



Annual Report 2024

Pūrongo ā-tau



Karakia

Kia hora te marino
Kia whakapapa pounamu te moana
Hei huarahi mā tatou i te rangi nei

Aroha atu, aroha mai
Tātou i a tatou katoa
Hui e! Tāiki e!


May peace be widespread
May the sea be like greenstone
A pathway for us all this day

Let us show respect for each other
For one another
Binds us all together

As a proudly New Zealand Aotearoa business, it is our duty and privilege to respect and protect our Māori culture. We regularly use this karakia, which strongly reflects our values, to open our meetings.

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'We are pleased to be able to return a dividend to our Shareholder above the amount budgeted, as well as a special dividend of \$1 million.'



Gregory Fortuin
Gregory Fortuin
Chair

Letter from the Chair

He reta pōwhiri nā te Tiamana

Welcome to our report of the 2023/24 year.

Nau mai ki tā mātou tirohanga rāpopoto o te tau 2023/24.

It is my honour as QV Chair to once again present our business' results for the financial year.

Our calling is to deliver trusted property intelligence and expertise to help people, business and Government prosper. This is all the more important in the current challenging property market, characterised by increased construction costs, credit constraints, high interest rates, and the looming threat posed by climate change. In addition to providing these vital services to our customers, as a State Owned Enterprise, we are proud to provide a commercial return to New Zealand Aotearoa.

Although it has been a challenging year, we are pleased to have exceeded our Statement of Corporate Intent (SCI) financial targets and made excellent progress on achieving our strategic objectives, in particular, towards revaluing every property in New Zealand Aotearoa every day.

Our revenues have held up well notwithstanding the tightening economy, with longer term contracts providing stability and the devastating weather events last year leading to high volumes of insurance related valuation work and property management services. These more than offset the slowdown in our digital and commercial work.

In response to the growing regulatory requirements to service our core work, we increased our resources to deliver improved services for our customers. Although our other costs were very well controlled, as expected, this required increase has put pressure on our margins and bottom line result.

Within this challenging pecuniary context we are pleased to have achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of \$3.4m, 33% ahead of our SCI target, albeit 28% below our prior year's result. Profit after tax at \$1.2m is well above our SCI target of \$0.3m, but below last year's \$2.1m outcome.

We were delighted to be able to pay dividends of \$1.55m to our Shareholder and provide a total shareholder return of 13%.

I would like to take this opportunity to offer my sincerest appreciation to my QV whānau for their outstanding efforts in what has been another big year. Ngā mihi, too, to our devoted leadership team and my fellow Board members, including two outgoing directors, Hon Mark Burton, Chair of our People and Culture Committee, and Alma Hong.

Together, we will continue to deliver great value to all of New Zealand Aotearoa.

Kia ora rawa atu.

Peace and Grace.

'We continue to be committed to the future of the profession by investing heavily in both people and technology.'



A handwritten signature in blue ink that reads "Jacquie Barker".

Jacquie Barker
Chief Executive

Chief Executive Update

Te Pūrongo a te Tumu Whakarae

A focus on our core business.

This year, we have had a strong focus on improving our core business operations.

Facing increasing economic and regulatory headwinds, we have had to adapt and change the way in which we work, to meet our regulatory and customer expectations. This year we have undergone a change to our operating model in order to enhance the delivery of our rating valuation services to our valuable Local Government customers. We provide the critical component – property information – that enables the successful collection of revenue for them, and in turn, the services to their communities.

Our journey continued this year with process automation to assist in faster and more accurate delivery of work for our customers. Our goal is to revalue every property in New Zealand Aotearoa every day. To achieve this goal, we will take advantage of latest technologies, but do so in a way that maximises our strategic advantages – the expertise of our people's property knowledge and the unmatched depth of data that we hold. This powerful combination will assist us to remain a dominant force in the property ecosystem and that relevant and real time property information is available to all New Zealanders.

Increasing numbers of extreme weather events in recent years have starkly demonstrated risks to property. We are taking the first steps towards understanding the impact of climate change on the property

industry and how we can best support our customers' climate resilience through property intelligence.

As a commitment to our future and that of the valuation profession, we were thrilled to welcome another cohort of supremely talented graduates to our coveted graduate programme this year, as well as awarding two more scholarships to promising students seeking a career in property. Alongside our new leadership development and valuation assistant programmes, our 25 Year Club, and safety and wellbeing programme, our commitment to our people remains a key part of what we do.

We are extremely proud of our non-financial performance this year. Our scores for customer trust and satisfaction, employee engagement, diversity, health and wellness, are market leading and continue to improve year on year.

Whakamihi and congratulations to my QV whānau for all your hard mahi and dedication during what has been a year of refocus for our business. I would also like to say a heartfelt thank you and ngā mihi to our Board and Shareholder for your ongoing support. It has been a privilege working with you all in FY2024.

Ngā manaakitanga.
With best wishes.

Our Business Overview FY2024

A Tātou Mahi

We are proud to have seen an uplift in our market-leading scores for brand trust, customer and employee satisfaction.

Our people and customers FY24



Our finances FY24

Trading
revenue

\$42.7M

Profit for
the Year

\$1.2M

Special
dividend

\$1.0M

Dividend

\$548K

Our rating valuations FY24

1.2M

Combined rating
revaluations delivered in
New Zealand Aotearoa
and NSW Australia

\$1.5T

Combined capital
value of New Zealand
Aotearoa and NSW
Australia revaluations

410K+

Notices of valuation issued
to property owners in
New Zealand Aotearoa

45 

Local government
areas valued in
New Zealand Aotearoa
and NSW Australia

Our Scope of Activities
A Mātou Mahi

New Zealand
Aotearoa's
trusted property
professionals.

Rating valuations

QV is trusted by more Local Governments than any other rating valuation provider in both New Zealand Aotearoa and NSW, Australia. Working together, we help deliver services to local communities.

Property intelligence & tools

Providing expert market intelligence, quality data analytics, digital tools and customised solutions through:

- QV.co.nz
- QV CostBuilder
- House Price Index
- Database Management

What we do



Valuation consultancy

We offer an extensive range of professional services for residential, rural, commercial, and industrial property owners and prospective purchasers to manage risk and make informed decisions.

Property management

We manage and give advice for a diverse range of properties for public sector portfolios to assist with good landlord practices and efficient utilisation of investments.

Who we are

300+

Over 300 property professionals based in New Zealand Aotearoa and NSW, Australia.

130+

Registered Valuers.

What we value

2.4M

Responsible for valuing 2.4 million properties in New Zealand Aotearoa and NSW, Australia.

2.9T

Combined value of 2.4 million properties.

Our brands



New Zealand Aotearoa's leading property valuation and services company.

QV.co.nz

Giving people confidence in their next property value decision with real-time values and a range of property reports and services.



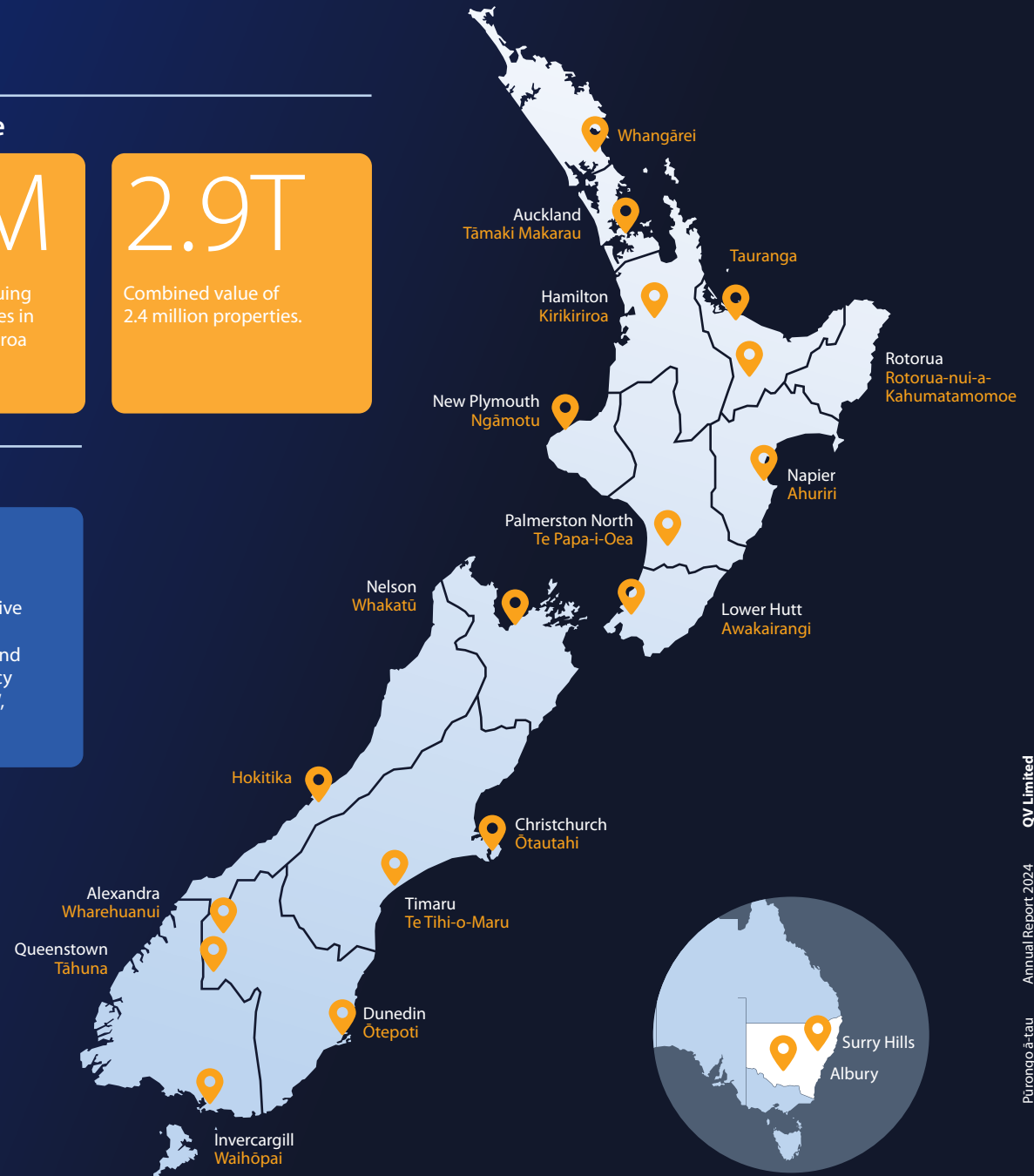
Providing an extensive range of rating and taxation valuation and property consultancy services within NSW, Australia.



Comprehensive subscription-based building construction cost pricing platform.



Quality provider of niche independent property valuation and management services, operating primarily in the commercial and industrial property market.





Our Strategic Framework
Ngā Kaupapa Mahi a QV

We have a clear strategy and sense of purpose.

We are united by a shared purpose, strategic objectives, and values. Our North Star helps inspire us and our capitals represent the various resources that we have at our disposal.

Our Purpose

Delivering trusted property intelligence and expertise to help people, business and Government prosper.

Our North Star

To revalue every property in New Zealand Aotearoa every day.

Our Strategic Objectives

1 We grow the value we deliver

2 We are the most trusted property expert



Trust

Recognised for property expertise



Productivity

Achieving operational excellence



Growth

Creating greater value for customers



Diversification

Connecting people to the information they need

Our Capitals



Intellectual



People



Social



Natural



Financial

Our Values



In sync

We're one tight team with a shared purpose

Whiria te taura kia ita
Plait the binding to hold firm



Rock solid

We're seriously good at what we do

Te toka tū moana
The resilient rock of the sea



Future fit

We're driving change and disrupting the game

Whakamaua te ihu kia tika
Steer the bow to take the right path

Our Strategic Objectives
Ngā Whāinga ā-Rautaki

Our goal is to
revalue every
property in
New Zealand
Aotearoa
every day.



Four strategic priorities for the next three years.

1

Trust

Ensuring our QV brand always stands for trust, authority, and independence. Everything we do as a business will only enhance and grow our reputation as New Zealand Aotearoa's most trusted property experts.

2

Productivity

Utilising our business intelligence and continued advancements in technology to drive efficiencies and productivity gains across our business with our customers in mind.

3

Growth

Growing the value we deliver to our customers, so that we can ultimately lift our long-term social and economic value to New Zealand Aotearoa. Productivity improvements will allow us to divert additional intellectual and people capital into growing our business.

4

Diversification

Opportunities to grow and diversify from leveraging off our core. We will be focussed and deliberate, forging partnerships and closer relationships with organisations that complement our skillsets and values, and investing in the digital assets that support our purpose.

