

**Internet New Zealand
Consolidated Financial Statements
For the Quarter Ended 30 June 2017**



Internet New Zealand
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For the Quarter Ended 30 June 2017

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**Internet New Zealand
Compilation Report
For the Quarter Ended 30 June 2017**

1. Scope

On the basis of information you provided, we have compiled the Financial Statements, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, for Internet New Zealand. These are special purpose financial statements.

2. Responsibilities:

You are solely responsible for the information contained in the Financial Statements and have determined that the Financial Reporting Act 1993 used is appropriate to meet your needs and for the purpose that the Financial Statements were prepared. The Financial Statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the Financial Statements.

3. No Audit or Review Engagement Undertaken:

Our procedures use accounting expertise to undertake the compilation of the Financial Statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

4. Disclaimer of Liability:

Neither we nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the information from which the Financial Statements have been compiled nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

Deloitte
Wellington NZ
14-Aug-17

**Internet New Zealand
Consolidated Income Statement
For the Quarter Ended 30 June 2017**

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Registry Fees	2,590,248	2,590,248	0	0	2,590,248	2,590,248	0	0
Broadband Map	25,200	25,200	0	0	25,200	25,200	0	0
Management Fees	0	0	0	0	0	0	467,460	467,460
Dividends Received	0	0	0	0	0	0	0	0
Interest Received	87,235	87,235	8,446	8,446	78,676	78,676	113	113
Managed Funds Income	46,028	46,028	46,028	46,028	0	0	0	0
Sundry Income	41,134	41,134	130,625	130,625	0	0	7,000	7,000
Total Income	2,789,845	2,789,845	185,099	185,099	2,694,124	2,694,124	474,573	474,573
Less Direct Expenses								
DNC Fee	0	0	0	0	467,460	467,460	0	0
Other IT	192,084	192,084	0	0	192,084	192,084	0	0
Total Direct Expenses	192,084	192,084	0	0	659,544	659,544	0	0
Less Other Expenses								
Audit Costs	4,314	4,314	414	414	3,900	3,900	0	0
Governance Costs	89,925	89,925	16,537	16,537	37,832	37,832	35,556	35,556
International Travel	25,847	25,847	0	0	26,055	26,055	(208)	(208)
Legal Fees	40,093	40,093	14,665	14,665	8,164	8,164	17,264	17,264
Office Costs	140,476	140,476	118,078	118,078	61,978	61,978	56,911	56,911
Staff Costs	1,175,710	1,175,710	375,029	375,029	481,234	481,234	319,447	319,447
Other Operating Expenses	621,233	621,233	379,349	379,349	207,148	207,148	34,736	34,736
Total Expenses	2,097,598	2,097,598	904,072	904,072	826,311	826,311	463,706	463,706
Net Profit (Loss) Before Tax	500,163	500,163	(718,973)	(718,973)	1,208,269	1,208,269	10,867	10,867
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	500,163	500,163	(718,973)	(718,973)	1,208,269	1,208,269	10,867	10,867

Internet New Zealand
Consolidated Income Statement - Activity Based
For the Quarter Ended 30 June 2017

