accordant

Annual Report 2025

We closed our financial year at a time where inflationary pressures had eased, and indicators showed the wheels of the economy were slowly turning again.

Jason Cherrington,
Group CEO

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Financial Highlights

$165.2m

Revenue
FY2024, $212.4 million

$19.9m

Shareholders' Funds
FY2024, $22.6 million

$(2.9)m

Net Profit / (Loss) After Tax
FY2024, $(10.0) million

$(0.6)m

Net Operating Cash Flow
FY2024, $2.3 million

$28.0m

Net Bank Debt
FY2024, $24.4 million

Achievements

6,666

Candidates placed into a temporary, contract or permanent role.

1,289

Organisations partnered with to deliver recruitment services.

2024 Recruiter Insider Awards Winner for Best NZ Agency – Client Experience, NZ Best Consultant – Client Experience and NZ Best Consultant – Candidate Experience.

Recertification of AWF's Health & Safety systems under two prequalification assessments, +IMPAC Prequalification and Tōtika Gold Member Scheme.

1,841

Training outcomes delivered.

14,000+

Temporary and contract assignments filled across New Zealand.

31,000+

Safety engagements with our temporary employees.

33,888

Hours worked by TWC participants across 34 client partners.

SEEK Annual Recruitment Awards finalist for Recruitment Leader of the Year.

Chair's Report

Simon Bennett, Chair

When I wrote to you this time last year, I described the recessionary environment and our expectation of a prolonged recovery. Perhaps I should have rearranged these words and described a prolonged recessionary environment before recovery.

However, as a business we certainly did not sit on our hands and wait for the good times. Jason and his team were very proactive in reducing operating expenses as much as possible. With our largest cost being our people, this was done as cautiously as possible, ensuring we did not remove too much horsepower from the engine.

This led to a reduction of operating expenses of $6m year on year and on a run rate basis equates to a larger annualised impact in the coming year. Revenue of $165m represented a decrease of 22%. Under the circumstances and given the drop in hiring intentions and subsequent spend on recruitment agencies, it was a credible performance, albeit it was a below par financial result.

The diversification strategy and the successful acquisition of Hobson Leavy was not enough to give us positive earnings. Perhaps the biggest impact was felt in our contracting divisions of Absolute IT and JacksonStone. Although weighted to public sector, both public and private sector reduced contractor headcount as a priority, before organisations started to trim their own workforces.

Madison and AWF managed to build temporary workforce numbers, in areas where contingent workers are of strategic value. In fact, AWF had improved performance on the prior year.

We do not dwell on government policy change. The government reduction in spend was very real and had significant impact. At the same time, we believe the announced changes to the Health and Safety at Work Act 2015 are positive, as is the clarity being sought in the area of contingent workforce where the courts have been asserting a somewhat unworkable position, with the recent Uber case. Some legislative clarity will be helpful and is applauded.

It has been a tough year for our people, as it has for our shareholders, with somewhat static earnings despite inflationary pressure and likewise no dividend until suitable recovery from the length and depth of this recession.

We have a strong banking relationship, and their support is appreciated as we drive the business back into the black and have a year of rebuild. Due to uncertainty with the timing of economic recovery, we expect it to be FY27 before we are again trading at the levels we have grown to expect, but we are comfortable that this current financial year will be better than the last.

We remain confident in our people and our business. We have continued to innovate and ensure we are relevant to the market despite the changing ways of work and hiring processes.

The breadth of our offer in permanent recruitment from search to entry level is of value, but we continue to weight this toward higher level roles and better fee earning prospects. In contingent, we are focusing on temporary employees as a medium strategic capability, rather than one-off short-term assignments, which is very relevant to how our clients are navigating their performance.

As the market recovers, we expect mid-level white collar contractors to be sought. In fact, this calendar year we have seen monthly increases which we expect to continue throughout the year.

I would like to thank our people, both inside the business and working for our clients, for their resilience and fortitude. I would also like to thank the team for their vigilance in Health and Safety. We have not cut corners here, striving to reduce the scope for harm at every turn.

Your Board is committed to returning the business to profitability and we will not just wait for market recovery, instead continuing to proactively reduce costs where necessary, balancing appropriate action with retention of adequate capacity to enable market share growth as the economy recovers.

For the Board,

Simon Bennett, Chair

CEO's Insights

Jason Cherrington, Group CEO

Reflecting on more than three decades of history demonstrates the broad correlation between Accordant's performance with GDP and changes in unemployment. We closed our financial year at a time where inflationary pressures had eased, and indicators showed the wheels of the economy were slowly turning again.

While unemployment for the March quarter grew from the 4.6% highlighted in our interim report, it remained unchanged at 5.1% from the previous quarter. It is expected to peak shortly, potentially reaching the highest unemployment rate in nearly a decade. Stats NZ reported a loss of 33,000 jobs over the year with a loss of 45,000 full time roles partially offset by growth in part time jobs of 25,000. This not only indicates the challenging trading conditions we have endured, but with the labour market being a lagging indicator, it further points to better times ahead with the expectation that unemployment will reduce from its peak towards the end of the year as economic recovery gains momentum.

Our financial performance amidst this downturn cycle has resulted in a NPAT loss of $2.9 million, albeit a reduction of $7m in losses year on year. We have offset trading performance decline through managing costs tightly, pausing on some initiatives and rightsizing appropriately while retaining sufficient capability to capitalise on slowly rising demand.

We have managed credit risk and debtors well, with zero delinquent debt during the year. We were and remain well supported by our banking partners with appropriate facilities in place.

While the blue-collar segment revenue has decreased compared to FY24 by 12%, AWF have effectively managed costs and resources to deliver an improved year on year profit of $1.6m.

FY25 began well for AWF, yet by Q2, client demand in most sectors had reduced. As anticipated, the second half of the year has seen placement numbers increase again due to seasonal activity, greater funding approvals and a lift in optimism. The demand is reflective of cautious optimism, as an increase in orders of a shorter duration have resulted in more field employees on assignment but without having an impact on overall hours worked.

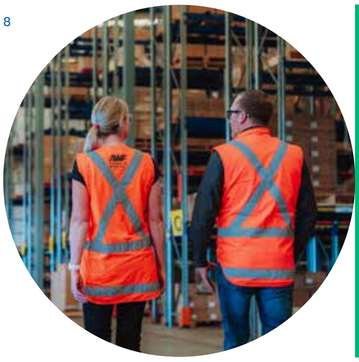
The AWF team maintained high levels of sales and client servicing activity over months of subdued demand and furthered their quest for efficiency gains, following work spanning several years to digitise processes and leverage automation. A focus on training outcomes to have an appropriately skilled workforce for just-in-time requirements has led to AWF becoming a finalist for Excellence in Business Innovation, as well as Recruitment Leader of the Year in the 2025 Recruitment, Consulting & Staffing Association (RCSA) awards.

Despite the challenging trading year, AWF has maintained its best-in-class health and safety practices and were proactive with injury prevention campaigns throughout. We retained tertiary level accreditation in the ACC Accredited Employers Programme and re-certified with an improved score under the Tōtika Scheme – a highly regarded health and safety prequalification for the civil and construction sectors, which enables us to more quickly provide workforce ready field employees.

Looking ahead, there is a notable market increase in tender and formal proposal activity from larger prospect clients and AWF is well positioned to capitalise on these new revenue opportunities. This is particularly the case where compliance alongside health and safety capability is paramount. In a landscape where many competitors have had to consolidate operations and significantly reduce headcount, AWF remains a strong market leader.

The white-collar segment was most challenged, with an overall 29% drop in revenue year on year. Permanent recruitment revenue dropped by 37% in this segment. Revenue from the public sector fell by 25%, following a decrease of 12% the year prior.

As indicated in our interim report, generalist recruiter Madison has endured reduction in government spending as well as low demand for permanent staffing services across most sectors. Managed service solutions contributed well to revenue, as did some project work and growth in contractor payroll management. While these were additive, it was not sufficient to offset the drop in demand for traditional placement services.



The Group's resilience and agility will withstand what is expected to be a slower recovery than historical economic cycles.

Madison right-sized accordingly, whilst also investing in two strategic areas. We have successfully built bench strength in mid-senior specialist and senior managerial recruitment, resulting in professional services growth predominantly in the Auckland region. The second strategic investment, building a greenfield operation to deliver talent solutions for the health sector, is now well established. While revenue was modest, significant growth is anticipated following a productive year laying the groundwork for client opportunities and the skills pipeline with active engagement of both local and international talent. This included participation at UK job expos in November to attract allied health professionals to New Zealand.

Moving into FY26, Madison will build on these strategic priorities and capitalise on opportunities across the core revenue streams as the economy slowly rebuilds.

Madison's reputation for delivering quality with care was again proved through candidate and client ratings culminating in the win of three Recruiter Insider awards – Best Consultant NZ "client experience", Best Consultant NZ "candidate experience" and Best Overall Agency "client experience". This foundational strength of delivering excellent customer experiences will prevail.

Absolute IT was the hardest hit of our business units in FY25. While spend from IT companies increased across the Group, there was overall reduction of IT talent demand in other sectors. With dramatic reduction in government spend on IT talent, coupled with a prolonged drop in business confidence, contractor revenue dropped, and permanent recruitment slowed. This was most pronounced in our Wellington region, where government transformation programmes have traditionally contributed well.

While the fall in demand led to further right-sizing at all levels and tight cost control, we have purposefully retained key capability and ensured enough capacity to maximise opportunities as transformation programmes come back online.

Though many IT recruitment competitors have noticeably pulled back, Absolute IT has stayed the course with an active presence in the industry and continued proactive support of the New Zealand Technology Investment Network. Our long-term commitment to the sector will pay off as we partner to provide the talent that will power the country's push for productivity and innovation – both vital elements for resuscitating economic growth.

FY25 was defined by a flat market for JacksonStone & Partners, renowned for its delivery primarily in the public sector. These conditions were unlike any other year in JacksonStone's history and so we responded by reshaping our cost base while ensuring the quality of our service remained uncompromised. While demand from the Wellington region declined, we grew our footprint elsewhere in the private sector, local government and NGOs.

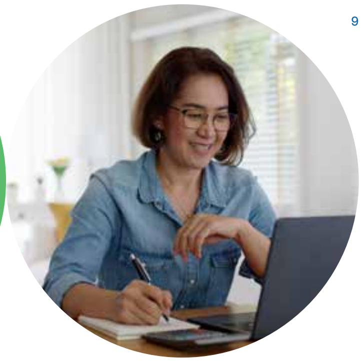
As FY26 kicked off, the team has seen a noticeable uplift in hiring intentions, particularly as clients having undergone significant restructures, begin to stabilise with new operating models and leadership structures in place. As reported by SEEK, over the past year the trend of job advertisements in the Government & Defence classification has shown a predominantly upward trajectory. Where contractor numbers have been limited by budget freezes and reluctance to commit to contract extensions, there is already a small but positive uptick in demand for senior professionals to deliver upon critical projects in the coming year. Senior permanent appointments have been steadier, and they are expected to grow because of targeted business development and marketing efforts in the private sector and local government across the country.

Executive search firm Hobson Leavy has completed two years as part of the Group and after transitioning payroll, finance, HR, marketing and IT support to the Group's shared services, the business is now fully integrated.

While not entirely immune to the economic downturn, impact was shorter and less severe for Hobson Leavy, with demand bottoming out in the early part of the financial year. Operating at C Suite and Director level, they have been relatively well insulated and kick off FY26 on a pleasing trajectory. Engaging at the top of the market Hobson Leavy have actively cascaded down opportunities to other businesses in the Group's stable. These organic referrals are beneficial to clients who have broader requirements, pointing to the breadth of capability the Group uniquely offers within the New Zealand recruitment sector.

In the second half of the year, we appointed a new Partner from one of our Group's subsidiaries to join the Hobson Leavy team and this internal appointment has been received incredibly well and signals our confidence in growth.

In a soft labour market, new opportunities for our social employment initiative The Work Collective were limited. This was not without effort for the first half, however, given the headwinds faced by our core businesses we made the difficult



Our role is to assist with talent challenges across varied sectors and organisations in all shapes and sizes.

decision to pause prospecting activity from the second half. Some participants remain actively working via our trading companies with client partners. In the meantime, we will focus on positioning our trading companies for growth, which will enable a more sustainable future for investing in social outcomes via this employment initiative.

As the adage goes, a rising tide lifts all boats and whilst last year's "survive till 25" economic slogan came and went, leading indicators suggest our economy is most certainly heading in a better direction now than it was last year. MBIE's Jobs Online quarterly release to March 2025 shows the fall in advertised job vacancies easing. ANZ's Business Outlook has tracked consecutive increases in confidence since July 2024, despite dips in January and April, with the latter likely in response to global trade uncertainty. Sitting at 49 for April 2025, it is still markedly higher than April 2024 by 34 points.

The Group's resilience and agility will withstand what is expected to be a slower recovery than historical economic cycles, with hiring intentions recovering at different rates sector to sector amidst bouts of uncertainty offshore. This multi-faceted recovery is best navigated by our multi-faceted Group. We have sectoral diversity, geographic spread, and a mix of public and private sector revenue earned through varied staffing services. Delivered through our unique stable of brands, their strong reputations in the market will endure and have more opportunities to benefit from what has been a period of consolidation in the recruitment sector.

FY26 will be focused on continued execution of business unit strategic priorities already in motion. Agility may be required in how we achieve the deliverables; however, we maintain our certainty on the priorities.

As the country grapples with ongoing productivity issues, many employers are in rebuild mode. Their talent challenges in performance management, employee retention and skill development can at times be overwhelming against the backdrop of a world of work and generally a way of living where generative AI and automation is increasingly accessible.

Our role is to assist with talent challenges across varied sectors and organisations in all shapes and sizes. It is something we are proud of and do not take lightly. And so, to our loyal clients and those we have newly partnered with, thank you for your continued trust in our teams to journey with you to ascertain and solution your talent needs.

Thank you to the thousands of job hunters, our field employees and contractors who have chosen an Accordant business to represent you this past year. We know that you have other choices out there and we continuously strive to earn your pick.

To the team across Accordant, I want to acknowledge how incredibly hard you have worked to navigate some of the most challenging trading conditions in recent years. It requires talented people to find the right talent, especially when change is constant. My leadership team continue to show resilience in response to market conditions after what has felt like a few years of relentlessness. And finally, my thanks to the Board, who have remained incredibly supportive and provided calm counsel drawn from their years of experience navigating cycles to achieve growth from the recruitment sector.

To our shareholders who await a return to consistent dividends, we remain focussed on acting decisively where necessary, staying the course on our specific areas of market opportunity, doing good business and laying the groundwork to capitalise on a lifting economy.

Jason Cherrington, Group Chief Executive

What Drives Us

Our Belief

We believe it is people that drive our country forward.

Our Vision

To grow our impact as New Zealand's leading recruitment, resourcing and people solutions partner for the benefit of our people, customers, finances and country.

Our People

At the heart of our business is a group of curious, resilient, capable and engaged people who are driving us forward. Their determination to do better empowers us to contribute more additively to the lives of New Zealanders and the success of New Zealand.

Our Customers

We will choose and partner with our clients wisely, adding value through quality, expertise, efficiency, relationships and customised solutions.

Our Finances

We will drive strong dividend and earnings growth through continued performance and improvement initiatives to create sustainable shareholder value.

Our Country

Our unique position enables us to provide proactive solutions to address structural challenges in the employment market, making an impact by growing and shaping our workforce for the current and future needs of New Zealand.

Our Difference

Our Businesses

Founded in 2000, Absolute IT caters to the specific recruitment needs of the technology and digital sectors. Absolute IT's specialist recruiters provide permanent and contractor staffing services New Zealand-wide from their offices in Auckland, Hamilton, Wellington and Christchurch. From resourcing large transformation programmes in the public sector, to sourcing the right fit for large corporates and attracting world class talent for New Zealand start-ups, Absolute IT is relied upon for its expertise and extensive networks.

