Interim Report

for the six months ended
30 September 2021

accordant

It is an exciting time to be leading the next stage of our Accordant journey.

Jason Cherrington, CEO

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Our capability is strong and the ability to deliver for our clients is creating demand.

Jason Cherrington, CEO

Having been in my role now for close to four months, it is fair to say that the first two months felt almost too good to be true, both internally within the Group, and regarding our broader position within the industry.

Strong market dynamics, great authentic people, and a diverse client portfolio were all apparent. As it transpired, the advent of the Level 4 lockdown in mid-August reminded me how we are all still affected by the fluid consequences of COVID-19.

During the first couple of months, I experienced a very orderly introduction to the business, with strong demand for our services being apparent. All our white-collar businesses were not only seeing good client demand, but they were also able to capitalise on it. They were able to adapt to this demand with an emphasis on permanent recruitment and retained exclusive work. The growth in this area is very evident in our segment reporting at HY22.

At the time I joined, AWF was also benefiting from strong demand, albeit challenged by New Zealand's borders being closed to almost all travellers, and a lack of candidate availability. Whilst permanent recruitment increased in AWF, it was off a low base and therefore unable to 'shift the dial' to the same degree as realised in Madison, Absolute IT and JacksonStone & Partners.

Accordant's strong culture and the underlying values of the organisation were very evident to me. Equally apparent was the sophistication and maturity of the business. Both factors would prove to be crucial on 18th August 2021 when the country was once again sent into a nationwide Level 4 lockdown.

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When I look back 12 months to the HY21 report to shareholders by Simon Bennett, he talked about a great deal of uncertainty and unknowns. Of course, much of this was driven by macro themes and the consequential impact as our business stalled, as did many, when the first lockdown commenced at the end of March 2020.

What we have witnessed in this lockdown is quite different. We had a seamless move to working from home for our internal employees across all of our businesses, and strong continued demand for our services. There was little if any hesitation from our clients where we had active workstreams. Our strength across the white-collar market served us very well, and within this segment we did not miss a beat. Although there were some temporary workers not required by clients, we were able for the most part to offer alternate work elsewhere or present permanent opportunities to candidates.

Such was the strength of this market and our capability to deliver within in it that JacksonStone & Partners have posted a record contribution at EBITDA level and thus a significant indication that the business is continuing to perform so strongly.

In contrast to the March 2020 lockdown, where they experienced struggling market conditions that eventuated into a significant write down of goodwill, Madison are also performing strongly. The business has made positive changes to its resourcing model and has established a national resourcing team that enables greater flexibility and a faster outcome for volume projects, further leveraging our sourcing capability.

Absolute IT was not as quick to capitalise on demand and has been challenged more than our other white-collar brands. These challenges include the skills shortages that are being driven by offshore talent largely being unable to enter the country. This channel is almost fully closed and although exemptions exist, these have been 'few and far between'.

A Level 4 lockdown is especially hard on the civil and construction sectors that AWF services, and we were forced to stand down a significant portion of our workforce. The team turned to other opportunities in essential services, such as placing many workers into temporary roles with supermarkets. Whilst we made a considered decision to apply for the government's Wage Subsidy in AWF to support and retain the portion of our temporary workforce who were unable to work during a Level 4 lockdown, this was only claimed for the initial two weeks. We certainly paid out a great deal more than we claimed and continued to assist many of our field workers beyond this period.

We expect the landscape for AWF will be more challenging than our white-collar businesses for the remainder of the year. The market remains short of candidates,

Through The Work Collective we will continue to grow our candidate market, alongside other training and development initiatives.

with the migrant channel closed and a general lack of candidate availability due to New Zealand's ongoing low unemployment rate. Our clients continue to offer permanent opportunities to our workers, and we are currently seeing growth in the permanent market. We expect to deliver a better earnings contribution in the second six months, subject to the impact of any further lockdown restrictions.

There has been little said in the media of late about the changing employment legislative landscape, but we predict that fair pay agreements will emerge in the not-too-distant future. Collective bargaining will cause a subtle change in the hiring appetites of our clients and drive further demand for temporary staffing solutions, which will be prospective for the business. Through The Work Collective we will continue to grow our candidate market, alongside other training and development initiatives.

The ongoing prospects for Madison, Absolute IT and JacksonStone & Partners look good for the second half of the year. We remain confident New Zealand, and more specifically the greater Auckland Region, will return to lower lockdown restrictions over the coming months, enabling organisations to ramp up their activities. I also sense the digital transformation initiatives started last year across many sectors will accelerate purposefully and so allowing us to grow beyond the recruitment services we currently offer at Absolute IT.

The direct financial comparatives between HY21 and HY22 can appear quite confusing on review, in what have been unprecedented times. Wage subsidies were significant across the Group in the HY21 results, and in particular for Madison and AWF. These make for 'out of step' like-for-like comparisons in the financial statements.

However, despite our net profit in HY22, and even accounting for the non-operating nature of the fair value loss on contingent consideration, I am encouraged to see the net cash generated from operations much higher in HY22 than the previous half year.

