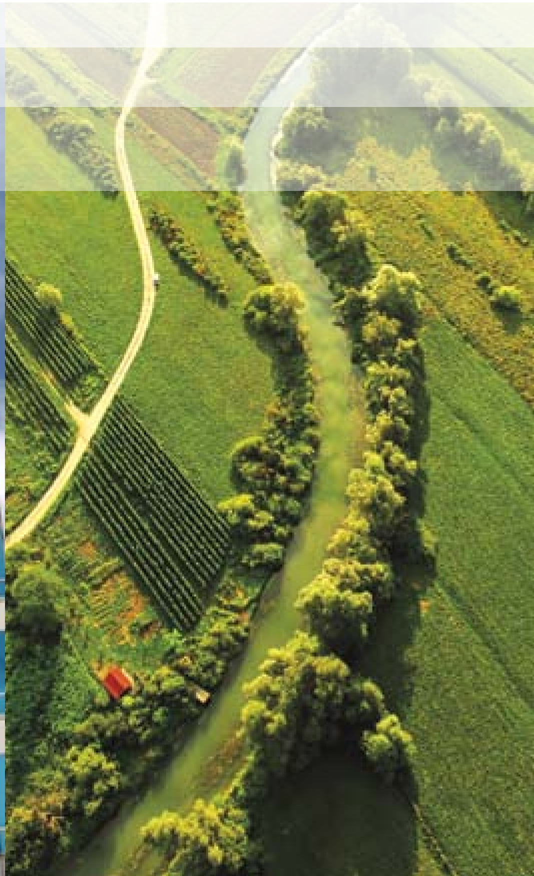
QV Annual Report
2008 – 2009


QV Annual Report 2008-2009

Contents

Message from the Chair

I am pleased to report that Quotable Value has delivered a solid result despite a substantial drop in the property market. The Company has delivered a pre-tax profit of $1.787 million for the 2008-2009 year. This is a pleasing result considering the challenging market conditions and restructuring that took place halfway through the year.

The trading environment slowed to levels not seen in many years and the number of property transactions dropped to a quarter of their peak just 18 months earlier. The Company was required to respond quickly and decisively to preserve cash and maintain profitability. Not to address this dramatic downturn with a substantial restructuring would have led to serious consequences. We were encouraged by the Company's ability to adapt while continuing the focus on delivering value to customers. The restructured business is now on a sound footing and is well able to respond to any eventual upturn.

By the end of the 2008-2009 financial year our Australian businesses, Egan and QV Australia, were both performing well, helping to deliver a strong recovery in the final quarter. This is testimony to the diversification strategy of earlier years.

The PropertyIQ joint venture company was focused on establishing itself in a difficult and distressed financial market. They have introduced new products to help the banking sector minimise risk to their mortgage books and improved the delivery of property information to the market. PropertyIQ has gained significant traction through the year and is poised to capitalise on the market as it emerges from the recession. We are pleased with their results.

On behalf of the Board, I thank all the people of QV for their dedication and commitment over the past year. It has been a very challenging year and people have responded with courage and determination. The Board would also like to specifically thank the Chief Executive, Bill Osborne. He has faced the challenges head-on and led the necessary change swiftly and effectively.

Finally, I would like to thank my fellow Directors. Their commitment and professionalism ensure a focus on good commercial returns through well-executed governance and sound strategy. Special thanks to Kay McKelvie, who retired as Chair just before year end. She chaired the Board through a period when courageous decisions were required and great progress was made. Mention must also be made of other Directors who have retired during the year. On behalf of the Company I would like to thank Jocelyn Martin, Sue Piper and Tony Timms for their contribution to Quotable Value.

We believe the Company is now well positioned to capitalise on the market as it emerges from the recession.

Phil Lough
Chair

Key Business Achievements 2008-2009

In New Zealand

QV Valuations establishes an online valuation ordering service and responds to demand from the rural sector by setting up a dedicated rural valuations team in the South Island.

QV develops the technology to implement changes to the Rating Valuation Rules required by the Office of the Valuer-General – providing the solution for local authority customers.

Darroch Valuations wins major nationwide and global contracts.

QV's 50% stake in joint venture company PropertyIQ enables an extensive range of online property-related analytical services for valuers, banks, financial services organisations and members of the public. These services play a key role in the fast-growing relationships that are central to PropertyIQ's success.

PropertyIQ and QV collaborate in developing EVR, a new electronic valuation service for the New Zealand banking market.

iAdvise goes live, providing online property information to financial services businesses.

PropertyIQ re-launches the Cityscope online property database, offering high-level commercial data in Auckland and Wellington and extending this information to commercial property in Christchurch's central business district.

PropertyIQ creates a dedicated research team to support the market's increasing demand for accurate, timely property intelligence.

QV launches VueNZ – an image hosting service that delivers high-resolution, top-quality, geo-referenced images to organisations that use large volumes of satellite and aerial image data.

Our commitment to corporate responsibility sees us reduce paper consumption by 36% (more than double our target), power use by 6% and fuel consumption by 16.4%.

85.4% of visitors to www.qv.co.nz rate it as good or excellent.

In Australia

QV Australia becomes the largest rating valuations' provider in New South Wales and enters the Victorian market.

Egan National Valuers undertakes extensive new revaluation projects covering rural, residential and commercial properties and wins a major three-year rental assessment and valuation contract.

From the Chief Executive

In an environment more challenging than many of us have ever experienced, I'm delighted that the QV team has delivered such a strong performance – achieving many notable successes for our business as well as positive financial returns.

The global recession has had a significant effect on QV and the property-related information services we provide, particularly through a dramatic reduction in the number of property transactions and decreasing property values. In addition, our customers' needs have changed significantly, requiring us to respond swiftly with appropriate and innovative solutions.

The team has treated these challenges as opportunities for diversification and growth in New Zealand and Australia. Through a commitment to service excellence they have achieved much for the business in the past year – harnessing technology to deliver speed and convenience for our customers, exploring and implementing new business initiatives, and developing stronger, more enduring relationships with our customers and partners.

Renewing our focus at home

In New Zealand, we've responded to the economic downturn by working with our customers to develop and deliver the services they need. Recognising the demand for cost control and efficiency improvements, we've focused on improving existing systems and exploring new ideas and services, often enabled by leading-edge technology.

We've also extended our reach to new markets, such as the rural sector in the South Island, which is now serviced by a dedicated QV rural team. And we've progressed our goal of being the leading independent national provider of valuation and consultancy services to the commercial and industrial market, through extending Darroch Valuations' presence to the South Island. The brand now has a base in Christchurch, with services also available in Dunedin and Nelson. The Corporate Advisory team within Darroch Valuations has also achieved notable success in being awarded some major valuation contracts during the year.

Within QV, our drive to work smarter has included a commitment to corporate social responsibility. As part of this, we've introduced 'bulk bundling' for Notices of Valuation, through which property owners with multiple properties receive all notices in a single envelope or package. This initiative has not only increased convenience for our customers, it has also reduced our carbon footprint and paper consumption.

Expanding our business in Australia

Internationally, our Australian businesses are flourishing. QV Australia is now the largest rating valuations' provider in New South Wales, having been awarded another key contract in the past 12 months – and we have entered the market in Victoria. Our commercial valuation business, Egan National Valuers, is also doing well, having responded to changing market needs by identifying, seeking and gaining new customers and new business opportunities.

Harnessing technology for growth

Technology has led the way for a number of new services, all focused on meeting customer needs and many targeted at specialist sectors of our market. The online environment is offering us more opportunities than ever, through initiatives such as our joint venture company PropertyIQ, our new 'VueNZ' image hosting service, and SalesDirect, which enables lawyers and councils to submit, work with and view property sales notices online.

PropertyIQ has had a busy year establishing its presence and taking a number of new products to market. As well as providing a number of discrete property information websites, such as www.qv.co.nz, it provides customised solutions to the corporate and public sectors, including tailored data and analytical services for New Zealand banks to enable them to make more informed lending decisions.

PropertyIQ has worked with QV to develop a new electronic valuation service, called EVR, for the New Zealand banking market. This new system delivers efficiencies to both banks and valuers, speeding up lending decisions while enhancing the banks' control and minimising their risks. Another innovation, iAdvise, is an online property information tool customised for the financial services market.

VueNZ was launched by QV in October 2008. This exciting new image hosting service is designed for organisations using large volumes of satellite and aerial image data. It provides high-resolution, high-quality images of New Zealand's land and waters directly to our customers' in-house applications. Customisable and easy to use and navigate, VueNZ also reduces the risks and complexities involved in developing, setting up, managing and maintaining the infrastructure, and saves the associated time, resources and significant (and ongoing) capital investment required.

SalesDirect's presence in the marketplace continues to grow, with 89% of councils now registered to receive sales notices electronically and 23% of all sales notices in New Zealand generated via this online system. Important and valuable information is being delivered to councils and QV more quickly and efficiently, without the errors and duplication inherent in the manual paper-based system.

Maintaining our commitment to our people

Throughout the year we've maintained our commitment to the health and wellness of our people. This means providing the conditions, programmes and support they need to achieve a healthy work/life balance – for example, by offering flexible working options to suit their personal circumstances, whether it's through compressed working weeks, teleworking, job-sharing or part-time work.

We're also dedicated to developing leadership capability in our organisation. We have a robust succession planning framework, and our new 'Future Leaders Programme' provides skill development and practical training for QV people who illustrate leadership potential.

We are especially pleased to see a number of our New Zealand valuers gain professional registration with the Property Institute of New Zealand (PINZ) during the year. Their success means that registered valuers comprise 50% of all our valuing staff, and several were recognised by PINZ for their contribution to the industry. This performance was echoed across the Tasman, with a number of valuers achieving recognised professional status.