Founded in 2006, Hobson Leavy is a retained executive search firm operating exclusively in the 'C Suite', successfully leading hundreds of executive searches and appointing some of the country's most senior leaders at Board, CEO and Executive level. With an extensive track record in both the public and private sectors Hobson Leavy has built a substantial network of clients and contacts. They are also a founding member of Panorama, a global network of independent executive search firms.

Madison Recruitment was established in 1998 and has become the recruitment partner to a wide variety of organisations across the private, public, and not-for-profit sectors. Madison's services span entry level and support roles through to professional and managerial positions. Each year, hundreds of permanent positions are filled by candidates who have been sourced and matched to meet specific business requirements and, every day, hundreds more employees work on temporary and contract assignments across the country.

Since 1988, AWF has had a proud history of supplying entry-level, semi-skilled and skilled workers to a range of sectors, spanning infrastructure, construction, transport, logistics, manufacturing, primary industries and many more. From Kaitaia in the north to Invercargill in the south, AWF's network of 20 branches provide hundreds of enterprises throughout New Zealand with the human capital necessary to complete major projects, meet increased demand in goods and services, and fill the skills gap in permanent workforces.

JacksonStone & Partners is an executive search and recruitment consultancy, specialising in permanent and interim professional placements. Established in 2011, JacksonStone works across all disciplines up to Chief Executive level and including board appointments, for organisations in the public, private and not-for-profit sectors. JacksonStone offers global search reach through their membership of the CFR Global Executive Search alliance. Their experienced consultants have the capability to identify and place talent both nationally and internationally.

The Work Collective is an employment initiative that delivers social impact through connecting employers, employment support organisations and Accordant's businesses with candidates who face barriers to employment, providing them access to meaningful work opportunities. Launched in 2019, The Work Collective offers organisations a way to achieve social impact through their staffing supply chain.

Our Locations

Our national presence, coupled with our local knowledge, allows us to deliver more for both our candidates and clients.

From Compliance to Competitive Advantage: Prioritising Health & Safety is Good for Business

At Accordant, our Health & Safety practices are a core part of how we protect our people and run successful businesses. A best-practice commitment to strong health and safety practices underpins wellbeing, productivity and long-term commercial success and, as the industries we partner with advance, our approach to managing risk and supporting our workforce must do the same.

Employers are increasingly scrutinising staffing providers for their Health & Safety capabilities, which is why we're committed to maintaining market-leading practices. Clients often mention past challenges they've experienced with other providers in this area, so our strong track record gives us a real competitive edge. Being seen as a "safe pair of hands" matters, especially when procurement teams are actively looking for providers who prioritise good practices and avoid shortcuts.

Current and Future Health & Safety Legislation

The Health and Safety at Work Act 2015 is New Zealand's primary legislation for workplace health and safety. It came into effect in April 2016 and marked a major shift in how health and safety is managed across all industries. The Act places the primary duty of care on businesses, known as PCBUs (Persons Conducting a Business or Undertaking), to ensure the health and safety of workers and others affected by their work. It promotes a proactive approach, focusing on identifying and managing risks before harm occurs. It also clarifies the responsibilities of company officers, workers, and other parties, reinforcing that everyone has a role to play in creating safe and healthy workplaces.

Proposed changes to New Zealand's health and safety legislation have been announced by the coalition Government. They aim to support economic growth, sharpen the focus on managing critical risks and reduce unnecessary compliance, especially for small, low-risk businesses. The reforms also clarify overlapping duties, reduce reporting requirements to only significant incidents, and redefine the roles of governance versus operational management in health and safety. Further reforms are expected later this year, and legislation to amend the Act is set to be introduced before the end of 2025, with the goal of passing it in early 2026.

A People-First Approach

At its core, supporting good Health & Safety practices is about protecting people. That's why we take a people-first approach to Health & Safety across the Group. Whether it's our temporary staff, contractors or salaried employees, everyone deserves to feel safe, supported and confident in their work environment, so our compliance strategies are designed to meet legal obligations while also building a culture of care and accountability.

We back this up with tested systems and processes, with regular audits, thorough risk assessments and targeted training programs ensuring we stay on track. New team members go through a structured induction, and we keep our training current and relevant. We also regularly review our safety policies to ensure they reflect both regulatory changes and the real-world needs of our people.

At Board level, our Health & Safety Committee provides a specific governance focus on risks arising from the Company's physical operations, Health, Safety & Wellbeing policy and risk mitigation programmes. This Committee plays a key role in reviewing incidents, shaping policy and driving improvements.

A Spotlight on AWF's Approach to Health & Safety

AWF's Health, Safety & Wellbeing team actively analyses workplace trends and employee feedback to design targeted injury prevention campaigns that align with seasonal and industry-specific risks. AWF only partners with clients who meet their high safety standards – those who don't, they simply won't work with. Competency is key, especially in the provision of labour hire, so AWF assesses skills, confidence and readiness to ensure their people are well-prepared for their next assignment.

In terms of daily operations, maintaining a strong safety culture is a priority, and targeted communications play a key part in delivering on this. To ensure their Health, Safety & Wellbeing communications are relevant and effective for all roles, AWF has developed a tailored internal framework that supports meaningful engagement at every level.

For internal employees, this includes structured communication pathways such as quarterly Accordant Group Health & Safety Committee meetings with senior leaders and board members, and AWF's National Health & Safety Committee, which brings together senior management and regional representatives. At the frontline, AWF's bi-monthly forum of ten Health & Safety Representatives acts as a bridge between employees and leadership. Additionally, monthly Health & Safety meetings are held across AWF's 20 branches, ensuring consistent, local-level engagement and feedback.

With thousands of field employees working every year across a range of industries from manufacturing to logistics, trades, civil and infrastructure, clear and accessible communications are non-negotiable. Every AWF field employee completes a thorough induction, which includes watching a bespoke safety and wellbeing induction video. This is followed by regular check-ins during their first four weeks, and a new starter video automation series that covers key safety messages from day one.

AWF also holds monthly Safety Engagement meetings face-to-face or by phone, sends out bi-monthly e-newsletters, provides industry-specific training as appropriate and runs three injury prevention campaigns annually. In addition, AWF's Golden Rules identify nine areas of high risk where regular communications are prioritised. All of this helps AWF's field employees stay informed, prepared and safe on the job. In fact, in the latest Health & Safety survey 93% of field employees rated AWF's commitment to Health & Safety as good or excellent.

AWF deliver several Health & Safety campaigns each year to their field employees and clients. One of these campaigns, titled 'Speak Up – We'll Listen', focused on building awareness of the risk of serious injury increasing in the workplace when there is a change in duties. The message was clear and simple – if a field employee is ever asked to do something outside of their agreed duties, or that they don't feel safe or trained to do, they must talk to their AWF consultant. Prioritising regular communications is a foundational part of AWF's approach to proactively managing the safety of their workforce.

AWF also prioritises a proactive partnership approach with their clients and draws on the frontline expertise of their Health & Safety team to deliver this, ensuring that it is much more than a compliance and reporting function. Collaboration and regular communication with AWF's clients also supports strong alignment with key safety initiatives. This partnership approach reinforces key messages and promotes consistency and compliance across workplaces.

High safety standards and strong productivity often go hand in hand. Embedding safety into an organisation's day-to-day operations creates smoother workflows and fewer disruptions.

Beyond Physical Safety

Creating a safe and healthy work environment goes beyond physical safety. It's about supporting the whole person, which is why our approach to employee wellbeing includes both practical safety measures and mental health support. We've invested in training Mental Health First Responders to provide early support and guidance when it's needed most. In addition, AWF and Madison Recruitment fund EAP services for their field workers, ensuring this support is available to thousands of people every year should they require it. EAP's confidential services help employees navigate personal or work-related challenges that might affect their wellbeing, relationships or performance.

The Impact on Productivity

High safety standards and strong productivity often go hand in hand. Embedding safety into an organisation's day-to-day operations creates smoother workflows and fewer disruptions. With input from operational teams, the integration of safety checks into routine processes makes them second nature rather than an extra step.

Technology also plays an important role. Tools like digital reporting systems and real-time monitoring help organisations act faster and smarter when it comes to risk. AWF have digitised their Health & Safety engagement process and continue to work on further integrations between their CRM and Health & Safety management system, creating ongoing operational efficiencies and providing robust reporting for leadership and delivery teams.

There's also a clear financial case for investing in Health & Safety. In addition to the importance of physical safety, fewer accidents can also mean fewer compensation claims, less downtime and lower costs such as insurance. On top of that, a safe workplace boosts morale and retention, which translates into better performance. Poor Health & Safety on the other hand can hit the bottom line hard, so when an organisation invests in safety, they're not just protecting their people, they're protecting their business too.

The same applies for organisations choosing a staffing provider, where financial and productivity considerations directly linked to Health & Safety are frequently a deciding factor. In February 2025 AWF received recertification of AWF's Health & Safety systems under two prequalification assessments, +IMPAC Prequalification and the Tōtika Gold Member Scheme. These independent assessments are highly regarded in the civil and construction industry sectors. They are a prerequisite for a number of clients, and obtaining this prequalification often means AWF does not need to complete further documentation for each of these companies prior to supplying field employees.

Health & Safety in New Zealand is about creating workplaces where people are safe and can thrive. Balancing compliance, wellbeing and productivity takes time and commitment. It's built through consistent effort, smart systems and a culture that puts people first. Senior leaders play a vital role by setting the tone and taking proactive steps, and frontline teams ensure it remains a daily focus. When Health & Safety is led from the top and lived by everyone, it becomes a powerful driver of both care and performance.

Workforce Flexibility – Solutions for Thriving in a Changeable Economy

Right now, organisations across New Zealand are faced with both challenges and opportunities, and there are a range of factors at play – from economic uncertainty to cost of living pressures, shifting workforce expectations and a rise in productivity gains delivered by leaps forward in technology. The current labour market is, paradoxically, presenting employers with both skill shortages and a greater choice of highly capable job seekers at the same time. While this is of course dependent on role and sector, very few industries are immune to the effects of global uncertainties and persistent cost-of-living pressures.

This means flexibility in how organisations plan, hire and manage talent is more important than ever. The ability to adapt has become a competitive advantage and a critical buffer against volatility in the labour market. By offering flexible work options and embracing adaptable working models businesses can respond swiftly to change, fill critical gaps and maintain operational continuity. When things get tough, or when opportunities materialise, this flexibility gives organisations the breathing room they need to adapt quickly and respond strategically.

The great thing is that flexibility works for workers too. It can offer significant benefits including supporting diverse career pathways, work-life balance and skills growth. Accordant's 2022 Future of Work Report delved into this, with insights from over 750 people contributing to identifying new ways of working that could improve the employee experience. This group identified the top benefits of temporary work with 87% rating the ability to start work quickly, and 83% rating the opportunity to learn and develop new skills, as either very or fairly important.

In the context of New Zealand's labour market, workforce flexibility is the ability of both employers and workers to adapt to their changing needs through a variety of role types, work arrangements and employment models. It is about having options that suit different industries, business cycles and personal lifestyles.

In New Zealand, flexible roles come in many forms. Full-time or part-time permanent positions offer job stability and fixed-term contracts are often used for projects or for longer-term needs like parental leave cover. Casual employment provides work on an as-needed basis with no guaranteed hours, while temporary roles help cover staff absences or busy periods, giving workers valuable experience and helping businesses stay agile. Contracting and freelancing are also common, especially in industries like tech, construction and the creative sector, where specialised skills are matched to specific tasks or projects.

Where practical, remote and hybrid work can deliver benefits for the employer and worker. Employees can gain more control over where and how they work aiding work-life balance,

location flexibility, reduced costs, greater autonomy and improved job satisfaction. Additionally, employers can gain access to a wider talent pool, increased productivity, cost savings, business continuity and another tool for talent retention.

In sectors where remote or hybrid work is not possible, shift work and rostered hours can offer benefits. This is common in healthcare, manufacturing and logistics, which offer flexibility in scheduling often outside a more traditional ‘9 to 5’ work week.

With a range of work types utilised across New Zealand, a well-rounded staffing strategy is essential for building a resilient and high-performing workforce. That’s where Accordant’s diversified recruitment services come in. It’s also where our decades of experience supporting businesses across metro and regional New Zealand places us in a unique position to offer strategic and practical support to our clients.

Permanent recruitment lays the foundation for long-term stability and growth, helping businesses secure the right people for the journey ahead. On the other hand, temporary and contractor recruitment offers the flexibility to scale up or down quickly – ideal for managing seasonal peaks, special projects or unexpected absences. Fixed-term roles strike a balance, allowing organisations to meet specific project needs or cover longer-term absences without the commitment of a permanent hire.

For businesses with larger hiring needs, a strategic volume recruitment solution provides an efficient, streamlined approach to bringing in talent at scale without compromising on quality. When it comes to leadership, executive recruitment ensures that organisations are equipped with the strategic minds needed to drive vision and change. And to tie it all together, managed service provision and recruitment process outsourcing models can take the pressure off internal teams by simplifying recruitment processes, gaining access to a wider talent pool, ensuring compliance and reducing the administrative load. Together, these services offer a flexible, end-to-end solution that adapts to the unique needs of each business.

Flexibility has become a cornerstone of smart workforce planning, especially in a market that can shift quickly and at times unexpectedly. By tapping into a mix of recruitment types in addition to permanent hiring – such as temporary, contract and fixed-term roles – businesses can respond with speed and confidence. Whether it's scaling up to meet a surge in demand or adjusting during quieter periods, flexible recruitment models give organisations the agility to stay on track without overcommitting resources.

This approach also brings real cost efficiency. Temporary and contractor roles, for example, allow businesses to manage budgets more effectively during uncertain times, avoiding the long-term costs associated with permanent hires. And when things pick up again scalability is built in, meaning teams can expand quickly without the delays of traditional hiring processes. Talent pooling of temporary staff and contractors is not typically carried out by internal recruitment teams, which means that choosing to partner with a staffing provider is often a strategic decision that enables the true value of scalability to be leveraged.

Strong brands, capable people and solid processes are the backbone of effective recruitment. With years of market presence, Accordant’s established recruitment businesses bring a level of trust and reliability that newer entrants simply can’t replicate overnight. Our tenure means clients and candidates alike know what to expect. Consistent quality, deep industry knowledge and a proven track record of delivering results. Filling roles is important, but it’s also building lasting partnerships based on confidence and credibility.

In a fast-moving world of work, businesses often need a strategic partner that understands the value of flexibility, agility and long-term talent planning. Diversified talent management is key and this matters because flexibility is a core strength that allows companies to scale, adapt and thrive in changing conditions, and also creates meaningful and accessible opportunities for workers.

While organisations in New Zealand may have a lot of options when choosing a recruitment provider, many agencies are limited in their offering. At Accordant, we bring all of this together under one roof. Our suite of services spans permanent recruitment, temporary and contractor placements, fixed-term and volume hiring, executive search and managed service provision.
Our well-established brands offer national expertise, but we’re also right there on the ground with local know-how and smart, flexible solutions that work for everyone. With enduring brands that combine national reach and local presence, we’re uniquely positioned to deliver scalable, responsive and people-first solutions across the country as organisations navigate cost control with growth opportunities.

Board of Directors

Simon Bennett

Simon is an experienced business leader and director. He believes that our people are central to our productivity which a successful economy is built upon. Simon has been a director of several businesses and is on the Board of Trustees for the Ice Foundation (a charitable trust which owns business incubator The Icehouse) and is also a Director of Metro Performance Glass and Subsidiaries. Simon joined the Board in June 2021 and was appointed Chair in January 2022.