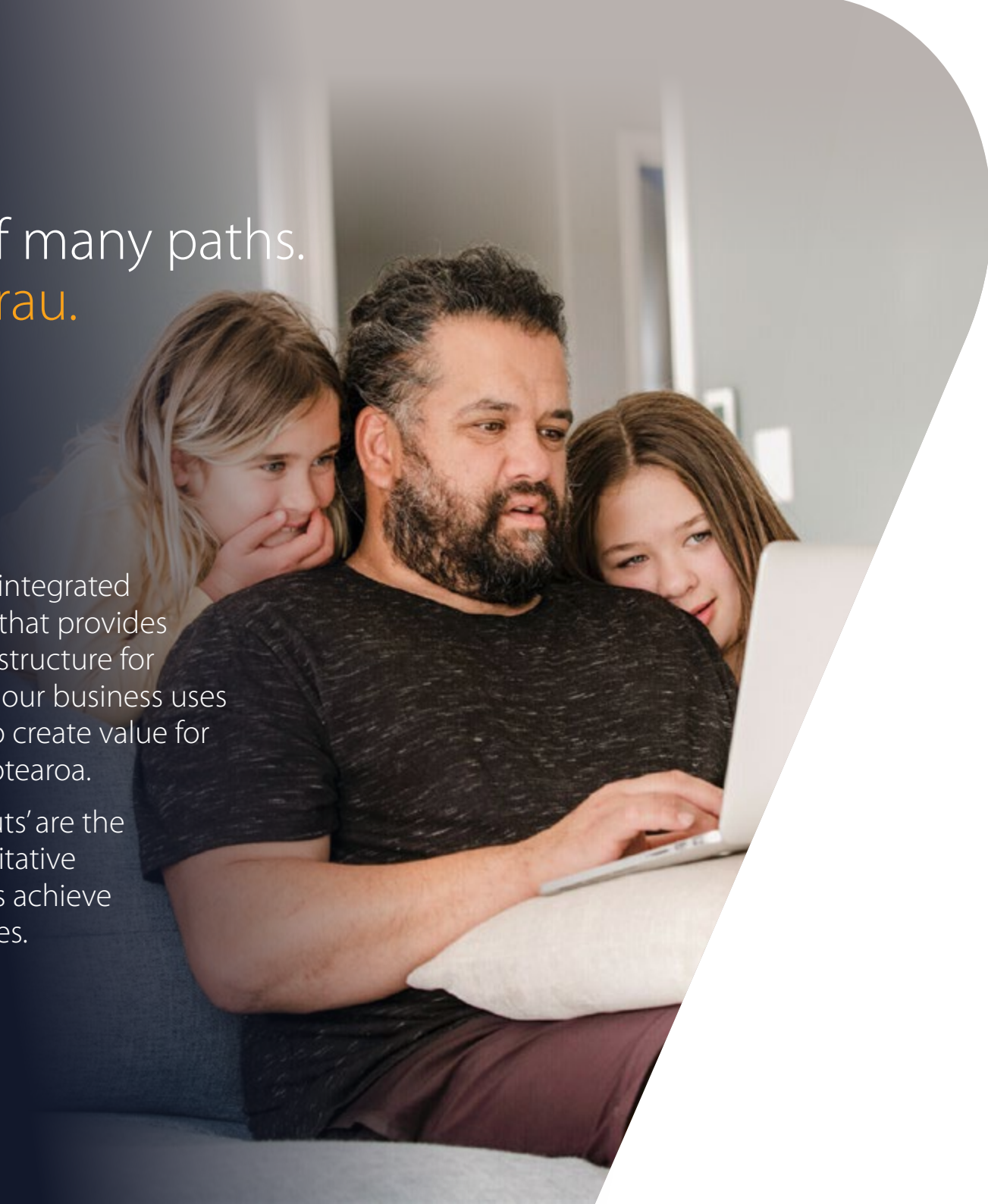


Our Capitals
He Pūrawa

A journey of many paths.
He awa ara rau.

We have adopted an integrated reporting framework that provides an all-encompassing structure for communicating how our business uses disparate resources to create value for all of New Zealand Aotearoa.

Our capitals – or ‘Inputs’ are the quantitative and qualitative resources that help us achieve our strategic objectives.



Inputs

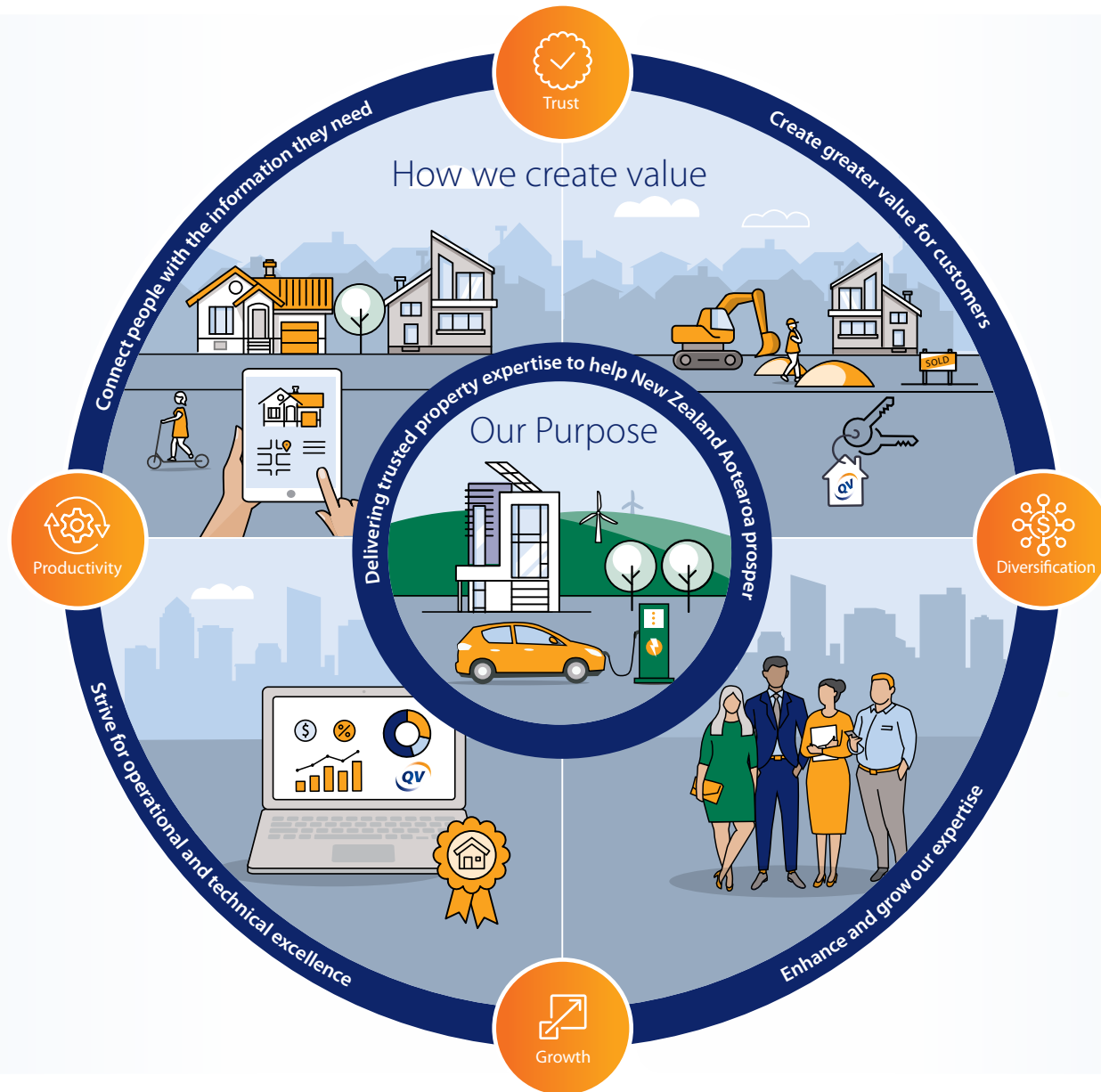
Intellectual Capital
Our depth of expertise, unique data sets and world-class technology.

People Capital
Our highly skilled QV whānau and our steadfast leadership.

Social Capital
Our trusted brand and values, built over 125 years and counting.

Natural Capital
Climate change and the challenges we face.

Financial Capital
Our strong financial position and positive operating cash flows.



Outputs

Intellectual Capital
Delivering accurate property information to help people, business, and Government make better decisions.

People Capital
Sustaining, developing, and growing our QV whānau to achieve our objectives both now and in the future.

Social Capital
Being recognised for our independent, property intelligence and expertise.

Natural Capital
Reducing our impact on the environment and helping increase New Zealand Aotearoa's climate change resilience.

Financial Capital
Providing long-term value and sustainable returns to our Shareholder and therefore to all New Zealand Aotearoa.

Intellectual Capital Manaaki Mātauranga

Our tech, data, insights, and expert knowledge of every type of property in New Zealand Aotearoa and NSW, Australia.



Rating valuations

From the Far North to the Deep South, QV is trusted by more Local Governments than any other rating valuation provider in New Zealand Aotearoa, as reflected in our latest Local Government Customer Net Promoter Score, which was +71 on a scale of -100 to +100. This is an outstanding, market-leading score. We are also the leading service provider in NSW, Australia.

This year we have strengthened this core area of our business, implementing an operating model that better harnesses our people, data and technology to produce higher-quality rating valuations more efficiently, as well as delivering steady workflows throughout the year. By streamlining our service delivery, ensuring we have the right people doing the right work, at the right time.

It also included the establishment of our new Quality Assurance Team, led by highly experienced rating valuers and former auditors. They are responsible not only for ensuring the quality of our output but also providing ongoing training and mentoring to our QV whānau, so our people can grow the value we deliver for our customers.

Our new, more effective way of working will continue to be refined and enhanced to make it more efficient and cost effective, but we have already seen quantitative and qualitative improvements this year.

Technology

Our technology is market leading. It augments and improves absolutely everything that we do as a business – increasing our productivity and efficiency, improving the accuracy of our data, providing transparency of information and improving the quality of all our products and services.

This year we have implemented a number of productivity improvements to our advanced data management system, Monarch, including the creation of an automated application for processing objections, and enhanced performance tracking that provides a new level of data intelligence to identify variations and improve performance. Our software also continues to evolve to give our valuers and customers greater visibility, providing validation and ultimately improving and expediting service delivery.

Embracing advanced technology has been a key focus, including the increased automation of the transfer of property sales data from Land Information New Zealand, further enhancements to our highly accurate real-time valuation engines, and testing automation improvements that reduce development issues and expediate the rollout of new technology across our business.





Rating valuations undertaken by QV play a crucial role in underpinning the generation of over 50% of Local Government revenue.

Property intelligence

We continue to invest and grow our intellectual capital to provide the people of New Zealand Aotearoa with the information they need to navigate the highly complex and changeable property market. This includes the formation of a QV Data Hub to safeguard and assure ongoing data quality, completeness, and governance.

We have also continued to make iterative improvements to the functionality and accessibility of QV.co.nz and our online construction cost database, CostBuilder, to improve service delivery and marketability, and ensure that our property intelligence is always accurate and available. Both of these products were ranked highly for trust in this year's customer surveys, with scores of 79% and 71% respectively.

1.2M+

Properties valued for 45 Local Governments in FY24

1%

Rating valuation objection rate in FY24

65K+

Building consents valued in FY24

55K+

Subdivisions valued in FY24

People Capital Manaaki Tangata

Our whānau is more than 300 people strong, empowering the efficient delivery of market-leading products and services.



Growth and development

To grow the value we deliver for our customers, we must also grow the capability and productivity of our QV whānau. It is our responsibility to ensure that everyone is able to reach their full potential, through ongoing training and development, and the provision of an inclusive, kind, and supportive company culture.

To support our core, we have a workforce of over 130 registered valuers – this is an impressive number, given the scarcity of this expertise. A cadre of valuation assistants perform the essential task of keeping rating valuations up to date throughout the year. Extensive new leadership and valuation assistant accreditation programmes have been put in place to support ongoing professional development.

Our graduate programme continues to be the largest of its kind in New Zealand Aotearoa. We welcomed another nine graduates into our QV whānau this year, bringing the total number of valuers currently being guided towards achieving their registration to over 35. We have refined this highly successful programme further, with the introduction of a new 'road to registration' roadmap, designed to grow the skillsets required in order to excel in an ever-changing property environment.

We also proudly awarded another two QV scholarships this year to promising tertiary students seeking a career in our profession. We look forward to guiding their growth and development for many years to come.

Safety and wellbeing

We value wellbeing. This is not only a core tenet of our QV company culture – it is a top priority across our business. We support our people to be safe and healthy, with flexible working options and support for them and their whānau.

Our own bespoke wellness programme, LiveWell, promotes an ever-evolving suite of health and safety initiatives, training, and benefits to create a healthy workplace. It was extended this year with the rollout of a new market-leading health and wellbeing app, which has far reaching resources and is freely available to every single member of our QV whānau.

In recognition of this work, and in response to ongoing health and safety improvements, we received another maximum five-star rating in this year's IMPAC PreQual health and safety audit, with our overall score also increasing.





Gender equality and diversity

We are proud to be industry leaders for gender inclusion and equality, with a gender mix that is 48% female and 52% male. Although remuneration has always – and will always – be based on the role performed, reflecting the level of skills, responsibilities and effort involved, we are actively monitoring for gender and diversity pay gaps and taking actions to close them.

To effect positive change, this year we reviewed and renewed our recruitment processes and collateral to make them more attractive to a broader, more diverse pool of potential candidates. We recruited five supremely talented female graduates in a cohort of nine, as well as awarding two worthy female students with our QV and Māori Pasifika Scholarships. Our continued focus towards developing internal talent has resulted in supporting five exceptional women into leadership roles.

5 Star



IMPAC PreQual health and safety rating



Māori Pasifika Scholarship – female recipient



Graduate Valuers

Largest property valuation graduate programme in New Zealand Aotearoa

Social Capital

Manaaki i te Hapori

QV is a force for good in New Zealand Aotearoa, delivering tangible benefits to people, businesses, and Government.