Celebrating a year of achievements

I'm immensely proud of the achievements for which the QV team has been responsible during 2008-2009. Thanks to their expertise, professionalism and commitment, we have achieved a strong financial result in difficult economic conditions.

I'd also like to acknowledge our Board of Directors, who have had the wisdom and courage to make some tough decisions and establish a new strategic platform from which we can build our business. I sincerely thank all Directors for their governance and support for our new direction, and for their guidance and leadership in the past 12 months.

Bill Osborne
Chief Executive

Directors' Responsibility Statement

For the year ended 30 June 2009

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 financial position of Quotable Value Limited (the Company) and the Group as at 30 June 2009 and the results of their operations and cash flows for the year ended 30 June 2009. The Group comprises Quotable Value Limited, Valuation New Zealand Limited, New Zealand Valuation Limited, Egan National Valuers (NZ) Limited, Quotable Value Australia Pty Limited and Egan Australasia Pty Limited.

The Directors consider that the financial statements of the Company and Group have been prepared using accounting policies appropriate to the Company and Group circumstances, consistently applied and 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 the Company and Group and to prevent and detect fraud and other irregularities.

The Directors are pleased to present the financial statements of the Company and Group for the year ended 30 June 2009.

This annual report is dated 30 September 2009 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

Phil Lough
Chair

George Reedy
Director

Dated this 30th day of September 2009

Income Statement

For the year ended 30 June 2009

		Group			Parent Company		
	Notes	2009 $'000	Budget $'000	2008 $'000	2009 $'000	Budget $'000	2008 $'000
Revenue	2, 26	36,810	40,560	41,141	29,953	32,990	33,658
Other income	2	201	626	17,951	180	626	17,902
Share of profits of jointly controlled entities accounted for using the equity method	13	669	1,765	87	-	1,765	-
Cost of services	2	(35,875)	(39,848)	(40,925)	(29,595)	(33,037)	(34,337)
Interest expense		(18)	(220)	(235)	(18)	(220)	(233)
Profit before income tax expense		**1,787**	**2,883**	**18,019**	**520**	**2,124**	**16,990**
Income tax refund (expense)	3	(311)	(865)	(63)	(95)	(637)	97
Profit for the period	24	**1,476**	**2,018**	**17,956**	**425**	**1,487**	**17,087**

 The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2009

		Group			Parent Company		
	Notes	2009 $'000	Budget $'000	2008 $'000	2009 $'000	Budget $'000	2008 $'000
Current assets							
Cash and cash equivalents	5	6,098	858	5,896	4,591	(1,351)	3,984
Trade and other receivables	6	4,959	6,844	5,070	4,156	5,345	4,375
Total current assets		**11,057**	**7,702**	**10,966**	**8,747**	**3,994**	**8,359**
Non-current assets							
Investment in subsidiary companies	10, 11, 12	-	-	-	2,346	2,735	2,876
Investment in joint venture	10, 13	11,702	10,825	11,033	10,946	10,825	10,946
Property, plant and equipment	7	1,855	4,074	1,788	1,681	3,756	1,542
Goodwill	8	4,267	6,405	4,278	3,654	5,734	3,654
Intangible assets	9	2,440	1,987	2,822	2,020	1,987	2,781
Total non-current assets		**20,264**	**23,291**	**19,921**	**20,647**	**25,037**	**21,799**
Total assets		**31,321**	**30,993**	**30,887**	**29,394**	**29,031**	**30,158**
Current liabilities							
Trade and other payables	19	1,593	3,491	1,755	1,079	2,093	1,277
Employment entitlements	20	2,199	1,292	2,244	1,906	988	1,935
Dividend provision	15	739	1,009	5,168	739	743	5,168
Provisions	21	1,013	-	100	1,013	-	100
Taxation payable		606	242	(423)	364	80	(542)
Total current liabilities		**6,150**	**6,034**	**8,844**	**5,101**	**3,904**	**7,938**
Non-current liabilities							
Borrowings	16	3,000	2,000	-	3,000	2,000	-
Employment entitlements	20	349	335	335	92	110	110
Provisions	21	107	243	243	84	187	187
Deferred tax	18	(388)	104	104	(384)	108	108
Total non-current liabilities		**3,068**	**2,682**	**682**	**2,792**	**2,405**	**405**
Total liabilities		**9,218**	**8,716**	**9,526**	**7,893**	**6,309**	**8,343**
Net assets		**22,103**	**22,277**	**21,361**	**21,501**	**22,722**	**21,815**

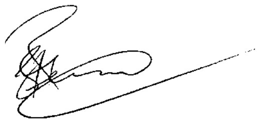
Balance Sheet

As at 30 June 2009

	Notes	Group 2009 $'000	Group Budget $'000	Group 2008 $'000	Parent Company 2009 $'000	Parent Company Budget $'000	Parent Company 2008 $'000
Equity							
Issued capital	4	4,600	4,600	4,600	4,600	4,600	4,600
Reserves	23	94	89	89	-	-	-
Retained earnings	22	17,409	17,588	16,672	16,901	18,122	17,215
Total equity		**22,103**	**22,277**	**21,361**	**21,501**	**22,722**	**21,815**

For and on behalf of the Board, who authorised the issue of these financial statements on 30 September 2009.

Phil Lough
Chair



George Reedy
Director

Statement of Recognised Income and Expenses

For the year ended 30 June 2009

	Group			Parent Company		
	2009 $'000	Budget $'000	2008 $'000	2009 $'000	Budget $'000	2008 $'000
Translation of foreign operations exchange differences taken to equity	5	-	253	-	-	-
Net income recognised directly in equity	**5**	**-**	**253**	**-**	**-**	**-**
Profit for the period	1,476	2,018	17,956	425	1,487	17,087
Total recognised income and expenses for the period	**1,481**	**2,018**	**18,209**	**425**	**1,487**	**17,087**
Attributable to equity holders of the Parent	**1,481**	**2,018**	**18,209**	**425**	**1,487**	**17,087**

Cash Flow Statement

For the year ended 30 June 2009

	Notes	Group 2009 $'000	Group Budget $'000	Group 2008 $'000	Parent Company 2009 $'000	Parent Company Budget $'000	Parent Company 2008 $'000
Cash flows from operating activities							
Cash was provided from							
Revenues from operations		37,580	46,222	41,567	30,172	34,331	33,806
Interest received		201	-	132	180	-	83
		37,781	**46,222**	**41,699**	**30,352**	**34,331**	**33,889**
Cash was applied to							
Payments to employees and suppliers		33,224	42,334	33,201	27,529	31,590	26,622
Net GST paid		431	-	5,233	-	-	4,903
Interest paid		5	220	233	4	220	233
Income tax paid		(226)	944	887	(319)	112	613
		33,434	**43,498**	**39,554**	**27,214**	**31,922**	**32,371**
Net cash flows from operating activities	24	**4,347**	**2,724**	**2,145**	**3,138**	**2,409**	**1,518**
Cash flows from investing activities							
Cash was provided from							
Sale of business		-	-	17,819	-	-	17,819
Sale of fixed assets		22	-	1,677	488	-	1,677
		22	**-**	**19,496**	**488**	**-**	**19,496**
Cash was applied to							
Investment in subsidiary company and joint venture		669	-	11,107	-	-	11,107
Purchase of goodwill		-	2,000	725	-	-	725
Purchase of fixed assets		1,428	2,750	2,514	1,381	4,740	2,409
		2,097	**4,750**	**14,346**	**1,381**	**4,740**	**14,241**
Net cash flows from investing activities		**(2,075)**	**(4,750)**	**5,150**	**(893)**	**(4,740)**	**5,255**

		Group			Parent Company		
		2009	**Budget**	**2008**	**2009**	**Budget**	**2008**
	Notes	$'000	$'000	$'000	$'000	$'000	$'000
Cash flows from financing activities							
Cash was provided from							
Loan advance		3,000	2,000	-	3,530	2,000	-
		3,000	**2,000**	**-**	**3,530**	**2,000**	**-**
Cash was applied to							
Loans repaid		-	-	3,658	-	-	3,345
Dividends paid		5,168	5,480	688	5,168	5,003	688
		5,168	**5,480**	**4,346**	**5,168**	**5,003**	**4,033**
Net cash flows from financing activities		**(2,168)**	**(3,480)**	**(4,346)**	**(1,638)**	**(3,003)**	**(4,033)**
Net increase (decrease) in cash and cash equivalents		104	(5,506)	2,949	607	(5,334)	2,740
Effect of exchange rate on translation of independent foreign operations		98	-	215	-	-	(10)
Plus cash and cash equivalents as at 1 July		5,896	6,364	2,732	3,984	3,983	1,254
Cash and cash equivalents as at 30 June		**6,098**	**858**	**5,896**	**4,591**	**(1,351)**	**3,984**

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2009

1. Summary of Accounting Policies

Reporting Entity

These are the financial statements of Quotable Value Limited and Group, which are State-Owned Enterprise entities in terms of the State-Owned Enterprises Act 1986. The Group comprises Quotable Value Limited, Valuation New Zealand Limited, New Zealand Valuation Limited and Egan National Valuers (NZ) Limited, which are registered under the Companies Act 1993 and Quotable Value Australia Pty Limited and Egan Australasia Pty Limited, which are registered in Australia under the Corporations Law.

The Group became a State-Owned Enterprise on 25 January 2005, previously the Group was a Crown Entity. The Group is incorporated and domiciled in New Zealand. Its principal activity is the provision of property data. The Group has designated itself as a profit orientated entity for the purposes of New Zealand equivalent to International Financial Reporting Standards (NZ IFRS).

The financial statements were authorised for issue by the Directors on 30 September 2009.

Statement of Compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), the requirements of the State-Owned Enterprises Act 1986, the Companies Act 1993, and the Financial Reporting Act 1993.

