Interim

Report

for the six month period
ended 30 September 2023

accordant

We need to remain agile to ensure we can flex with changing market conditions, whilst playing to our experience, scale, and broad market presence that is unrivalled across New Zealand.

Jason Cherrington,
Group CEO

CEO's Insights

The rebalancing of demand and supply has begun in many areas of the labour market, following extensive reporting of chronic candidate shortages over the last three years. Whilst the catalyst for this began some time ago, it is only in the last few months that we have seen more significant indicators confirming the same.

Jason Cherrington, Group CEO

Of course, it is not unusual for organisations to characterise the financial year as one of two halves, with seasonality impacting trends and areas of focus, alongside significant events disrupting best-laid plans and necessitating both agility and adaptability.

It is perhaps a sign of the current times that the last six months has in itself felt like a tale of two halves, with a positive start to the year across the group providing cautious optimism, and then as the general election grew closer and uncertainty over the outcome intensified, there was a noticeable market shift in confidence across both the public and private sectors. This materialised as more of a "pause" in hiring intentions and a slowdown in decision making, rather than a permanent contraction.

I describe this as a "pause" because once clear of the general election stagnation evident across many markets, clarity in policy direction paves the way for more dependable planning. Whilst we are no different to any organisation in that regard, the breadth of our services, scale and broad client base means we have the opportunity to make an impact regardless of the government of the day across all the markets we service, and that is where confidence in our own purpose and relevancy remains high.

Whilst market trading conditions have been notably inconsistent so far this financial year, some of the sentiment conveyed at our most recent shareholder meeting is now starting to materialise.

Whilst market trading conditions have been notably inconsistent so far this financial year, some of the sentiment conveyed at our most recent shareholder meeting is now starting to materialise.

Group Revenue for the trading period was down 9% against the prior year, with most of the impact felt from a foreshadowed easing in temporary and contracting placements across the white-collar segment. Whilst the extent of any public sector contraction remains to be seen, we are certain the relevancy of a flexible and contingent workforce at such times can play a much bigger part in ensuring work gets done. Also key in supporting the ongoing delivery of key projects, initiatives and services is the need to secure the best talent in what will most likely be a period of change in public sector leadership.

Despite some revenue contraction and an increase in interest charges following the acquisition of Hobson Leavy in January 2023, net cash generated from operational activities has remained strong, enabling a reduction in Net Bank Debt of $400k over the period after paying the FY23 Final Dividend of $1.07m and Income tax of $1.33m.

Strong cost management and appropriate operational changes have helped reduce our administrative costs compared to last year, and whilst the six months' NPAT is a much improved $1.2m against the prior six months' run rate, it is below last year's outturn of $2.0m on the same period.

JacksonStone has demonstrated some resilience in comparison to other suppliers into the public sector market and are expected to successfully navigate through the next six months despite any short-term pre-election softening in demand. The quality and consistent flow of new roles remains high and they are well placed to capitalise on senior government appointments alongside their strong private sector work. Our Māori practice continues to perform extremely well.

It is a similar story at Hobson Leavy where a fully retained model has helped deliver a pleasing 33% increase on retained fees so far this year across the private and public sector. Hobson Leavy are tracking to expectation at this stage of the year and with suggested business confidence across the private sector increasing, look to maximise on that opportunity across key leadership appointments. Their well established and deep relationships across the private sector has become even more evident post-acquisition, which has helped create opportunities for further collaboration across our wider group of businesses and in turn for the benefit of our clients.

I am equally encouraged by the growth indicators in AWF and as mentioned at our shareholder meeting, we have started to see the hard work and directional change provide a renewed confidence in the business. This has translated into a 3% increase in revenues like for like across our blue-collar segment.

Our growth focus on civil and infrastructure works, as well as weather event recoveries, have seen a close to 200% increase in the

Strong cost management and appropriate operational changes have helped reduce our administrative costs compared to last year.

number of employees we have trained and deployed into these areas. The spring and summer season that builds up from early October is likely to accelerate these numbers. Our core manufacturing and engineering clients, particularly in the metropolitan centres, have mostly remained stable in a climate where pre-election spending belts have been tightened for several months.