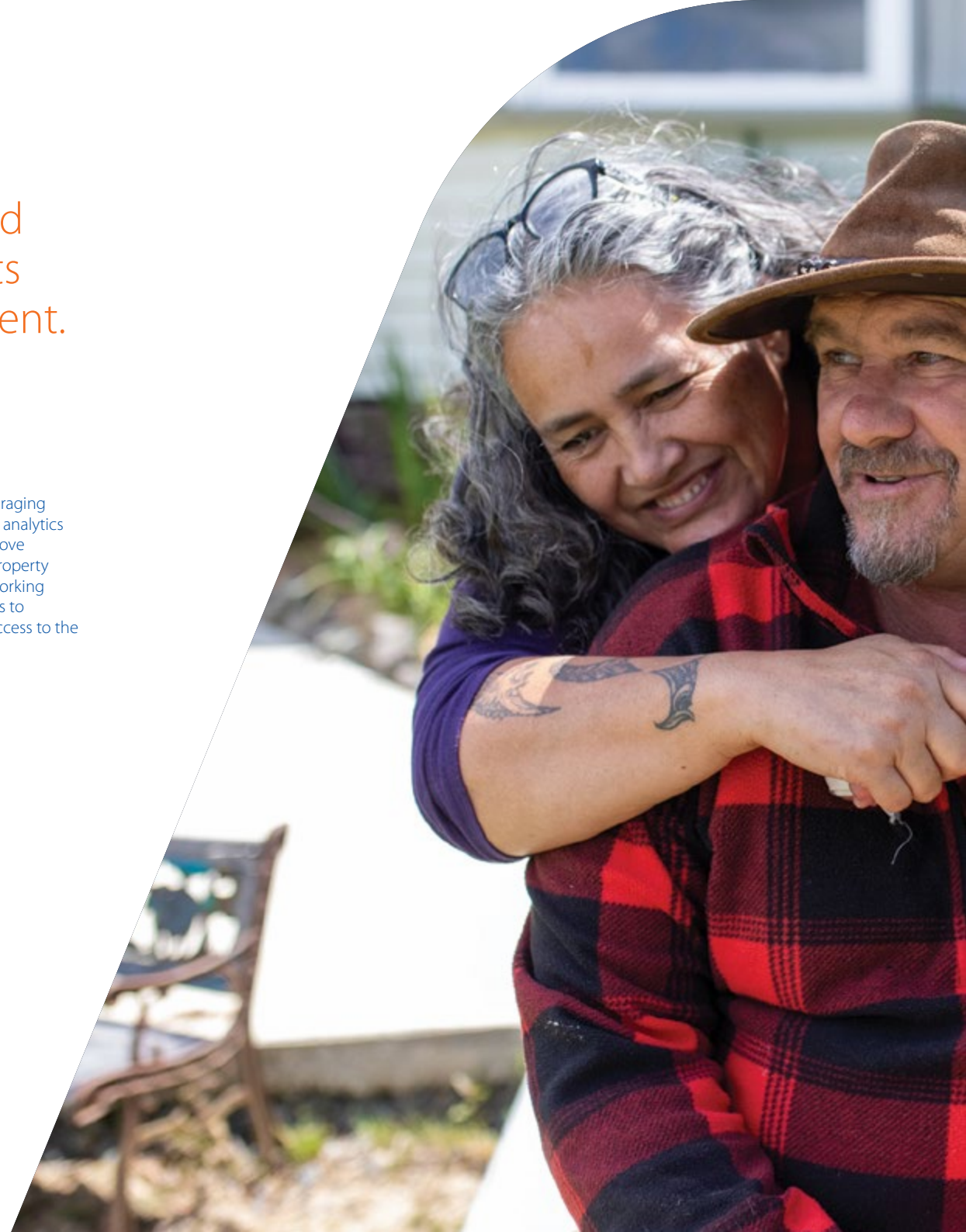


Growing the value we deliver

We have the breadth and depth of property data and professional expertise to help every Kiwi, in every region of New Zealand Aotearoa, make better-informed decisions about our largest asset class – real estate. In these times of economic uncertainty, this is needed more than ever; that is why we increased the frequency of CostBuilder construction price updates this year and have provided additional commentary about the property market via QV.co.nz and on social media.

Our influence extends to funding services for our local communities through our core rating valuation work, which provides an equitable basis for the apportionment of the rates. In this fundamental area of our business, we have worked increasingly closely with our Local Government customers to better communicate with ratepayers about what their latest rating valuations represent and how they are derived.

Meanwhile, it is anticipated that by leveraging our ongoing advancements in our data analytics and technology we will be able to improve the efficiency and productivity of the property ecosystem as a whole. We have been working closely with several government entities to improve decision making with better access to the latest property information.





Helping our storm-affected communities

We have worked incredibly hard this year to support the communities affected by Cyclone Gabrielle and the widespread flooding that occurred in Auckland Tāmaki Makaurau in early 2023, processing more than 2,000 valuations relating to land damage claims.

We have had to allocate a significant portion of business resource into completing these assessments as quickly as possible. Likewise, we acted quickly to aid in the management of properties for Temporary Accommodation Services for the Ministry for Business Innovation and Employment to support those displaced.

These extreme weather events have starkly demonstrated an urgent requirement to ready ourselves and the nation for the effects of climate change on property.

Lifting our brand voice and trust

We aspire to be New Zealand Aotearoa's most trusted property experts. Supporting this ambition, our popular QV House Price Index has once again proven to be an unfailingly timely and informative monthly barometer of the residential property market. This comprehensive national commentary, as well as media releases about our core rating valuation work across the motu, have resulted in another uplift in our total number of QV brand mentions in the media this year.

In addition to traditional media coverage, our latest insights and data has been shared widely on social media with a growing audience of more than 100,000 New Zealanders every month. This has helped ensure that we have been able to get the latest property information into the hands of people and businesses that need it.

As a result of this work, as well as ongoing efforts to ensure the accurate delivery of our business' core valuation services, our business' scores for awareness and brand trust have increased in our latest annual Verian survey across almost every demographic.

Our te ao Māori journey

As a proud New Zealand Aotearoa business, our respect and appreciation for Māori culture is resolute, and it continues to deepen as we work hard to better support our diversity and reflect the diverse communities and customers we serve across the motu.

This year we have finalised a comprehensive three-year cultural roadmap that aligns with the principles of the Treaty of Waitangi/Te Tiriti o Waitangi. It is based on four strategic pillars: strategic integration, people and culture, brand and communications, operations and the Treaty.

Natural Capital Manaaki i te Taiao

We are doing our part to help mitigate the effects of climate change on New Zealand Aotearoa and its property ecosystem.



Building climate change resilience

Adapting to climate change will be the most significant challenge of our time. New Zealand Aotearoa is in a uniquely vulnerable position, surrounded by coastline, and heavily reliant on the primary sector. As starkly demonstrated by extreme weather events over the last two years, these have had significant impacts on our communities – their homes, livelihoods and agricultural produce.

As well as highlighting an urgent need to build up our level of climate change resilience, these events have increased demand for our valuation services, to assess the damage and property management services in support of those whose homes have become uninhabitable. We have been working closely with our Local Government customers to analyse data sets relating to natural hazard and climate change data to ensure that any valuation impacts are carefully considered.

In addition, we have been collaborating with a number of climate and hazard data providers to understand what data and modelling is available, to ensure that our valuers always have access to the most accurate and recent data to be able to better provide information to our customers.

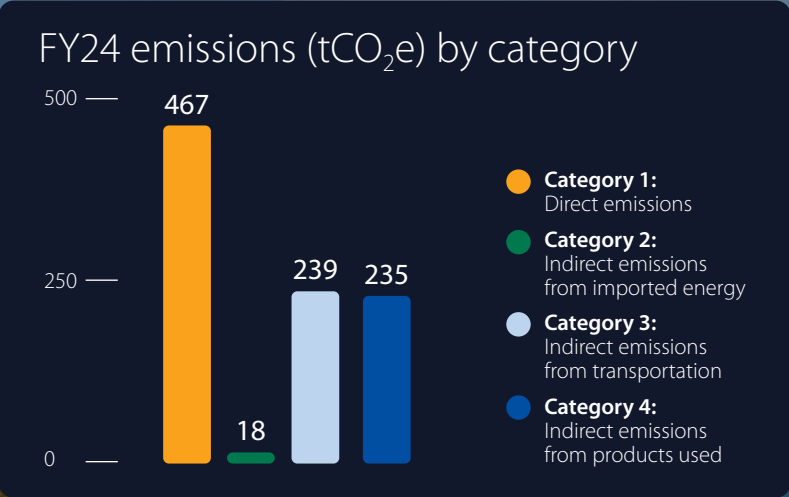
Technological solutions

Technology and data will be key to understanding the implications of climate change for our customers. New climate-change related solutions that leverage our data, technology and expertise, will help people, business, and government to make better informed decisions relating to the significant risks of a changing climate.

The adoption of digital technologies is also aimed at reducing our own carbon emissions. Real-time digital and desktop valuations will reduce our site visits and lower our travel emissions.

We are making significant investments in our technology to drive these outcomes.





1,190
tCO₂e

Our base year emissions

-19%[↓]

FY24 reduction on our base year emissions

Carbon emissions

We care for the physical wellbeing of New Zealand Aotearoa and all who call it home. That is why we participate in the Government's carbon neutral programme (CNGP) which aims to accelerate the reduction of emissions within the public sector.

Our gross greenhouse gas (GHG) emissions for FY2024 are 959 tCO₂e (FY2023 1,190 tCO₂e)¹, a reduction of 19%. Our emissions are certified to ISO 14064-1:2018 by Toitū Envirocare, a subsidiary of Manaaki Whenua – Landscape Research.

QV's sustainability group is made up of a cross-section of passionate advocates from all areas of the business who work in support of initiatives to reduce our carbon footprint.

In FY2024 we identified and initiated plans to reduce our emissions. This included reducing fuel usage through phasing out the last of our fleet vehicles, actively promoting the use of hybrid/electric vehicles, procurement policies, and investment in technology.

The development of real time automated valuations and desktop valuations will reduce the need for onsite property inspections.

Carbon Neutral Government Targets:

12%[↓]

Reduce gross emissions from our base year by FY25

42%[↓]

Reduce gross emissions from our base year by FY30

The targets noted above are as set out by the CNGP. A date for carbon neutrality within the CNGP programme is under review and we are awaiting information on the future direction and timing of carbon neutral targets.



¹ Last year we reported emissions to 28 February 2023 (1,122 tCO₂e). This was updated to 30 June 2023 to give us a baseline that aligns with CNGP reporting and our financial year end.

Financial Capital

He pitopito kōrero mō te pūtea

We invest in our technology, processes and people, to provide long-term economic value to New Zealand Aotearoa.



Financial performance

We have finished the year ahead of the targets set out in our Statement of Corporate Intent, despite challenging economic conditions, a slower property market and increased regulatory requirements.

Our revenue performance of \$42.7m is 3% ahead of our SCI target of \$41.5m and 6% ahead of the prior year. The main drivers of the increase in revenue were higher volumes relating to rating services; high volumes of land damage valuations for insurance claims following the extreme weather events of 2023; and property management services in support of Ministry for Business, Innovation & Employment's temporary accommodation services for those displaced by Cyclone Gabrielle. These more than offset the market related slowdown in our digital products and commercial valuation work.

Our procured costs were well contained, particularly given the inflationary environment. As budgeted for in our SCI, we made a significant investment in additional resources to improve delivery of services to our customers and to complete work to the standards now required.

We achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of \$3.4m, 33% ahead of our SCI target. Although 28% below prior year's EBITDA, initiatives are in progress to improve profitability in 2025.

Profit after tax of \$1.2m was ahead of our SCI target of \$0.3m, but below prior year's \$2.1m.

Our solid performance and outlook resulted in a total shareholder's return of 13%, ahead of our SCI target of 2% and prior year's -7%.

Financial position

Our cash flows can fluctuate significantly from year to year, so we always manage a prudent approach to balance sheet management. We position ourselves to fund our capital expenditure and to be able to withstand any unforeseen economic shock that may arise without having to turn to our Shareholder for support.

We protected our cash reserves carefully through the pandemic and paid lower dividends than would otherwise have been the case. We reviewed our cash position, capital expenditure requirements and future outlook. This meant in addition to paying an ordinary dividend of \$0.55m, we were delighted to be able to pay a special dividend of \$1m.





FY24

Total Shareholder Return

13.1%

EBITDA

\$3.4M

Technology Investment

\$1.7M

Directors' responsibility statement

For the year ended 30 June 2024

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of the financial statements which give a true and fair view of the statement of financial position of Quotable Value Limited and its subsidiary ('QV') as at 30 June 2024 and the results of their financial performance, changes in equity and cash flows for the year ended 30 June 2024. QV comprises Quotable Value Limited and Quotable Value Australia Pty Limited.

The Directors consider that the financial statements of QV have been prepared using accounting policies appropriate to QV's circumstances that have been consistently applied and are supported by reasonable and prudent judgements and estimates, and that all applicable New Zealand equivalents to International Financial Reporting Standards have been followed.

The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of QV and to prevent and detect fraud and other irregularities.

The Directors are pleased to present the financial statements of QV for the year ended 30 June 2024.

This annual report is dated 28 August 2024 and is signed in accordance with a resolution of the Directors made pursuant to section 211(1)(k) of the Companies Act 1993.

