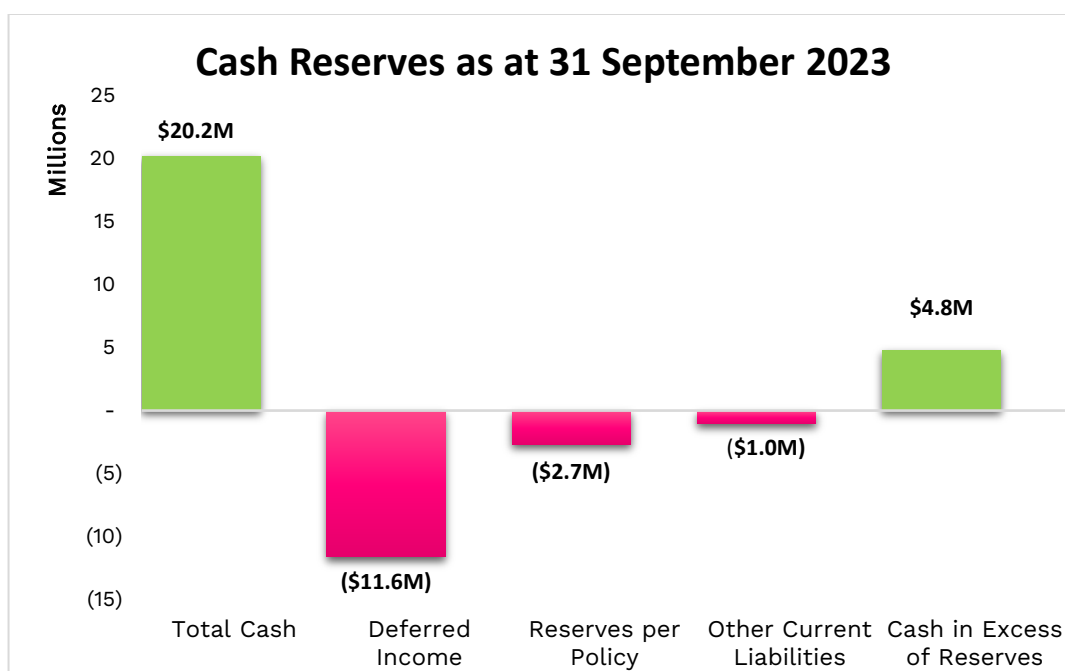
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## Group Cash in Excess of Reserves as of 31 December 2023

We report the Cash in Excess of Reserves position as of 31 December 2023 at **\$4.8M** as provided below:

<b>Total Cash &amp; Current Assets</b>	<b>\$20,166,998</b>
less: Deferred Income	(\$11,606,214)
less: Reserves as per the policy	(\$2,692,241)
less: other Current Liabilities	(\$1,050,563)
<b>Cash in Excess of Reserves</b>	<b>\$4,817,980</b>



The close for the quarter-ended Dec 2023-24 financial year sees **Net Equity at \$12.M** (reported at quarter-ended 30 Sept 2023 as \$11.M) and the **Net Equity minus Reserves** position at **\$7.M** (\$7.2M in the previous quarter).

This exceeds the measure currently required by the *Financial and Investment Strategy Policy*, which sets the Net Equity minus Reserves target at \$5.5M.