Availability of local quality candidates has also improved and coupled with our migrant workforce, AWF's fill ratio and time to fill metrics continue to improve exponentially. The summer peak period will be a litmus test on how "normal" the market conditions really are, but it does feel good to see more general candidate availability after many years of the converse.

Our purposeful focus around Health, Safety and Wellbeing continues to highlight an industry leading best practice approach that is apparent throughout the entire organisation. Whether that be using technology as an enabler for better qualitative interactions or creating compelling training content that is engaging, inclusive and meaningful to all our people, we are always finding better ways to drive improvement off what has now become a very high base.

Absolute IT and Madison bore the biggest impact of hiring intention decline across New Zealand, with job adverts reducing by approximately 25% year on year across the New Zealand job market, according to SEEK NZ's September Employment Report.

Absolute IT has however under-performed against expectation and the investment made in some areas has not been realised to date. Historically we would start to see a return from new consultant hires post a 12-month period and whilst this traditional IT recruitment channel continues to face ongoing digital skill shortages it has had the opportunity to perform much better than the current delivery suggests. For my part I am disappointed we have not yet achieved our potential, and thus it remains a key focus for the second half of the year as we look to enable a more significant and sustainable result for the business.

Considerable growth is still expected within the tech sector over the next ten years, and we must remain capable of delivery as the industry and government look for a more permanent solution to tech talent shortages at all levels. Proposed immigration setting changes and specific visa categories designed to attract global talent signaled over the coming months are an encouraging indication of intent.

For Madison, the first half of FY24 saw a dip in the number of support roles being recruited across the country with more caution around recruitment spend as many businesses faced concerns about the recession and lower levels of business confidence. At various times throughout the first half of the year many private sector businesses either pared back

Clients continue to look for innovative and tailored solutions that resolve their staffing challenges.

growth strategies or froze hiring altogether. Support and administration roles saw the biggest impact with many businesses cutting back costs in this space or choosing to recruit internally, at least initially, rather than via an agency.

Whilst the government sector also slowed for Madison with reduced spend on contractors and an increased lens on cost in the lead up to the general election, we have more recently secured contracts in our contingent solutions team and expect this to grow as the public sector look for alternative models and ways of managing changes in demand with more fluidity and less financial risk. These opportunities provide for a more cautiously optimistic second half of FY24.

Social purpose becomes even more relevant during times of economic challenge. I am delighted that The Work Collective placed 150 candidates, each of whom have experienced some form of barrier to employment, into more than 70 client partners so far this year. This is well ahead of last year and we continue our efforts facilitating opportunities for individuals to explore work in a range of industry sectors and environments, building their experience, confidence, and skills.

In June we launched Talent Development @ The Work Collective, which provides The Work Collective's candidates with access to paid training and upskilling.

Looking to the future there is a predicted rise in unemployment from its current level of 3.6% as at the end of the June 2023 quarter, and The Work Collective remains relevant in the market to both candidates and clients. As more individuals face unemployment, those who are marginalised or excluded from meaningful work in the labour market are likely to become more disadvantaged.

Clients continue to look for innovative and tailored solutions that resolve their staffing challenges. Working in partnership with our Accordant brands and The Work Collective, organisations can achieve measurable social impact while improving their delivery of diversity and inclusion goals. This provides direct benefit to our communities and New Zealand as we build a more inclusive workforce together, and as we strive to be part of the solution to broader, complex environmental, social, and governance outcomes.

Similarly, in regard to environmental change, we have been intentional with some purchasing decisions, and we are pleased that our continued digitalisation of service delivery processes reduces our footprint, in addition to the efficiency benefits gained. We are formalising our response to climate risks, beginning with the achievement of our carbon reduction certification through the Toitū Envirocare programme this year. Concurrently we are examining our risks

Ongoing investment in people, tools and technology remains key to ensuring our resilience is bolstered in variable market conditions.

and opportunities with consideration of the sectors and regions we supply to. As with many organisations who are moving on to adaptation and transition plans, it is a considered effort, and we expect to publish our action plan before the next reporting period.