They comply with the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards. Compliance with NZ IFRS ensures that the consolidated financial statements also comply with International Financial Reporting Standards (IFRS).

Basis of Preparation

The financial statements have been prepared on an historical cost basis.

The transition to NZ IFRS was accounted for in accordance with NZ IFRS-1 "First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards", with 1 July 2006 as the date of transition.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009, the comparative information presented in these financial statements for the year ended 30 June 2008.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars ($), which is Quotable Value Limited's functional currency. All financial information presented in New Zealand dollars has been shown in thousands and are rounded to the nearest thousand dollar.

Details of standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with the Crown in its capacity as "owner". The revised standard gives Quotable Value Limited the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). Quotable Value Limited intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

NZ IAS 23 Borrowing Costs (revised 2007) replaces NZ IAS 23 Borrowing Costs (issued 2004) and is effective for reporting periods commencing on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of qualifying assets. QVL intends to adopt this standard for the year ending 30 June 2010 and has not yet determined the potential impact of the new standard.

Specific Accounting Policies

The following accounting policies which materially affect the measurement of financial performance and financial position for the Parent and Group have been applied:

(a) Budget Figures

The budget figures are those approved by the Board at the beginning of the financial year.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

(b) Consolidation of Subsidiaries

Subsidiaries are those entities that are controlled by the Company.

The Group financial statements incorporate the financial statements of the Company (Quotable Value Limited) and its 100% owned subsidiaries (Quotable Value Australia Pty Limited, Egan Australasia Pty Limited, Valuation New Zealand Limited, New Zealand Valuation Limited and Egan National Valuers (NZ) Limited). The subsidiaries are accounted for using the purchase method, which involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. Details are disclosed in notes 10 and 11.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control the subsidiary.

All significant inter-company transactions, balances and unrealised profits are eliminated in full upon consolidation. In the Parent Company financial statements, the investments in the subsidiary are stated at cost.

(c) Accounting for Joint Ventures and Joint Venture Companies

Joint ventures are joint arrangements between the Company and other parties in which there is a contractual agreement to undertake a specific business project in which the ventures share several liability in respect of the costs and liabilities of the project and share in any resulting output.

Jointly controlled assets and operations

Interests in jointly controlled assets and operations are reported in the financial statements by including the consolidated entity's share of assets employed in the joint ventures, the share of liabilities incurred in relation to the joint ventures and the share of any expenses incurred in relation to the joint ventures in their respective classification categories.

Jointly controlled entities

Interests in jointly controlled entities are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements. From the date of acquisition the Group recognises 50% share of profit and dividends.

(d) Revenue

Quotable Value Limited and Group derives revenue through the provision of services to third parties and income from investments.

Revenue is measured at the fair value of the consideration received/receivable. Partially completed services are valued on a time and cost basis excluding costs deemed not collectible.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(e) Receivables

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(f) Property, Plant and Equipment

Property, plant and equipment asset classes consist of leasehold improvements, motor vehicles, office equipment, furniture and fittings, EDP equipment, general hardware and core application hardware.

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost of the property, plant or equipment 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 income statement.

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 entity and the cost of the property, plant and equipment can be measured reliably.

The day-to-day servicing costs of property, plant and equipment are recognised in the income statement when they are incurred.

Depreciation

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

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

Asset	Depreciation rate
Furniture and fittings	15%
Motor vehicles	20%
Office equipment	33%
General hardware	25%
Application hardware	25%
Leasehold improvements	33%

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.

(g) Investments

At each balance sheet date Quotable Value Limited assesses whether there is any objective evidence that an investment is impaired.

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method. For bank deposits, impairment is established when there is objective evidence that Quotable Value Limited will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payments are considered indicators that the deposit is impaired.

QVL's investments in its subsidiary and joint venture company are held at cost.

Any write-downs are recognised in the income statement.

(h) Work in Progress

Work in progress is work undertaken but not invoiced at month end. The value of work in progress is stated at the lower of cost or net realisable value.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except for receivables and payables, which are recognised inclusive of GST. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Taxation

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 income statement 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. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on 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, and is accounted for using the balance sheet liability method. 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 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 tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 manner in which the Group 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 set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

(k) 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 method.

(l) Borrowing Costs

Borrowing costs are recognised as an expense in the period to which the charge relates.

(m) Intangible Assets

Goodwill

Goodwill on acquisition of subsidiaries is recognised as an asset and separately identified. 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 in the income statement and is not subsequently reversed.

(n) Other Intangible Assets

Database and software

The QIVS II database and software are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. 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	Depreciation rate
QIVS II database	15%
Software	33%

(o) Non-Derivative Financial Instruments

Non-derivative financial instruments include trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value on the date the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if the entity contractual rights to the cash flows from the financial assets expire or if the entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the entity's obligations specified in the contract expire or are discharged or cancelled.

(p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to Quotable Value Limited are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of financial performance.

(q) Foreign Currency Transactions

Foreign currency transactions (including those for which forward exchange contracts are held) are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(r) Translation of Financial Statements of Foreign Operations

Assets and liabilities of independent foreign operations are translated at the closing rate. Revenue and expense items are translated at Treasury mid-month exchange rates over the year, as a surrogate for the spot rates at transaction dates. Exchange differences arising from the foregoing are taken to the foreign currency translation reserve and recognised in the statement of movements in equity.

(s) Reserves

Foreign currency translation differences shall be recognised in equity in a foreign currency reserve.

(t) Research and Development

Development costs are recognised as an asset when all of the following criteria are met:

- The product or process is clearly defined and the costs attributable to the product or process can be identified separately and measured reliably.
- The technical feasibility of the product or process can be demonstrated.
- The Company intends to produce and market, or use, the product or process.
- The existence of a market for the product or process or its usefulness to the Company, if it is to be used internally, can be demonstrated.
- Adequate resources exist, or their availability can be demonstrated, to complete the project and market or use the product or process.

Capitalisation is limited to that amount which, taken together with further related costs, is probable of recovery from related future benefits.

Development costs recognised as an asset are amortised on a straight-line basis over the period of expected benefits.

All other development costs and all research costs are recognised as expenses in the period in which they are incurred.

(u) Financial Instruments

Quotable Value Limited and Group is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, creditors and loans. All financial instruments are recognised in the balance sheet and all revenues and expenses in relation to financial instruments are recognised in the income statement.

(v) Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Company and Group invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Company and Group and records 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.

(w) Cash and Cash Equivalents

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

(x) Payables

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

(y) Impairment of Assets

The Group reviews the carrying amounts of its finite life tangible and intangible 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.

Goodwill with indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

An impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

(z) Provisions

Provisions are recognised when the Group 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.

(aa) Employee Entitlements

Short-term employee entitlements
Provision is made in respect of the Company and Group 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 the Group in respect of services provided by employees up to reporting date.

(ab) Superannuation Schemes

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

(ac) Restructuring Provision

The Parent Company has completed a formal restructuring programme and provisions for last year have been fully paid.

(ad) Lease Make Good Provision

The Company has an obligation to return lease premises to the same condition as at the commencement of the lease. The amount recognised is the best estimate of the consideration required to settle this obligation.

Critical Accounting Judgements and Estimates

In preparing these financial statements Quotable Value Limited and Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, plant and equipment useful lives and residual value
At each balance date Quotable Value Limited and Group reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires Quotable Value Limited and Group to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by Quotable Value Limited and Group, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the statement of financial performance, and carrying amount of the asset in the statement of financial position.

Quotable Value Limited and Group minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

Quotable Value Limited and Group has not made significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 7.

Retirement and long service leave

Note 20 provides an analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities.

Critical judgements in applying Quotable Value Limited and Group's accounting policies

Management has exercised the following critical judgements in applying Quotable Value Limited and Group's accounting policies for the period ended 30 June 2009:

Leases classification

Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to Quotable Value Limited and Group. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

Goodwill impairment

A review of goodwill is undertaken annually to determine that the carrying amount shown in the statement of position is a fair value based on the cash generating units of the Company. Note 8 provides an analysis of the carrying amount of goodwill in the Company.

2. Income and Expenses

		Group		Parent Company	
	Notes	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Revenue and expenses from continuing operations includes					
(a) Revenue					
Revenue from rendering services		36,810	41,141	29,953	33,658
		36,810	**41,141**	**29,953**	**33,658**
(b) Other Income					
Interest income		201	132	180	83
Dividend income		-	-	-	-
Entry of Online business into PropertyIQ Limited		-	17,819	-	17,819
		201	**17,951**	**180**	**17,902**

(c) Cost of Services

	Notes	Group 2009 $'000	Group 2008 $'000	Parent Company 2009 $'000	Parent Company 2008 $'000
Administration expenses		1,234	1,175	850	925
Amortisation of intangible assets		831	1,327	736	1,283
Audit fee	2 (d)	93	100	89	100
Board expenses		280	252	280	240
Communication expenses		855	879	733	747
Computer operating expenses		1,844	2,112	1,723	2,092
Consultancy		280	630	198	637
Depreciation		790	947	698	862
Government superannuation plan contributions		20	19	20	19
Insurance		1,895	435	1,756	315
Kiwisaver contributions		68	13	68	13
Movement in LSL		(34)	45	1	3
Movement in holiday pay		(177)	(110)	(182)	(16)
Movement in other employee entitlements		180	-	134	-
Occupancy expenses		1,960	1,975	1,424	1,439
Other costs		99	781	197	947
Other valuation costs		1,802	2,166	1,496	1,858
Personnel expenses		22,137	24,996	17,772	19,813
Promotional expenses		455	1,343	421	1,306
Research and development		74	268	74	268
Travel expenses		327	602	287	555
Vehicle expenses		862	970	820	931
		35,875	**40,925**	**29,595**	**34,337**