For and on behalf of the Directors:



Gregory Fortuin
Director



Alex Skinner
Director

Dated 28 August 2024



Statement of comprehensive income
For the year ended 30 June 2024

| | Notes | 2024 \$000 | 2023 \$000 |
|--|-------|---------------|---------------|
| Trading revenue | A.1 | 42,711 | 40,190 |
| Service delivery and administration | B.1 | (32,866) | (29,063) |
| Other expenses | B.1 | (8,527) | (8,332) |
| Operating profit | | 1,318 | 2,795 |
| Finance costs | P | (83) | (85) |
| Finance income | | 371 | 171 |
| Finance income – net | | 288 | 86 |
| Profit before tax | | 1,606 | 2,881 |
| Income tax expense | C.1 | (411) | (773) |
| Profit for the year | | 1,195 | 2,108 |
| Other comprehensive income | | | |
| Items that may be reclassified to profit or loss: | | | |
| Exchange difference on translation of foreign operations | | 8 | (42) |
| Total comprehensive income for the year | | 1,203 | 2,066 |

Statement of financial position

As at 30 June 2024

| | Notes | 2024 \$000 | 2023 \$000 |
|---------------------------------|-------|---------------|---------------|
| Current assets | | | |
| Cash and cash equivalents | D | 7,579 | 5,956 |
| Short-term deposit | D | 573 | 550 |
| Trade and other receivables | E | 6,129 | 9,467 |
| Tax receivable | | 63 | 405 |
| Contract assets | F | 4,013 | 1,904 |
| Total current assets | | 18,357 | 18,282 |
| Non-current assets | | | |
| Property and equipment assets | G | 340 | 246 |
| Goodwill | I | 659 | 659 |
| Intangible assets | H | 5,795 | 5,437 |
| Deferred tax | C.3 | 78 | 79 |
| Right-of-use-assets | P | 2,478 | 3,015 |
| Total non-current assets | | 9,350 | 9,436 |
| Total assets | | 27,707 | 27,718 |

| | Notes | 2024 \$000 | 2023 \$000 |
|--------------------------------------|-------|---------------|---------------|
| Current liabilities | | | |
| Contract liabilities | F | 3,974 | 2,857 |
| Trade and other payables | K | 1,688 | 2,247 |
| Employee entitlements | L | 4,067 | 3,350 |
| Lease liabilities | P | 694 | 639 |
| Total current liabilities | | 10,423 | 9,093 |
| Non-current liabilities | | | |
| Employee entitlements | L | 223 | 223 |
| Provisions | M | 166 | 166 |
| Lease liabilities | P | 1,928 | 2,476 |
| Deferred tax | C.3 | 146 | 594 |
| Total non-current liabilities | | 2,463 | 3,459 |
| Total liabilities | | 12,886 | 12,552 |
| Net assets | | 14,821 | 15,166 |
| Equity | | | |
| Issued capital | J.1 | 4,600 | 4,600 |
| Foreign currency translation reserve | J.2 | 338 | 330 |
| Retained earnings | J.3 | 9,883 | 10,236 |
| Total Shareholders' funds | | 14,821 | 15,166 |

For and behalf of the Board who authorised the issue of these financial statements on 28 August 2024.



Gregory Fortuin
– Director



Alex Skinner
– Director

Statement of changes in equity
For the year ended 30 June 2024

| | Notes | Issued Capital \$000 | Retained Earnings \$000 | Foreign Currency Translation Reserve \$000 | Total Shareholders' Funds \$000 |
|--|-------|----------------------------|-------------------------------|--|--|
| Balance as at 1 July 2022 | | 4,600 | 8,651 | 372 | 13,623 |
| Profit for the year | | - | 2,108 | - | 2,108 |
| Other comprehensive income, net of tax | | - | - | (42) | (42) |
| Total comprehensive income for the year | | - | 2,108 | (42) | 2,066 |
| Dividends | J.3 | - | (523) | - | (523) |
| Balance as at 30 June 2023 | | 4,600 | 10,236 | 330 | 15,166 |
| Profit for the year | | - | 1,195 | - | 1,195 |
| Other comprehensive income, net of tax | | - | - | 8 | 8 |
| Total comprehensive income for the year | | - | 1,195 | 8 | 1,203 |
| Dividends | J.3 | - | (1,548) | - | (1,548) |
| Balance as at 30 June 2024 | | 4,600 | 9,883 | 338 | 14,821 |

Statement of cash flows

For the year ended 30 June 2024

| | Notes | 2024 \$000 | 2023 \$000 |
|---|----------|----------------|----------------|
| Cash flows from operating activities | | | |
| Cash was provided from: | | | |
| Revenues from services provided | | 45,208 | 37,081 |
| Interest income | | 348 | 168 |
| | | 45,556 | 37,249 |
| Cash was applied to: | | | |
| Payments to employees and suppliers | | 39,303 | 34,567 |
| Net GST paid/(received) | | 76 | (156) |
| Income tax paid | | 519 | 942 |
| | | 39,898 | 35,353 |
| Net cash flows from operations | 0 | 5,658 | 1,896 |
| Cash flows from investing activities | | | |
| Cash was provided from: | | | |
| Proceeds from sale of property and equipment assets | | - | 10 |
| Proceeds from short-term deposit | | 550 | 557 |
| Interest from short-term deposit | | 23 | 3 |
| | | 573 | 570 |
| Cash was applied to: | | | |
| Purchase of property and equipment assets & intangible assets | | (1,759) | (986) |
| Purchase of short-term deposit | | (573) | (550) |
| | | (2,332) | (1,536) |
| Net cash applied to investing activities | | (1,759) | (966) |

| | Notes | 2024 \$000 | 2023 \$000 |
|---|----------|----------------|----------------|
| Cash flows from financing activities | | | |
| Cash was applied to: | | | |
| Dividends paid | | (1,548) | (523) |
| Repayment of lease liabilities | | (734) | (696) |
| | | (2,282) | (1,219) |
| Net cash flows applied to financing activities | | | |
| Net (decrease)/increase in cash and cash equivalents | | 1,617 | (289) |
| Cash and cash equivalents as at 1 July | | 5,956 | 6,292 |
| Exchange (losses)/gains on cash and cash equivalents | | 6 | (47) |
| Cash and cash equivalents as at 30 June | D | 7,579 | 5,956 |

Notes to the financial statements

Reporting entity

These financial statements are for the Group ("QV"), consisting of:

- Quotable Value Limited (Parent), which is registered and domiciled in New Zealand and is registered under the Companies Act 1993; and
- Quotable Value Australia Pty Limited (Subsidiary of Quotable Value Limited), which is registered and domiciled in Australia and is registered under the Corporations Act 2001.

Quotable Value Limited is a State-Owned Enterprise in terms of the State-Owned Enterprises Act 1986 and is wholly owned by the Crown.

The principal activity of QV is the provision of property valuations and data. QV is a for profit entity for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements were authorised for issue by the Directors on the date stated in the Statement of Financial Position.

QV's owners or others do not have the power to amend the financial statements after issue.

Basis of preparation

These financial statements have been prepared using historical cost and on a going concern basis in accordance with:

- generally accepted accounting practice in New Zealand (NZ GAAP); New Zealand equivalents to International Financial Reporting Standards (NZ IFRS); and as a result, they comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards), as well as other New Zealand accounting standards and authoritative notices applicable to entities that apply NZ IFRS, and;
- the requirements of the Companies Act 1993 and the State-Owned Enterprises Act 1986.

Where required, prior year comparatives have been reclassified to comply with current year disclosure.

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST.

Functional and presentation currency

These financial statements are presented in New Zealand dollars, which is the Parent's functional currency, and all financial information has been shown in thousands and is rounded to the nearest thousand dollars.

Estimates and judgements

The preparation of financial statements 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. Estimates and underlying assumptions are reviewed on an

on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the notes relating to:

- Revenue: Allocation of price across performance obligations and over time recognition – Note A
- Intangible assets: Capitalisation, estimation of useful lives and impairment – Notes H and I.

In the opinion of management, all adjustments necessary for a fair presentation of the results of operations, financial position and cash flows have been reflected.

New and amended standards adopted during the year

QV has applied the following amendments for the first time for their annual reporting period commencing 1 July 2023:

- Disclosure of Accounting Policies - Amendments to NZ IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates - Amendments to NZ IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to NZ IAS 12.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Standards and interpretation issued but not yet effective

A number of amendments to standards have been issued that are not yet effective and have not been adopted by QV, including amendments to:

| Standard | Effective date |
|--|---|
| Amendments to FRS44 – Disclosure of Fees for Audit Firms' Services | Annual periods beginning on or after 1 January 2024 |
| Amendment to IAS 1 – Non-current liabilities with covenants | Annual periods beginning on or after 1 January 2024 |
| Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments | Annual periods beginning on or after 1 January 2026 |
| IFRS 18 Presentation and Disclosure in Financial Statements | Annual periods beginning or after 1 January 2027 |

The Group expects to adopt IFRS 18 in time and is currently assessing the impact and will disclose a more detailed assessment in the future. The other amendments to standards are not likely to have a material effect on the financial statements.

Our Financials

A Mātou Pūtea

Basis of consolidation

QV's financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the group. All intra-group balances, transactions, revenue, and expenses are eliminated on consolidation.

QV's financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the Parent obtains control of the entity and ceases when the Parent loses control of the entity.

A. Revenue

QV derives revenue through the provision of services.

Rating services

Rating services includes Council triennial valuations (including other services), Regional Council Services, Urgent New improvement valuations and Database management services.

Council triennial valuations and other services

Triennial valuations and other services are contract based. Contracts typically include three performance obligations: triennial valuations, objections and roll maintenance. Where contracts do not specify the price allocation, an allocation model is used to allocate a price to each performance obligation. This allocation remains unchanged for the duration of the contract.

There is a significant amount of time and resource required to undertake the triennial valuation and its timeframe is clearly identified in the contract. The portion of the contract fee allocated to the triennial valuation is recognised over the time of delivering the service.

The objections performance obligation is recognised over time based on the number of objections completed.

Roll maintenance revenue is recognised over the period of the contract to reflect the delivery of the service over time.

Regional Council Services and Urgent New Improvements

Regional Council Services: Services requested by Councils which are out of scope services.

Urgent New Improvements: Quotable Value Limited is permitted by legislation (s16, Rating Valuations Act) to offer rating valuation review services to individual property owners. Rating valuations are usually carried out on all New Zealand properties every three years. However, a property owner or ratepayer can request an urgent rating valuation review so that the rating valuation will reflect the current condition of their property, without having to wait for another general revaluation to occur.

These revenues largely follow the same process as market valuation revenue. Revenue is recognised when earned by reference to the stage of completion of work carried out. The timespan for delivery of the service is short.

Database management services

The database management services require QV to maintain property valuation data on behalf of Councils and provide them access to the data.

The revenue for database management services has been recognised over the time of performing the service.

The service is continuous each year of the contract therefore the fee determined within the contract is recognised each year and revenue is recognised in equal instalments each month.

Consultancy:

Market valuations and other

Full market, desktop and e-valuer valuation revenue is recognised when earned by reference to the stage of completion of work carried out if the outcome can be reliably measured. If the outcome of a market valuation cannot be estimated reliably, revenue is recognised only to the extent of the direct costs incurred in respect of the work performed. The CostBuilder subscription services are recognised over time.

Other trading revenue:

Property services

QV provides property management services. Included in these services are lease, facilities, and portfolio management services, and incidental consultancy services. Revenue is recognised over the term of the contract as services are provided, only if these can be reliably measured.

Other data services

QV provides property related data and information. Revenue is recognised at the time the data or information is provided.

A.1 Trading revenue

| | 2024 \$000 | 2023 \$000 |
|----------------------------------|---------------|---------------|
| Rating services: – Over time | 25,568 | 25,105 |
| Consultancy services – Over time | 13,985 | 12,414 |
| Other trading revenue: | | |
| • Over time | 3,031 | 2,449 |
| • At a point in time | 127 | 222 |
| | 42,711 | 40,190 |

B. Expenses

B.1 Service Delivery and administration/other expenses

Breakdown of expenses by nature:

| | 2024 \$000 | 2023 \$000 |
|--|---------------|---------------|
| Service delivery and administration | | |
| Employee benefits expenses | 31,568 | 27,767 |
| Other valuation costs | 1,298 | 1,296 |
| | 32,866 | 29,063 |
| Other expenses | | |
| Depreciation and amortisation | 2,039 | 1,891 |
| Occupancy costs | 530 | 635 |
| Computer operating expenses | 3,058 | 3,125 |
| Audit fees (refer to note B.2) | 292 | 230 |
| Other | 2,608 | 2,451 |
| | 8,527 | 8,332 |

B.2 Auditors' remuneration

Amounts paid or payable to:

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| The audit of QV's financial statements: | | |
| PricewaterhouseCoopers | 229 | 202 |
| Additional audit fees in respect of 2023 | 10 | - |
| The audit of the real estate trust accounts: | | |
| BDO New Zealand | 46 | 14 |
| Toitū Carbonreduce certification | 7 | 14 |
| | 292 | 230 |

C. Income tax

C.1 Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. QV's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

| | 2024 \$000 | 2023 \$000 |
|--|---------------|---------------|
| Relationship between tax expense and accounting profit | | |
| Profit from operations | 1,606 | 2,881 |
| Income tax expense at 28% (2023: 28%) | 450 | 807 |
| Plus/(less) tax effect of: | | |
| Non-deductible (income)/expenditure | 2 | 1 |
| Prior period under/(over) adjustment | - | 1 |
| Impact of tax rates in different jurisdictions (include rate change) | (41) | (36) |
| Other | | |
| Tax expense | 411 | 773 |
| Components of tax expense | | |
| Current tax expense | 858 | 306 |
| Deferred tax | (447) | 467 |
| Tax expense | 411 | 773 |

C.2 Imputation credit account

| | 2024 \$000 | 2023 \$000 |
|--|---------------|---------------|
| Imputation credits available for use in subsequent periods | 1,931 | 1,672 |
| Franking credits – Quotable Value Australia Pty Limited | 1,928 | 1,804 |

C.3 Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable (i.e. more likely than not) that taxable profits will be available against which those deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Any reduction is recognised in the statement of comprehensive income.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way QV expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. QV intends to settle its current tax assets and liabilities on a net basis.