We need to remain agile to ensure we can flex with changing market conditions, whilst playing to our experience, scale, and broad market presence that is unrivalled across New Zealand.

ANZ's Business Confidence Index trended up in September, whilst Westpac's quarterly index reported that employment confidence among workers dropped to its lowest point since December 2020. In August this year, according to the Seek NZ Employment Report job ads increased for the first time since March. These inconsistencies, driven by historic uncertainty and polarising pre-election activity are expected to dissipate as we look to more clear air ahead for both our clients and our teams.

Ongoing investment in people, tools and technology remains key to ensuring our resilience is bolstered in variable market conditions. Our cost management and efficiency programmes ensure we continue to consolidate where opportunities exist, reduce operational costs through shared resources, and invest to retain key capability and talent, which plays a critical part in our return to growth plans in the near term.

To this end we have considered our dividend policy range and approach, prudent cashflow management and to what extent the full year performance outlook could provide a positive final dividend payment at year end.

The Board have therefore announced an interim dividend payment at the more cautious and lower end of the range for this period, a fully imputed 3.0 cents per share to be paid on 1st December 2023.

Reflecting on the first half of the year, it is clear that people are at the heart of what we do each and every day. The adaptability, resilience and commitment of our people over the last few years is greatly valued, as is the meaningful engagement we have across our deep client base. Both remain key components in our strategy as we navigate the ongoing evolution of New Zealand's social, economic, and political landscape and deliver on our full potential.

Our outlook for the second half of the year is positive, as we continue to focus on providing flexible and dependable people solutions to clients, enabling them to achieve their varied goals and deliver on their own strategic plans.

Jason Cherrington,
CEO

Financial Statements.

Accordant Group Limited

Condensed consolidated statement of comprehensive income
For the six month period ended 30 September 2023 (unaudited)

	GROUP	
	6 months to 30 September 2023 (unaudited) $'000	6 months to 30 September 2022 (unaudited) $'000
Revenue from contracts with customers	112,105	122,994
Investment revenue	66	12
Direct costs	(1,120)	(1,029)
Employee benefits expense	(59,075)	(64,079)
Contractor costs	(41,508)	(47,427)
Depreciation and amortisation expense	(2,391)	(2,287)
Other operating expenses	(5,078)	(4,556)
Finance costs	(1,370)	(651)
Profit before tax	**1,629**	**2,977**
Income tax expense	(465)	(883)
Profit for the period	**1,164**	**2,094**
Other comprehensive income for the period	–	–
Total comprehensive income for the period	**1,164**	**2,094**
Profit for the period income is attributable to equity holders of the Group	**1,164**	**2,094**
Total comprehensive income is attributable to equity holders of the Group	**1,164**	**2,094**
Earnings per share		
Total basic earnings per share (cents/share)	3.4	6.2
Total diluted earnings per share (cents/share)	3.4	6.2

The notes to the interim condensed consolidated financial statements form an integral part of these financial statements

Accordant Group Limited

Condensed consolidated statement of financial position
For the six month period ended 30 September 2023 (unaudited)

	GROUP		
	30 September 2023 (unaudited) $'000	30 September 2022 (unaudited) $'000	31 March 2023 (Audited) $'000
Assets			
Non-current assets			
Property, plant and equipment	2,351	2,600	2,730
Right of use assets	6,257	5,978	7,038
Intangible assets – goodwill	42,553	38,068	42,553
Intangible assets – other	15,969	11,839	16,612
Total non-current assets	**67,130**	**58,485**	**68,933**
Current assets			
Cash and cash equivalents	3,360	2,517	1,954
Trade and other receivables	22,515	24,925	23,771
Contract assets	287	192	221
Total current assets	**26,162**	**27,634**	**25,946**
Total assets	**93,292**	**86,119**	**94,879**
Equity and liabilities			
Non-current liabilities			
Deferred tax liabilities	2,790	1,308	2,929
Borrowings	24,500	15,000	23,500
Lease liabilities	4,470	4,514	5,374
Contingent consideration	2,648	–	2,648
Total non-current liabilities	**34,408**	**20,822**	**34,451**
Current liabilities			
Trade and other payables	20,469	24,398	21,399
Contract liabilities	222	345	314
Taxation payable	378	1,035	1,108
Provisions	540	437	582
Lease liabilities	2,463	2,180	2,439
Total current liabilities	**24,072**	**28,395**	**25,842**
Total liabilities	**58,480**	**49,217**	**60,293**
Net assets	**34,812**	**36,902**	**34,586**
Capital and reserves			
Share capital	30,868	30,868	30,868
Treasury shares	(804)	(804)	(804)
Group share scheme reserve	581	325	448
Retained earnings	4,167	6,513	4,074
Total equity	**34,812**	**36,902**	**34,586**