(d) Auditors' Remuneration

		Group		Parent Company	
	Notes	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Fees paid to auditors for					
Audit services of Parent - current year	2 (c)	89	82	89	82
Audit services of Parent - prior year	2 (c)	-	3	-	3
NZ IFRS transition	2 (c)	-	15	-	15
Audit of subsidiaries	2 (c)	4	-	-	-
Total audit fees		**93**	**100**	**89**	**100**

3. Income Tax Expense

(a) The prima facie income tax expenses on pre-tax accounting profit from operations reconcile to the income tax expenses in the financial statements as follows:

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Profit from operations	1,787	18,019	520	16,990
Income tax expense at 30% NZ (2008: 33%) (30% Aust)	**536**	**5,929**	**156**	**5,606**
Adjusted for tax effect of				
Amortisation of goodwill	-	-	-	-
Non taxable income	11	(5,856)	10	(5,861)
Deferred tax adjustment	256	364	421	425
	803	**437**	**587**	**170**
Represented by				
Taxation for the year	803	437	587	170
Imputation credits on dividends	-	-	-	-
Current taxation	803	437	587	170
Deferred tax recognised - current year	(492)	(271)	(492)	(267)
Deferred tax recognised - prior years	-	(103)	-	-
Tax expense	**311**	**63**	**95**	**(97)**

(b) Imputation Credit Account

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance as at 1 July	5,326	4,439	4,746	4,146
Taxation payments during the year	316	887	200	600
Transfers and other credits	46	-	46	-
Refunds and other debits	(580)	-	(580)	-
Dividends paid	(2,545)	-	(2,545)	-
Balance as at 30 June	**2,563**	**5,326**	**1,867**	**4,746**

4. Share Capital

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance at 1 July	4,600	4,600	4,600	4,600
Balance at 30 June	**4,600**	**4,600**	**4,600**	**4,600**

At 30 June 2009 the Company has authorised and issued 4,600,000 shares fully paid (2008: 4,600,000). The shares have no par value. All shares carry equal voting rights and the right to share in any surplus on winding up of the Company. None of the shares carry fixed dividend rights. There is no right of redemption attached to these shares.

5. Cash and Cash Equivalents

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash at bank	6,093	5,891	4,587	3,980
Petty cash	5	5	4	4
	6,098	**5,896**	**4,591**	**3,984**

The carrying value of the short-term deposits with maturity dates of three months or less approximates their fair value.

6. Trade and Other Receivables

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade receivables	3,883	3,612	3,184	3,009
Allowance for doubtful debts	(98)	(98)	(66)	(65)
Related party receivables - trade	90	74	90	74
Other receivables	271	470	210	408
Work in progress	813	1,012	738	949
	4,959	**5,070**	**4,156**	**4,375**

The average credit period on sales of services is 30 days. No interest is charged on the trade receivables. An allowance has been made for doubtful debts based on calculations made by management taking into account historical trends.

As at 30 June 2009 all overdue receivables have been assessed for impairment and appropriate provisions applied. Schedule (a) is the aged debtors schedule for the Group and schedule (b) is the aged debtors schedule for the Parent Company.

Aged debtors schedule for the Group

	2009			2008		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	3,127	-	3,127	2,478	-	2,478
Past due 1-30 days	386	-	386	498	-	498
Past due 31-60 days	162	-	162	164	-	164
Past due 61-90 days	208	(98)	110	472	(98)	374
Past due > 91 days	-	-	-		-	-
Total trade receivables for the Group	**3,883**	**(98)**	**3,785**	**3,612**	**(98)**	**3,514**

Aged debtors schedule for the Parent Company

	2009			2008		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	2,596	-	2,596	2,148	-	2,148
Past due 1-30 days	343	-	343	393	-	393
Past due 31-60 days	131	-	131	141	-	141
Past due 61-90 days	114	(66)	48	327	(65)	262
Past due > 91 days	-	-	-	-	-	-
Total trade receivables for the Parent Company	**3,184**	**(66)**	**3,118**	**3,009**	**(65)**	**2,944**

Movement in provision for doubtful debts

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance at 1 July	98	83	65	50
Additional provisions made during the year	107	118	93	118
Receivables written off during the period	(107)	(103)	(92)	(103)
Balance at 30 June	**98**	**98**	**66**	**65**

7. Property, Plant and Equipment

The fair value of the property, plant and equipment is approximately equal to their carrying amount. In the year ended 30 June 2009 for the Company and Group there were no:

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

The following schedule shows the movements of property, plant and equipment for the year ended 30 June 2009. Table (a) shows the movements for the Group and table (b) shows the movements for the Company.

(a) Movements in Property, Plant and Equipment for the Group

	Leasehold improvements	Motor vehicles	Office equipment	Furniture & fittings	EDP equipment	General hardware	Core application hardware	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount								
Balance as at 1 July 2007	**572**	**267**	**240**	**644**	**34**	**4,133**	**910**	**6,800**
Additions	61	-	24	99	-	648	-	832
Disposals	-	(37)	(4)	(24)	-	(1,030)	-	(1,095)
Balance as at 1 July 2008	**633**	**230**	**260**	**719**	**34**	**3,751**	**910**	**6,537**
Additions	616	-	11	83	-	284	-	994
Disposals	(285)	(96)	(80)	(190)	(9)	(583)	-	(1,243)
Balance as at 30 June 2009	**964**	**134**	**191**	**612**	**25**	**3,452**	**910**	**6,288**
Accumulated depreciation and impairment losses								
Balance as at 1 July 2007	**(419)**	**(207)**	**(207)**	**(328)**	**(27)**	**(2,792)**	**(701)**	**(4,681)**
Disposals	-	29	1	19	-	435	395	879
Depreciation expense	(76)	-	(19)	(78)	-	(660)	(114)	(947)
Balance as at 1 July 2008	**(495)**	**(178)**	**(225)**	**(387)**	**(27)**	**(3,017)**	**(420)**	**(4,749)**
Disposals	269	72	75	145	7	547	(9)	1,106
Depreciation expense	(134)	-	(20)	(89)	-	(533)	(14)	(790)
Balance as at 30 June 2009	**(360)**	**(106)**	**(170)**	**(331)**	**(20)**	**(3,003)**	**(443)**	**(4,433)**
Net book value								
As at 30 June 2008	138	52	35	332	7	734	490	1,788
As at 30 June 2009	**604**	**28**	**21**	**281**	**5**	**449**	**467**	**1,855**

(b) Movements in Property, Plant and Equipment for the Company

	Leasehold improvements	Motor vehicles	Office equipment	Furniture & fittings	EDP equipment	General hardware	Core application hardware	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount								
Balance as at 1 July 2007	**552**	**267**	**167**	**556**	**34**	**3,699**	**910**	**6,185**
Additions	61	-	20	77	-	583	-	741
Disposals	-	(37)	(2)	(24)	-	(552)	(458)	(1,073)
Balance as at 1 July 2008	**613**	**230**	**185**	**609**	**34**	**3,730**	**452**	**5,853**
Additions	594	-	9	83	-	275	-	961
Disposals	(284)	(96)	(60)	(178)	(9)	(504)	-	(1,131)
Balance as at 30 June 2009	**923**	**134**	**134**	**514**	**25**	**3,501**	**452**	**5,683**
Accumulated depreciation and impairment losses								
Balance as at 1 July 2007	**(404)**	**(207)**	**(148)**	**(278)**	**(27)**	**(2,541)**	**(701)**	**(4,306)**
Disposals	-	29	1	19	-	413	395	857
Depreciation expense	(71)	-	(13)	(65)	-	(599)	(114)	(862)
Balance as at 1 July 2008	**(475)**	**(178)**	**(160)**	**(324)**	**(27)**	**(2,727)**	**(420)**	**(4,311)**
Disposals	267	72	53	136	7	481	(9)	1,007
Depreciation expense	(133)	-	(13)	(72)	-	(466)	(14)	(698)
Balance as at 30 June 2009	**(341)**	**(106)**	**(120)**	**(260)**	**(20)**	**(2,712)**	**(443)**	**(4,002)**
Net book value								
As at 30 June 2008	138	52	25	285	7	1,003	32	1,542
As at 30 June 2009	**582**	**28**	**14**	**254**	**5**	**789**	**9**	**1,681**

8. Goodwill

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Gross carrying amount				
Balance as at 1 July	8,703	7,585	6,234	5,196
Effects of foreign currency exchange differences	(11)	80	-	-
Plus goodwill on acquisition in Australia	-	-	-	-
Plus goodwill on acquisition in New Zealand	-	1,038	-	1,038
Balance as at 30 June	**8,692**	**8,703**	**6,234**	**6,234**
Accumulated impairment losses				
Balance as at 1 July	(4,425)	(4,425)	(2,580)	(2,580)
Impairment loss for year	-	-	-	-
Balance as at 30 June	**(4,425)**	**(4,425)**	**(2,580)**	**(2,580)**
Net book value as at 1 July	4,278	3,160	3,654	2,616
Net book value as at 30 June	**4,267**	**4,278**	**3,654**	**3,654**

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. Due to the nature and size of the Company the cash-generating unit is assumed to be the Company in total.

The fair value of each cash-generating unit was determined based on an EBIT multiple; this was then compared to the carrying amount of each cash-generating unit. It was determined that no impairment losses for the reporting period should be recognised.

Fair value was based on the following key assumptions:

- Cash flows were projected based on a three-year business plan as approved by the Board of Directors.
- The weighted average cost of capital was determined with reference to comparable entities with similar gearing positions.

9. Intangible Assets

The following schedule shows the movements of intangible assets for the year ended 30 June 2009. Table (a) shows the movements for the Group and table (b) shows the movements for the Company.