Deferred tax summary:

| QVL | 2024 \$000 | 2023 \$000 |
|------------------------------|---------------|---------------|
| Balance as at 1 July | (594) | (119) |
| Movement during the period | 448 | (475) |
| Balance as at 30 June | (146) | (594) |

| QVA | 2024 \$000 | 2023 \$000 |
|------------------------------|---------------|---------------|
| Balance as at 1 July | 79 | 71 |
| Movement during the period | (1) | 8 |
| Balance as at 30 June | 78 | 79 |

The following table shows a breakdown of movements in deferred tax assets and liabilities for the year:

Deferred tax assets/(liabilities)

| QVL | Opening balance \$000 | Credited/ (charged) to profit or loss \$000 | Closing balance \$000 |
|---|-----------------------------|--|-----------------------------|
| For the year ended 30 June 2024: | | | |
| Deferred tax liabilities: | | | |
| Property, plant and equipment | (906) | 4 | (902) |
| Right-of-use-asset | (839) | 147 | (692) |
| Work in progress, contract assets and liabilities | (543) | 385 | (158) |
| | (2,288) | 536 | (1,752) |
| Deferred tax assets: | | | |
| Employee entitlements | 702 | 115 | 817 |
| Lease liability | 867 | (135) | 732 |
| Doubtful debt and impairment losses | 7 | (7) | - |
| Tax losses carried forward | 60 | (60) | - |
| Provisions | 58 | (1) | 57 |
| | 1,694 | (88) | 1,606 |
| Balance as at 30 June 2024 | (594) | 448 | (146) |

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| QVL | Opening balance \$000 | Credited/ (charged) to profit or loss \$000 | Closing balance \$000 |
|---|-----------------------------|--|-----------------------------|
| For the year ended 30 June 2023: | | | |
| Deferred tax liabilities: | | | |
| Property, plant and equipment | (929) | 23 | (906) |
| Right-of-use-asset | (967) | 128 | (839) |
| Work in progress, contract assets and liabilities | 65 | (608) | (543) |
| | (1,831) | (457) | (2,288) |
| Deferred tax assets: | | | |
| Employee entitlements | 663 | 39 | 702 |
| Lease liability | 981 | (114) | 867 |
| Doubtful debt and impairment losses | 13 | (6) | 7 |
| Tax losses carried forward | - | 60 | 60 |
| Provisions | 55 | 3 | 58 |
| | 1,712 | (18) | 1,694 |
| Balance as at 30 June 2023 | (119) | (475) | (594) |

| QVA | Opening balance \$000 | Credited/ (charged) to profit or loss \$000 | Closing balance \$000 |
|---|-----------------------------|--|-----------------------------|
| For the year ended 30 June 2024: | | | |
| Deferred tax assets: | | | |
| Employee entitlements | 76 | 2 | 78 |
| Provisions | 1 | (1) | - |
| Property, plant and equipment | 2 | (2) | - |
| Balance as at 30 June 2024 | 79 | (1) | 78 |

| QVA | Opening balance \$000 | Credited/ (charged) to profit or loss \$000 | Closing balance \$000 |
|---|-----------------------------|--|-----------------------------|
| For the year ended 30 June 2023: | | | |
| Deferred tax assets: | | | |
| Employee entitlements | 68 | 8 | 76 |
| Provisions | 1 | - | 1 |
| Property, plant and equipment | 2 | - | 2 |
| Balance as at 30 June 2023 | 71 | 8 | 79 |

D. Cash and term deposits

Cash and cash equivalents

Cash comprises cash on-hand and on-demand deposits. Cash equivalents are short-term (less than 3 months), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown with borrowings in current liabilities in the Statement of Financial Position.

Short-term deposit

Quotable Value Australia Pty Limited held a short-term deposit for a term of greater than three months and not exceeding 12 months as security for rental and contract performance bonds. Refer to note T for contingent liabilities.

| | 2024 \$000 | 2023 \$000 |
|----------------------------------|---------------|---------------|
| Cash and cash equivalents | | |
| Cash at bank | 7,579 | 5,956 |
| Short-term deposit | | |
| Deposit at bank | 573 | 550 |

E. Trade and other receivables

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Work in progress is work undertaken but not invoiced at balance date.

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| Trade receivables from contracts with customers | 4,351 | 5,236 |
| Allowance for expected credit losses | (2) | (26) |
| | 4,349 | 5,210 |
| Prepayments | 1,255 | 1,090 |
| Work in progress | 524 | 3,013 |
| Other | 1 | 154 |
| | 6,129 | 9,467 |

The average credit period on sales of services is 30 days. No interest is charged on trade receivables. QV measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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Aged debtors schedule:

| | Gross \$000 | Impairment \$000 | 2024 \$000 | Gross \$000 | Impairment \$000 | 2023 \$000 |
|-----------------------|----------------|---------------------|---------------|----------------|---------------------|---------------|
| Not past due | 4,060 | - | 4,060 | 4,899 | - | 4,899 |
| Past due 1 - 30 days | 274 | - | 274 | 217 | - | 217 |
| Past due 31 - 60 days | 8 | (2) | 6 | 84 | (11) | 73 |
| Past due 61+ days | 9 | - | 9 | 36 | (15) | 21 |
| | 4,351 | (2) | 4,349 | 5,236 | (26) | 5,210 |

Movement in allowance for expected credit losses:

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| Balance at 1 July | 26 | 45 |
| Additional allowances made/(released) during the year | (32) | (19) |
| Bad debts recovered | 8 | - |
| Receivables written off during the period | - | - |
| Balance at 30 June | 2 | 26 |

F. Contract assets/liabilities

Contract assets or liabilities arise on triennial valuation services. They arise due to timing differences between the performance of the valuation services and the payment for those services. Terms for each contract are varied.

Where QV is entitled to payment before the performance of the services, the payment is recognised as a contract liability. At the point at which the services have been performed, the contract liability will be recognised as revenue in the statement of comprehensive income.

If QV performs the services before it is entitled to payment, it records this as a contract asset. Any amount recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

For some contracts management have exercised their judgement in allocating total contract revenue to the different performance obligations (refer to Note A).

| | 2024 \$000 | 2023 \$000 |
|-------------------------------|---------------|---------------|
| Balance at 1 July | (953) | (960) |
| Revenue recognised/(deferred) | 992 | 7 |
| Balance at 30 June | 39 | (953) |
| Current asset | 4,013 | 1,904 |
| Current liability | (3,974) | (2,857) |
| | 39 | (953) |

G. Property and equipment assets

Property and equipment asset classes consist of leasehold improvements, motor vehicles, office equipment, furniture and fittings, general and core application information technology (IT) hardware.

Property and equipment assets are stated at cost less depreciation and impairment losses.

Additions

The cost of an item of property and equipment assets is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to QV and the cost of the property or equipment assets can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Any gains and losses on disposals are included in the profit or loss.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to QV and the cost of the property and equipment assets can be measured reliably.

The day-to-day servicing costs of property and equipment assets are recognised as an expense in the statement of comprehensive income when they are incurred.

Depreciation, useful lives and residual value

Property and equipment assets are depreciated on a straight line basis that will write off the cost of the assets to their estimated residual value over their useful lives.

| Asset | Depreciation rate |
|------------------------------|-------------------|
| Furniture and fittings | 15% |
| Motor vehicles | 20% |
| Office equipment | 33% |
| General IT hardware | 25% |
| Core application IT hardware | 25% |
| Leasehold improvements | 25% – 33% |

At each balance date QV reviews the useful lives and residual values of its property and equipment assets.

Assessing the appropriateness of useful life and residual value estimates of property and equipment assets requires QV to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by QV, and expected disposal proceeds from the future sale of the asset.

QV has not made significant changes to past assumptions concerning useful lives and residual values.

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The cost of leasehold improvements is capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful life of the improvements, whichever is the shorter.

In the year ended 30 June 2024 there were no:

- items of property or equipment assets which were not in current use;
- impairment losses recognised or reversed in the current period;
- borrowing costs capitalised;
- restrictions on title relating to property and equipment assets or items pledged as security for liabilities.

Impairment of assets

QV reviews the carrying amounts of its finite life tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In that case the recoverable amount of the asset is estimated in order to determine the extent of impairment loss if any.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less the cost to sell and value in use.

An impairment loss is recognised as an expense in the statement of comprehensive income immediately.

Movements of property and equipment assets

The following schedule shows the movements of property and equipment assets for the years ended 30 June 2024 and 2023:

| | Leasehold improvements \$000 | Motor vehicles \$000 | Office equipment \$000 | Furniture & fittings \$000 | IT hardware, including IT WIP \$000 | Total \$000 |
|-----------------------------|------------------------------------|----------------------------|------------------------------|----------------------------------|--|----------------|
| Cost | | | | | | |
| Balance 1 July 2022 | 1,001 | 79 | 90 | 439 | 524 | 2,133 |
| Additions | - | - | - | 4 | 140 | 144 |
| Transfers | - | - | - | - | (82) | (82) |
| Disposals | - | (38) | (2) | - | - | (40) |
| Balance 30 June 2023 | 1,001 | 41 | 88 | 443 | 582 | 2,155 |
| Additions | - | - | 12 | 11 | 199 | 222 |
| Transfers/other | - | - | - | - | - | - |
| Disposals | - | - | (12) | (9) | (10) | (31) |
| Balance 30 June 2024 | 1,001 | 41 | 88 | 445 | 771 | 2,346 |

| | Leasehold improvements \$000 | Motor vehicles \$000 | Office equipment \$000 | Furniture & fittings \$000 | IT hardware, including IT WIP \$000 | Total \$000 |
|---|------------------------------------|----------------------------|------------------------------|----------------------------------|--|----------------|
| Accumulated depreciation and impairment losses | | | | | | |
| Balance 1 July 2022 | (1,001) | (79) | (81) | (409) | (278) | (1,848) |
| Disposals | - | 38 | 2 | - | - | 40 |
| Transfers | - | - | - | - | - | - |
| Depreciation expense | - | - | (4) | (10) | (87) | (101) |
| Balance 30 June 2023 | (1,001) | (41) | (83) | (419) | (365) | (1,909) |
| Disposals | - | - | 13 | 9 | 10 | 32 |
| Transfer | - | - | - | - | - | - |
| Depreciation expense | - | - | (6) | (7) | (116) | (129) |
| Balance 30 June 2024 | (1,001) | (41) | (76) | (417) | (471) | (2,006) |
| Net book value | | | | | | |
| As at 1 July 2022 | - | - | 9 | 30 | 246 | 285 |
| As at 30 June 2023 | - | - | 5 | 24 | 217 | 246 |
| As at 30 June 2024 | - | - | 12 | 28 | 300 | 340 |

H. Intangible assets (finite)

Finite life intangible assets comprise acquired computer software and two categories of specialised software that has been internally developed: Quotable's Integrated Valuation System (QIVS) and Monarch. QIVS is QV's legacy data management platform. Monarch is the new data management platform.

Finite life intangible assets are recorded at cost less accumulated amortisation and impairment.

Software acquisition

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Software development

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset where the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;

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- Adequate technical, financial, and other resources to complete the development and to use the software product are available;
- The expenditure attributable to the software product during its development can be reliably measured.

Other development expenditure that does not meet the above criteria is recognised as an expense when incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period. Research costs, and costs associated with maintenance, are recognised as an expense when incurred.

Impairment of assets

At each reporting date, QV assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, QV makes a formal estimate of the recoverable amount. Intangible assets that are not yet available for use are tested for impairment. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In accordance with NZ IAS 36: Impairment of Assets, the recoverable amount is the greater of fair value less costs of disposal or the value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognised as an expense in the statement of comprehensive income immediately.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases the date the asset is derecognised. The amortisation charge for each financial year is recognised in the statement of comprehensive income.

The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes being recognised as a change in accounting estimate.

The amortisation rates used in the preparation of these statements are as follows:

| Asset | Amortisation rate |
|-------------------|-------------------|
| Computer Software | 10 – 33% |
| Monarch & QIVS | 10 – 17% |

There were no:

- impairment losses recognised or reversed in the current period;
- borrowing costs capitalised; or
- restrictions on title relating to intangible assets or items pledged as security for liabilities.

Movements of intangible assets

The following schedule shows the movements of intangible assets for the years ended 30 June 2024 and 2023:

| | Computer software \$000 | Internally developed software: QIVS \$000 | Work-in-progress \$000 | Internally developed software: Monarch \$000 | Total \$000 |
|---|----------------------------|---|---------------------------|--|-----------------|
| Cost | | | | | |
| Balance 1 July 2022 | 6,627 | 5,970 | 651 | 8,085 | 21,333 |
| Additions | - | - | 924 | - | 924 |
| Transfers | (141) | - | (1,401) | 1,542 | - |
| Disposals | - | - | - | (4) | (4) |
| Balance 30 June 2023 | 6,486 | 5,970 | 174 | 9,623 | 22,253 |
| Additions | - | - | 1,537 | - | 1,537 |
| Transfers | 235 | - | (777) | 542 | - |
| Disposals | (1,532) | - | - | - | (1,532) |
| Balance 30 June 2024 | 5,189 | 5,970 | 934 | 10,165 | 22,258 |
| Accumulated amortisation and impairment losses | | | | | |
| Balance 1 July 2022 | (5,650) | (5,970) | - | (4,073) | (15,693) |
| Disposals | - | - | - | - | - |
| Transfer | 5 | - | - | (5) | - |
| Amortisation | (270) | - | - | (853) | (1,123) |
| Balance 30 June 2023 | (5,915) | (5,970) | - | (4,931) | (16,816) |
| Disposals | 1,532 | - | - | - | 1,532 |
| Transfer | - | - | - | - | - |
| Amortisation | (136) | - | - | (1,043) | (1,179) |
| Balance 30 June 2024 | (4,519) | (5,970) | - | (5,974) | (16,463) |
| Net Book Value | | | | | |
| As at 1 July 2022 | 977 | - | 651 | 4,012 | 5,640 |
| As at 30 June 2023 | 571 | - | 174 | 4,692 | 5,437 |
| As at 30 June 2024 | 670 | - | 934 | 4,191 | 5,795 |

Work in progress in the table above relates to various application developments and will be allocated to specific capital items on completion and implementation.