For and on behalf of the Board who authorise the issue of the financial statements on 27 October 2023:

SIMON BENNETT, Chair LAURISSA COONEY, Chair, Audit & Risk Committee

The notes to the interim condensed consolidated financial statements form an integral part of these financial statements

Accordant Group Limited

Condensed consolidated statement of changes in equity
For the six month period ended 30 September 2023 (unaudited)

	GROUP				
	Share capital $'000	Treasury shares $'000	Group share scheme reserve $'000	Retained earnings (restated) $'000	Total equity $'000
Period ended 30 September 2022					
Balance at 1 April 2022	30,868	(804)	282	6,349	36,695
Comprehensive income					
Profit for the period	–	–	–	2,094	2,094
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	2,094	2,094
Transactions with shareholders					
Dividends paid	–	–	–	(1,987)	(1,987)
Treasury shares acquired	–	–	(57)	57	–
Share based payments	–	–	100	–	100
Total transactions with shareholders	–	–	43	(1,930)	(1,887)
Balance at 30 September 2022	**30,868**	**(804)**	**325**	**6,513**	**36,902**
Period ended 30 September 2023					
Balance at 1 April 2023	30,868	(804)	448	4,074	34,586
Comprehensive income					
Profit for the period	–	–	–	1,164	1,164
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	1,164	1,164
Transactions with shareholders					
Dividends paid	–	–	–	(1,071)	(1,071)
Share based payments	–	–	133	–	133
Total transactions with shareholders	–	–	133	(1,071)	(938)
Balance at 30 September 2023	**30,868**	**(804)**	**581**	**4,167**	**34,812**

The notes to the interim condensed consolidated financial statements form an integral part of these financial statements

Accordant Group Limited

Condensed consolidated statement of cashflows
For the six month period ended 30 September 2023 (unaudited)

	GROUP	
	6 months to 30 September 2023 (unaudited) $'000	6 months to 30 September 2022 (unaudited) $'000
Cashflows from operating activities		
Receipts from customers	113,592	124,370
Payments to suppliers and employees	(108,141)	(117,843)
Net cash generated from operations	5,451	6,527
Net receipts from government grants	55	417
Interest paid on bank overdrafts and loans	(1,104)	(469)
Interest paid on lease liabilities	(130)	(170)
Income taxes paid	(1,334)	(2,441)
Net cash from operating activities	**2,938**	**3,864**
Cashflows from investing activities		
Purchase of property, plant and equipment	(85)	(185)
Net cash (used in)/from investing activities	**(85)**	**(185)**
Cashflows from financing activities		
Repurchase of issued share capital	–	–
Dividends paid to shareholders	(1,071)	(1,987)
Proceeds from borrowings	1,000	–
Repayment of borrowings	–	(3,000)
Payment of principal on lease liabilities	(1,376)	(1,147)
Net cash from/(used in) financing activities	**(1,447)**	**(6,134)**
Net increase/(decrease) in cash held	**1,406**	**(2,455)**
Cash and cash equivalents at start of the period	1,954	4,972
Net cash and cash equivalents at end of the period	**3,360**	**2,517**

The notes to the interim condensed consolidated financial statements form an integral part of these financial statements

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2023 (unaudited)

REPORTING ENTITY

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 interim report. The principal services of the Group are the supply of temporary staff, contractor resource and recruitment of permanent staff.