Simon Hull

Simon founded the Allied Work Force business in 1988. He was AWF Managing Director for 27 years and is Accordant Group's largest shareholder. He has been instrumental in growing what is now the Accordant business from a single office in Penrose to its current market leading position. Before founding Allied Work Force, Simon was involved in farming, horticulture, and small business management. He continues to be involved in marine-focussed businesses as well as pursuing his onshore and offshore yacht racing passion. Simon is a non-executive ("non-independent") Director.

Bella Takiari-Brame

Bella joined the Board as a Non-Executive Director on 1 January 2024. She brings global experience in oil and gas and has led national and regional initiatives in energy and economic development. Bella is a Fellow Chartered Accountant and Chartered Member of the Institute of Directors. She holds a Masters in Management Studies with Distinction from Waikato University. Bella, who has Iwi affiliations to Waikato-Maniapoto, is passionate about empowering communities through infrastructure, wellbeing, and workforce development at a regional level. She holds Governance roles in Iwi, Commercial and Crown entities.

Nick Simcock

Nick joined the Board as an independent Director in January 2018 after 15 years in Managing Director roles in New Zealand, Australia, and Asia/Pacific with Korn Ferry. Nick brings deep industry expertise in recruiting, outsourcing, consulting and talent management. Nick was the CEO and Director of a start-up SaaS payments business Wrap It Up, which was sold in 2017. He is a Trustee on the Wellington Creative Capital Arts Trust and was formerly on the Otago University Business School Board of Advisors. Nick is a Member of the Institute of Directors.

Richard Stone

Richard joined the human resources consulting industry in 1987, and went on to co-found three successful firms, the most recent of which was JacksonStone & Partners where he was Executive Chair. Richard has held a number of governance roles. He has been Chair of UNICEF NZ, President of the Wellington Chamber of Commerce, a Council member of Business NZ and a Director of Wellington NZ. Presently, he is the Chair of LifeFlight, Chair of Commerce Building Limited and a Director of Cape Horn Land Company Limited.

Financial Commentary

REVENUE

Group revenue of $165.2m is down 22.2% on the prior year revenue of $212.4m.

AWF revenue is down $9.5m (11.6%) on the prior year.

Revenue sourced from the provision of services to Commerce (Madison Recruitment, Absolute IT, Jackson Stone & Partners, and Hobson Leavy) was down $37.6m (28.9%) on the prior year.

NET LOSS AFTER TAX

A loss after tax of $2.9m for the year represents a $7.1m improvement on the prior year's loss of $10.0m.

DIVIDEND

The Directors have resolved not to declare a final dividend for the year ended 31 March 2025 (2024: nil). The interim Dividend payable in December 2024 was nil (2024: 3.0cps).

CASH FLOW

Cash outflow from operating activities of $0.6m was down $3.0m on the prior year operating cash flow due to lower net cash from operations $3.8m, increased bank interest $0.3m, offset by lower taxation paid of $1.2m.

NET BANK DEBT

Net bank debt at $28.0m was up $3.6m on the prior year $24.4m.

Deloitte.

Independent Auditor's Report

To the Shareholders of Accordant Group Limited

Opinion

We have audited the consolidated financial statements of Accordant Group Limited and its subsidiaries (the 'Group'), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity, and statement of cashflows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 26 to 68, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor and in relation to an awards sponsorship arrangement, we have no relationship with or interests in the Group.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment testing of goodwill and other indefinite life intangible assets for AWF, Madison Recruitment and Absolute IT Goodwill of $31.6 million (2024: $31.6 million) and other indefinite life intangible assets (brand names) of $12.1 million (2024: $12.1 million) are recognised in the consolidated financial statements at 31 March 2025, as detailed in notes B4 and B3 respectively. Goodwill and other indefinite life intangible assets are tested for impairment annually or whenever there are indicators that these assets may be impaired. For the purpose of impairment testing, the goodwill and other indefinite life intangible assets are allocated to Cash Generating Units ("CGUs"). The recoverable amount of each CGU is determined through a value in use calculation, which reflects significant unobservable inputs, including forecasted financial performance, discount rates and growth rates (including a terminal growth rate). The AWF, Madison Recruitment and Absolute IT CGUs are more sensitive to changes in the financial performance assumptions and judgements involved in determining their recoverable amounts. These CGUs include goodwill and indefinite life intangibles of $6.7 million, $14.2 million and $9.8m The key judgements underpinning their future cashflows include the EBITDA trajectory, discount and terminal growth rates. We have included the impairment considerations of goodwill and other indefinite life intangibles for AWF, Madison Recruitment and Absolute IT as a key audit matter because these CGUs are more sensitive to changes in the performance assumptions.	We have tested the value in use calculations for these cash-generating units (CGU). Our procedures included, amongst others: • Testing the value in use calculations for arithmetic accuracy; • Comparing the forecast performance with the approved 2026 financial year budget; • Assessing the historical accuracy of the Group's previous forecasts by comparing prior period budgets to actual performance; • Challenging Management's assumptions used in the forecasted financial performance, by utilising our knowledge of the Group, the past performance of the CGUs, and their customers; • Performing sensitivity analysis on the forecasted financial performance and EBITDA trajectory, discount rates and terminal growth rates to determine the extent to which any changes in these inputs would result in an impairment • Involving our internal valuation specialists in assessing the discount and terminal growth rates for reasonableness in comparison to market data. • Evaluating the sufficiency of related disclosures with regards to the requirements of NZ IAS 36 *Impairment of Assets.*

Other information

The directors are responsible on behalf of the Group for the other information. The other

information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Bennie Greyling, Partner
for Deloitte Limited
Auckland, New Zealand
30 May 2025

Accordant Group Limited

Statement of comprehensive income
For the year ended 31 March 2025

	NOTE	2025 $'000	2024 $'000
Revenue from contracts with customers	A2	165,237	212,385
Investment revenue	A3	68	114
Fair value gain on contingent consideration	G1	992	1,865
Direct costs		(1,226)	(2,271)
Employee benefits expense	A1, F1	(108,207)	(120,314)
Contractor costs	A1	(45,363)	(73,342)
Depreciation and amortisation expense	A4, B1, B2, B3	(4,645)	(4,947)
Impairment of goodwill	B4	–	(11,000)
Other operating expenses		(8,132)	(9,852)
Finance costs	A4	(3,021)	(2,791)
Profit / (loss) before income tax		(4,297)	(10,153)
Tax benefit	A5	1,417	145
Net profit / (loss) after income tax		**(2,880)**	**(10,008)**
Other comprehensive income for the year		–	–
Total comprehensive income		**(2,880)**	**(10,008)**
Earnings per share			
Total basic earnings per share (cents/share)	C3	(8.5)	(29.6)
Total diluted earnings per share (cents/share)	C3	(8.5)	(29.6)

The notes to the Group financial statements form an integral part of these financial statements

Accordant Group Limited
Statement of financial position
As at 31 March 2025

	Note	2025 $'000	2024 $'000
Assets			
Non-current assets			
Property, plant and equipment	B1	1,447	1,946
Right of use assets	B2	5,671	6,371
Intangible assets – goodwill	B4	31,553	31,553
Intangible assets – other	B3	14,012	15,214
Total non-current assets		**52,683**	**55,084**
Current assets			
Cash and cash equivalents	C5	2,978	2,092
Trade and other receivables	C6	17,404	21,037
Taxation receivable	A5	118	–
Total current assets		**20,500**	**23,129**
Total assets		**73,183**	**78,213**
Equity and liabilities			
Non-current liabilities			
Deferred tax liabilities	A5	1,158	2,504
Borrowings	C7	31,000	26,500
Lease liabilities	B2	4,216	4,296
Contingent consideration	G1	–	944
Total non-current liabilities		**36,374**	**34,244**
Current liabilities			
Trade and other payables	C8	14,594	17,696
Contract liabilities	A2	198	225
Taxation payable	A5	–	54
Provisions	F2	115	686
Lease liabilities	B2	1,956	2,673
Total current liabilities		**16,863**	**21,334**
Total liabilities		**53,237**	**55,578**
Net assets		**19,946**	**22,635**
Capital and reserves			
Share capital	C1	30,868	30,868
Treasury shares	C2	(632)	(804)
Group share scheme reserve	F1	487	658
Retained earnings		(10,777)	(8,087)
Total equity		**19,946**	**22,635**

For and on behalf of the Board who authorised the issue of the financial statements on 30 May 2025:

SIMON BENNETT, Chair

BELLA TAKIARI-BRAME, Chair, Audit & Risk Committee

The notes to the Group financial statements form an integral part of these financial statements

Accordant Group Limited

Statement of changes in equity
For the year ended 31 March 2025

	NOTE	Share capital $'000	Treasury shares $'000	Group share scheme reserve $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 April 2023		30,868	(804)	448	4,074	34,586
Loss for the year		–	–	–	(10,008)	(10,008)
Comprehensive income for the year		–	–	–	–	–
Total comprehensive income for the year		–	–	–	**(10,008)**	**(10,008)**
Transactions with owners in their capacity as owners:						
Dividends paid	C4	–	–	–	(2,153)	(2,153)
Restricted shares lapsed	F1	–	–	–	–	–
Share based payments	F1	–	–	210	–	210
Total transactions with owners in their capacity as owners		–	–	**210**	**(2,153)**	**(1,943)**
Balance as at 31 March 2024		**30,868**	**(804)**	**658**	**(8,087)**	**22,635**
Balance as at 1 April 2024		30,868	(804)	658	(8,087)	22,635
Loss for the year		–	–	–	(2,880)	(2,880)
Comprehensive income for the year		–	–	–	–	–
Total comprehensive income for the year		–	–	–	**(2,880)**	**(2,880)**
Transactions with owners in their capacity as owners:						
Dividends paid	C4	–	–	–	–	–
Restricted shares lapsed	F1	–	–	(294)	294	–
Share based payments	C2, F1	–	172	123	(104)	191
Total transactions with owners in their capacity as owners		–	**172**	**(171)**	**190**	**191**
Balance as at 31 March 2025		**30,868**	**(632)**	**487**	**(10,777)**	**19,946**

The notes to the Group financial statements form an integral part of these financial statements

Accordant Group Limited

Statement of cashflows

For the year ended 31 March 2025

	NOTE	2025 $'000	2024 $'000
Cash flow from operating activities			
Receipts from customers		168,992	215,112
Payments to suppliers, contractors and employees		(166,632)	(208,981)
Net cash (used in)/generated from operations		2,360	6,131
Net receipts from government grants		–	55
Interest paid on bank overdraft and loans		(2,497)	(2,233)
Interest paid on lease liabilities	B2	(410)	(305)
Income taxes paid		(101)	(1,334)
Net cash provided by / (used in) operating activities	C5	**(648)**	**2,314**
Cash flow from investing activities			
Proceeds from disposal of property, plant and equipment		90	3
Payment for property, plant and equipment	B1	(198)	(233)
Net cash used in investing activities		**(108)**	**(230)**
Cash flow from financing activities			
Dividends paid to share holders of the parent	C4	–	(2,154)
Proceeds from borrowings	C7	4,500	4,000
Repayment of borrowings	C7	–	(1,000)
Payment of principal on lease liabilities	B2	(2,858)	(2,792)
Net cash provided by / (used in) financing activities		**1,642**	**(1,946)**
Net increase in cash and cash equivalents held during the year		**886**	**138**
Cash and cash equivalents as at the beginning of the year		2,092	1,954
Cash and cash equivalents as at the end of the year	C5	**2,978**	**2,092**

The notes to the Group financial statements form an integral part of these financial statements

IN THIS SECTION

The notes to the financial statements include information that is considered relevant and material to assist the reader in understanding changes in Accordant Group Limited and its controlled entities ("the Group") financial position or performance, including where:

- the amount is significant because of its size and nature;
- it is important for understanding the results of the Company;
- it helps explain changes in the Company's business; or
- it relates to an aspect of the Company's operations that is important to future performance.

Accordant Group Limited is a Company limited by shares, incorporated and domiciled in New Zealand and registered under the Companies Act 1993 and listed on the NZX. The address of its registered office and principal place of business is disclosed in the directory to the annual report. The principal services of the Group are the supply of temporary staff, contractor resource and recruitment of permanent staff.

BASIS OF PREPARATION

These financial statements are for Accordant Group Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') and have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practices in New Zealand ('GAAP'). For the purposes of complying with NZ GAAP the Group is a for profit entity. They comply with New Zealand equivalents to IFRS Accounting Standards ('NZ IFRS'), IFRS Accounting Standards ('IFRS') and other applicable Financial Reporting Standards as appropriate for profit-orientated entities;
- in accordance with the requirements of the Financial Market Conduct Act 2013, the Companies Act 1993, and the NZX listing rules;
- on the basis of historical cost, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies;
- on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business; and
- in New Zealand dollars (which is the Group's functional and presentation currency), with values rounded to thousands ($000) unless otherwise stated.

The financial statements were authorised for issue by the directors on 30 May 2025.

Adoption of new and revised Standards and Interpretations

New standards and amendments and interpretations to existing standards that came into effect during the current accounting period

All mandatory new standards and amendments and interpretations to existing standards that came into effect during the current accounting period have been adopted in the current year.

The Group has adopted Classification of Liabilities as Current or Non-current (Amendments to NZ IAS 1) and Non-current Liabilities with Covenants (Amendments to NZ IAS 1) from 1 April 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

None of the other new and amendments to standards and interpretations have had a material impact on the Group.

New standards and amendments and interpretations to existing standards that are not yet effective for the current accounting period

The Group has not early adopted any new standards, amendments and interpretations that have been issued but are not yet effective.

In May 2024, the External Reporting Board issued NZ IFRS 18: Presentation and Disclosure in Financial Statements, effective for reporting periods commencing on or after 1 January 2027. Management has not yet assessed the impact of this standard upon adoption. No other new and amendments to standards and interpretations have been identified as having a material effect on the Group's financial statements in the future.

OTHER ACCOUNTING POLICIES

Accounting policies that are relevant to an understanding of the financial statements (other than those provided throughout the notes to the financial statements) are set out below:

Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Goods and services tax (GST)

All revenue and expense transactions and cash flows are recorded exclusive of GST and other value added taxes. Assets and liabilities are similarly stated exclusive of GST, with the exception of receivables and payables, which are stated with GST included.

Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible (notes B1 and B2) and intangible assets (note B3) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists (and at least annually for indefinite life intangible assets) the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

All of the financial assets of the Group, which include trade and other receivables (note C6), are classified as financial assets at amortised cost.

The Group's trade and other payables (note C8) are classified as financial liabilities at amortised cost.

The Group's contingent consideration amounts arising from business combinations (note G1) are classified as a financial liability at fair value through profit or loss. Contingent consideration is categorised within Level 3 of the fair value hierarchy.

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments

Ordinary share capital (note C1) is classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Costs which are not directly attributable to the issue of new shares are shown as an expense and included in other operating expenses in the Statement of Comprehensive Income.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

KEY JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies and the application of accounting standards, Management are required to make a number of judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. These estimates and associated assumptions are based on historical experience and various other matters that are considered to be appropriate under the circumstances. Actual results may differ from these estimates.

Judgements and sources of estimation uncertainty that are considered material to understand the performance of the Group are found in the following note:

Note – B4
Impairment testing of the carrying value of goodwill and indefinite life intangible assets.

A. Financial Performance

IN THIS SECTION

This section explains the financial performance of the Group, providing additional information about individual items in the Statement of Comprehensive Income, including:

(a) accounting policies, judgements and estimates that are relevant for understanding items recognised in revenue.

(b) analysis of the Group's performance for the year by reference to key areas including: performance by segment, revenue, expenses and taxation.