I. Goodwill

Goodwill on acquisition of subsidiaries is recognised as an asset and separately identified.

Impairment

Goodwill is not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately as an expense in the statement of comprehensive income and is not subsequently reversed.

The following schedule shows the movements in goodwill for the years ended 30 June 2024 and 2023:

| | 2024 \$000 | 2023 \$000 |
|--------------------------------------|----------------|----------------|
| Gross carrying amount | | |
| Balance 1 July | 10,007 | 10,007 |
| Balance 30 June | 10,007 | 10,007 |
| Accumulated impairment losses | | |
| Balance 1 July | (9,348) | (9,348) |
| Impairment loss for the year | - | - |
| Balance 30 June | (9,348) | (9,348) |
| Net book value 1 July | 659 | 659 |
| Net book value 30 June | 659 | 659 |

Goodwill is fully allocated to the Quotable Value Limited cash generating unit.

Impairment testing

For the purpose of impairment testing, goodwill is allocated to QV's cash generating unit (CGU) which represents the lowest level within QV at which the goodwill is monitored for internal management purposes.

The carrying value of the goodwill in the QV CGU of \$659k (2023: \$659k) comprises two components being: an amount of \$159k (2023: \$159k) which relates back to the acquisition of the valuation business from Valuation New Zealand in 1999; and an amount of \$500k (2023: \$500k) which relates to the transfer of the rural business from Darroch Limited (to Quotable Value Limited) in 2014.

The recoverable value of the QV CGU was based on a Value in Use (VIU) calculation using the Discounted Cash Flow (DCF) methodology. The recoverable value was in excess of the carrying value of the CGU and therefore no impairment has been recognised. The key assumptions in the VIU calculation were:

- Cash Flows were projected based on a 3-year business plan as approved by the Board of Directors;
- Cash Flows beyond a three-year period have been extrapolated using a growth rate of 2% (2023: 2%) which reflects long term inflation expectations; and

- A post-tax discount rate of 13.5% (2023: 13%) per annum has been applied to the cash flows which reflects the industry in which the CGU operates.

There are no reasonable possible changes in key assumptions used in the determination of the recoverable value that would result in an impairment.

J. Share capital and reserves

J.1 Issued capital

QV has capital of \$4.6 million (2023: \$4.6 million) of issued ordinary shares which confer on the holders the right to vote at any general meeting of Shareholders. This consists of 4,600,000 (2023: 4,600,000) authorised ordinary shares.

J.2 Foreign currency translation reserve

Foreign currency translation differences of foreign operations are recognised through other comprehensive income and accumulated in equity in a foreign currency translation reserve.

Assets and liabilities of foreign operations are translated at the closing rate. Revenue and expense items are translated at the New Zealand Reserve Bank mid-month exchange rates over the year, as a surrogate for the spot rates at transaction dates. Exchange differences are taken through other comprehensive income and then accumulated to a foreign currency translation reserve in equity.

| | 2024 \$000 | 2023 \$000 |
|--|---------------|---------------|
| Balance 1 July | 330 | 372 |
| Arising on translation of foreign operations | 8 | (42) |
| Balance 30 June | 338 | 330 |

This reserve represents exchange differences relating to the translation of Quotable Value Australia's transactions and balances, which are in Australian dollar (its functional currency) into New Zealand dollar.

J.3 Retained earnings and dividends

| | 2024 \$000 | 2023 \$000 |
|--|---------------|---------------|
| Balance 1 July | 10,236 | 8,651 |
| Profit for the year and attributable to the equity holders | 1,195 | 2,108 |
| Dividends paid during the year | (1,548) | (523) |
| Balance 30 June | 9,883 | 10,236 |

Dividends of \$1,548,000 were paid to QV's Shareholders during the year (2023: \$523,000).

K. Trade and other payables

Trade payables and other accounts payable are recognised when QV becomes obliged to make future payments resulting from the purchase of goods and services.

| | 2024 \$000 | 2023 \$000 |
|-------------------|---------------|---------------|
| Trade payables | 454 | 945 |
| Income in advance | 285 | 297 |
| Accruals | 339 | 319 |
| GST payable | 610 | 686 |
| | 1,688 | 2,247 |

The average credit period on invoices is 30 days. QV has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

L. Employee entitlements

Short-term employee entitlements

Provision is made in respect of QV's liability for wages and salaries, annual leave, long service leave and retirement leave. Annual leave and other entitlements that are expected to be settled within 12 months of reporting date, are measured at nominal values on an actual entitlement basis at current rates of pay.

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, have been calculated on an actuarial basis based on the present value of the estimated future cash outflows to be made by QV in respect of services provided by employees up to reporting date.

Holiday pay

In 2019 the Group identified issues with the calculation of leave entitlements for New Zealand employees under the Holidays Act 2003 (the Act). A provision of \$130,000 was recognised as at 30 June 2020. As at 30 June 2024 there was a remaining provision of \$25,042 (2023: \$25,820). Where a former employee cannot be found and the amount of remedial payment is not paid out for 5 years, that amount will be subject to the Unclaimed Money Act 1971. This will mean that at the end of the 2026 financial year any unpaid amount will be paid to the Inland Revenue department.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to Kiwisaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the statement of comprehensive income as incurred.

Australian schemes

QV contributes to several defined contribution superannuation plans. Contributions to superannuation plans are based on percentages of employee gross salaries. Obligations for contributions are recognised as an expense in the statement of comprehensive income as incurred.

Employee entitlements consist of:

| | 2024 \$000 | 2023 \$000 |
|-----------------------------|---------------|---------------|
| Holiday pay accrual | 1,223 | 1,176 |
| Accrued salaries and wages | 1,744 | 2,058 |
| Other employee entitlements | 1,323 | 339 |
| | 4,290 | 3,573 |
| Current | 4,067 | 3,350 |
| Non-current | 223 | 223 |
| | 4,290 | 3,573 |

Other employee entitlements relate to retirement and long service leave obligations. The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using discount rates prescribed by Treasury and calculated as at 30 June 2024. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A salary inflation factor of 2.5% (2023: 2.5%) was used.

M. Provisions

Provisions are recognised when QV has a present obligation (either legal or constructive) as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Specific provisions:

Make good

QV has an obligation to return lease premises to the same condition as at the commencement of the lease, for some lease contracts. The amount recognised is the best estimate of the consideration required to settle this obligation. In many cases, QV has the option to renew leases, which impacts on the timing of expected cash outflows to make good the premises.

The following schedule shows the movements in the provision for the years ended 30 June 2024 and 2023:

| | 2024 \$000 | 2023 \$000 |
|------------------------------|---------------|---------------|
| Gross carrying amount | | |
| Opening balance | 166 | 151 |
| Amounts reversed | - | - |
| Amounts provided/(utilised) | - | 15 |
| Balance 30 June | 166 | 166 |
| Current | - | - |
| Non-current | 166 | 166 |
| | 166 | 166 |

N. Subsidiaries

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by QV in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under NZ IFRS 3

Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, QV’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss. Refer to QV’s goodwill accounting policy in note I.

Control is achieved when Quotable Value Limited (“the parent”):

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Parent reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Parent gains control until the date when the Parent ceases to control the subsidiary.

Quotable Value Limited’s subsidiary conforms with QV’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of QV are eliminated in full on consolidation.

Details about Quotable Value Limited’s subsidiary are set out below:

| Name of company | Percentage of holding at balance date | | Principal activities | Country of domicile and incorporation | Balance date |
|--------------------------------------|---------------------------------------|------|----------------------|---------------------------------------|--------------|
| | 2024 | 2023 | | | |
| Quotable Value Australia Pty Limited | 100 | 100 | Property Valuation | Australia | 30 June |

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O. Reconciliation of profit for the period to net cash flows from operations

Operating activities include cash received from all income sources of QV and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure.

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| Profit for the year | 1,195 | 2,108 |
| Depreciation | 129 | 101 |
| Depreciation of right-of-use asset | 731 | 666 |
| Amortisation of intangible assets | 1,179 | 1,123 |
| Foreign exchange movement | 50 | 90 |
| Movement in provision for doubtful debts | (24) | (19) |
| Gain on sale of property and equipment | - | (10) |
| Deferred tax | (448) | 467 |
| Change in contract asset and liability (net) | (992) | (7) |
| Changes in net assets and liabilities | | |
| – Decrease (increase) in receivables | 3,338 | (3,181) |
| – Increase (decrease) in payables | (484) | 604 |
| – Increase (decrease) in provisions | - | 15 |
| – Increase (decrease) in employee entitlements | 717 | 290 |
| – Increase (decrease) in GST payable/receivable | (76) | 156 |
| – Increase (decrease) in tax payable | 343 | (507) |
| Net cash flows from operating activities | 5,658 | 1,896 |

P. Right-of-use asset & lease liabilities

Leases consist of premises leased across New Zealand and New South Wales, Australia.

Right of use assets (ROU) are measured at cost at the lease commencement date and lease liabilities are measured at the present value of the lease payments that are not paid at that date (including leases with an extension option), discounted using the interest rate implicit in the lease (if that rate can be readily determined) or QV's incremental borrowing rate. Costs incurred with a lease that are not part of the cost of the ROU asset are expensed.

On adoption of NZ IFRS 16 as at 1 July 2019, QV adopted the modified retrospective approach for the initial measurement of the ROU assets. Lease liabilities were measured at the present value of the remaining lease payments of existing leases, discounted using QV's incremental borrowing rate as at 1 July 2019, and any initial direct costs.

ROU assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. ROU assets are depreciated on a straight-line basis over the remaining period of the lease or useful life. QV applies NZ IAS 36 to determine whether a ROU asset is impaired and accounts for any identified loss under the same policy adopted for property and equipment assets (refer to note G).

Lease liabilities are subsequently measured by increasing the carrying amount for interest, reducing it for payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Where QV incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under NZ IAS 37 Provisions, Contingent Liabilities and Contingent Assets (NZ IAS 37). The costs are included in the related ROU asset. The make good liability is presented as a separate line in the statement of financial position.

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For short-term leases (non-obligation leases) and leases of low-value assets, QV has opted to recognise the lease expense as it occurs as permitted by NZ IFRS 16. This expense is presented within the statement of comprehensive income.

| | Right-of-use-assets \$000 |
|---------------------------------|------------------------------|
| Cost | |
| Balance 1 July 2022 | 5,077 |
| Additions | - |
| Disposals | - |
| Other adjustments | 206 |
| Balance 30 June 2023 | 5,283 |
| Additions | 158 |
| Disposals | - |
| Other adjustments | 36 |
| Balance 30 June 2024 | 5,477 |
| Accumulated depreciation | |
| Balance 1 July 2022 | (1,602) |
| Depreciation | (666) |
| Disposals | - |
| Other adjustments | - |
| Balance 30 June 2023 | (2,268) |
| Depreciation | (731) |
| Disposals | - |
| Other adjustments | - |
| Balance 30 June 2024 | (2,999) |
| Carrying amount | |
| As at 1 July 2022 | 3,475 |
| As at 30 June 2023 | 3,015 |
| As at 30 June 2024 | 2,478 |

The average remaining lease term is 2.5 years (2023: 3 years).

| | Lease liabilities \$000 |
|-----------------------------|----------------------------|
| Balance 1 July 2022 | 3,521 |
| Other | 205 |
| Interest | 85 |
| Repayments | (696) |
| Balance 30 June 2023 | 3,115 |
| Additions | 158 |
| Interest | 83 |
| Repayments | (734) |
| Balance 30 June 2024 | 2,622 |

| | 2024 \$000 | 2023 \$000 |
|--------------------------|---------------|---------------|
| Lease liabilities | | |
| Current | 694 | 639 |
| Non-current | 1,928 | 2,476 |
| | 2,622 | 3,115 |

| | 2024 \$000 | 2023 \$000 |
|--------------------------|---------------|---------------|
| Maturity analysis | | |
| Year 1 | 694 | 639 |
| Year 2 | 625 | 665 |
| Year 3 | 582 | 603 |
| Year 4 | 285 | 560 |
| Year 5 | 236 | 265 |
| Onwards | 200 | 383 |
| | 2,622 | 3,115 |

QV does not face a significant liquidity risk with regards to its lease liabilities.

| | 2024 \$000 | 2023 \$000 |
|--|---------------|---------------|
| Amounts recognised in profit or loss | | |
| Depreciation | 731 | 666 |
| Interest expense on lease liabilities | 83 | 85 |
| Expense relating to short-term liabilities | 902 | 789 |
| Expense relating to leases of low value assets | 168 | 246 |

Q. Related party information

a. Summary of Key management personnel and compensation

| | 2024 \$000 | 2023 \$000 |
|--|---------------|---------------|
| Short term benefits | 2,297 | 2,056 |
| KiwiSaver/superannuation contributions | 62 | 56 |
| | 2,359 | 2,112 |

The table above includes the remuneration of the Chief Executive, Executive Team and the Board of Directors.

b. Related party transactions with entities related to key management personnel and directors

| Entity | Type | 2024 \$000 | 2023 \$000 |
|--|-----------------|---------------|---------------|
| Gregory Fortuin | Director's fees | 47 | 47 |
| | Outstanding | - | 4 |
| Alex Skinner Limited | Director's fees | 23 | 23 |
| | Outstanding | - | 4 |
| Alma Hong Consultancy <i>Term ended 8 July 2024</i> | Director's fees | 23 | 23 |
| | Outstanding | - | 2 |
| Burton Partners <i>Term ended 1 June 2024</i> | Director's fees | 23 | 23 |
| | Outstanding | - | 2 |
| Multorum Limited | Director's fees | 23 | 23 |
| | Outstanding | - | 6 |
| Sharon Henderson <i>Appointed 1 July 2023</i> | Director's fees | 21 | - |
| | Outstanding | - | - |
| Suzanne Tindal | Director's fees | 29 | 24 |
| | Outstanding | - | 2 |
| Urban Outcomes Limited | Director's fees | 23 | 23 |
| | Outstanding | - | 2 |
| Driller Holdings Pty Limited | Director's fees | 5 | 4 |
| PJ Consulting | Director's fees | - | 24 |

Directors appointed after 30 June 2024

| Director | Appointment date |
|-------------------|------------------|
| Angela Nash | 8 July 2024 |
| Hon David Bennett | 8 July 2024 |

There are no guarantees to or from any related parties.