BASIS OF PREPARATION

The interim condensed consolidated 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 IAS 34 *Interim Financial Reporting* and NZ IAS 34 *Interim Financial Reporting*;
- 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, 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; and
- on a going concern basis, which contemplates continuity of normal business activities, 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 interim condensed financial statements were authorised for issue by the directors on 27 October 2023.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2023.

The accounting policies used in preparation of these interim condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2023, except for the adoption of any new standards effective as of 1 April 2023, and the early adoption of any other standard, interpretation or amendment that has been issued but is not yet effective.

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.

There are a number of new standards and amendments to standards and interpretations that are not yet effective for the year beginning interpretations that are not yet effective for the year beginning 1 April 2023.

None of these new and amendments to standards and interpretations have been early adopted by the Group in preparing these financial statements or been identified as having a material effect on the Group's financial statements in future.

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2023 (unaudited)

SEGMENT INFORMATION

The Chief Operating decision maker is the Group Chief Executive.

The Group has two defined Reporting Segments:

- **AWF and The Work Collective** – 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.

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, Jackson Stone & 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.

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2023 (unaudited)

	Segment revenue		Segment profit	
SEGMENT REVENUE AND RESULTS	6 months to 30 September 2023 (unaudited) $'000	6 months to 30 September 2022 (unaudited) $'000	6 months to 30 September 2022 (unaudited) $'000	6 months to 30 September 2022 (unaudited) $'000
Continuing operations				
AWF and The Work Collective	39,833	38,501	555	328
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	72,272	84,493	3,272	4,561
Total for continuing operations	**112,105**	**122,994**	**3,827**	**4,889**
Investment revenue			66	12
Central administration costs and directors fees			(894)	(1,273)
Finance costs			(1,370)	(651)
Profit/(loss) before tax			1,629	2,977
Income tax expense			(465)	(883)
Profit for the year			**1,164**	**2,094**

Revenue reported above represents revenue generated from external customers. Inter segment sales in the year were $33,000 (2022: $56,000) and have been eliminated from the above table.

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2023 (unaudited)

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 chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

SEGMENT ASSETS	30 September 2023 (unaudited) $'000	30 September 2022 (unaudited) $'000	31 March 2023 (Audited) $'000
AWF and The Work Collective	26,201	24,431	24,831
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	66,216	60,873	68,419
Total segment assets	92,417	85,304	93,250
Unallocated assets	875	815	1,629
Total assets	**93,292**	**86,119**	**94,879**

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker 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	30 September 2023 (unaudited) $'000	30 September 2022 (unaudited) $'000	31 March 2023 (Audited) $'000
AWF and The Work Collective	8,828	8,283	8,192
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	20,527	25,020	21,780
Total segment liabilities	29,355	33,303	29,972
Unallocated liabilities	29,125	15,914	30,321
Total liabilities	**58,480**	**49,217**	**60,293**

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

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2023 (unaudited)

OTHER SEGMENT INFORMATION	6 months to 30 September 2023 (unaudited) $'000	6 months to 30 September 2022 (unaudited) $'000	6 months to 30 September 2023 (unaudited) $'000	6 months to 30 September 2022 (unaudited) $'000
	Depreciation and amortisation		Impairment	
AWF and The Work Collective	662	708	–	–
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	1,729	1,579	–	–
Unallocated	–	–	–	–
Total	2,391	2,287	–	–
	Non-current assets		Net additions to non-current assets	
AWF and The Work Collective	14,700	14,923	(349)	85
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	52,428	43,562	609	155
Unallocated	–	–	–	–
Total	67,128	58,485	260	240
	Employee benefits		Contractor costs	
AWF and The Work Collective	35,082	34,444	221	72
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	22,564	28,116	41,287	47,355
Unallocated	1,429	1,519	–	–
Total	59,075	64,079	41,508	47,427

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2023 (unaudited)

GEOGRAPHICAL INFORMATION

The Group operates in one geographical area, New Zealand (country of domicile). All revenues from external customers, and non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets are attributable to the Group's country of domicile.