A1 SEGMENT PERFORMANCE

The Chief Operating decision maker is the Group Chief Executive.

The Group has two defined Reporting Segments:

- Allied Work Force ('AWF') and The Work Collective ('TWC') – Contingent Blue Collar Labour Hire associated with infrastructure, logistics, manufacturing, technical and construction. TWC provides opportunities for those who face barriers to employment.
- Madison Recruitment, Absolute IT, JacksonStone & Partners, and Hobson Leavy – White collar contingent temporary employees and contractors together with permanent recruitment and executive search associated with professional and managerial positions including technology and digital business sectors.

Within the White-Collar Reporting Segment are four (4) operating segments:

- Madison Recruitment
- Absolute IT
- JacksonStone & Partners
- Hobson Leavy

These operating segments have been aggregated on the basis that they have similar economic characteristics; the nature of services offered, the processes and customers are substantially the same, and strategic decisions are made in conformity over all four brands.

The Group's reportable segments have been identified as follows:

- AWF and TWC
- Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy

The Corporate office function reported as 'Central administration costs and director fees' provides governance, compliance, audit, public accountability, Group Funding, accounting, information technology, human resources, and marketing expertise. Revenue derived is incidental to the Group activities. The Corporate office function is not an operating segment and is not part of one of the reportable segments.

These segments have been determined on the basis, of the trading brands that operate under each; that discrete financial information is available for these segments; and that their operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM').

AWF and The Work Collective

The 'Blue Collar' segment operates branches under the brand names AWF (throughout New Zealand) and Select (Dunedin). These brands primarily derive their revenues from temporary staffing services to industry. The Work Collective leverages off AWF's infrastructure and network.

Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy

The 'White Collar' segment operates branches under the brand names Madison Recruitment, Madison Force, Absolute IT, JacksonStone & Partners and Hobson Leavy in major cities throughout New Zealand. These brands derive their revenues from staffing services across temporary, contract, permanent and executive search, principally in the commerce sector.

All revenues from external customers, and non current assets other than financial instruments, deferred tax assets, post employment benefit assets, and rights arising under insurance contracts are attributed to the Group's country of domicile, being New Zealand.

	Segment revenue		Segment profit	
	2025	**2024**	**2025**	**2024**
SEGMENT REVENUE AND RESULTS	$'000	$'000	$'000	$'000
Continuing operations				
AWF and The Work Collective	72,756	82,304	1,535	(3,543)
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	92,481	130,081	(200)	(1,207)
Total for continuing operations	**165,237**	**212,385**	**1,335**	**(4,750)**
Other income	–	–	68	114
Central administration costs and directors fees	–	–	(2,679)	(2,726)
Finance costs	–	–	(3,021)	(2,791)
Total	**165,237**	**212,385**	**(4,297)**	**(10,153)**
Income tax expense	–	–	1,417	145
Total for the year	**165,237**	**212,385**	**(2,880)**	**(10,008)**

Revenue reported above represents revenue generated from external customers. Inter-segment sales in the year were $41,000 (2024: $56,000) and have been eliminated from the above table. Inter-segment sales were eliminated from the originating segment. No one customer accounts for more than 10% of the Group's revenue (2024: No one customer accounts for more than 10% of the Group's revenue).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in this report.

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' fees, investment revenue, finance costs, and income tax expense. This is the same measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

SEGMENT ASSETS	2025 $'000	2024 $'000
Continuing operations		
AWF and The Work Collective	22,703	21,522
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	49,525	54,824
Total segment assets	**72,228**	**76,346**
Unallocated assets	955	1,867
Total assets	**73,183**	**78,213**

For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than cash, cash equivalents and tax assets of the parent.

SEGMENT LIABILITIES	2025 $'000	2024 $'000
Continuing operations		
AWF and The Work Collective	9,542	9,643
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	12,438	15,198
Total segment liabilities	**21,980**	**24,841**
Unallocated liabilities	31,257	30,737
Total liabilities	**53,237**	**55,578**

For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the liabilities attributable to each segment. All liabilities are allocated to reportable segments, other than bank loans and tax liabilities of the parent.

OTHER SEGMENT INFORMATION

	Depreciation and amortisation		Impairment	
	2025	**2024**	**2025**	**2024**
	$'000	$'000	$'000	$'000
AWF and The Work Collective	1,286	1,376	–	4,500
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	3,351	3,567	–	6,500
Unallocated	8	4	–	–
Total	**4,645**	**4,947**	–	**11,000**

	Non-current assets		Net additions to non-current assets	
	2025	**2024**	**2025**	**2024**
	$'000	$'000	$'000	$'000
AWF and The Work Collective	11,633	10,945	1,974	1,533
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	41,037	44,130	257	650
Unallocated	13	9	13	13
Total	**52,683**	**55,084**	**2,244**	**2,196**

	Employee benefits		Contractor costs	
	2025	**2024**	**2025**	**2024**
	$'000	$'000	$'000	$'000
AWF and The Work Collective	64,486	73,316	662	475
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	40,708	44,219	44,701	72,867
Unallocated	3,013	2,779	–	–
Total	**108,207**	**120,314**	**45,363**	**73,342**

A2 REVENUE FROM CONTRACTS WITH CUSTOMERS

Accounting policy

Revenue recognition from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised once value has been received by the customer, when the performance obligations have been satisfied and control has transferred. This is typically on successful placement of a candidate. The transaction price is allocated to performance obligations based on their relative standalone selling prices.

Revenue earned on temporary placement – over time

Revenue from temporary placements, represents amounts billed from the supply of semi-skilled and skilled temporary staff, including the wage cost of these staff and is recognised when the service has been provided. Revenue is recognised over time as services are provided. Performance completed to date is based on the number of hours worked.

The factors considered by Management on a contract by contract basis when concluding the Group is acting as principal rather than agent are as follows:

- Whether the customer has a direct relationship with the Group;
- Whether the Group has the primary responsibility for providing the services to the customer, and engages and contracts directly with the temporary worker or other recruitment companies; and
- Whether the Group has latitude in establishing the rates directly or indirectly with all parties.

Revenue earned on permanent placement – point in time

Revenue from permanent placements, represents amounts billed from the placement of permanent candidates. Revenue is typically based on a percentage of the candidate's remuneration package, this income being recognised at the date an offer is accepted by a candidate and where a start date has been determined.

In general, where a candidate fails to remain in the position for greater than twelve weeks a guarantee is provided to replace the candidate.

Revenue earned on a retained basis – point in time

Where the Group is engaged on a retainer basis, revenue recognised is typically based on a percentage of candidate's remuneration package, this income being recognised on the completion of defined stages of work. The defined stages are: on confirmation of vacancy and after job briefing; on presentation of shortlist; and candidate placement.

Revenue earned as other services are provided – point in time

Where the Group is engaged to provide payroll related services to manage the administration of contractors sourced by its customers directly, revenue is recognised when the underlying performance obligation is satisfied – upon the provision of services, charged at hourly or daily rates.

Where the Group is engaged to provide contractors, they are covered by the Group's indemnity insurance cover. A fee for this indemnity insurance cover is recognised when the underlying performance obligation is satisfied – upon the provision of cover, charged at hourly rates.

Where the Group is engaged to provide other employee related services, such as psychometric assessments, advertising and candidate background checks, revenue is recognised when the underlying performance obligation is satisfied – upon the provision of services, charged at agreed rates.

Variable consideration

The Group pays customer rebates (for revenue from temporary and permanent placement), provides credit notes and warranties over the contract period for certain recruitment services (for revenue on a retained basis). Revenue is constrained to the extent that recognition would result in a significant reversal of revenue. When the uncertainty is resolved, the consideration is recognised.

Significant financing component

Payment is typically due within 30 – 60 days from the invoicing of a contract. There is no significant financing component in any of the Group's contracts with customers.

	2025	2024
REVENUE FROM CONTRACTS WITH CUSTOMERS	$'000	$'000
Revenue earned on temporary placements		
AWF and The Work Collective	71,283	80,526
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	68,097	96,320
Total revenue earned on temporary placements	**139,380**	**176,846**
Revenue earned on permanent placements		
AWF and The Work Collective	806	985
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	6,139	9,769
Total revenue earned on permanent placements	**6,945**	**10,754**
Revenue earned on a retained basis		
AWF and The Work Collective	–	–
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	3,785	6,396
Total revenue earned on a retained basis	**3,785**	**6,396**
Other service revenue		
AWF and The Work Collective	667	793
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	14,460	17,596
Total other service revenue	**15,127**	**18,389**
Total revenue	**165,237**	**212,385**

KEY JUDGEMENTS AND ESTIMATES – EXPECTATION OF REFUND LIABILITIES AND REBATES TO CUSTOMERS

Refund guarantees

For revenue on a retained basis, Management estimates the expected refund guarantees to customers based on historical experience of candidates leaving within the guarantee period. The estimate is updated for key reporting periods. Refund guarantees relate to the placement of individual candidates.

Rebates

Management estimates the expected rebates to customers on inception of the contract based on past precedent and future expected sales. The estimate is updated for key reporting periods. Rebates relate to the placement of a portfolio of candidates and the discount is applied to all qualifying placements.

REVENUE FROM CONTRACTS WITH CUSTOMERS BY CLIENT INDUSTRY CATEGORY	2025 $'000	2024 $'000
AWF and The Work Collective revenue from contracts with customers		
– Construction & civil	28,925	30,552
– Engineering & technical	13,695	16,889
– Manufacturing & logistics	30,136	34,863
Total AWF and The Work Collective revenue from contracts with customers	**72,756**	**82,304**
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy revenue from contracts with customers		
– Administration & other services	438	333
– Arts & recreation services	649	1,453
– Construction and trades	1,359	2,286
– Education and training	2,327	4,678
– Financial and insurance services	9,101	13,905
– Government, defence and public safety	50,419	66,827
– Healthcare and social assistance	9,442	14,114
– Information technology	4,912	4,286
– Logistics (transport, postal & warehousing)	1,418	2,459
– Manufacturing	1,061	1,260
– Media & telecommunications	35	148
– Primary (agriculture, forestry, fishing, mining)	2,524	4,756
– Professional, scientific and technical services	3,743	5,822
– Property/rental and hiring services	378	725
– Retail trade & hospitality	2,058	1,939
– Utilities (electricity, gas, water, waste)	2,203	3,964
– Wholesale trade	414	1,126
Total Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy revenue from contracts with customers	**92,481**	**130,081**
Total revenue	**165,237**	**212,385**

CONTRACT LIABILITIES

Contract guarantees

For revenue on a retained basis, the Group's standard contract terms for permanent placement revenue contracts, includes a guarantee that the candidate placed will remain in the role for more than 12 weeks. If the candidate does not remain in the role for more than 12 weeks, the Group will endeavour to replace the candidate with another individual at no further cost to the customer. If the Group is unable to replace the candidate then the customer is entitled to a credit against the customer's account.

Upon placement, a refund liability is recognised with a corresponding adjustment to revenue. This refund liability is measured using a rate derived utilising the Group's historical experience of candidates who have left before 12 weeks. This historical experience rate is measured using the portfolio approach permitted by NZ IFRS 15 Revenue from Contract with Customers. This estimate is updated regularly at each reporting period.

Contract rebates

For revenue from temporary and permanent placements, under the Group's contract terms with certain customers, a rebate is payable/applied to customers based on agreed percentages of amounts billed over a specified period. These agreed percentages can either be a single fixed rate or incremental based on thresholds.

At the beginning of the specified period, a rebate liability is recognised with a corresponding adjustment to revenue. This rebate liability is measured using a rate derived utilising the Group's expectation of the amounts to be billed to the customer over the specified period. This expectation is based on historical experience with the customer adjusted to reflect forecast estimates of the placements required by the customer over the specified period.

CONTRACT LIABILITIES	2025 $'000	2024 $'000
Rebate liabilities	170	209
Guarantee refund liabilities	28	16
Revenue in advance	–	–
Total contract liabilities	**198**	**225**
Classified as:		
Current	198	225
Non-current	–	–
Total contract liabilities	**198**	**225**

A3 INVESTMENT REVENUE

Accounting Policy

Interest revenue is presented as investment revenue in the statement of comprehensive income.

Interest revenue

Interest revenue is accrued on a time basis using the effective interest method.

INVESTMENT REVENUE	2025 $'000	2024 $'000
Interest received	68	114
Total investment revenue	**68**	**114**

A4 EXPENSES

EXPECTED CREDIT LOSS	NOTE	2025 $'000	2024 $'000
Impairment losses recognised		–	22
Impairment losses recovered		(2)	(2)
Changes in the expected credit loss provision		(159)	100
Total expected credit losses		**(161)**	**120**

DEPRECIATION AND AMORTISATION EXPENSE		2025 $'000	2024 $'000
Depreciation of property, plant and equipment	B1	670	908
Depreciation of right of use assets	B2	2,773	2,641
Amortisation of intangible assets	B3	1,202	1,398
Total depreciation and amortisation expense		**4,645**	**4,947**

FINANCE COSTS	2025 $'000	2024 $'000
Financial liabilities measured at amortised cost		
Interest on bank overdrafts and loans	2,564	2,347
	2,564	**2,347**
Financial liabilities measured at fair value through profit or loss		
Interest on contingent consideration	47	139
	47	**139**
Lease liabilities		
Interest on lease liabilities	410	305
	410	**305**
Total finance costs	**3,021**	**2,791**

AUDITOR'S REMUNERATION TO DELOITTE FOR:	2025 $'000	2024 $'000
Audit of the financial statements	280	312
Total auditor's remuneration to Deloitte	**280**	**312**

The Group's Audit and Risk Committee monitor the independence of Deloitte Limited and ensure Audit Partner rotation occurs after 5 years.

The Group (via Hobson Leavy) has an awards sponsorship arrangement with Deloitte Limited. The total value of this arrangement paid to Deloitte is $25,000 (2024:$25,000).

OTHER ITEMS

Political donations

There have been no donations to any political party during the financial year (2024: $Nil)

A5 TAXATION

Accounting policy – current tax

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

Taxable profit differs from profit before tax reported in the Statement of Comprehensive Income as it excludes items of income and expense that are taxable or deductible in other years and also excludes items that will never be taxable or deductible.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or 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.

Income tax expense is assessed on taxable profit for the year.

Current tax liabilities are calculated using tax rates that have been enacted at balance date, being 28% (2024: 28%) for New Zealand.

INCOME TAX EXPENSE	2025 $'000	2024 $'000
Current tax		
In respect of current year	(1,460)	348
In respect of prior year	(72)	(68)
	(1,532)	**280**
Deferred tax		
In respect of current year	77	(471)
In respect of prior year	38	46
	115	**(425)**
Total tax benefit	**(1,417)**	**(145)**
Reconciliation to loss before tax		
Loss before income tax	(4,297)	(10,153)
Income tax at 28%	(1,203)	(2,843)
Tax effect of income that is not assessable and expenses that are not deductible in determining taxable profit	(214)	2,698
Income tax benefit	**(1,417)**	**(145)**
Effective tax rate for the year	33.0%	1.4%

CURRENT TAX (ASSETS)/LIABILITIES	2025 $'000	2024 $'000
Current tax (assets)/liabilities		
Income tax (receivable)/payable	(118)	54
Total current tax (assets)/liabilities	**(118)**	**54**

Accounting policy – deferred tax

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 recognised to the extent that it is probable that taxable profits will be available against which 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 arising on investments in subsidiaries, 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.

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 assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted by the end of the reporting period. 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 amounts 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.