Balances arising from sales/purchases of goods and services

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There are no guarantees provided or received for any related party receivable or payable. No related party balances have been written off or impaired during the year (2023: Nil).

c. Share ownership

Quotable Value Limited is a State Owned Enterprise as all shares are owned by the Crown.

d. Compensation of key management personnel

QV's Remuneration and Reward approach is to pay fair and competitive market rates to attract and retain the best people and to align individual rewards with the objectives of the business. Executive remuneration is reviewed annually to ensure people are fairly rewarded for their contribution to the business. In setting remuneration QV reviews market information including from similar sectors and sized businesses.

QV has a formally constituted People and Culture Committee made up of at least two members of the Board. The People and Culture Committee is responsible for recommending terms of employment of the Executive, as well as reviewing and recommending the remuneration, incentive targets and performance of the CEO. The People and Culture Committee is also responsible for reviewing QV's remuneration position against market movement and trends, and to recommend the total overall remuneration adjustment for QV's People.

The Board is committed to ensure the remuneration practices of the Executive are appropriate, fair and transparent. The Executive team remuneration has two components; fixed remuneration and an annual short term incentive designed to reward performance within the current financial year.

Each year the Board reviews and approves the key performance indicators for each Executive. The Board is also responsible for assessing the performance of the Executive and signing off the annual performance incentive of QV's Executives at the end of each financial year.

Fixed remuneration

Fixed remuneration consists of base salary and benefits. Benefits for the Executive may include the following: KiwiSaver, carpark and professional memberships. QV's approach is to pay fixed remuneration with reference to the fixed pay market median.

Short-term incentives

Short-term incentives are annual at risk payments which are designed to motivate and reward for performance in that financial year. The target value of the at risk payment is a dollar value. For 2024 the relevant target for the CEO was 18% of base salary. For all other Executives it was 11% to 14%.

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This year 100% of the Executive annual short-term incentives were based on shared measures relating to commercial success (financial performance), customer (delivery) and People (employee engagement), aligned to QV's strategic priorities.

There are no long term incentives within the business.

| | 2024 weighting % | Measure |
|--------------------|------------------|-------------------------------|
| Commercial Success | 40% | EBITDA |
| People | 20% | Employee engagement |
| Customer | 40% | Customer and delivery targets |

Key performance indicators have a five-point rating scale ranging from 'minimally achieved' to 'exceeded' performance levels. The Board retains the discretion to ensure the final outcome of the annual at risk payment fairly reflects the individual's performance over the financial year.

Chief Executive's remuneration

| | Salary* \$000 | Benefits \$000 | Short-term incentive** \$000 | Total remuneration \$000 |
|------|------------------|-------------------|------------------------------------|--------------------------------|
| 2024 | 458 | 23 | 99 | 580 |
| 2023 | 437 | 22 | 83 | 542 |
| 2022 | 407 | 20 | 75 | 502 |

* Salary includes holiday pay paid as per NZ legislation.

** FY23 incentive paid in FY24.

Executive's remuneration

| | Salary* \$000 | Benefits \$000 | Termination benefits \$000 | Short-term incentive** \$000 | Total remuneration \$000 |
|------|------------------|-------------------|----------------------------------|------------------------------------|--------------------------------|
| 2024 | 1,298 | 69 | - | 195 | 1,562 |
| 2023 | 1,131 | 71 | - | 154 | 1,356 |
| 2022 | 931 | 54 | - | 125 | 1,110 |

* Salary includes holiday pay paid as per NZ legislation.

** FY23 incentive paid in FY24.

Executive remuneration includes the role of Chief Financial Officer, Chief Operating Officer, Chief People Officer, Chief Technology Officer, Chief Revenue Officer and General Manager Whetū.

R. Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest rate method.

There were no outstanding borrowings (2023: Nil).

Borrowing costs

Interest expense is accrued on a time basis using the effective interest rate method. All borrowing costs are recognised as an expense in the period in which the change relates to.

Bank facilities

| | 2024 \$000 | 2023 \$000 |
|------------------------------------|---------------|---------------|
| Westpac New Zealand | | |
| Overdraft facility: | | |
| – Facility limit | 1,000 | 1,000 |
| – Facility used | - | - |
| – Available facility | 1,000 | 1,000 |
| Money Market Loan facility: | | |
| – Facility limit | 2,000 | 2,000 |
| – Facility used | - | - |
| – Available facility | 2,000 | 2,000 |

The loan facility is made available only subject to the terms of an unsecured negative pledge and expires on 30 September 2025.

At balance date there is a business MasterCard facility of \$71,500 (2023: \$71,500), with a limit of \$10,000 (2023: \$10,000) of which \$ Nil is outstanding (2023: \$ Nil).

S. Financial instruments

Recognition and measurement

Financial assets and financial liabilities are recognised when a group entity becomes a party to a contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

QV designates cash and cash equivalents and trade and other receivables (excluding prepayments) as financial assets at amortised cost. QV has not designated financial assets as fair value through profit or loss or fair value through other comprehensive income.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For these financial instruments, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss.

Impairment of financial assets

QV recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

QV always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on QV's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

QV has recognised a loss allowance in the current year of \$2k (2023: \$26K).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Definition of a default

QV considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including QV, in full.

Irrespective of the above analysis, QV considers that default has occurred when a financial asset is more than 90 days past due unless QV has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to QV in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped based on the nature of the financial instrument, size and nature of the debtor and external credit ratings where available. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If QV has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 months ECL at the current reporting date.

QV recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

QV derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification as debt or equity

Debt and equity instruments issued by QV is classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

QV designates its trade and other payables and borrowings as financial liabilities at amortised cost. All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

QV derecognises financial liabilities when, and only when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Quotable Value Australia Pty Limited, a subsidiary of Quotable Value Limited operates in Australia which requires the entities to enter into transactions denominated in Australian dollars (AUD). QV holds bank accounts with AUD balances with Westpac Australia. As a result of these activities, exposure to currency risk arises.

Sensitivity analysis

As at 30 June 2024, if the NZD had strengthened by 10% against the AUD with all other variables held constant, the profit for the year would have increased by \$51,334. If the NZD had weakened by 10% against the AUD the profit would have decreased by \$42,000.

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligation to QV, resulting in a financial loss. QV has adopted a policy of only dealing with creditworthy counterparties.

QV's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note D), and net trade and other receivables (note E).

Our Financials

A Mātou Pūtea

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables. QV has no significant concentration of credit risk, as its credit customers are relatively small.

QV only invests funds with registered banks with specified Standard and Poor's credit ratings of AA- and above.

Liquidity risk

Liquidity risk is the risk that QV will encounter difficulty meeting their short-term commitments as they fall due. QV manages liquidity risk by maintaining sufficient cash by preparing monthly cash flow reports and budgets. The debtor's collection process and cash position is monitored daily.

| | 2024 \$000 | 2023 \$000 |
|--|---------------|---------------|
| Financial assets at amortised cost | | |
| Cash and cash equivalents | 7,579 | 5,956 |
| Short-term deposit | 573 | 550 |
| Trade and other receivables (excluding prepayments) | 4,874 | 8,377 |
| Total financial assets at amortised cost | 13,026 | 14,883 |
| Financial liabilities at amortised cost | | |
| Creditors and other payables (excluding GST payable and income in advance) | 793 | 1,264 |
| Lease liabilities | 2,622 | 3,115 |
| Total financial liabilities at amortised cost | 3,415 | 4,379 |

T. Contingent liabilities

The following contingent liabilities have been identified:

Bonds

QV has performance bonds for contracts undertaken and rental bonds on properties occupied. The table below details the values associated with these bonds:

| | 2024 \$000 | 2023 \$000 |
|----------------------------|---------------|---------------|
| Rental bonds | 101 | 100 |
| Contract performance bonds | 879 | 878 |
| Total bond value | 980 | 978 |

Professional indemnity claims

QV is not currently subject to any professional indemnity claims.

Legal claims

There are no outstanding legal claims. (2023: None).

U. Contingent assets

There are no contingent assets in the current year (2023: Nil).

V. Commitments

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| Non-cancellable operating commitments: | | |
| – Not later than one year | - | 55 |
| – Later than one year and not later than five years | - | - |
| | - | 55 |

W. Capital management

QV's capital is equity. Equity comprises accumulated funds and other reserves and is represented by net assets. Borrowings are held with the bank as outlined in note R (QV has not utilised any of the borrowing facilities as at 30 June 2024).

QV is subject to the financial management and accountability provisions of the State Owned Enterprises Act 1986.

QV manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that QV achieves its objectives and purpose whilst remaining a going concern.

X. Events after the reporting period

There were no events after balance date which required adjustments or disclosures to be made in the financial statements.

Statutory information
For the year ended 30 June 2024

A. Directors' remuneration

During the year directors of QV were paid the following:

| Director | Period | Board | 2024 \$000 | 2023 \$000 |
|---|------------|-------|---------------|---------------|
| Gregory Fortuin | | | | |
| Appointed Director & Chair: 21 August 2019 | Full year | QVL | 47 | 47 |
| Suzanne Maree Tindal | | | | |
| Appointed: 1 May 2020; Deputy Chair 30 April 2023 | Full year | QVL | 29 | 24 |
| Appointed: 1 May 2020 | Full year | QVA | - | - |
| Alex Skinner | | | | |
| Appointed: 13 November 2019 | Full year | QVL | 23 | 23 |
| Alma Hong | | | | |
| Appointed: 1 October 2021 | Full year | QVL | 23 | 23 |
| Ended: 8 July 2024 | | | | |
| Mads Moller | | | | |
| Appointed: 13 November 2019 | Full year | QVL | 23 | 23 |
| Hon Mark Burton | | | | |
| Appointed: 21 August 2019 | Full year | QVL | 23 | 23 |
| Ended: 1 June 2024 | | | | |
| Natasha Possenniskie | | | | |
| Appointed: 1 October 2021 | Full year | QVL | 23 | 23 |
| Sharon Henderson | | | | |
| Appointed: 1 July 2023 | Full year | QVL | 21 | - |
| Paula Jackson | | | | |
| Appointed: 1 November 2016 | | | | |
| Appointed Deputy Chair: 1 June 2020 | Prior year | QVL | - | 24 |
| Term ended: 30 April 2023 | | | | |
| Jacque Barker | | | | |
| Appointed: 1 May 2011 | Full year | QVA | - | - |
| Ben Driller | | | | |
| Appointed: 1 July 2013 | Full year | QVA | 5 | 4 |

B. Employees' remuneration

Remuneration and other benefits of \$100,000 per annum or more received¹ by employees in their capacity as employees were:

| | 2024 | 2023 |
|-----------------------|------|------|
| \$100,000 - \$109,999 | 19 | 18 |
| \$110,000 - \$119,999 | 13 | 12 |
| \$120,000 - \$129,999 | 10 | 7 |
| \$130,000 - \$139,999 | 12 | 8 |
| \$140,000 - \$149,999 | 6 | 9 |
| \$150,000 - \$159,999 | 4 | 2 |
| \$160,000 - \$169,999 | 6 | 7 |
| \$170,000 - \$179,999 | 5 | 4 |
| \$180,000 - \$189,999 | 5 | 4 |
| \$190,000 - \$199,999 | 3 | 1 |
| \$200,000 - \$209,999 | 2 | 1 |
| \$210,000 - \$219,999 | 1 | 3 |
| \$220,000 - \$229,999 | 1 | 2 |
| \$230,000 - \$239,999 | - | 2 |
| \$240,000 - \$249,999 | 2 | 1 |
| \$250,000 - \$259,999 | 2 | - |
| \$260,000 - \$269,999 | 2 | 2 |
| \$270,000 - \$279,999 | 1 | - |
| \$280,000 - \$289,999 | - | 1 |
| \$300,000 - \$309,999 | 1 | - |
| \$320,000 - \$329,999 | 1 | 1 |
| \$350,000 - \$359,999 | 1 | - |
| \$530,000 - \$539,999 | - | 1 |
| \$570,000 - \$579,999 | 1 | - |

¹ This table does not include any accruals for employee entitlements.

