

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



Internet New Zealand
Table of Contents
For the Quarter Ended 30 September 2017

Compilation Report	1
Consolidated Income Statement	2
Activity Based Consolidated Income Statement	3
Statement of Movements in Equity	4
Balance Sheet	5
Statement of Cash Flows	6
Cash Flow Reconciliation	6

Internet New Zealand
Compilation Report
For the Quarter Ended 30 September 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.

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-Nov-17

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

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Registry Fees	2,615,060	5,205,308	-	-	2,615,060	5,205,308	-	-
Broadband Map	26,220	51,420	-	-	26,220	51,420	-	-
Management Fees	-	-	-	-	-	-	467,460	934,920
Dividends Received	-	-	1,978,236	1,978,236	-	-	-	-
Interest Received	96,192	183,427	7,328	15,774	81,567	160,243	7,296	7,409
Managed Funds Income	74,467	120,495	74,467	120,495	-	-	-	-
Sundry Income	46,817	87,951	132,450	263,075	-	-	11,256	18,256
Total Income	2,858,756	5,648,601	2,192,482	2,377,581	2,722,847	5,416,971	486,013	960,586
Less Direct Expenses								
DNC Fee	-	-	-	-	467,460	934,920	-	-
Other IT	181,082	373,166	-	-	181,082	373,166	-	-
Total Direct Expenses	181,082	373,166	-	-	648,542	1,308,086	-	-
Less Other Expenses								
Audit Costs	3,850	8,164	(50)	364	3,900	7,800	-	-
Governance Costs	122,424	212,349	50,813	67,350	38,318	76,150	33,294	68,850
International Travel	79,339	125,021	7,844	27,679	55,760	81,815	15,735	15,527
Legal Fees	32,184	72,277	11,536	26,201	623	8,787	20,025	37,289
Office Costs	137,862	278,338	116,445	234,523	62,083	124,061	56,223	113,134
Staff Costs	1,098,934	2,274,644	417,560	792,589	483,128	964,362	198,246	517,693
Other Operating Expenses	670,422	1,271,820	439,367	798,881	203,172	410,320	27,883	62,621
Total Expenses	2,145,016	4,242,614	1,043,515	1,947,586	846,983	1,673,295	351,407	815,115
Net Profit (Loss) Before Tax	532,658	1,032,821	1,148,967	429,995	1,227,322	2,435,590	134,606	145,471
Less Provision for Tax	-	-	-	-	-	-	-	-
Net Profit (Loss) After Tax	532,658	1,032,821	1,148,967	429,995	1,227,322	2,435,590	134,606	145,471

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

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Registry Fees	2,615,060	5,205,308	-	-	2,615,060	5,205,308	-	-
Broadband Map	26,220	51,420	-	-	26,220	51,420	-	-
Management Fees	-	-	-	-	-	-	467,460	934,920
Dividends Received	-	-	1,978,236	1,978,236	-	-	-	-
Interest Received	96,192	183,427	7,328	15,774	81,567	160,243	7,296	7,409
Managed Funds Income	74,467	120,495	74,467	120,495	-	-	-	-
Sundry Income	46,817	87,951	132,450	263,075	-	-	11,256	18,256
Total Income	2,858,756	5,648,601	2,192,482	2,377,581	2,722,847	5,416,971	486,013	960,586
Less Activity Expenditure								
Issues Programme	139,226	257,037	139,226	257,037	-	-	-	-
Community Funding	85,484	235,758	85,484	235,758	-	-	-	-
Community Engagement	153,663	223,523	153,663	223,523	-	-	-	-
International Engagement	79,401	125,083	7,906	27,741	55,760	81,815	15,735	15,527
Governance & Members	225,068	387,871	153,456	242,871	38,318	76,150	33,294	68,850
.nz Operations	631,888	1,427,675	-	-	903,305	1,846,701	292,932	709,274
.nz Marketing	56,121	97,812	-	-	56,121	97,812	-	-
Technical Research	86,090	171,684	-	-	86,090	171,684	-	-
Business Development	46,467	87,487	-	-	46,467	87,487	-	-
Other Operating Expenses	822,689	1,601,850	503,780	960,656	309,464	619,732	9,445	21,463
Total Expenses	2,326,098	4,615,780	1,043,515	1,947,586	1,495,525	2,981,381	351,407	815,115
Net Profit (Loss) Before Tax	532,658	1,032,821	1,148,967	429,995	1,227,322	2,435,590	134,606	145,471
Less Provision for Tax	-	-	-	-	-	-	-	-
Net Profit (Loss) After Tax	532,658	1,032,821	1,148,967	429,995	1,227,322	2,435,590	134,606	145,471