	Lease liabilities $'000	Right of use assets $'000	Employee benefits $'000	Other provisions $'000	Intangible assets $'000	Losses carried forward $'000	Total $'000
As at 1 April 2023	2,173	(1,970)	1,074	445	(4,651)	–	(2,929)
Prior period adjustment	–	–	(81)	35	–	–	(46)
Charge (credit to profit or loss for the year)	(270)	228	64	58	391	–	471
As at 31 March 2024	**1,903**	**(1,742)**	**1,057**	**538**	**(4,260)**	–	**(2,504)**
As at 1 April 2024	1,903	(1,742)	1,057	538	(4,260)	–	(2,504)
Prior period adjustment	–	–	(28)	(10)	–	–	(38)
Charge (credit to profit or loss for the year)	(225)	201	(212)	(177)	337	1,460	1,384
As at 31 March 2025	**1,678**	**(1,541)**	**817**	**351**	**(3,923)**	**1,460**	**(1,158)**

IMPUTATION BALANCES	**2025** $'000	**2024** $'000
Imputation credits available for subsequent reporting periods at 28%	**11,925**	**12,135**

The above amounts represent the balance of the imputation account as at the end of the reporting period at 28%, adjusted for, imputation credits that will arise from the payment of the amount of the provision for income tax; and imputation debits that have arisen from the payment of dividends recognised as a liability at the reporting date. The consolidated amounts include imputation credits that would be available to the parent entity if subsidiaries paid dividends. The imputed portions of the final dividends recommended after reporting date will be imputed out of existing imputation credits or out of imputation credits arising from the payment of income tax in the next reporting period.

B. Assets used to generate income

IN THIS SECTION

This section shows the assets the Group uses to generate operating income. In this section of the notes there is information about:

(a) property, plant and equipment

(b) right of use assets and lease liabilities

(c) intangible assets

(d) goodwill

B1 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Fixtures and equipment, motor vehicles and leasehold improvements are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives using the diminishing value method.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

The following diminishing value rates are used for the depreciation of property, plant and equipment

- Motor vehicles 25 to 36%
- Fixtures and equipment 10 to 60%
- Leasehold improvements 4 to 14%

PROPERTY, PLANT AND EQUIPMENT	NOTE	Motor vehicles $'000	Fixtures and equipment $'000	Leasehold improvements $'000	Total $'000
Cost		1,835	4,858	2,342	9,035
Less accumulated depreciation		(962)	(3,772)	(1,571)	(6,305)
Net book value at 1 April 2023		**873**	**1,086**	**771**	**2,730**
Additions		–	132	102	234
Disposals – cost		–	(80)	(189)	(269)
Depreciation expense	A4	(262)	(365)	(281)	(908)
Eliminations on disposal – depreciation		–	67	92	159
Net book value at 31 March 2024		**611**	**840**	**495**	**1,946**
Additions		–	90	108	198
Disposal – cost		(135)	(17)	(39)	(190)
Depreciation expense	A4	(181)	(301)	(188)	(670)
Eliminations on disposal – depreciation		111	14	39	163
Net book value at 31 March 2025		**406**	**626**	**415**	**1,447**
Cost		1,700	4,984	2,324	9,008
Less accumulated depreciation		(1,294)	(4,358)	(1,909)	(7,561)
Net book value at 31 March 2025		**406**	**626**	**415**	**1,447**

B2 RIGHT OF USE ASSETS AND LEASE LIABILITIES

Accounting policy

The Group leases various properties (including offices), motor vehicles and computer equipment. Property lease contracts are typically made for fixed periods of 3 to 9 years but may have extension options as described below. Motor vehicle and computer equipment leases are typically made for fixed periods of 1 to 5 years without extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use ('ROU') asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

Costs included in the measurement of the right-of-use asset comprise the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date; less any lease incentives received; and
- any initial direct costs incurred by the lessee.

Depreciation is charged so as to write off the cost of assets, over the lease term using the straight-line method or where shorter than the useful life of the right of use asset.

The lease liability is initially measured at the present value of the future lease payments over the lease term that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms and conditions.

Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- the exercise price under a purchase option that the Group is reasonably certain to exercise that option; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

There are no leases with variable lease payments which depend on an index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value assets.

The Group recognises the lease payments associated with these leases within operating expenses on a straight line basis over their lease terms.

RIGHT OF USE ASSETS	NOTE	Property $'000	Motor vehicles $'000	Computer Equipment $'000	Total $'000
Cost		15,287	119	42	15,351
Less accumulated depreciation		(8,302)	(103)	(5)	(8,313)
Net book value at 1 April 2023		**6,985**	**16**	**37**	**7,038**
Additions/lease liability remeasurements		2,203	252	–	2,455
Disposals – cost		(1,764)	–	–	(1,764)
Depreciation expense	A4	(2,509)	(123)	(9)	(2,641)
Eliminations on disposal – depreciation		1,283	–	–	1,283
Net book value at 31 March 2024		**6,198**	**145**	**28**	**6,371**
Additions/lease liability remeasurements		1,952	144	–	2,096
Disposals – cost		(337)	(95)	–	(432)
Depreciation expense	A4	(2,633)	(131)	(9)	(2,773)
Eliminations on disposal – depreciation		314	95	–	409
Net book value at 31 March 2025		**5,494**	**158**	**19**	**5,671**
Cost		17,341	420	42	17,803
Less accumulated depreciation		(11,847)	(262)	(23)	(12,132)
Net book value at 31 March 2025		**5,494**	**158**	**19**	**5,671**

LEASE LIABILITIES	2025 $'000	2024 $'000
Property	5,993	6,795
Motor vehicle	158	144
Computer equipment	21	30
Total lease liabilities	**6,172**	**6,969**
Classified as:		
Current	1,956	2,673
Non-current	4,216	4,296
Total lease liabilities	**6,172**	**6,969**
Maturity analysis – contractual undiscounted cashflows:		
Less than 1 year	2,257	2,987
Later than 1 year and not later than 5 years inclusive	4,007	4,276
More than 5 years	1,384	451
Total undiscounted lease liabilities 31 March	**7,648**	**7,714**
Amounts recognised in Statement of Comprehensive Income:		
Interest on lease liabilities	(410)	(305)
Expenses relating to short term leases	(595)	(723)
Total amounts recognised in the Statement of Comprehensive Income	**(1,005)**	**(1,028)**
Cash outflows recognised in the Statement of Cashflows:		
Recognised within cash flows from operating activities		
Interest elements of lease payments	(410)	(305)
Total recognised within cash flows from operating activities	**(410)**	**(305)**
Recognised within cash flows from financing activities		
Principal elements of lease payments	(2,858)	(2,792)
Total recognised within cash flows from financing activities	**(2,858)**	**(2,792)**
Total recognised within the Statement of cashflows	**(3,268)**	**(3,097)**

KEY JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY – ESTIMATE OF THE FUTURE RIGHT OF USE ASSETS AND LEASE LIABILITIES

Extension and termination options

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Extension and termination options

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Incremental borrowing rates

Critical judgements in determining the incremental borrowing rate

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing (currently, the Group's sole term facility provider, ASB Bank Limited) received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Group subsidiaries, which do not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, location, and security.

B3 INTANGIBLE ASSETS

Accounting policy

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Intangible assets acquired separately with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives (48–72 months). The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired separately with indefinite useful lives are not amortised and are reviewed for impairment on an annual basis and whenever there is an indication that the asset may be impaired as per NZ IAS 36 Impairment of Assets (refer also B4).

Other intangible assets (excluding goodwill) represent the value of client relationships, brand names and restraints of trade acquired through business combinations (where the economic value can reliably be assessed).

	NOTE	Customer Relationships $'000	Brand Name $'000	Restraint of Trade $'000	Total $'000
Cost		16,823	12,081	5,295	34,199
Less accumulated amortisation		(14,945)	–	(2,642)	(17,587)
Net book value at 1 April 2023		**1,878**	**12,081**	**2,653**	**16,612**
Amortisation expense	A4	(576)	–	(822)	(1,398)
Net book value at 31 March 2024		**1,302**	**12,081**	**1,831**	**15,214**
Amortisation expense	A4	(556)	–	(646)	(1,202)
Net book value at 31 March 2025		**746**	**12,081**	**1,185**	**14,012**
Cost		16,823	12,081	5,295	34,199
Less accumulated amortisation		(16,077)	–	(4,110)	(20,187)
Net book value at 31 March 2025		**746**	**12,081**	**1,185**	**14,012**

The amortisation expense has been included in the line item "depreciation and amortisation expense" in the Statement of Comprehensive Income.

Brand names of:

- $7.465 million identified and recognised from the Madison acquisition are allocated to the Madison Group cash generating unit.
- $1.980 million identified and recognised from the Absolute IT acquisition are allocated to the Absolute IT cash generating unit.
- $1.029 million identified and recognised from the JacksonStone & Partners acquisition are allocated to the JacksonStone & Partners cash generating unit.
- $1.607 million identified and recognised from the Hobson Leavy acquisition are allocated to the Hobson Leavy cash generating unit.

KEY JUDGEMENTS AND ESTIMATES – ESTIMATING THE REMAINING USEFUL LIVES OF IDENTIFIABLE CUSTOMER RELATIONSHIPS AND RESTRAINT OF TRADE ASSETS AND TESTING THE CARRYING VALUE OF BRAND ASSETS

Brand assets are indefinite life non-financial assets. Determining whether brand assets are impaired requires an estimation of the value in use of the cash generating unit to which brand relates to. The impairment testing of brand is undertaken in conjunction with the impairment testing of goodwill related to the cash generating unit (refer to note B4 for further information).

The impairment assessment of customer relationships and restraint of trade assets requires a judgement and estimation of the expected remaining useful life of these assets.

B4 GOODWILL

Accounting policy

Goodwill arising on the acquisition of a subsidiary is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the acquiree over the fair value of the identified net assets recognised.

Goodwill is not amortised, but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's Cash Generating Units ('CGUs') expected to benefit from the synergies of the combination.

CGUs to which goodwill and indefinite life intangible assets have been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount is the higher of fair value less cost to sell and the value in use. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss on goodwill is recognised immediately in profit or loss and is not subsequently reversed.

GOODWILL	2025 $'000	2024 $'000
As at 1 April	31,553	42,553
Impairment Madison Recruitment	–	(6,500)
Impairment AWF	–	(4,500)
As at 31 March	**31,553**	**31,553**
Allocation to cash generating units:		
• AWF	6,712	6,712
• Madison Recruitment	6,723	6,723
• Absolute IT	7,836	7,836
• JacksonStone & Partners	5,797	5,797
• Hobson Leavy	4,485	4,485
Total goodwill	**31,553**	**31,553**

Annual test for impairment

The Group tests goodwill and other indefinite life intangible assets annually for impairment or more frequently if there are indications that goodwill might be impaired.

When there is an impairment, i.e., the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying value amount of any goodwill allocated to the cash generating unit and thereafter, prorated against the carrying value of other assets (including intangible assets and net assets).

The recoverable amount of each CGU is determined from Value In Use (VIU) calculations which use a discounted cash flow analysis. The key assumptions for the VIU calculations are those regarding the discount rates, growth rates and forecast financial performance.

The VIU calculation uses post tax cash flow projections over a 5-year period based on the budgeted financial year to 2026 and thereafter financial forecasts prepared by Management and approved by the Board. Cash flows beyond the 5-year period are extrapolated using a terminal growth rate.

KEY JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY – IMPAIRMENT TESTING OF THE CARRYING VALUE OF GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSETS

Determining whether goodwill is impaired requires an estimation of the VIU of the group of CGUs to which goodwill has been allocated. The VIU calculation requires Management to estimate the future cash flows expected to arise from those CGUs and apply a suitable discount rate in order to calculate present value.

Management engaged an independent adviser to determine the Weighted Average Cost of Capital (WACC) to discount future cashflows and terminal growth rate. The independent adviser used a Capital Asset Pricing Model methodology (CAPM) to determine the WACC, which takes into consideration a risk-free rate based on New Zealand Government Bonds, a market risk premium and an equity beta based on a selection of comparable recruitment companies.

Key Inputs into VIU testing are the following:

- Cashflows: post tax based on Management prepared 5-year business models for each CGU. Cashflow projections are based upon expected business performance which is driven primarily by EBITDA*
- Discount rate: The WACC is defined by the independent adviser at Segment level, being Blue Collar and White Collar and then applied to CGU's
- Terminal growth rate (TV): determined by an independent adviser and assessed at 2.5%

*EBITDA is a non-GAAP measure that represents Earnings Before Interest, Tax, Depreciation and Amortisation and is the primary performance measure for the Group.

The table below summarises the VIU inputs:

CGU	WACC	Terminal Value	Revenue CAGR* FY27-30	Year expected to reach historical EBITDA performance levels
AWF	13.5%	2.5%	6.2%	FY26
Madison Recruitment	12.5%	2.5%	5.4%	FY27
Absolute IT	12.5%	2.5%	9.6%	FY29
JacksonStone & Partners	12.5%	2.5%	12.5%	FY30
Hobson Leavy	12.5%	2.5%	2.7%	FY26

*Cumulative Average Growth rate

The reviews concluded that there was no impairment of Goodwill identified for any CGUs (2024: Madison Recruitment was impaired by $6.5m and AWF by $4.5m).

Sensitivities

For each CGU sensitivities were calculated for the following:

- A 1% uplift in the WACC rate
- A reduction in the TV to 2%
- A reduction of 1% to Revenue CAGR
- Delay in achieving historical EBITDA performance levels by up to 12 months

No CGUs were sensitive to a reasonable possible change in the assumptions that would cause an impairment.

C. Managing funding

IN THIS SECTION

This section explains the Group's reserves and working capital. In this section there is information about:

(a) equity and dividends

(b) net debt

(c) receivables and payables

C1 SHARE CAPITAL

ORDINARY SHARE CAPITAL	2025 No of Shares	2024 No of Shares	2025 $'000	2024 $'000
As at 1 April	34,325,542	34,325,542	30,868	30,868
As at 31 March	**34,325,542**	**34,325,542**	**30,868**	**30,868**

The share capital reflected in the following note represents the ordinary share capital of Accordant Group Limited. All ordinary shares carry rights to dividends and distribution on wind-up.

C2 TREASURY SHARES

TREASURY SHARES	2025 No of Shares	2024 No of Shares	2025 $'000	2024 $'000
As at 1 April	517,289	517,289	804	804
Disposal of treasury shares as share based payments	(110,480)	–	(172)	–
As at 31 March	**406,809**	**517,289**	**632**	**804**

Treasury shares were acquired to provide flexibility under the equity-settled share based incentive scheme.

During the year ended 31 March 2025, 110,480 treasury shares were disposed/transferred as part of share-based payment arrangements (refer also note F1).

C3 EARNINGS PER SHARE

EARNINGS PER SHARE	2025 $'000	2024 $'000
Comprehensive income for the year net of tax ($'000)	(2,880)	(10,008)
Number of ordinary shares as at 31 March	34,325,542	34,325,542
Weighted average number of shares for basic earnings per share	33,918,733	33,808,253
Total basic earnings per share (cents per share)	**(8.5)**	**(29.6)**
Weighted average number of shares for diluted earnings per share	33,918,733	33,808,253
Total diluted earnings per share (cents per share)	**(8.5)**	**(29.6)**

The restricted shares detailed in Note F1 could also potentially dilute earnings per share in the future, but currently are anti-dilutive (2024: were anti-dilutive).

C4 DIVIDENDS

Accounting policy

Dividend distributions to the Group's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

	2025		2024	
DIVIDENDS	Cents per share	$'000	Cents per share	$'000
Recognised amounts:				
Prior year final dividend	–	–	3.0	1,071
Interim dividend	–	–	3.0	1,082
		–		**2,153**
Declared amounts:				
Final dividend declared	–	–	–	–

Dividends

Prior year final dividend

On 29 May 2024 the Directors resolved not to declare a final dividend for the year ended 31 March 2024.