(a) Movements in Intangible Assets for the Group

	Computer Software	QIVS II	QIVS II WIP	Total
	$'000	$'000	$'000	$'000
Gross carrying amount				
Balance as at 1 July 2007	**2,467**	**9,385**	**200**	**12,052**
Additions	269	1,192	148	1,609
Disposals	(44)	(4,605)	(200)	(4,849)
Balance as at 1 July 2008	**2,692**	**5,972**	**148**	**8,812**
Additions	215	841	-	1,056
Disposals	(7)	(584)	(148)	(739)
Balance as at 30 June 2009	**2,900**	**6,229**	**-**	**9,129**
Accumulated amortisation and impairment losses				
Balance as at 1 July 2007	**(2,065)**	**(5,532)**	**-**	**(7,597)**
Disposals	41	2,893	-	2,934
Amortisation	(299)	(1,028)	-	(1,327)
Balance as at 1 July 2008	**(2,323)**	**(3,667)**	**-**	**(5,990)**
Disposals	6	126	-	132
Amortisation	(238)	(593)	-	(831)
Balance as at 30 June 2009	**(2,555)**	**(4,134)**	**-**	**(6,689)**
Net book value				
As at 30 June 2008	369	2,305	148	2,822
As at 30 June 2009	**345**	**2,095**	**-**	**2,440**

(b) Movements in Intangible Assets for the Parent Company

	Computer Software	QIVS II	QIVS II WIP	Total
	$'000	$'000	$'000	$'000
Gross carrying amount				
Balance as at 1 July 2007	**2,242**	**9,385**	**200**	**11,827**
Additions	242	1,192	139	1,573
Disposals	(44)	(4,605)	(200)	(4,849)
Balance as at 1 July 2008	**2,440**	**5,972**	**139**	**8,551**
Additions	215	358	-	573
Disposals	(7)	(584)	(139)	(730)
Balance as at 30 June 2009	**2,648**	**5,746**	**-**	**8,394**
Accumulated amortisation and impairment losses				
Balance as at 1 July 2007	**(1,867)**	**(5,532)**	**-**	**(7,399)**
Disposals	19	2,893	-	2,912
Amortisation	(255)	(1,028)	-	(1,283)
Balance as at 1 July 2008	**(2,103)**	**(3,667)**	**-**	**(5,770)**
Disposals	6	126	-	132
Amortisation	(238)	(498)	-	(736)
Balance as at 30 June 2009	**(2,335)**	**(4,039)**	**-**	**(6,374)**
Net book value				
As at 30 June 2008	337	2,305	139	2,781
As at 30 June 2009	**313**	**1,707**	**-**	**2,020**

The Company has reviewed the value of the QIVS II database in accordance with the impairment test and as the database supports operational business processes, its value is estimated to be greater than the book value. The Company believes that the database holds its value on a going concern basis as revenue-generating capacity continues.

10. Subsidiary and Joint Venture Companies

Quotable Value Limited has 5 subsidiary companies and 1 joint venture company (2008: 5 subsidiaries)

Name of company	Percentage of holding at balance date 2009	2009	Principal activities	Balance date
Subsidiaries				
Valuation New Zealand Limited	100	100	Name protection	30 June
New Zealand Valuation Limited	100	100	Name protection and investment company holding a 100% shareholding in QV Limited (formerly Property Insight Limited), a 45% shareholding in PropertyInsight Limited and a 45% share of PropertyInsight Joint Venture	30 June
Egan National Valuers (NZ) Limited formerly Valuations of New Zealand Limited	100	100	Name protection	30 June
Egan Australasia Pty Limited (unaudited and incorporated)	100	100	Property valuation	30 June
Quotable Value Australia Pty Limited (unaudited and incorporated)	100	100	Property valuation	30 June
Joint venture company				
PropertyIQ NZ Limited	50	50	Sale of online data information	30 June

Country of incorporation

- PropertyIQ NZ Limited, Valuation New Zealand Limited, New Zealand Valuation Limited and Egan National Valuers (NZ) Limited were all incorporated in New Zealand.
- Egan Australasia Pty Limited was incorporated in Victoria, Australia.
- Quotable Value Australia Pty Limited was incorporated in New South Wales, Australia.

In December 2007 PropertyInsight Limited was incorporated in New Zealand. The Company did not trade in 2009.

11. Investment in Subsidiary Companies

	Group 2009 $'000	Group 2008 $'000	Parent Company 2009 $'000	Parent Company 2008 $'000
Investment - at cost	-	-	3,171	3,171
Plus				
Investment in existing subsidiary	-	-	18	18
Purchase (repayment) of investment	-	-	(843)	(313)
Translation differences	-	-	-	-
	-	**-**	**2,346**	**2,876**

12. Joint Venture

New Zealand Valuation Limited

The Group, through subsidiary company New Zealand Valuation Limited, has a 45% participating interest in PropertyInsight Joint Venture, a joint venture set up to develop, market and sell hazard data for properties situated in New Zealand. Under the joint venture agreement revenue and costs are shared in proportion to their interest. The Group interest in this joint venture has the following effect on the financial statements:

	Group	
	2009 $'000	2008 $'000
Statement of income		
Operating revenue	132	141
Expenses	(151)	(152)
Share of jointly controlled entities profit/(loss)	**(19)**	**(11)**
Balance sheet		
Current assets	78	53
Intangible assets	36	41
Total assets	**114**	**94**
Current liabilities	105	66
Non-current liabilities	-	-
Total liabilities	**105**	**66**
Net assets	**9**	**28**

There were no contingent liabilities/contingent assets or commitments as at 30 June 2009 (2008: $Nil) in the joint venture.

13. Investment in Joint Venture Company

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance at beginning of year	11,033	-	10,946	-
Plus				
Investment in shares of new joint venture company	-	10,946	-	10,946
Accounts receivable	-	-	-	-
Dividends	-	-	-	-
Share of profits in jointly controlled entities	669	87	-	-
	11,702	**11,033**	**10,946**	**10,946**

Quotable Value Limited has a 50% share-holding in PropertyIQ NZ Limited. Quotable Value Limited purchased 50% of the company shares for $10,945,840 on 2 April 2008.

The balance date of PropertyIQ NZ Limited is 30 June.

Quotable Value Limited has accounted for the investment in PropertyIQ NZ Limited using the equity method.

14. Related Party Information

Quotable Value Limited and Group are State-Owned Enterprise entities in terms of the State-Owned Enterprises Act 1986. The New Zealand Government influences the roles of Quotable Value Limited and Group.

The Company has entered into a number of transactions with government departments, Crown agencies and State-Owned Enterprises on an arm's length basis. These transactions are not considered to be related party transactions.

Transactions between related subsidiaries include loans and advances to and from subsidiaries. These transactions were interest free and on demand.

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Loans and advances outstanding:				
Egan Australasia Pty Limited	-	-	2,306	2,836
New Zealand Valuation Limited	-	-	40	40
	-	**-**	**2,346**	**2,876**

Other trading-related transactions are:

- $Nil (2008: $10,933) of joint venture revenue has been invoiced through Quotable Value Limited, the Parent Company of New Zealand Valuation Limited. PropertyInsight Joint Venture then invoices Quotable Value Limited for the same amount.
- Trade debtors of $699 (2008: $30) are outstanding from Quotable Value Limited, the Parent Company of New Zealand Valuation Limited for data information sales. These debtors are paid on normal trading terms.
- Trade creditors of $89,591 (2008: $46,503) are owing to Quotable Value Limited, the Parent Company of New Zealand Valuation Limited for licence fees in relation to data provided to the joint venture. This amount is due to be paid within 60 days.
- Trade creditors of $89,591 (2008: $46,503) are owing to Geological Surveys (New Zealand) Limited, a joint venture partner, for licence fees in relation to data provided to the joint venture. This amount is due to be paid within 60 days.
- Trade creditors of $19,911 (2008: $10,333) are owing to Nui Pacific Limited, a joint venture partner, for service fees in relation to data information sales. This amount is due to be paid within 60 days.
- Interest free loans from Quotable Value Limited to New Zealand Valuation Limited and Egan Australasia Pty Limited.
- A subvention payment of $Nil (2008: $313,000) was paid to the subsidiary company New Zealand Valuation Limited.
- Management fees of $60,000 were paid by Quotable Value Australia Pty Limited.
- $6,144 of sundry debtors were outstanding as at 30 June 2009 from Quotable Value Limited, the Parent Company, to Quotable Value Australia Pty Limited. These amounts are paid on normal debtors terms being 20th of the month following invoice.
- Payment of license fees to New Zealand Valuation Limited of $43,089 (2008: $46,503) in relation to license fees of the joint venture.
- Payment of license fees to Geological Surveys (New Zealand) Limited of $43,089 (2008: $46,503) in relation to license fees of the joint venture.
- Payment of service fees to Niu Pacific Limited of $9,574 (2008: $10,333) in relation to license fees of the joint venture.
- Trade debtors of $Nil (2008: $1,558) are outstanding from PropertyIQ NZ Limited, a company which is owned 50% by Quotable Value Limited, the Parent Company of New Zealand Valuation Limited for data information sales. These debtors are paid on normal trading terms.
- $21,723 (2008: Nil) of revenue has been invoiced through PropertyIQ NZ Limited, a company owned 50% by Quotable Value Limited, the Parent Company of New Zealand Valuation Limited. PropertyInsight Joint Venture then invoices PropertyIQ NZ Limited for the same amount.
- Trade debtors of $637.50 (2008: $74,238) are owing from PropertyIQ NZ Limited for consultancy fees and reimbursement of employee entitlements over the first three months of operations. This amount is a short-term loan and will be repaid as funds allow. All transactions were at arm's length.
- Trade creditors of $16,313 (2008: $20,000) are owing to GNS Limited, the Parent Company of Geological Surveys (New Zealand) Limited for product development in relation to data provided by the joint venture. This amount is due to be paid on normal trade terms.