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Registry Fees	2,590,248	2,590,248	0	0	2,590,248	2,590,248	0	0
Broadband Map	25,200	25,200	0	0	25,200	25,200	0	0
Management Fees	0	0	0	0	0	0	467,460	467,460
Dividends Received	0	0	0	0	0	0	0	0
Interest Received	87,235	87,235	8,446	8,446	78,676	78,676	113	113
Managed Funds Income	46,028	46,028	46,028	46,028	0	0	0	0
Sundry Income	41,134	41,134	130,625	130,625	0	0	7,000	7,000
Total Income	2,789,845	2,789,845	185,099	185,099	2,694,124	2,694,124	474,573	474,573
Less Activity Expenditure								
Issues Programme	117,811	117,811	117,811	117,811	0	0	0	0
Community Funding	150,274	150,274	150,274	150,274	0	0	0	0
Community Engagement	69,860	69,860	69,860	69,860	0	0	0	0
International Engagement	19,627	19,627	19,835	19,835	0	0	(208)	(208)
Governance & Members	124,971	124,971	89,415	89,415	0	0	35,556	35,556
.nz Operations	826,052	826,052	0	0	973,661	973,661	416,342	416,342
.nz Marketing	44,213	44,213	0	0	44,213	44,213	0	0
Technical Research	90,638	90,638	0	0	90,638	90,638	0	0
Business Development	41,020	41,020	0	0	41,020	41,020	0	0
Other Operating Expenses	805,216	805,216	456,877	456,877	336,323	336,323	12,016	12,016
Total Expenses	2,289,682	2,289,682	904,072	904,072	1,485,855	1,485,855	463,706	463,706
Net Profit (Loss) Before Tax	500,163	500,163	(718,973)	(718,973)	1,208,269	1,208,269	10,867	10,867
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	500,163	500,163	(718,973)	(718,973)	1,208,269	1,208,269	10,867	10,867

**Internet New Zealand
Statement of Movements in Equity
For the Quarter Ended 30 June 2017**

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	9,975,339	9,975,339	6,386,107	6,386,107	3,102,827	3,102,827	486,405	486,405
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	500,163	500,163	(718,973)	(718,973)	1,208,269	1,208,269	10,867	10,867
Less:								
Dividend Paid	0	0	0	0	0	0	0	0
Closing Equity	10,475,502	10,475,502	5,667,134	5,667,134	4,341,096	4,341,096	1,077,272	1,077,272

**Internet New Zealand
Balance Sheet
As at 30 June 2017**

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	14,669,536	2,439,157	11,087,487	1,142,892
Managed Funds	2,701,044	2,701,044	0	0
Other Current Assets	1,419,029	61,964	1,335,534	21,531
Total Current Assets	18,789,609	5,202,165	12,423,021	1,164,423
Property, Equipment & Software	977,401	312,029	626,767	38,605
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	0	610,000	0	0
Total Assets	19,767,010	6,124,194	13,049,788	1,203,028
Less Liabilities:				
Deferred Income	8,380,287	0	8,380,287	0
Trade and Other Payables	911,221	457,060	328,405	125,756
Total Liabilities	9,291,508	457,060	8,708,692	125,756
Net Book Value of Assets	10,475,502	5,667,134	4,341,096	1,077,272
Represented By:				
Total Equity	10,475,502	5,667,134	4,341,096	1,077,272

**Internet New Zealand
Statement of Cashflows
For the Quarter Ended 30 June 2017**

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,722,084	2,722,084
Interest Received	87,235	87,235
Managed Funds Income	46,028	46,028
Total Received	2,855,347	2,855,347
Cash was distributed to:		
Payments to Suppliers and Employees	2,290,439	2,290,439
Total Payments	2,290,439	2,290,439
Net Flows From Operating Activities	564,908	564,908
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	145,795	145,795
Net Cash Flows From Investing & Financing Activities	(145,795)	(145,795)
Net Increase Decrease in Cash & Cash Equivalents	419,113	419,113
Plus Opening Cash	16,951,467	16,951,467
Closing Cash Carried Forward	17,370,580	17,370,580
Closing Cash Comprises		
Cash & Cash Equivalents	14,669,536	14,669,536
Managed Funds	2,701,044	2,701,044
	17,370,580	17,370,580
Cash Flow Reconciliation		
Net Profit (Loss) After Tax	500,163	500,163
Plus (Less) non cash items		
Depreciation	145,215	145,215
Subtotal	645,378	645,378
Movement in Working Capital		
(increase) decrease in receivables	188,458	188,458
increase (decrease) in payables	(334,431)	(334,431)
increase (decrease) in deferred income	65,502	65,502
Net Cash Flows From operations	564,907	564,907