Current year interim dividend

On 30 October 2024, the Directors resolved not to pay a dividend for the period ended 30 September 2024.

Subsequent event

On 30 May 2025 the Directors resolved not to declare a final dividend for the year ended 31 March 2025.

C5 CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents

Cash and cash equivalents comprise of cash held by the Group and short-term bank deposits with an original maturity of less than three months. The carrying amount of these assets approximates their fair value.

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Statement of cash flows

The following terms are used in the Group's statement of cash flows:

- Operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities;
- Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents; and
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Interest paid and interest received may be classified as operating cashflows because they enter into the determination of profit or loss. Cash payments for the interest portion of a financial liability or lease liability, have been classified as part of operating activities and cash payments for the principal portion for financial liability or lease liability, have been classified as part of financing activities. Interest received on cash at bank have been classified as part of operating activities.

CASH AND CASH EQUIVALENTS	2025 $'000	2024 $'000
Cash at bank	2,978	2,092
Total cash and cash equivalents	**2,978**	**2,092**

RECONCILIATION OF NET PROFIT / (LOSS) AFTER TAX TO CASH FLOWS FROM OPERATING ACTIVITIES	2025 $'000	2024 $'000
Net profit / (loss) after income tax	(2,880)	(10,008)
Adjustments for operating activities non-cash items:		
Depreciation and amortisation	4,645	4,947
Impairment	–	11,000
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(59)	108
Movement in expected credit loss provision	(161)	120
Movement in deferred tax	(1,346)	(425)
Equity-settled share-based payments	191	210
Interest on contingent consideration to the vendor of Hobson Leavy	48	139
Fair value movement on contingent consideration to the vendor of Hobson Leavy	(992)	(1,865)
Total non-cash items	2,326	14,234
Movements in working capital excluding movements relating to purchase of subsidiaries:		
(Increase)/decrease in trade and other receivables, and contract assets	3,755	2,890
Increase/(decrease) in trade and other payables, and contract liabilities	(3,677)	(3,749)
Increase/(decrease) in taxation payable	(172)	(1,053)
Total movement in working capital	(94)	(1,912)
Cash flow from / (used in) operating activities	**(648)**	**2,314**

C6 TRADE AND OTHER RECEIVABLES

Accounting policy

Trade and other receivables are measured on initial recognition at fair value and subsequently at amortised cost using the effective interest method.

Appropriate allowances for expected irrecoverable amounts are recognised in profit and loss which are measured using the simplified approach permitted by NZ IFRS 9 Financial Instruments, which requires lifetime expected losses for trade and other receivables to be recognised from initial recognition of the receivable.

There are no trade and other receivables with a significant financing component.

The Group determines the expected credit losses by calculating:

- a probability weighted amount that is determined by evaluating a range of possible outcomes;
- time value of money;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

When reassessing expected credit losses the Group also considers any change in the credit risk and quality of the receivable from the date credit was initially granted up to the end of the reporting period, referring to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The Group determines the expected credit losses for all trade receivables and other receivables (including those that are past due and neither past due) by using a provision matrix, estimated based on historical credit loss experience based on shared credit risk characteristics and the days past due status of the debtors. The expected loss rates are based on the payment profiles of sales over a period of 60 months. The historical loss rates are adjusted to reflect current conditions and estimates of future economic conditions affecting the ability of the debtors to repay the receivables.

An allowance of $41,000 (2024: $200,000) has been made for expected credit losses arising from trade and other receivables.

Before accepting a new customer, the Group conducts reference checks using external sources. Customer checks and approval of credit limits are performed independently of the sales function, and are reviewed on an ongoing basis.

The credit period on sale of services is between 7 and 30 days, unless otherwise agreed. No interest is charged on trade receivables for the first 30 days from the date of invoice. Thereafter, interest can be charged at 1.5 per cent per month on the outstanding balance.

Included in trade receivables are debtors with a carrying value of $1.3 million (2024: $1.9 million) which are overdue at the reporting date. Included in other receivables are debtors with a carrying value of $Nil (2024: $Nil) which are overdue at the reporting date. The Group does not hold any collateral over these balances.

The Group writes off a receivable when there is information indicating that the debt is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtors has been placed under receivership or liquidation, or has entered into bankruptcy proceedings. NZ IFRS 9 includes a rebuttal presumption that a loss event has occurred if debtors are aged greater than 90 days. Impairment losses on trade and other receivables are presented as 'direct expenses' in the Statement of Comprehensive Income. Any revisions to this amount are credited to the same line item.

	2025	2024
TRADE AND OTHER RECEIVABLES	$'000	$'000
Trade receivables	16,257	20,553
Provision for expected credit loss	(41)	(200)
Total trade receivables	**16,216**	**20,353**
Other receivables	1,188	684
Total other receivables	**1,188**	**684**
Total trade and other receivables	**17,404**	**21,037**

PROVISION FOR IMPAIRMENT	2025 $'000	2024 $'000
PROVISION FOR EXPECTED CREDIT LOSS FOR TRADE RECEIVABLES		
As at 1 April	200	100
Impairment losses reversed	(159)	–
Impairment losses recognised	–	100
As at 31 March	**41**	**200**

EXPECTED LOSS RATES FOR TRADE RECEIVABLES	Current	1–30 days	30–60 days	60–90 days	90+ days	Total
2025						
Expected loss rate (%)	0.0%	0.0%	3.7%	85.7%	86.1%	0.3%
Gross trade receivables ($'000)	14,923	1,182	109	7	36	16,257
Provision for impairment of trade receivables ($'000)	–	–	(4)	(6)	(31)	(41)
Net trade receivables	**14,923**	**1,182**	**105**	**1**	**5**	**16,216**
2024						
Expected loss rate (%)	0.0%	0.0%	60.9%	100%	100%	1.1%
Gross trade receivables ($'000)	18,612	1,662	202	67	10	20,553
Provision for impairment of trade receivables ($'000)	–	–	(123)	(67)	(10)	(200)
Net trade receivables	**18,612**	**1,662**	**79**	–	–	**20,353**

EXPECTED LOSS FOR OTHER RECEIVABLES

Management has reviewed and assessed other receivables and the provision for impairment $Nil (2024: $Nil) represents the best estimate of the expected credit losses based on historical credit loss experience adjusted to reflect current conditions and estimates of future economic conditions. The expected loss rate (%) is calculated on a GST inclusive basis.

Other information about customers

The Group has no customers making up more than 10% of the year ended 31 March 2025 Group revenue (2024: none).

The concentration of credit risk is limited due to the size of the customer base.

KEY JUDGEMENTS AND ESTIMATES – EXPECTED CREDIT LOSSES FROM TRADE AND OTHER RECEIVABLES

Management has reviewed and assessed debtors on a branch-by-branch basis and the provision for impairment represents the best estimate of the expected credit losses based on historical credit loss experience adjusted to reflect current conditions and estimates of future economic conditions.

C7 BORROWINGS

BORROWINGS	2025 $'000	2024 $'000
Bank loans	31,000	26,500
Total borrowings	**31,000**	**26,500**
Classified as:		
Current	–	–
Non-current	31,000	26,500
Total borrowings	**31,000**	**26,500**

Summary of borrowing arrangements

During the year the Group extended their banking facilities through to 30 April 2026.

The total Facility Limit is $35.0m (2024: $35.0m). The Revolving Credit Facility is $18.0m and the Trade Finance Facility is $17.0m.

Facility usage at 31 March 2025 was: Revolving Credit $18.0m (2024: $18.0m) and Trade Finance $13.0m (2024: $8.5m). Cash at Bank at 31 March 2025 was $2.978m (2024: $2.092m).

The loan facilities are secured by first ranking General Security Deeds with cross guarantees and indemnities executed by all Group entities (refer note E1). The banking facilities request the Group to operate within defined financial undertakings. The Group has complied with all covenant requirements during the year.

The revolving loan is drawn in tranches which are financed for durations of 90, 120 and 150 days. The trade finance loan is drawn in 30 day tranches, repayable at the Group's election with interest calculated for the duration utilised.

The weighted average cost of interest including bank margin and line fee (excluding bank facility fee) was 6.91% (2024: 7.24%).

Covenants

As at 31 March 2025, the Group classified its secured borrowings of $31.0 million (31 March 2024: $26.5 million) as non-current liabilities. These borrowings are subject to financial covenants under the Group's financing arrangements with ASB Bank Limited.

The covenants required the Group to maintain a minimum Interest Cover Ratio and maximum Leverage Ratio, as well as an Equity Ratio. For covenant purposes, these ratios are calculated based on accounting policies applied prior to the adoption of NZ IFRS 16 Leases, excluding the impact of right-of use assets and lease liabilities.

The Group has remained compliant with the covenants that applied during the year. Covenant waivers were obtained prior to the March 2025 testing date.

The Facility extension, effective from 30 March 2025 included a new covenant framework. The new covenant framework is based on a minimum level of cumulative EBITDA performance tested and reported quarterly from 30 June 2025.

As part of the new facility the Group secured a new overdraft facility of $2m.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities:

	NOTE	Opening balance $'000	Financing cash flows $'000	Non-cash changes $'000	Closing balance $'000
For the year ended 31 March 2025					
Borrowings					
Bank loans – ASB Bank Limited (i)		26,500	4,500	–	31,000
Other financial liabilities, from financing activities					
Lease liabilities (ii)	B2	6,969	(2,858)	2,061	6,172
Hobson Leavy contingent consideration	G1	944	–	(944)	–
Total		**34,413**	**1,642**	**1,117**	**37,172**
For the year ended 31 March 2024					
Borrowings					
Bank loans – ASB Bank Limited (i)		23,500	3,000	–	26,500
Lease liabilities (ii)	B2	7,813	(3,097)	2,253	6,969
Hobson Leavy contingent consideration	G1	2,648	–	(1,704)	944
Total		**33,961**	**(97)**	**549**	**34,413**

(i) The cash flows make up the net amount of proceeds/(payment) from borrowings, repayments of borrowings and repayment of other financial liabilities in the statement of cash flows.

(ii) Non-cash changes comprise new leases entered into during the year of $336,000 (2024: $1,649,000) and remeasurement of existing leases during the year of $1,725,000 (2024: $604,000).

C8 TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Income, expenses, assets and liabilities are recognised net of goods and services tax ("GST"), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST where invoiced.

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

TRADE AND OTHER PAYABLES	**2025** $'000	**2024** $'000
Trade payables	3,656	5,101
Goods and services tax (GST) payable	2,036	2,132
PAYE	1,945	2,324
Other payables and accruals	6,957	8,139
Total trade and other payables	**14,594**	**17,696**

D. Financial instruments used to manage risk

IN THIS SECTION

This section explains the financial risks the Group faces, how these risks affect the Group's financial position and performance and how the Group manages these risks.

D1 FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks comprising:

- credit risk;
- liquidity risk;
- market risk
- interest rate risk; and
- capital risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The Group's principal financial assets are cash and cash equivalents, and trade and other receivables.

The credit risk on cash and cash equivalents is limited because the counterparty is a bank with a high credit-rating assigned by international credit-rating agencies. The maximum credit risk on other balances is limited to their carrying values without taking into account any collateral held.

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables.

The Group has no significant concentration of credit risk as its exposure is spread over a large number of customers.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The Group's exposure to interest rate risk arises mainly from its interest earning cash deposits and its interest bearing bank borrowings. The Group is exposed to interest rate risk to the extent that it invests for a fixed term at floating rates or borrows for a fixed term at floating rates. The Group's policy is to obtain the most favourable term and interest rate available.

Capital risk management

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note C7, cash and cash equivalents disclosed in note C5 and equity attributable to equity holders of the Group, comprising issued share capital as disclosed in note C1 and retained earnings.

The Directors and Management review the capital structure on a periodic basis. As part of this review the Directors and Management consider the cost of capital and the risks associated with each class of capital. The Directors and Management will balance the overall capital structure through payment of dividends, new share issues, and share buy backs as well as the issue of new debt or the redemption of existing debt.

Fair value of financial instruments

The carrying amounts of financial instruments at balance date approximate the fair value at that date.

Liquidity and interest rate risk management

The following table details the Group's remaining contractual maturity for its financial assets and liabilities. The table has been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to receive or pay. The table includes both interest, bank facility fees and principal cash flows. To the extent that interest cash flows are at floating rates, the undiscounted cash flows are derived from interest rates at 31 March.

	Weighted average effective interest rate	Less than 1 month	1–3 months	3–12 months	1–5 years	5+ years	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
2025							
Financial assets							
Non-interest bearing	-%	17,404	–	–	–	–	17,404
Floating interest	2.75%	2,978	–	–	–	–	2,978
Financial liabilities							
Non-interest bearing	-%	(4,606)	(875)	(1,890)	(4,007)	(1,384)	(12,762)
Floating interest	6.13%	(219)	(438)	(1,973)	(31,219)	–	(33,849)
		15,557	**(1,313)**	**(3,863)**	**(35,226)**	**(1,384)**	**(26,229)**
2024							
Financial assets							
Non-interest bearing	-%	21,037	–	–	–	–	21,037
Floating interest	4.50%	2,092	–	–	–	–	2,092
Financial liabilities							
Non-interest bearing	-%	(5,843)	(1,440)	(2,508)	(5,221)	(451)	(15,463)
Floating interest	8.21%	(181)	(362)	(1,631)	(27,587)	–	(29,761)
		17,105	**(1,802)**	**(4,139)**	**(32,808)**	**(451)**	**(22,095)**

The analysis includes all financial assets and liabilities. In relation to the financial liabilities, this excludes tax related balances and employee benefits, as these are not financial instruments.

Sensitivity analysis

The sensitivity analysis has been based on the exposure to interest rates for borrowings and cash and cash equivalents at 31 March. A 50 point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

	2025	2024
INTEREST RATE +/– 50 bps	$'000	$'000
Impact on profit and equity	155	133

E. Group structure

IN THIS SECTION

This section provides information to help readers understand the Group's structure and how it affects the financial position and performance of the Group.

E1 SUBSIDIARIES

Accounting policy

Basis of consolidation

The Group financial statements comprise the financial statements of the company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Group:

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

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

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements include the financial statements of Accordant Group Limited and the subsidiaries listed below. Subsidiaries are entities controlled, directly or indirectly, by Accordant Group Limited.

SUBSIDIARIES	Place of incorporation and operation	Proportion of ownership interest held	Proportion of voting power held	Principal activity
AWF Limited	New Zealand	100%	100%	Labour hire
Madison Recruitment Limited	New Zealand	100%	100%	Recruitment
Absolute IT Limited	New Zealand	100%	100%	Recruitment and Payroll Services
Probity NZ Limited	New Zealand	100%	100%	Dormant
Accordant Group Services Limited	New Zealand	100%	100%	Group Services
JacksonStone & Partners Limited	New Zealand	100%	100%	Recruitment
JacksonStone Consulting Limited	New Zealand	100%	100%	Dormant
The Work Collective Limited	New Zealand	100%	100%	Social Enterprise
Hobson Leavy Limited	New Zealand	100%	100%	Executive Search

F. Other

IN THIS SECTION

This section includes the remaining information relating to the Group's financial statements that is required to comply with financial reporting standards.

F1 EMPLOYEE BENEFITS AND SHARE BASED PAYMENTS

Accounting policy

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as 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.

The Group pays contributions to superannuation plans, such as KiwiSaver. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group operates an equity-settled share based incentive Scheme for senior staff and directors that is settled in ordinary shares. The fair value of these share-based payments is calculated on the grant date using an appropriate valuation model. The fair value is included in employee benefits expense on a straight line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest.

The same amount is credited to shareholders equity. At each balance date, the Group re-assesses its estimates of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in employee benefits expense immediately, with a corresponding adjustment to shareholders equity.

The Group is not party to any Golden parachute clauses.