- Trade creditors of $28,000 (2008: $Nil) are owing to PropertyIQ NZ Limited. All transaction were at arm's length on normal trading conditions.
- Short term advances to PropertyIQ NZ Limited joint venture partners bear interest at 2% above the 90 day bill rate. As at June 2009 these loans were paid in full (2008: $188,000).
- During the year PropertyIQ NZ Limited purchased services from the joint venture partners to the value of $1,236,000 (2008: $290,000) and as at June 2009 owed the joint venture partners $105,000 (2008 $264,000). Transactions with related parties are priced on an arm's length basis.
- Share of profit/dividend from PropertyIQ NZ Limited amounts to $669,000 (2008: $87,500).
- Valuation work undertaken for parties related to Directors and employees at an arm's length are:
  - Minter Ellison - Jocelyn Martin $25,410 (008: $Nil)
  - Crown Health Financing - Kay McKelvie $2,250 (2008 $Nil)
  - NZ Windfarms Limited - Derek Walker $1,688 (2008 $Nil)

All other transactions between entities and Directors within the Group were on an arm's length basis both at normal market prices and on normal commercial terms. There are no guarantees to or from any related parties.

At balance date, the Group has not made any allowance for impairment losses relating to amounts owed by related parties as the payment history has been excellent (2008: Nil). An impairment assessment is undertaken each year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exits, the Group recognises an allowance for the impairment loss.

Key management personnel include all Board members, the Chief Executive and the 4 (2008: 6) members of the management team. Compensation paid to these members is as follows:

	2009 $'000	2008 $'000
Salaries and short-term benefits	1,337	1,684
Post-employment benefits	8	-
Other long-term benefits	-	-
Termination benefits	134	-
Total key management personnel compensation	**1,479**	**1,684**

15. Dividend Provision

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance as at 1 July	**5,168**	**688**	**5,168**	**688**
Additional provision recognised	739	168	739	168
Provision for special dividend	-	5,000	-	5,000
Reductions arising from payments	(5,168)	(688)	(5,168)	(688)
Balance as at 30 June	**739**	**5,168**	**739**	**5,168**

In June 2009, the Directors proposed a final normal dividend of $739,000 in respect of the financial year ended 30 June 2009, to be paid to shareholders in October 2009. For 2010, dividends will be paid in two instalments, interim and final as funds allow.

16. Borrowings

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Non-current				
Westpac Money Market	3,000	-	3,000	-
	3,000	**-**	**3,000**	**-**

The bank overdraft is made available only subject to the terms of an unsecured negative pledge. The facility available totals $1,000,000 (2008: $1,000,000).

The interest rate is determined at the time of borrowing. The year end rate was 8.70% per annum (2008: 10.45% per annum). The average interest rate for the year was 9.58% per annum (2008: 10.20% per annum).

Borrowings consists of the bank term loan made available only subject to the terms of an unsecured negative pledge. The facility currently available totals $4,500,000 (2008: $4,500,000). There are no fixed repayment terms.

Of the available facility $3,000,000 (2008: $Nil) has been used at balance date; it is classed as a non-current borrowings.

A commitment fee of 0.05% per month is paid on the total facility of $5,500,000 (2008: $5,500,000).

The fair value of the Westpac Money Market is approximately equal to its carrying amount.

17. Financial Instruments

Interest rate risk management

The Parent Company and Group is exposed to interest rate risk as the entities borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Sensitivity analysis

As at 30 June 2009, if the 90 day bank bill rate had been 50 basis points higher or lower, with all other variables held constant, the surplus/deficit for the year could have been adjusted $15,000 (2008: $Nil).

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. The Company and the Group operates in Australia, which requires the entities to enter into transactions denominated in Australian dollars. The Company and the Group holds small balances of AUD at call with international banks. As a result of these activities, exposure to currency risk arises.

Sensitivity analysis

As at 30 June 2009, if the NZ dollar had weakened/strengthened by 5% against the AUD with all other variables held constant, the surplus for the year would have remained constant as profits remain in the country of origin (2008: $Nil).

Credit risk

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

QVL's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 5), and net trade and other receivables (note 6).

This risk has been reduced with the Westpac Bank entering the Crown Retail Deposit Guarantee Scheme which guarantees deposits up to $1 million dollars per depositor. While this does not cover full deposits it does partially reduce the risk exposure.

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. The Company and the Group has no significant concentration of credit risk, as its' credit customers are relatively small.

QVL only invests funds with registered banks with specified Standard and Poor's credit ratings.

Liquidity risk

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

	Group		Parent Company	
	2009 $'000	**2008** $'000	**2009** $'000	**2008** $'000
The carrying amount of financial assets and liabilities are as follows				
Loans and receivables				
Cash and cash equivalents	6,098	5,896	4,591	3,984
Debtors and other receivables	4,959	5,070	4,156	4,375
Investments	-	-	-	-
Total loans and receivables	**11,057**	**10,966**	**8,747**	**8,359**
Financial liabilities at amortised cost				
Creditors and other payables	1,593	1,755	1,079	1,277
Borrowings - secured loans	3,000	-	3,000	-
	4,593	**1,755**	**4,079**	**1,277**

18. Deferred Tax

The following table shows the deferred tax liability for the year:

	Group		Parent Company	
	2009 $'000	**2008** $'000	**2009** $'000	**2008** $'000
Balance as at 1 July	104	375	108	375
Movements during the year				
Temporary differences	(492)	(271)	(492)	(267)
Balance as at 30 June	**(388)**	**104**	**(384)**	**108**

The following tables show a breakdown of the deferred tax liability for the year. Table (i) is for the Group and table (ii) is for the Company.

(i) Deferred Tax Assets/(Liabilities) for the Group

	Opening balance	Charged to income	Charge to equity	Acquisition disposal	Exchange differences	Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000
Gross deferred tax liabilities						
Property, plant and equipment	(501)	237	-	-	-	(264)
Other	4	-	-	-	-	4
	(497)	**237**	**-**	**-**	**-**	**(260)**
Gross deferred tax asset						
Employee entitlements	371	(72)	-	-	-	299
Doubtful debt and impairment losses	22	(2)	-	-	-	20
Provisions	-	329	-	-	-	329
	393	**255**	**-**	**-**	**-**	**648**
Total	**(104)**	**492**	**-**	**-**	**-**	**388**

(ii) Deferred Tax Assets/(Liabilities) for the Parent Company

	Opening balance	Charged to income	Charge to equity	Acquisition disposal	Exchange differences	Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000
Gross deferred tax liabilities						
Property, plant and equipment	(501)	237	-	-	-	(264)
Other	-	-	-	-	-	-
	(501)	**237**	**-**	**-**	**-**	**(264)**
Gross deferred tax asset						
Employee entitlements	371	(72)	-	-	-	299
Doubtful debt and impairment losses	22	(2)	-	-	-	20
Provisions	-	329	-	-	-	329
	393	**255**	**-**	**-**	**-**	**648**
	(108)	**492**	**-**	**-**	**-**	**384**

19. Trade and Other Payables

	Group		Parent Company	
	2009 $'000	**2008** $'000	**2009** $'000	**2008** $'000
Trade payables	399	369	298	238
Other payables	731	981	512	780
Goods and services tax (GST) payable	463	405	269	259
	1,593	**1,755**	**1,079**	**1,277**

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

20. Employment Entitlements

	Group		Parent Company	
	2009 $'000	**2008** $'000	**2009** $'000	**2008** $'000
Employment entitlements consist of				
Holiday pay	1,151	1,174	905	1,016
Accrued salaries and wages	1,048	1,070	1,001	919
Other employment entitlements	349	335	92	110
	2,548	**2,579**	**1,998**	**2,045**
Payable in the following period				
Current employment entitlements				
Within one year	2,199	2,244	1,906	1,935
Non-current employment entitlements				
After one year	349	335	92	110
	2,548	**2,579**	**1,998**	**2,045**

21. Provisions

Movements in Provisions for the Group

	Insurance excess $'000	Make good $'000	Restructuring $'000	Total $'000
Gross carrying amount				
Balance as at 1 July 2007	**-**	**-**	**-**	**-**
Provisions made	-	243	100	343
Provisions reversed	-	-	-	-
Amounts used	-	-	-	-
Balance as at 1 July 2008	**-**	**243**	**100**	**343**
Provisions made	1,000	-	-	1,000
Provisions reversed	-	(123)	-	(123)
Amounts used	-	-	(100)	(100)
Balance as at 30 June 2009	**1,000**	**120**	**-**	**1,120**

Movements in Provisions for the Parent

	Insurance excess $'000	Make good $'000	Restructuring $'000	Total $'000
Gross carrying amount				
Balance as at 1 July 2007	**-**	**-**	**-**	**-**
Provisions made	-	187	100	287
Provisions reversed	-	-	-	-
Amounts used	-	-	-	-
Balance as at 1 July 2008	**-**	**187**	**100**	**287**
Provisions made	1,000	-	-	1,000
Provisions reversed	-	(90)	-	(90)
Amounts used	-	-	(100)	(100)
Balance as at 30 June 2009	**1,000**	**97**	**-**	**1,097**

	Group		Parent Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Current provisions are represented by				
Restructuring	-	100	-	100
Insurance excess	1,000	-	1,000	-
Lease make good	120	243	97	187
	1,120	**343**	**1,097**	**287**
Payable in the following period				
Current provisions				
Within one year	1,013	100	1,013	100
Non-current provisions				
After one year	107	243	84	187
	1,120	**343**	**1,097**	**287**

Quotable Value Limited and Group has a liability for insurance excess for claims against the Company. While the claims are being defended it is expected that payment of these excess amounts will be in the next financial year.

In many cases, QVL has the option to renew leases, which impacts on the timing of expected cash outflows to make good the premises. Assuming this is not exercised the cash flows associated with this occur between 2010 and 2014.