INFORMATION ABOUT CUSTOMERS

No one customer accounts for more than 10.0% of the Group's revenue and therefore the Group does not have a reliance on its major customers (for the six month period ended 30 September 2022, no one customer accounted for more than 10.0% of the Group's revenue and therefore the Group does not have a reliance on its major customers)

	GROUP	
REVENUE FROM CONTRACTS WITH CUSTOMERS	6 months to 30 September 2023 (unaudited) $'000	6 months to 30 September 2022 (unaudited) $'000
Revenue earned on temporary placements		
– AWF and The Work Collective	38,902	37,053
– Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	52,962	65,249
Total revenue earned on temporary placements	91,864	102,302
Revenue earned on permanent placements		
– AWF and The Work Collective	533	854
– Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	6,028	6,053
Total revenue earned on permanent placements	6,561	6,907
Revenue earned on a retained basis		
– Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	3,845	2,896
Total revenue earned on a retained basis	3,845	2,896
Other service revenue		
– AWF and The Work Collective	398	593
– Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	9,437	10,296
Total other service revenue	9,835	10,889
Total revenue	**112,105**	**122,994**

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2023 (unaudited)

RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOWS FROM OPERATING ACTIVITIES	GROUP 6 months to 30 September 2023 (unaudited) $'000	GROUP 6 months to 30 September 2022 (unaudited) $'000
Net profit after income tax	1,164	2,094
Adjustments for operating activities non-cash items:		
Depreciation and amortisation	2,391	2,286
Loss/(Gain) on disposal of property, plant and equipment	7	(5)
Movement in doubtful debts provision plus bad debt write off in current year	42	(1)
Movement in deferred tax	(139)	(342)
Equity-settled share-based payments	133	100
Interest on contingent consideration to the vendor of Hobson Leavy	69	–
Total non-cash items	2,503	2,038
Movements in working capital		
(Increase)/decrease in trade and other receivables, and contract assets	1,345	849
Increase/(decrease) in trade and other payables, contract liabilities and provisions	(1344)	98
Increase/(decrease) in taxation payable	(730)	(1,215)
Total movement in working capital	(729)	(268)
Cash flow from operating activities	**2,938**	**3,864**

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2023 (unaudited)

DIVIDENDS PAID

On 27 October 2023 the directors resolved to declare a fully imputed interim dividend for the year ended 31 March 2024 of 3.0 cents per share (total dividend $1,085,348) to be paid on 1 December 2023 to all shareholders registered on 17 November 2023. The dividend reinvestment plan is not being offered on this distribution.

On 29 May 2023 the directors approved the payment of a fully imputed final dividend for the year ended 31 March 2023 of 3.0 cents per share (total dividend of $1,071,248) to be paid on 30 June 2023 to all shareholder registered on 16 June 2023. The dividend reinvestment plan was not offered on this distribution.

On 26 October 2022 the directors resolved to declare a fully imputed interim dividend for the year ended 31 March 2023 of 6.2 cents per share (total dividend $2,214,532) to be paid on 1 December 2022 to all shareholders registered on 18 November 2022. The dividend reinvestment plan was not offered on this distribution.

FINANCIAL INSTRUMENTS

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

BUSINESS COMBINATIONS HOBSON LEAVY

Following on from the disclosures in the Group's annual financial statements for the year ended 31 March 2023, as at 30 September 2023, there has been no material change in the Group's estimate of the Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') to the previous owners of Hobson Leavy Limited ('Hobson Leavy') under the contingent consideration arrangement for Earn out tranche 1 and 2 . The future value of the contingent consideration arrangement remains at $2.648m.

CONTINGENT LIABILITIES

The Bank has issued six guarantees on behalf of the Group totaling $862,000 (2022: $534,000) in support of 5 property leases (2022: 4) and a surety bond to the NZX.

There were no other contingent liabilities as at 30 September 2023.

EVENTS SUBSEQUENT TO REPORTING DATE

Interim dividend

On 27 October 2023 the directors approved the payment of a fully imputed interim dividend of $1,085,348 (3.0 cents per share) to be paid on 1 December 2023.

Other

There were no other material events subsequent to reporting date.

Directory.

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Simon Hull (Non-Independent Director)
Nicholas Simcock (Independent Director)
Laurissa Cooney (Independent Director)
Richard Stone (Independent Director)

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