	2025	2024
EMPLOYEE BENEFITS	$'000	$'000
Employee benefits	105,726	117,408
Employer contribution to KiwiSaver	2,358	2,696
Equity-settled share-based payments	123	210
Total employee benefits expense	**108,207**	**120,314**

Government grants of $Nil (2024: $55,000) have been offset against employee benefits.

	2025	2024
COMPENSATION OF KEY MANAGEMENT PERSONNEL (Excludes Directors)	$'000	$'000
Salaries and short-term benefits	2,560	3,240
Employer contribution to KiwiSaver	77	97
Equity-settled share-based payments	94	75
Total key management personnel compensation	**2,731**	**3,412**

The remuneration of directors and key executives is determined by the Remuneration and Nomination Committee having regard to the performance of individuals and market trends. Directors fees expensed during the year ended 31 March 2025 was $454,000 (2024: $461,000).

Gross dividends paid to key management who hold restricted shares during the year ended 31 March 2025 was $Nil (2024: $75,000).

Employee share schemes

The Group has an ownership-based compensation scheme for senior employees of the Group. In accordance with the provisions of the restricted share scheme, as approved by shareholders, senior employees and directors may, at the discretion of the Board, be granted the opportunity of purchasing restricted shares at a price determined by the Board under the rules of the scheme.

Invited participants purchase the shares by way of an interest free loan from the Group. Participants may convert their shares from the vesting date and only when they have repaid the loan from the Group. The shares issued to participants are held as security for the loan until such time the loan has been repaid. Restricted shares are entitled to all the rights as ordinary shares, including dividends and full voting rights, but are not tradable until they are converted to ordinary shares based on the terms of the scheme.

No restricted shares were issued to senior staff during the year ended 31 March 2025 under the terms of the Group share scheme (2024: 420,000).

No restricted shares were exercised during the year (2024: No restricted shares were exercised during the year ended 31 March 2024).

665,000 restricted shares expired during the year ended 31 March 2025 (2024: Nil) and 115,000 restricted shares were forfeited during year ended 31 March 2025 (2024: 119,000). The corresponding interest free loan provided to staff was also cancelled. The value of expired restricted shares was $294,000 (2024:$Nil).

At 31 March 2025, there were 1,431,000 (2024: 2,211,000) shares held by staff members and corresponding loans to the value of $2,421,900 (2024: $3,827,000).

The following share-based payment arrangements were in existence at 31 March 2025:

RESTRICTED SHARE SERIES	Number	Grant date	Vesting date	Expiry date	Issue price $	Fair value at grant date of the option $
J Shares 2021 Grant	250,000	18/09/2020	1/01/2025	1/01/2026	1.50	0.41
L Shares 2022 Grant	381,000	1/10/2021	1/01/2025	1/01/2026	1.90	0.48
M Shares 2023 Grant	205,000	14/10/2022	1/10/2025	1/10/2026	1.80	0.50
N Shares 2023 Grant	205,000	14/10/2022	1/10/2026	1/10/2027	1.80	0.56
O Shares 2024 Grant	195,000	13/11/2023	1/10/2026	1/10/2027	1.50	0.28
P Shares 2024 Grant	195,000	13/11/2023	1/10/2028	1/10/2029	1.50	0.35
Total	**1,431,000**					

The rules of the restricted share scheme (which for accounting purposes are treated as share options) allow participants to hand back to the Group restricted shares issued to them at the grant date (or during the exercise period) should the market price of the shares be below the exercise price. If the restricted shares are handed back to the Group, the loan from the Group is cancelled. Due to the nature of the restricted share scheme, the scheme has been treated as a share option scheme under NZ IFRS 2 Share-based Payments and a value placed on each restricted share in accordance with the standard.

Restricted shares are valued using Black-Scholes pricing model. Where relevant, the expected life used in the model has been adjusted based on Management's best estimate for the effects of non-transferability, exercise, and behavioural considerations. Expected volatility is based on the historical share price volatility over the expected term of the option. The valuation assumes that senior employees and directors will exercise the options at the end of the allowed one-year loan repayment period.

RESTRICTED SHARE SERIES	Term to vesting	Expected life	Risk Free Rate	Annualised Volatility	Option Value
	(Days)	(Years)	%	%	$
J Shares 2021 Grant	1,566	4.3	0.37%	31.20%	$0.41
L Shares 2022 Grant	1,188	3.3	1.40%	35.20%	$0.48
M Shares 2023 Grant	1,083	3.0	4.44%	37.10%	$0.50
N Shares 2023 Grant	1,448	4.0	4.45%	35.80%	$0.56
O Shares 2024 Grant	1,053	2.9	5.03%	39.20%	$0.28
P Shares 2024 Grant	1,784	4.9	5.03%	35.40%	$0.35

The weighted average fair value of the restricted shares granted under the restricted share scheme during the year was $0.44 (2024: $0.44).

The following reconciles the outstanding restricted shares granted under the restricted share scheme at the beginning and end of the year:

	GROUP			
	2025		**2024**	
	Option	Weighted average exercise price	Option	Weighted average exercise price
	Number	$	Number	$
As at 1 April	2,211,000	$1.73	1,910,000	$1.79
Granted during the year	–	$0.00	420,000	$1.50
Expired during the year	(665,000)	$1.81	–	$0.00
Forfeited during the year	(115,000)	$1.77	(119,000)	$1.86
As at 31 March	1,431,000	$1.69	2,211,000	$1.73

The number of restricted share options exercisable at 31 March 2025 is Nil (2024: Nil).

The restricted shares outstanding at 31 March 2025 had a weighted average contractual life from inception of 749 days (2024: 911 days).

During the year ended 31 March 2025 the share based payments expense recognised by the Group was a charge of $123,000 (2024: charge of $210,000).

There were no restricted share options exercised year ended 31 March 2025 (2024: none).

F2 PROVISIONS

Accounting policy

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period 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.

PROVISION FOR WAGES, MEDICAL AND REHABILITATION COSTS	2025 $'000	2024 $'000
As at 1 April	686	582
Change in claims provision	(571)	104
As at 31 March	**115**	**686**
Classified as:		
Current	115	686
Total provisions	**115**	**686**

AWF Limited continues to participate in the ACC Partnership Discount Plan. Under this plan AWF Limited, as employer undertakes injury management with the assistance of its appointed agent and accepts financial responsibility for employees who incur work-related injuries for the 12 month cover period and subsequent 12 month claims management period.

KEY JUDGEMENTS AND ESTIMATES – REHABILITATION UNDER THE ACC PARTNERSHIP PROGRAMME

Provisions represent Management's best estimate of the Group's liability for ongoing wages, medical and rehabilitation costs for open claims in terms of the partnership agreement with Accident Compensation Corporation, based on an independent assessment of past experiences and the nature of the open claims.

F3 RELATED PARTIES

Controlling entity

The SA Hull Family Trust No.2, which holds 18,194,598 (2024: 18,194,598) shares is the ultimate controlling entity of the Group, having a 53.01% (2024: 53.01%) holding.

Transactions

During the year, Group entities entered into the following trading transactions with a related party that is not a member of the Group:

RELATED PARTY TRANSACTIONS	2025 $'000	2024 $'000
Mr Simon Bennett – Consultancy services	–	90

Accordant Group Services Limited entered into a consultancy arrangement with Mr Simon Bennett (Chairman and Director) commencing 1 January 2022 at the rate of $120,000 per annum for a defined scope of work. This arrangement concluded 31 December 2023.

At 31 March 2025, Group entities do not have any amounts owed or owing to a related party that is not a member of the Group (2024: $ Nil).

F4 COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS	2025 $'000	2024 $'000
Property, plant and equipment	26	62
Total capital expenditure commitments	**26**	**62**

F5 CONTINGENT ASSETS AND LIABILITIES

ASB Bank Limited has issued seven guarantees (2024: seven) on behalf of the Group totalling $921,097 (2024: $910,575) in support of property leases (six) and a surety bond to the NZX.

The Group has no other contingent assets or liabilities at 31 March 2025 (2024: $Nil).

F6 EVENTS AFTER THE REPORTING DATE

No subsequent events have occurred since reporting date that would materially impact the Group's financial statements as at 31 March 2025.

G. Significant matters in the financial year

IN THIS SECTION

Significant matters which have impacted the Group's financial performance.

G1 BUSINESS COMBINATIONS

Accounting policy

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group (if any) in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. At the acquisition date, the identifiable assets acquired and the liabilities (including contingent liabilities) assumed are recognised at their fair value at the acquisition date, except that deferred tax assets or liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with NZ IAS 12 Income Taxes and NZ IAS 19 Employee Benefits respectively. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

The Group's goodwill policy is set out in note B4.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Purchase of Hobson Leavy

Effective 31 January 2023, Accordant Group Limited acquired the shares of Hobson Leavy Limited ('Hobson Leavy'). Hobson Leavy is one of New Zealand's market leaders in retained executive search, operating exclusively in the "C" suite market and across both the public and private sectors. The acquisition accelerates the Group's capability in the search market, and especially in Auckland.

The goodwill and identifiable intangible assets are not deductible for income tax purposes.

Name	Principal	Date of acquisition	Proportion acquired %	Cost of acquisition $'000
Hobson Leavy	Retained executive "C suite" search	31/1/2023	100%	8,795

Contingent consideration

As part of the purchase agreement for Hobson Leavy, a contingent consideration arrangement was agreed.

Under the contingent consideration arrangement, there was to be an additional cash payment to the previous owners of Hobson Leavy, where the Group was required to pay:

- Two Earn-outs based on performance in FY24 (tranche 1) and FY25 (tranche 2) above a specified and defined calculation of Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA).
- The Group was to pay $2.00 for every one additional $1.00 of EBITDA achieved over an agreed minimum threshold.

At acquisition date, the potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement was $1.284m for Earn out tranche 1 and $1.628m for Earn out tranche 2.

- The fair value of Earn out tranche 1 of $1.196m, was estimated by applying a discount factor of 5.30% to the undiscounted earn out amount of $1.284m. The minimum EBITDA threshold for FY24 was not exceeded. The fair value of Earn-out tranche 1 of $1.196m together with reduced discount interest of $76,000 was therefore released to the Statement of Comprehensive Income in the year ended 31 March 2024.
- The fair value of Earn out tranche 2 of $1.452m, was estimated by applying a discount factor of 4.91% to the earn out amount of $1.628m. As at 31 March 2024, there was a material change in the Group's estimate of the probable EBITDA under the contingent consideration arrangement for Earn-out tranche 2. The potential undiscounted future amount that the Group could be required to pay was revised down to $1.0m. The future liability has decreased by a total of $0.628m. The fair value gain of $0.508m and discount interest of $85,000 was released to the Statement of Comprehensive Income for the year ended 31 March 2024.
- The minimum EBITDA threshold for FY25 was not exceeded. The fair value of Earn-out tranche 2 of $0.944m together with reduced discount interest of $48,000 was released to the Statement of Comprehensive Income in the year ended 31 March 2025.

Companies Act 1993 disclosures

Corporate Governance Information

Accordant's governance framework is guided by the principles and recommendations described in the NZX Corporate Governance Code dated April 2023 (Code). Accordant has reported against the Code in its separately published Corporate Governance Statement which, together with the detailed information on the Company's Board of Directors and corporate governance policies, can be viewed on the Corporate Governance section on the Accordant website (www.accordant.nz/corporate-governance).

Variance to NZX Corporate Governance Code

We believe that the Company's corporate governance practices for the financial year ended 31 March 2025 are materially in line with the Code. Those areas of variance from the Code are set out in the table below:

NZX Code principle	NZX Code recommendation	Key difference	Status
Board composition and performance	2.5: The Board should set measurable objectives for achieving diversity	The Company has adopted a Diversity and Inclusion Policy, a copy of which is available on the Company's website. However, the Board has not set measurable objectives under the Policy for achieving diversity.	Whilst the Board considers authentic diversity outcomes can be achieved without measurable objectives, the small size of the Board is limiting when seeking to label individual diversity. Although no alternative governance practices have been adopted in lieu of recommendation 2.5, the Board has been particularly mindful of its Policy in making its most recent appointment to the Board.
Board composition and performance	2.9: The Chair of the Board should be an independent director	Simon Bennett as Chair of the Board is not independent due to having been employed as the CEO of the Company previously, leaving this role in June 2021. The Company announced on 30 April 2025 that the Board had determined Simon Bennett to be an Independent Director. This was done to recognise that 4 years have passed since Simon Bennett held the role of CEO.	The Board and ARC maintain an independent composition majority. No alternative governance practices have been adopted specifically in lieu of recommendation 2.9.
Remuneration	5.2: An issuer should have a remuneration policy for executives which outlines the relative weightings of remuneration components and relevant performance criteria	The Company's remuneration policy does not specifically address the exact weightings of remuneration components and relevant performance criteria.	The Company's Annual Report contains disclosures with respect to the weightings and performance criteria as these are dynamic from year to year. The Board's practice, rather than setting specific criteria and weightings in the Remuneration Policy, is to set these annually according to the needs of the business and the specific short and long term goals that are considered at the time to be appropriate.

Directors

The following persons were Directors of Accordant Group Limited as at 31 March 2025:

NAME OF DIRECTOR	Nature of directorship	Date appointed
Simon Bennett	Non-independent Chair*	21 June 2021
Simon Hull	Non-independent Director	4 February 2005
Nicholas Simcock	Independent Director	1 January 2018
Richard Stone	Independent Director	25 January 2022
Bella Takiari-Brame	Independent Director	1 January 2024

*The Company announced on 30 April 2025 that the Board had determined Simon Bennett to be an Independent Director.

The Board has assessed the independence of each of the Directors by reference to the definition of the term 'Disqualifying Relationship' in the NZX listing rules and by having regard to the factors described in the NZX Corporate Governance Code that may impact on director independence. As a consequence of that assessment, the Board has determined that all the directors are independent Directors other than Simon Bennett and Simon Hull.

Simon Hull has been determined by the Board to be a non independent director because he is a substantial shareholder in the Company and has been a director since incorporation (appointed 4 February 2005). Simon Bennett was determined to be a non independent Director because he was CEO of the Company through until June 2021.

None of the Directors has been appointed pursuant to listing rule 2.4.

Subsidiary Company Directors

The following were directors of subsidiary companies as at 31 March 2025. Employee directors of subsidiary companies do not receive directors' fees, remuneration, or other benefits in their capacity as directors. The remuneration and other benefits of such employees, received as employees, are included in the relevant bands for remuneration disclosed elsewhere in this Additional Information section.

NAME OF SUBSIDIARY COMPANY	Directors
Hobson Leavy Limited	Simon Bennett, Jason Cherrington, Carrie Hobson, Stephen Leavy
Accordant Group Services Limited	Jason Cherrington, Shereen Low
AWF Limited	Jason Cherrington, Shereen Low
Madison Recruitment Limited	Jason Cherrington, Shereen Low
Absolute IT Limited	Jason Cherrington, Shereen Low
JacksonStone & Partners Limited	Jason Cherrington, Shereen Low
JacksonStone Consulting Limited	Jason Cherrington, Shereen Low
The Work Collective Limited	Jason Cherrington, Shereen Low
Probity NZ Limited	Jason Cherrington, Shereen Low

Entries recorded in the Interests Register

In accordance with section 140(2) of the Companies Act 1993 the Company maintains an interests register in which Directors' interests are recorded. The table below sets out the particulars of general disclosures of interest made by Directors holding office as at 31 March 2025. The Director will be regarded as interested in all transactions between Accordant and the disclosed entity.