22. Retained Earnings

	Group		Parent Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Balance as at 1 July	16,672	3,884	17,215	5,296
Profit for the year	1,476	17,956	425	17,087
Dividends provided for or paid (note 14)	(739)	(5,168)	(739)	(5,168)
Balance as at 30 June	**17,409**	**16,672**	**16,901**	**17,215**

23. Reserves

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Foreign currency translation reserve				
Balance as at 1 July	89	(164)	-	-
Arising on translation of independent foreign operations	5	253	-	-
Balance as at 30 June	**94**	**89**	**-**	**-**

Exchange differences relating to the translation of Australian dollars, being the financial currency of the consolidated Group's foreign controlled entities in Australia, into New Zealand dollars are brought to account by entries made directly to the foreign currency translation reserve.

24. Reconciliation of Profit for the Period to Net Cash Flows from Operating Activities

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Profit for the period	**1,476**	**17,956**	**425**	**17,087**
Depreciation	790	947	698	862
Amortisation of intangible assets	831	1,327	736	1,283
Amortisation of goodwill	-	-	-	-
Movement in provision for doubtful debts	-	(16)	1	(15)
Loss (gain) on sale of property, plant and equipment	91	571	84	571
Loss (Gain) on sale of QVO	-	(17,819)	-	(17,819)
Changes in net assets and liabilities				
Decrease (increase) in receivables	38	322	215	163
Increase (decrease) in payables	(220)	(1,149)	(208)	(885)
Increase (decrease) in provisions	777	-	810	-
Increase (decrease) in employee entitlements	(31)	843	(47)	981
Increase in GST Payable	58	(13)	10	-
Increase (decrease) in tax payable	537	(824)	414	(710)
Net cash from operating activities	**4,347**	**2,145**	**3,138**	**1,518**

25. Contingent Liabilities

Bonds

The Group has performance bonds for contracts undertaken in Australia together with rental bonds on properties occupied. The table below details the values associated with the Group for these bonds:

	2009 $'000	2008 $'000
Contract performance bonds	432	438
Rental bonds	153	153
Total bond value	**585**	**591**

Unquantified claims

There are no unquantified claims as at 30 June 2009 (2008: 1 claim).

Quantified claims

There is one quantified claim of $15,000 as at 30 June 2009 (2008: None)

26. Budget Variance

Income Statement

The global recession particularly in the property market has reduced gross revenues for the Company. This impact has also reduced the revenues from the 50% jointly controlled company as they operate in the same markets. Company management has reduced the impact of these conditions through major reviews of costs, the result being cost reductions through restructuring.

Balance Sheet

The balance sheet reflects the downturn in the property markets also in that receivables are less than budgeted. The impact of the reduced revenues on cash has been minimised through the delay in capital expenditure in both growing the brand and fixed asset upgrades.

Cash Flow

The controls over costs have been reflected in operating cash flows being above budget. Cash flows from investing activities reflect the delayed capital expenditure.

27. Commitments Statement

	Group		Parent Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Capital commitments approved and not contracted	-	4,750	-	4,750
Non-cancellable operating lease commitments, payable				
Not later than one year	1,243	1,448	1,090	1,183
Later than one year and not later than five years	1,823	1,858	1,823	1,719
Later than five years	114	-	114	-
Total commitments	**3,180**	**8,056**	**3,027**	**7,652**

Quotable Value Limited and Group has lease commitments primarily in relation to office rents, with smaller amounts outstanding for vehicle leases and office equipment leases.

Most properties have the option of extending leases although these are reviewed at the time of renewal for necessity and continuation.

There are no restrictions placed on Quotable Value Limited and Group by its leasing arrangements.

28. Capital Management

Quotable Value (QV) capital is equity which comprises accumulated funds and other reserves. Equity is represented by net assets.

QV is subject to the financial management and accountability 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 QV achieves its objectives and purpose whilst remaining a going concern.

29. Subsequent Events

A possible business purchase has been identified as part of the Company strategy to increase its presence in the Commercial and Industrial market.

Statement of Key Performance Indicators

For the year ended 30 June 2009

Financial Performance Indicators

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

Specified financial performance	**SCI target**	**Group achievement**
Surplus after tax and amortisation ($'000)	2,018	1,476
Ratio of net surplus after taxation and amortisation to average shareholder funds (%)	9.30%	6.79%
Ratio of net surplus before interest and taxation to total tangible assets (%)	22.50%	5.93%
Net surplus after taxation and amortisation to total sales (%)	4.30%	3.99%
Current ratio	115.00%	179.79%
Term debt/Term debt + equity ratio (maximum 30%)	8.20%	11.95%

Non-Financial Performance Indicators

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

Specified non-financial performance	**SCI target**	**Group achievement**
% of actionable subdivisions received by 1 June 2009 entered into roll by 30 June 2009	95.00%	100.00%
Roll revisions completed by implementation date	100.00%	100.00%
Users ranked website as good or excellent	85.00%	85.40%
Accuracy and integrity of property data ranked as good or excellent by surveyed website users	75.00%	76.90%

Staff turnover decreased by 27% over the year. QV determines staff turnover to be the number of staff voluntarily ceasing employment with the Company as a proportion of the total number of staff.

Net Promotor Scores (NPS) have been developed for parts of the business during the year and continue to be developed for the whole business.

Employee Engagement Scores (EES) have been developed and benchmarks established during the year. They can be reported in the next financial year.

Other non-financial indicators for corporate social responsibility are:

	Targeted savings	**Achieved savings**
Power consumption	10.00%	6.00%
Paper consumption	15.00%	36.00%
Fuel consumption	20.00%	16.40%

Statutory Information

For the year ended 30 June 2009

1. Directors' Remuneration

Directors of the Company during the year and remuneration and other benefits paid to the Directors by the Company were $244,000 (Parent) (2008: $210,000), AU$Nil (Subsidiaries) (2008: AU$10,000).

Director	Period	Board	2009 $'000	2008 $'000
Jocelyn Martin	Part year	Quotable Value Limited	NZ$19	NZ$23
(Appointed April 2003, Resigned April 2009)				
Kay McKelvie (Chair)	Part year	Quotable Value Limited	NZ$42	NZ$50
(Appointed November 2001)	Part year	Egan Australasia Pty Limited		
(Resigned April 2009)	Part year	New Zealand Valuation Limited		
	Part year	QV Limited formerly Property Insight Limited		
William Osborne (CEO)	Full year	Quotable Value Australia Pty Limited	NZ$0	NZ$0
	Full year	Egan Australasia Pty Limited		
	Full year	Egan National Valuers (NZ) Limited		
	Full year	QV Limited formerly Property Insight Limited		
	Part year	PropertyInsight Joint Venture		
	Full year	New Zealand Valuation Limited		
	Full year	PropertyIQ NZ Limited		
Marek Petrovs	Part year	Quotable Value Australia Pty Limited	AU$0	AU$5
(Appointed December 2002)	Part year	Egan Australasia Pty Limited	AU$0	AU$5
(Resigned March 2009)				
Sue Piper	Full year	Quotable Value Limited	NZ$33	NZ$25
(Appointed January 2005)	Part year	Egan Australasia Pty Limited		
(Resigned June 2009)	Part year	Quotable Value Australia Pty Limited		
	Part year	PropertyInsight Joint Venture		
George Reedy	Full year	Quotable Value Limited	NZ$28	$NZ25
(Appointed November 2002)	Full year	Egan Australasia Pty Limited		
	Full year	Quotable Value Australia Pty Limited		
Derek Walker (Deputy Chair)	Full year	Quotable Value Limited	NZ$39	NZ$32
(Appointed January 2005)	Full year	Egan Australasia Pty Limited		
	Full year	Quotable Value Australia Pty Limited		
Bryan Hemi	Full year	Quotable Value Limited	NZ$28	NZ$25
(Appointed November 2006)	Part year	Egan Australasia Pty Limited		
	Part year	Quotable Value Australia Pty Limited		
	Full year	PropertyIQ NZ Limited		
Tony Timms	Full year	Quotable Value Limited	NZ$23	NZ$13
(Appointed December 2007, Resigned June 2009)				
Sir Barry Curtis	Full year	Quotable Value Limited	NZ$23	-
(Appointed July 2008)				
Bryce Johnson (GMIT)	Part year	PropertyInsight Joint Venture	NZ$0	NZ$0
(Resigned December 2008)				

Ben Driller (GM Egan)	Part year	Egan Australasia Pty Limited	AU$0	-
	Part year	Quotable Value Australia Pty Limited		
Phil Lough (Chair)	Part Year	Quotable Value Limited	NZ$9	-
(Appointed May 2009)	Part Year	Egan National Valuers (NZ) Ltd		
	Part Year	New Zealand Valuation Limited		
	Part Year	QV Limited formerly Property Insight Limited		
Kate Frykberg	Part Year	Quotable Value Limited	-	NZ$17
(Appointed June 2004, Resigned February 2008)				

2. Employees' Remuneration

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

	2009	2008
$100,000 - $109,999	3	3
$110,000 - $119,999	5	13
$120,000 - $129,999	3	5
$130,000 - $139,999	8	4
$140,000 - $149,999	3	8
$150,000 - $159,999	2	2
$160,000 - $169,999	1	2
$170,000 - $179,999	1	1
$180,000 - $189,999	2	1
$190,000 - $199,999	0	2
$200,000 - $209,999	2	1
$210,000 - $219,999	0	1
$230,000 - $239,999	0	1
$240,000 - $249,999	1	0
$390,000 - $399,999	0	1
$400,000 - $409,999	1	0

The Chief Executive's remuneration and benefits is in the $400,000 - $409,999 band (2008: $390,000 - $399,999).