Statutory information
For the year ended 30 June 2024

C. Interest register

A directors' interest register is maintained by the Board as listed below:

| | |
|------------------------|--|
| Gregory Fortuin | Shareholder/Chair, Always-Ethical Limited Director/Trustee, Salvation Army NZ Governance Board Advisor to the Royal New Zealand Police College Board Ethnic Advisor New Zealand Police Commission Strategic Adviser to the New Zealand Police Commissioner Chair Plain English Awards (resigned June 2024) AE Kwisaver Limited AE Nominees Limited |
| Suzanne Tindal | Board Deputy Chair, New Zealand Infrastructure Commission (Te Waihanga) Chair of Risk and Assurance Committee, New Zealand Infrastructure Commission (Te Waihanga) Trustee, Hayson Family Trust Trustee, Swinkels Family Trust Independent Chair, Hutt City Council Audit & Risk Committee Independent Director, Brosnan Holdings Limited Independent Director, Brosnan Construction Limited Independent Director, Bettabuilt NI Limited Independent Director, Brosnan Limited Independent Director, Brosnan Maintenance Limited Independent Member, Sunshine Coast Council Audit Committee Chair/Independent Director, Brosnan North Limited (appointed June 2024) Chair/Independent Director, Brosnan Nominees Limited (Appointed June 2024) |
| Alex Skinner | Trustee & Chair, Otautahi Community Housing Trust Director & Chair, Otautahi Community Housing Development GP Limited Director, Alex Skinner Limited Director, Anchorage Trustee Services Limited National Board Member, Royal NZ Plunket Society Trustee, Loyal Canterbury Lodge Investment Fund Independent Director, Christchurch City Holdings Limited (resigned November 2023) Director, Wild in Art NZ Limited Independent Trustee, Manchester Unity Welfare Trust Chair of Advisory Board, Bennetto Natural Foods Independent Chair, Assurity Consulting Independent Director, Isthmus Group (appointed December 2023) Chair, Audit & Risk Committee (Advisor) Talley's Group (appointed April 2024) |
| Mads Moller | Director & Shareholder, Multorum Limited Independent Director, Vertical Group APS (NO) Board Advisor, University Canterbury Business School Shareholder/Director, Fortune A/S (Denmark) Shareholder/Director, Forward Limited (UK) Shareholder/Director, SylSems Limited (UK) (resigned June 2024) Shareholder/Director, Excitor Limited (UK) (resigned June 2024) Shareholder/Director, Protrego Inc (USA) Independent Chair, Orb Viz IP Limited Independent Chair Orb Viz Holdings Limited Independent Chair Orb Viz Limited (NZ) |

| | |
|---------------------------------|---|
| Mads Moller continued | Independent Director, Protocol Policy Systems Limited (resigned June 2024) Independent Director, Spatial Computing Solutions Limited Independent Director, Webtools Heath Limited (resigned June 2024) Independent Director, Inventure Holdings Limited (resigned June 2024) Independent Director, Webtools Agritech Limited Independent Director, Education Payroll Limited Independent Chair Fuse Information Technologies Limited Independent Chair Fuse Information Technologies LLC (USA) (appointed July 2024) Board Advisor, Kea AeroSpace Limited (NZ) Board Advisor to WellNow (resigned June 2024) Independent Director Information Leadership (resigned June 2024) Director Virtual Medical Coaching (appointed November 2023) Independent Trustee, Christchurch Symphony Orchestra (appointed Nov 2023) Shareholder/Director, ProCon (USA) Shareholder/Director, ForwardDigi Limited (USA) Shareholder/Director, CrossRef (UK) (appointed November 2023) Shareholder/Director, Vigilante (DK) Shareholder/Director, AxeCentre (DK) Shareholder/Director, IOTAI (DK) (appointed November 2023) Shareholder/Director, Yärken Holdings (appointed November 2023) Board Advisor, Matomo (resigned June 2024) Independent Director, Radio New Zealand (appointed July 2024) |
| Hon Mark Burton | Partner, Burton Partners Member, UNDP GPN Experts Roster for Rapid Response |
| Natasha Possenniskie | Director & Shareholder, Urban Outcomes Limited Member, New Zealand Institute of Building Risk and Audit Committee Independent Trustee, Te Toi Mahana Community Housing (appointed March 2023) Trustee, NLP Trust Trustee, Penrose Trust Board Member, New Zealand Institute of Building Board (appointed October 2023) Shareholder/Director, Sandy Paws Limited (appointed February 2024) |
| Wing Mun (Alma) Hong | Director, Alma-Hong Consultancy External Board Member, Frigate Sustainment Management Group Member, Diversity and Inclusion Sub-Board, NZTech Alliance Board Member, Civil Aviation Authority Board Member, Ministry of Defence Cybersecurity |
| Sharon Henderson | Shareholder/Director, Federation Holdings Limited Shareholder/Director/CEO, Federation Limited Board Member, Consumer New Zealand Shareholder/Director, Hubbub New Zealand Limited |
| Jacquie Barker (QVA) | Director, LRB Investments Limited |
| Ben Driller (QVA) | Director, Egan Australasia Pty Limited |

D. Donations

No donations were made by QV during the year ended 30 June 2024 (2023: Nil).

Statement of key performance indicators
For the year ended 30 June 2024

Financial performance indicators

The Board agreed the following financial targets with the Ministry at the beginning of the year:

| | Group Actual 2024 | SCI Target 2024 | Group Actual 2023 |
|---|-------------------------|-----------------------|-------------------------|
| General | | | |
| Revenue \$000 | 42,711 | 41,548 | 40,190 |
| EBITDA \$000 | 3,357 | 2,523 | 4,686 |
| Profit after tax, impairment & amortisation before capital gains & dividend \$000 | 1,195 | 342 | 2,108 |
| Profit after taxation & impairment/revenue | 2.80% | 0.82% | 5.25% |
| Shareholders returns | | | |
| Dividend yield | 6.16% | 1.98% | 2.05% |
| Return on equity | 7.97% | 2.32% | 14.64% |
| Total Shareholders return | 13.06% | 1.98% | (6.98%) ¹ |
| Profitability and efficiency | | | |
| Return on capital employed (EBIT/ave debt + equity) | 7.52% | 2.22% | 16.10% |
| Operating margin (EBITDA/Revenue) | 7.86% | 6.07% | 11.66% |
| Leverage/solvency | | | |
| Net debt/net debt + equity ratio (max 30%) gearing ratio ² | (122.24%) | (77.23%) | (75.13%) |
| Interest cover (EBIT/interest) ³ | NMF | NMF | NMF |
| Debt to EBITDA ⁴ | (164.73%) | (161.75%) | (72.38%) |
| Growth | | | |
| Capital replacement | 86.27% | 135.20% | 52.06% |
| Revenue growth | 6.27% | 6.60% | 15.13% |
| Underlying EBITDA growth | (28.08%) | (32.72%) | 32.79% |

¹ The return is negative due to the reduction in the corporate valuation.

² The result is a negative ratio as the group did not have any outstanding debt balance at year end.

³ No meaningful measure as QV has no interest bearing debt and receives interest income.

⁴ The result is a negative ratio as the group did not have any outstanding debt balance at year end.

Non-financial performance indicators

The Board agreed the following non-financial targets with the Ministry at the beginning of the year:

| Non-financial performance indicator | Group Actual 2024 | SCI Target 2024 | Group Actual 2023 |
|---|-------------------|-----------------|-------------------|
| Customer | | | |
| Customer Net Promoter Score ¹ | +48 | +25 | +72 |
| Regional coverage | 16 | 16 | 16 |
| Data and insights freely available on a quarterly basis | 4 | 4 | 4 |
| Brand Credibility² | | | |
| Trust QV's information | 72% | +65% | 68% |
| People | | | |
| Health and Safety Prequal ³ | 5 stars | 5 stars | 5 stars |
| Employee Net Promotor Score ⁴ | +46 | +30 | +43 |
| Governance | | | |
| Audit ESCO Grade ⁵ | Very good | Very good | Very good |

¹ Customer NPS is a 12 month rolling average measured by asking customers to rank from 0 - 10 whether they would recommend QV to others. The NPS is the difference between the percentage that rank QV a 9 or a 10 (promoters) less the percentage that rank QV a 0 to 6 (detractors). The customer group surveyed widened from 2023 to 2024.

² Brand credibility, including brand awareness is measured through an annual independent survey carried out by Verian, previously Kantar.

³ Health and Safety Prequal result is measured through an independent assessment carried out by IMPAC.

⁴ Employee NPS is measured by asking employees to rank from 0 – 10 whether they would recommend QV as a good place to work. The eNPS is the difference between the percentage that rank QV a 9 or a 10 (promoters) less the percentage that rank QV a 0 – 6 (detractors), providing a score between -100 and +100.

⁵ ESCO grade is a framework applied by QV's auditor to assess QV's environment, systems and controls. A grading system is applied, with 'very good' being the highest grade and 'poor' being the lowest grade.

Statement of corporate governance

Financial statements

The Directors of QV are responsible for preparing financial statements that give a true and fair view of the consolidated financial position of the Group as at the end of the financial year and the consolidated results of operations and cash flows for the year. The external auditors are responsible for expressing an opinion on the consolidated financial statements, based on their review and assessment of the conclusions drawn from evidence obtained in the course of the external audit.

The consolidated financial statements set out in this report have been prepared by management in accordance with generally accepted accounting practice. They are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable judgements and estimates.

Board of directors

The Board of Directors retains full and effective control over the Group, monitors executive management and ensures that decisions on material matters are in the hands of the Board. The Chair of the Board of Directors is Gregory Fortuin.

The Group had 8 full Board meetings during the year. Full Board meetings are a combination of face to face and video meetings. In conjunction with these meetings, the Board and executive management team usually meet once a year to review the Group's strategy and progress.

Subsidiary company

Quotable Value Limited ('QV') has a 100%-owned operating subsidiary, Quotable Value Australia Pty Limited ('QVA') incorporated in New South Wales, Australia. The Directors of QVA are, Jacquie Barker (Chair - CEO of QV), and Australian residents Suzanne Tindal and Ben Driller (Public Officer).

Internal control

To fulfil its responsibilities, management maintains adequate accounting records and has developed and continues to maintain an appropriate system of internal controls.

The Directors acknowledge that they are responsible for QV's system of internal financial control.

Internal financial controls implemented by management can provide only reasonable and not absolute assurance against material misstatement or loss.

The Directors constantly review the effectiveness of the system of internal financial control. No major breakdowns were identified during the year in the system of internal control.

After reviewing internal management financial reports and budgets the Directors believe that QV will continue to be a going concern in the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Committees of the board

QV had three standing committees during the year. They were:

1. The Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee comprised Alex Skinner (Chair), Suzanne Tindal and Alma Hong. The purpose of this committee is to oversee the financial management, external and internal audit functions and the overall risk management of the Group.

2. The People and Culture Committee

The People and Culture Committee comprised Chair Suzanne Tindal (appointed 20 June 2024), previously Chair Hon Mark Burton (term ended 1 June 2024) Natasha Possenniskie and Sharon Henderson. The committee is designed to assist the Board to ensure the Company fulfils its overarching people and communication responsibilities – creating an environment where our people are passionate about working for the Group.

3. The Whetū Committee

The Whetū Committee comprised Mads Moller (Chair), Alma Hong and Natasha Possenniskie. The committee is designed to assist the Board in reviewing QV's proposed technology and operational solutions, including business plans, reviewing progress against delivery, monitoring financial budgets, providing the Board with recommendations and advising the Board on matters relating to the economic and technological landscape.

Director development

The Board believes it is in the best interest of QV to ensure that Directors will remain current with best corporate governance practice. The Group budgets a small amount each year to support the continued professional development of Directors.



To the readers of the Quotable Value Limited's Group Financial Statements for the year ended 30 June 2024

The Auditor-General is the auditor of Quotable Value Limited Group (the Group). The Auditor-General has appointed me, Troy Florence, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 30 to 69, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information.

In our opinion the financial statements of the Group:

- present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards Accounting Standards.

Our audit was completed on 28 August 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the State-Owned Enterprises Act 1986.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report



- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and the performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 29 and 70 to 83, but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standards 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Group.



Troy Florence
PricewaterhouseCoopers

On behalf of the Auditor-General
Auckland, New Zealand
28 August 2024

Directory

For the year ended 30 June 2024

| | |
|-----------------------------|--|
| Gregory Fortuin | Director (Chair) |
| Suzanne Tindal | Director (QVL: Deputy Chair and QVA: Director) |
| Alex Skinner | Director |
| Alma Hong | Director |
| Hon. Mark Burton | Director |
| Mads Moller | Director |
| Natasha Possenniskie | Director |
| Ben Driller | Director (QVA) |
| Jacquie Barker | Chief Executive Officer and Director for QVA |
| Gary Obbes | Chief Financial Officer |
| Brendon Bodger | General Manager, Whetū |
| Rochelle Clancy | Chief People Officer |
| David Nagel | Chief Operating Officer |
| Neil Cran | Chief Technology Officer |
| Nigel Dasler | Chief Revenue Officer |
| Registered Office | QV House, 22 Nevis Street, Petone |
| Postal Address | Private Bag 39818, Wellington Mail Centre, Lower Hutt 5045 |
| Telephone | 0800 786 822 |
| Website | QV.co.nz |
| Auditor | Troy Florence of PricewaterhouseCoopers on behalf of the Controller and Auditor General |
| Banker | Westpac Banking Corporation |
| Solicitor | DLA Piper NZ |
| Insurance Broker | Marsh Limited |



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