DIRECTOR	Name of business and nature of interest
Simon Hull	Trustee – S.A. Hull Family Trust Trustee – S.A. Hull Family Trust No. 2 Director – Hull Properties Limited Director – Nano Imports Limited Director – Multihull Ventures Limited Director – Marlborough Developments (2007) Limited Director – Zhik Pty Limited Director – The Garage Club Limited Trustee – Peter Hull Extended Family Trust Director – Wayby Station Limited Director – Cattle Mountain Run Limited
Simon Bennett	Trustee – Ice Foundation Director – Peak Partners Limited Director – Metro Performance Glass Limited and Subsidiaries
Nicholas Simcock	Trustee – Wellington Creative Capital Arts Trust Director – Simcorp Limited Director – Just Property Management Limited Director – GW Trustee (2023) Limited
Richard Stone	Trustee – Embassy Theatre Trust 2020 Chair – Life Flight New Zealand Limited Chair – Commerce Building Limited Director – Bolton Holdings Limited Director – Central Air Ambulance Rescue Services Limited
Bella Takiari-Brame	Trustee – Tiratū Iwi Māori Partnership Board Director – Luana Limited Board Member – Accident Compensation Corporation (ACC) Director – Braemar Hospital Limited Director – NZ Healthcare Investments Limited Deputy Chair – Te Nehenehenui Trust Chair – The Lines Company Director & Shareholder – Te Ohu Kai Moana Trustee Limited Shareholder – Te Putea Whakatupu Trustee Limited Shareholder – Te Wai Māori Trustee Limited Director – Aotearoa Fisheries Limited trading as Moana New Zealand Shareholder – Rangitāmirotanga Limited

Information used by Directors

During the financial year ended 31 March 2025 there were no notices from Directors of the Company requesting to disclose or use Company Information received in their capacity as Directors.

Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of the Company, Accordant has continued to indemnify and insure its directors, executives and employees acting on behalf of the Company, against potential liability or costs incurred in any proceeding, except to the extent prohibited by law. The insurance does not cover liabilities arising from criminal actions.

Directors' Shareholding Interests

As at 31 March 2025 the Directors of the Company had the following relevant interests in the Company's shares:

DIRECTOR	Ordinary shares	Restricted shares held under the Company's long-term incentive scheme*
Simon Bennett	280,007	500,000
Simon Hull	18,194,598	–
Nicholas Simcock	10,000	–
Richard Stone	–	–
Bella Takiari-Brame	–	–

*These Restricted Shares were issued to Simon Bennett during his tenure as CEO. Further information about the terms of the long-term incentive scheme that governs these Restricted Shares is set out in note F1 to the financial statements.

Directors and Senior Manager share dealings

In accordance with the Companies Act 1993, between 1 April 2024 and 31 March 2025 the Board received the following disclosures from Directors and Senior Managers of acquisitions and dispositions of shares in the Company, with such particulars having been duly entered in the Company's interests register.

Director/Senior Manager	Transaction	Number of securities	Price per security	Date
Jason Cherrington	Purchase of shares	3,482	$0.43	16 July 2024
Jason Cherrington	Purchase of shares	73	$0.45	22 July 2024
Jason Cherrington	Purchase of shares	9,792	$0.65	30 July 2024
Jason Cherrington	Purchase of shares	14,610	$0.65	6 August 2024

Diversity and inclusion

The gender breakdown of Accordant Group Limited's Board of Directors and Officers as at 31 March 2025 is set out in the table below:

Directors	31 Mar 2025	31 Mar 2024	Officers*	31 Mar 2025	31 Mar 2024
Female	1 (20%)	2 (33%)	Female	2 (29%)	4 (44%)
Male	4 (80%)	4 (67%)	Male	5 (71%)	5 (56%)
Gender Diverse	–	–	Gender Diverse	–	–
Total	5	6	Total	7	9

*Officers for these purposes means any leader who is concerned with or takes part in the management of the Company and who also reports to the Board or the CEO.

The Board is satisfied with the initiatives being implemented with respect to the Group's diversity policy.

Remuneration of Directors

The director fee pool is $450,000. The last increase in the director pool was approved by shareholders at the Annual Shareholders Meeting held on 26 July 2017. Directors' fees for the year ended 31 March 2025 totalled $453,500. The payment of fees in excess of the $450,000 cap was made under and in accordance with listing rule 2.11.3 because: (a) there was an increase in the number of directors (five to six) from the number in office at the conclusion of the shareholders' meeting in 2017 at which the fee cap was approved; and (b) the amount paid to Bella Takiari-Brame did not exceed the amount necessary to enable her to be paid the average amount then being paid to each non executive director (excluding the Chairperson).

The Company has arranged a policy of Directors' and Officers' liability insurance. This policy covers the Directors and Officers so that any monetary loss suffered by them, as a result of actions undertaken by them as Directors or Officers, is insured to specific limits (and subject to legal requirements and/or restrictions).

The Board Charter states that no retirement allowances are payable to Directors and no similar payments or benefits have been paid or are intended to be paid to any director upon cessation of office.

The table below sets out the total remuneration and the value of other benefits received by each Director during the financial year ended 31 March 2025.

Director	Annual $'000	Fees paid in year $'000
Simon Bennett	136	136
Simon Hull	81	81
Nicholas Simcock	81	81
Richard Stone	71	71
Bella Takiari-Brame	81	71
Laurissa Cooney	71	14
	521	454

Directors are eligible to participate in the Group's equity-settled share-based incentive scheme.

Attendance at Board and Committee meetings during FY25

Director	Board	Audit & Risk Committee	Remuneration & Nominations	Health & Safety
Total meetings held	9	7	1	9
Meetings attended:				
Simon Bennett	9	7	1	9
Simon Hull	9	6	–	9
Laurissa Cooney*	2	2	–	–
Nick Simcock	9	7	1	9
Richard Stone	9	5 (Observer)	1	9
Bella Takiari-Brame**	9	7 (2 as Observer)	–	9

* Laurissa Cooney resigned as a Director and finished her term on 29 May 2024.

** Bella Takiari-Brame was appointed a Director on 1 January 2024 and appointed to the Audit & Risk Committee on 27 March 2024.

CEO remuneration FY25

Salary and fees	Taxable benefits	Subtotal – fixed remuneration	Short Term Incentive STI	LTI – Gross Dividends on Restricted Shares	Subtotal – pay for performance	Total remuneration
532,211	17,766	549,977	TBA	–	–	549,977

The Short Term Incentive paid in FY25 relates to the CEO's performance in FY24.

As at the date of this Annual Report the Board has not yet determined whether the CEO has earned a Short Term Incentive in respect of the financial year ended 31 March 2025.

CEO remuneration FY24

Salary and fees	Taxable benefits	Subtotal – fixed remuneration	Short Term Incentive STI	LTI – Gross Dividends on Restricted Shares	Subtotal – pay for performance	Total remuneration
$532,211	$15,966	$548,177	$60,000	$31,250	$91,250	$639,427

Short Term Incentives are determined after year end and are paid in the subsequent financial year.

The following five-year summary aligns the Short Term Incentive to the year in which it relates to.

Five-year summary – CEO remuneration

Financial Year	CEO	Single figure fixed remuneration	STI – Percentage against maximum
2025	Jason Cherrington	$549,977	Yet to be determined
2024	Jason Cherrington	$548,177	43.8%
2023	Jason Cherrington	$544,513	$Nil
2022	Jason Cherrington	$401,106	58.1%
2022	Simon Bennett	$394,66	66.7%
2021	Simon Bennett	$643,667	100.0%

Explanation of the above items

1. Taxable benefits comprise a matching superannuation contribution of 3% of gross taxable earnings.
2. Short Term Incentive includes a matching superannuation contribution of 3%.
3. On 21 June 2021 the Company appointed Jason Cherrington to take over from Simon Bennett as the Chief Executive Officer.

Breakdown of pay for performance FY (2025)

Description	Performance measures
STI – Set at 25% of fixed remuneration if all performance targets are achieved. The measures used in determining the quantum of the STI are set annually. Targets relate to Company financial performance 60%, 40% of the on target incentive will be allocated to performance against agreed KPIs.	The STI performance for the 2025 financial year has yet to be determined.
LTI – The CEO is eligible for a grant of Restricted Shares under the Company's Long Term Incentive scheme.	Nil Restricted Shares were issued to the CEO in the FY25 financial year. Further information about the terms of the Restricted Shares, including the performance measures, is set out in note F1 to the financial statements. The CEO did not exercise any Restricted Share options during the financial year.

Restricted Share Scheme interests awarded to the CEO:

Table A below sets out Options to acquire restricted shares issued under the Company's Long Term Incentive scheme to the Company's CEO Jason Cherrington.

Table B below sets out Options to acquire restricted shares previously issued under the Company's Long Term Incentive scheme to the Company's former CEO Simon Bennett.

Note F1 to the financial statements contains an explanation of how the Long Term Incentive scheme operates as well as further information regarding, in respect of each series of Restricted Shares issued under that Scheme, the term to vesting, expected life, the risk-free rate (%), annualised volatility and option value (and basis of calculation). The CEO did not exercise any restricted share options during FY25.

Table A – interests awarded to the CEO
Jason Cherrington

Date of award	Type of Scheme interest	Number	Exercise price	Vesting date (May be exercised within 12 months of the vesting date)
2 October 2022	Options to acquire restricted M shares	125,000	$1.80	1 October 2025
2 October 2022	Options to acquire restricted N shares	125,000	$1.80	1 October 2026
13 November 2023	Options to acquire restricted O shares	125,000	$1.50	1 October 2026
13 November 2023	Options to acquire restricted P shares	125,000	$1.50	1 October 2028

Table B – interests awarded to the former CEO
Simon Bennett

Date of award	Type of Scheme interest	Number	Exercise price	Vesting date (May be exercised within 12 months of the vesting date)
18 September 2020	Options to acquire restricted J shares	250,000	$1.50	1 January 2026
1 October 2021	Options to acquire restricted L shares	250,000	$1.90	1 January 2026

Employee Remuneration

The table below sets out the number of employees (not being directors of the Company) who, during the financial year ended 31 March 2025, received remuneration and other benefits in their capacity as employees that exceeded a value of $100,000 per annum. The remuneration amounts include all monetary amounts and benefits actually paid during the year, including the face value of any incentives that vested during the year including the Gross Taxable value of Dividends paid on Restricted Shares.

			Number of Employees	
Remuneration			**2025**	**2024**
$100,000	–	$109,999	11	18
$110,000	–	$119,999	15	19
$120,000	–	$129,999	9	11
$130,000	–	$139,999	12	11
$140,000	–	$149,999	6	10
$150,000	–	$159,999	5	9
$160,000	–	$169,999	2	2
$170,000	–	$ 179,999	3	3
$180,000	–	$189,999	–	3
$190,000	–	$ 199,999	7	2
$200,000	–	$209,999	2	–
$210,000	–	$219,999	1	2
$220,000	–	$229,999	1	3
$230,000	–	$239,999	–	2
$240,000	–	$249,999	2	1
$250,000	–	$259,999	2	–
$260,000	–	$269,999	–	1
$270,000	–	$279,999	–	1
$280,000	–	$289,999	–	1
$290,000	–	$299,999	1	1
$300,000	–	$309,999	2	1
$310,000	–	$319,999	1	–
$320,000	–	$329,999	1	2
$340,000	–	$349,999	–	1
$360,000	–	$369,999	1	1
$370,000	–	$379,999	–	3
$390,000	–	$399,999	–	1
$420,000	–	$429,999	1	–
$570,000	–	$579,999	–	1
$580,000	–	$589,999	–	1
$590,000	–	$599,999	–	1
$600,000	–	$609,999	1	–
			86	112

Long Term Incentive Scheme

The Group operates a Long Term Incentive scheme for senior employees and directors that is settled in ordinary shares. A detailed explanation of the scheme is set out in Note F1 to financial statements in this Annual Report.

Distribution of holders of quoted shares

The table below sets out the spread of the Company's shareholders as at 31 March 2025.

Size of holding	Number of fully paid ordinary shareholders	Percentage	Number of fully paid shares	Percentage
1 – 1000	114	15.92%	57,273	0.17%
1,001 – 5,000	265	37.01%	764,877	2.23%
5,001 – 10,000	124	17.32%	967,376	2.82%
10,001 – 50,000	175	24.44%	3,732,085	10.87%
50,001 – 100,000	19	2.65%	1,312,436	3.82%
100,001 and Over	19	2.65%	27,491,495	80.09%
	716	100.00%	34,325,542	100.00%

Substantial product holders

According to the Company's records, and disclosures made pursuant to section 280(1)(b) of the Financial Markets Conduct Act 2013 the persons set out in the table below were substantial product holders as at 31 March 2025. The total number of voting securities (fully paid ordinary shares) of the Company as at 31 March 2025 was 34,325,542. The total number of Restricted Shares of the Company as at 31 March 2025 was 1,431,000. Accordingly, for the purposes of section 293(1)(c) of the Financial Markets Conduct Act 2013, the total number of 'voting products' of the Company on issues as at 31 March 2025 was 35,756,542.

	Number of shares in which relevant interest is held		
Name of substantial product holder	Number	Percentage	Date of notice
Simon Alexander Hull & David John Graeme Cox	18,194,598	53.01%	5/02/2018
Masfen Securities Limited	2,404,592	7.01%	1/06/2021

Twenty largest holders of quoted equity securities

The table below sets out the names and holdings of the twenty largest registered shareholders in the Company as at 31 March 2025.

Investor Name	Total Units	% Issued Capital
Simon Alexander Hull & David John Graeme Cox	18,194,598	53.01
Masfen Securities Limited	2,404,592	7.01
Ma Janssen Limited	1,109,264	3.23
Russell John Field & Anthony James Palmer	925,226	2.70
Accident Compensation Corporation	724,958	2.11
New Zealand Depository Nominee	442,199	1.29
Susanne Rhoda Webster	426,750	1.24
Accordant Group Limited	406,809	1.19
Peter Abe Hull & Antoinette Ngaire Edmonds	372,696	1.09
Wynnis Ann Armour & Jocelyn Patricia Dutton	354,703	1.03
Philip John Talacek & Brenda Ann Talacek	300,000	0.87
Ross Barry Keenan	300,000	0.87
Simon James Bennett	280,007	0.82
Joanna Hickman	200,000	0.58
HSBC Nominees (New Zealand) Limited	160,372	0.47
Elizabeth Mary Keenan	150,000	0.44
Jason Brent Wolland	135,960	0.40
Jennifer Margaret Cherrington Mowat	132,016	0.38
Lay Dodd Trustee Services Limited & Patricia Anne Neal	129,380	0.38
Malcolm John Wade	122,000	0.36

Auditor fees

The amount of fees paid by the Company and its subsidiaries to the Group's independent auditor, Deloitte Limited, in the last two financial years is set out in the table below.

Services provided $000's	Financial year ended 31 March 2025	Financial year ended 31 March 2024
Audit of the full year financial statements	280	314
Other services	$Nil	$Nil

Donations

The Company does not donate to political parties. The Company did not make any donations during the financial year.

NZX waivers and exercise of powers

There were no waivers granted by NZX or relied on by Accordant in the 12 months preceding 31 March 2025.

NZX has not taken any disciplinary action against Accordant during the financial year ended 31 March 2025, and there was no exercise of powers by NZX under listing rule 9.9.3 (relating to powers to cancel, suspend or censure an issuer) with respect to Accordant during the reporting period.

Credit rating

The Company does not currently hold a credit rating from an accredited rating agency.

Directory

Registered Office

Level 6, 51 Shortland Street
Auckland 1010
Ph: 09 526 8770

Mailing address
PO Box 105 675
Auckland 1143

Directors

Simon Bennett (Chairman and Non-independent Director)
Simon Hull (Non-independent Director)
Nicholas Simcock (Independent Director)
Richard Stone (Independent Director)
Bella Takiari-Brame (Independent Director)

Auditor

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Share Registry

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