3. Key Management Personnel

Key management personnel include all Board members, the Chief Executive and the 4 (2008: 6) members of the management team. Compensation paid to these members is as follows:

	2009 $'000	2008 $'000
Salaries and short-term benefits	1,337	1,684
Post-employment benefits	8	-
Other long-term benefits	-	-
Termination benefits	134	-
Total key management personnel compensation	**1,479**	**1,684**

4. Interests Register

A Directors' interests register is maintained by the Board as listed below:

Kay McKelvie	Director, Word Pictures Ltd, Media Production Company
	Chair, Waitemata District Health Board
	Director, New Zealand Valuation Limited & Valuation New Zealand Limited
	Director, Tourism New Zealand
	Chair, Housing New Zealand Appeal Authority
	Director, Crown Health Financing Agency
George Reedy	Director, Ministry of Environment, Audit & Risk Committee
	Director & General Manager, Actrix Networks Ltd
	Director & General Manager, Connections Inc Ltd
	Director, Vichi Management Ltd
	Principal, G H Reedy & Associates, Chartered Accountants
	Director, Kawa No Okane Investments Ltd
	Director, Egan Australasia Pty Ltd & QV Australia Pty Ltd
	Director, Raider Internet Ltd
	Director, R U Online Ltd
	Director, Post Box Earth International Ltd
	FAC Advisory Board, Victoria University
	Director, Big Group Limited
Jocelyn Martin	Member, Council of Auckland University of Technology (AUT)
	Pro Chancellor AUT
	Partner, Minter Ellison
	Board Member, Minter Ellison
	Trustee, AUT Foundation
Derek Walker	Chair, Palmerston North Airport Ltd
	Chair, NZ Wind Farms Ltd & subsidiaries
	Chair, The Bio Commerce Centre Ltd & subsidiaries
	Director, Egan Australasia Pty Ltd & QV Australia Pty Ltd
	Director/Shareholder Third Bearing Ltd (TBL)
	Director/Shareholder TBL Investments Ltd
	Director/Shareholder Elmira Consulting Ltd
	Director/Shareholder Elmira 41 Ltd
	Trustee, Central Energy Trust
	Trustee, Manawatu Life Education Trust
	Director, Manawatu Healthy Homes Limited
	Director, Speirs Group Limited
Sue Piper	Chair, PropertyInsight Joint Venture
	Director, Philanthropy New Zealand
	Chair, Local Government Commission
	Project Review Team, Water Safety New Zealand
	President of Croquet New Zealand
	Lay Member, New Zealand Law Society
	Sport Wellington Board
	Director, Te Papa

Bryan Hemi	Chair, Aotearoa Credit Union Chair, PropertyIQ NZ Limited Director & Shareholder, JNB Investments Ltd Director, Aotearoa Credit Union Trustee, Hempire Whanua Trust Shareholder, iTools Ideas Ltd Shareholder, Direction Software Ltd iTools Online Ltd, wholly owned subsidiary of iTools Ideas Consultant, Cavendish International Shareholder, iTools APSS
Tony Timms	Nil
Sir Barry Curtis	Nil
Phil Lough	Chair, Methven Limited Deputy Chair, Port Nelson Limited Director, Livestock Improvements Corporation Director, Tatua Co-Operative Dairy Company Limited Director, Dairy Equity Director, QV Limited, formerly PropertyInsight Limited Director, New Zealand Valuation Limited & Valuation New Zealand Limited

The Board of Directors acknowledges that the Company and Group holds Directors' and Officers' liability insurance arranged through Marsh for up to AU$20Million limit of liability through Vero Liability Insurance (80%) and QBE (20%).

5. Donations

Donations made by the Company and Group during the year ended 30 June 2009 totalled $Nil (2008: $Nil).

6. Actual Achievements

Ratio of Consolidated Shareholders Funds to Total Assets
The table below shows the ratio of Consolidated Shareholders Funds to Total Assets for the planning period:

	2008-2009 Achieved $'000	2008-2009 Budget $'000	2009-2010 Budget $'000	2010-2011 Budget $'000
Consolidated Shareholders Funds	22,103	22,277	24,058	26,435
Total Assets	31,321	30,993	35,279	37,769
Ratio	70.57%	71.90%	68.20%	70.00%

7. Changes in Business of Company

During the year ended 30 June 2009 there were no changes in the nature of business of the Company, which includes the provision of property valuations, data and information.

Statement of Corporate Governance

For the year ended 30 June 2009

Financial Statements

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

The 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 Company, monitors executive management and ensures that decisions on material matters are in the hands of the Board. The Chair of the Board of Directors until 30 April 2009 was Kay McKelvie, who was appointed as Chair on 1 June 2004. Phil Lough was appointed as the new Chair of the Board on 1 May 2009.

During the year, the terms of the following Directors were completed: Kay McKelvie, Jocelyn Martin, Sue Piper and Tony Timms.

Shareholding Ministers appointed Gary Traveller and Christine Southey to the Board from 1 July 2009, increasing the Board's complement to seven.

The Company had eight full Board meetings during the year with three by phone conference call. Most full Board meetings take place in either Wellington or Auckland. In conjunction with these meetings, the Board and executive management team usually meet twice a year to review the Company's strategy and progress.

Subsidiary Companies

QV has a 100%-owned operating subsidiary, Quotable Value Australia Pty Limited (QVA), incorporated in New South Wales, Australia. The Directors of QVA are George Reedy, Derek Walker (Directors of QV), William Osborne (CEO of QV) and Australian resident Company Director Ben Driller (GM of Egan).

QV has a 100%-owned operating subsidiary, Egan Australasia Pty Limited (EGAN), incorporated in Victoria, Australia. The Directors of EGAN are George Reedy, Derek Walker (Directors of QV), William Osborne (CEO of QV) and Australian resident Company Director Ben Driller (GM of Egan).

QV has a 45% share on PropertyInsight Joint Venture (PIJV) through its subsidiary company New Zealand Valuation Limited (NZVL). The Directors of NZVL are Phil Lough (Chair of QV) and William Osborne (CEO of QV). The Directors of PIJV were Sue Piper, Bryce Johnson (GMIT of QVL) and William Osborne (CEO of QV).

QV has a 50% share in PropertyIQ NZ Limited (PIQ). The Directors of PIQ are Bryan Hemi (Director of QV) and William Osborne (CEO of QV).

Internal Control

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

- Directors acknowledge that they are responsible for the Company'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 the Company and the Group 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

The Company had two standing committees during the year. They are:

1. The Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee comprises George Reedy (Chair), Derek Walker and Phil Lough (Chair of QVL). The purpose of this committee is to oversee the financial management, external and internal audit functions and the overall risk management of the Company. The committee usually meets three times per year.

2. The Remuneration Committee

The Remuneration Committee comprised Kay McKelvie (Chair of Committee) and Directors Jocelyn Martin, Bryan Hemi and Derek Walker (Directors of QVL). It took responsibility for the remuneration policy and executive remuneration, and in consultation with the Board took responsibility for the Chief Executive's performance review.

Director and Board Appraisal

The Board has a policy of formally evaluating its own performance, and that of the individual Directors, annually. The appraisal consisted of the Board considering individually and collectively their contribution to the following key areas:

- Adding Value;
- Conformance;
- Shareholder Relationships; and
- Managing Performance.

At the conclusion of the appraisal process the Board was pleased with the development, progress and contribution of each Director and happy with the overall functioning of the Leadership of the Board.

Director Development

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

Audit Report

To the readers of Quotable Value Limited and Group's financial statements for the year ended 30 June 2009

The Auditor-General is the auditor of Quotable Value Limited (the Company) and Group. The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Company and Group, on his behalf, for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the Company and Group on pages 8 to 43:
  - comply with generally accepted accounting practice in New Zealand;
  - comply with New Zealand International Financial Reporting Standards; and
  - give a true and fair view of:
    - » the Company and Group's financial position as at 30 June 2009; and
    - » the results of operations and cash flows for the year ended on that date.
- Based on our examination the Company and Group kept proper accounting records.

The audit was completed on 30 September 2009 and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board of Directors;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board of Directors and the Auditor

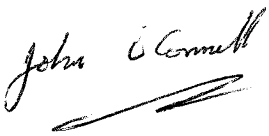
The Board of Directors is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must give a true and fair view of the financial position of the Company and Group as at 30 June 2009 and the results of operations and cash flows for the year ended on that date. The Board of Directors' responsibilities arise from the State-Owned Enterprises Act 1986 and the Financial Reporting Act 1993.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 19(1) of the State-Owned Enterprises Act 1986.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Company or any of its subsidiaries.



John O'Connell
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of the Quotable Value Limited for the year ended 30 June 2009 included on the Quotable Value Limited's website. The Board of Directors is responsible for the maintenance and integrity of the Quotable Value Limited's website. We have not been engaged to report on the integrity of the Quotable Value Limited's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 30 September 2009 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Directory

For the year ended 30 June 2009

Kay McKelvie	Director (and Chair to 30 April 2009)
Derek Walker	Director (and Deputy Chair)
Jocelyn Martin	Director (to 30 April 2009)
George Reedy	Director
Bryan Hemi	Director
Sue Piper	Director
Tony Timms	Director
Sir Barry Curtis	Director
Phil Lough	Director (and Chair from 1 May 2009)
Bill Osborne	Chief Executive
Jacquie Witham	General Manager Customer Solutions
Nick McKissack	General Manager Service Delivery
Bryce Johnson	General Manager Data Services
Stuart Allan	General Manager Corporate Services

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Postal Address	Private Bag 39818, Lower Hutt 5045
Telephone	+64 4 576 4460
Facsimile	+64 4 576 4485
Website	www.qv.co.nz
Auditor	Audit New Zealand, Wellington New Zealand on behalf of the Controller and Auditor-General
Bankers	Westpac Banking Corporation
Solicitors	Simpson Grierson
Insurer	Marsh Ltd