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

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	10,475,502	9,975,339	5,667,135	6,386,107	4,311,096	3,102,828	497,270	486,405
Plus:								
Shares Subscribed	-	-	-	-	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	532,658	1,032,821	1,148,967	429,995	1,227,322	2,435,590	134,606	145,471
Less:								
Dividend Paid	-	-	-	-	1,978,236	1,978,236	-	-
Closing Equity	11,008,160	11,008,160	6,816,102	6,816,102	3,590,182	3,590,182	1,211,876	1,211,876

Internet New Zealand
Balance Sheet
As at 30 September 2017

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	15,372,454	3,449,865	10,655,061	1,267,528
Managed Funds	2,775,328	2,775,328	-	-
Other Current Assets	1,423,120	67,427	1,344,027	11,666
Total Current Assets	<u>19,570,902</u>	<u>6,292,620</u>	<u>11,999,088</u>	<u>1,279,194</u>
Property, Equipment & Software	1,016,228	304,439	682,629	29,160
Intangible Assets	-	-	-	-
Investments				
Shares and Loans	-	610,000	-	-
Total Assets	<u>20,587,130</u>	<u>7,207,059</u>	<u>12,681,717</u>	<u>1,308,354</u>
Less Liabilities:				
Deferred Income	8,592,879	-	8,592,879	-
Trade and Other Payables	986,091	390,957	498,656	96,478
Total Liabilities	<u>9,578,970</u>	<u>390,957</u>	<u>9,091,535</u>	<u>96,478</u>
Net Book Value of Assets	<u>11,008,160</u>	<u>6,816,102</u>	<u>3,590,182</u>	<u>1,211,876</u>
Represented By:				
Total Equity	<u>11,008,160</u>	<u>6,816,102</u>	<u>3,590,182</u>	<u>1,211,876</u>

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

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,900,689	5,622,773
Interest Received	96,192	183,427
Managed Funds Income	74,467	120,495
Total Received	3,071,348	5,926,695
Cash was distributed to:		
Payments to Suppliers and Employees	2,117,070	4,407,509
Total Payments	2,117,070	4,407,509
Net Flows From Operating Activities	954,278	1,519,185
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	177,076	322,871
Net Cash Flows From Investing & Financing Activities	(177,076)	(322,871)
Net Increase Decrease in Cash & Cash Equivalents	777,202	1,196,315
Plus Opening Cash	17,370,580	16,951,467
Closing Cash Carried Forward	18,147,782	18,147,782
Closing Cash Comprises		
Cash & Cash Equivalents	15,372,454	15,372,454
Managed Funds	2,775,328	2,775,328
	18,147,782	18,147,782
Cash Flow Reconciliation		
Net Profit (Loss) After Tax	532,658	1,032,821
Plus (Less) non cash items		
Depreciation	138,248	283,464
Subtotal	670,906	1,316,285
Movement in Working Capital		
(increase) decrease in receivables	(4,091)	184,367
increase (decrease) in payables	74,870	(259,561)
increase (decrease) in deferred income	212,592	278,094
Net Cash Flows From operations	954,278	1,519,185