We had the confidence to reiterate our dividend policy at the Annual Shareholder Meeting, which was held on 29th September 2021, and gave guidance to a resultant dividend range parameter of between 5.5 cents per share and 7.5 cents per share for the Board to consider. Subsequently, I am pleased to highlight that the Board have announced a fully imputed dividend of 6.5 cents per share to be paid on 1st December 2021.

For the remainder of the year ahead I continue to be optimistic. We expect some form of border reopening towards the end of our financial year, and we will be able to contemplate migrant labour once again for AWF. We will also realise some benefit from greater numbers of skilled workers in the IT sector being able, once again, to relocate more easily to New Zealand. We also have a steady pipeline of work heading into the second half of this financial year, and our permanent recruitment offering remains strong.

We do expect a less flexible employment landscape, with the introduction of collective bargaining in the form of fair pay agreements. We cannot emphasise enough the significance of our victory in the Employment Court and another in the Court of Appeal, reconfirming the outcome and denying leave to the Court of Appeal.

Strong market demand for candidates is set to continue and the investments we have made in our sourcing capability and digital tools will continue to be an advantage. The reducing efficacy of job boards in a candidate-short market makes our clients' recruitment teams even more inclined to use our services. Our capability is strong and the ability to deliver for our clients is creating demand.

We are therefore positioned very well, and despite the difficult operating environment and ongoing lockdown restrictions experienced in Auckland and Waikato, we do expect to prosper in this buoyant job market and build upon the progress that has been made across our business as a whole.

It is an exciting time to be leading the next stage of our Accordant journey and so, shoulder to shoulder with our diverse group of talented people, I am very much looking forward to the next six months as we continue to drive forwards with a collective passion and incredible heart for the significant role we play in helping New Zealand's organisations not just grow, but thrive.

Strong market demand for candidates is set to continue and the investments we have made in our sourcing capability and digital tools will continue to be an advantage.

Financial Statements.

Accordant Group Limited

Condensed consolidated statement of comprehensive income
For the six month period 30 September 2021 (unaudited)

	GROUP	
	6 months to 30 September 2021 (unaudited) $'000	6 months to 30 September 2020 (unaudited) $'000
Revenue from contracts with customers	110,447	105,938
Direct costs	(1,273)	(1,244)
Employee benefits expense	(58,171)	(37,751)
Contractor costs	(40,849)	(43,789)
Depreciation and amortisation expense	(2,573)	(2,618)
Impairment	–	(7,000)
Other operating expenses	(3,840)	(4,942)
Finance costs	(549)	(777)
Fair value loss on contingent consideration	(585)	–
Profit before tax	**2,607**	**7,817**
Income tax expense	(944)	(4,105)
Profit for the period	**1,663**	**3,712**
Other comprehensive income for the period	–	–
Total comprehensive income for the period	**1,663**	**3,712**
Earnings per share		
Total basic earnings per share (cents/share)	4.9	10.8
Total diluted earnings per share (cents/share)	4.9	10.8

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
As at 30 September 2021 (unaudited)

	GROUP		
	30 September 2021 (unaudited) $'000	30 September 2020 (unaudited) $'000	31 March 2021 (audited) $'000
Assets			
Non-current assets			
Property, plant and equipment	3,331	2,841	3,492
Right of use assets	8,150	9,739	8,570
Intangible assets – goodwill	38,068	38,068	38,068
Intangible assets – other	13,919	15,260	14,481
Total non-current assets	**63,468**	**65,908**	**64,611**
Current assets			
Cash and cash equivalents	4,989	5,870	1,795
Trade and other receivables	23,135	24,608	23,271
Contract assets	170	301	180
Total current assets	**28,294**	**30,779**	**25,246**
Total assets	**91,762**	**96,687**	**89,857**
Equity and liabilities			
Non-current liabilities			
Deferred tax liabilities	2,195	2,789	2,419
Borrowings	18,000	15,000	15,000
Lease liabilities	6,605	7,961	6,991
Contingent consideration	–	1,875	–
Total non-current liabilities	**26,800**	**27,625**	**24,410**
Current liabilities			
Trade and other payables	22,381	24,422	20,180
Contract liabilities	247	348	230
Taxation payable	499	2,854	1,829
Provisions	400	250	400
Lease liabilities	2,277	2,375	2,264
Contingent consideration	1,134	1,491	535
Total current liabilities	**26,938**	**31,740**	**25,438**
Total liabilities	**53,738**	**59,365**	**49,848**
Net assets	**38,024**	**37,322**	**40,009**
Capital and reserves			
Share capital	30,868	30,868	30,868
Treasury shares	(804)	–	–
Group share scheme reserve	225	206	204
Retained earnings	7,735	6,248	8,937
Total equity	**38,024**	**37,322**	**40,009**

For and on behalf of the Board who authorise the issue of the financial statements on 27 October 2021:

ROSS KEENAN, Chair LAURISSA COONEY, Chair, Audit, Finance & 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 30 September 2021 (unaudited)

	GROUP				
	Share capital $'000	Treasury shares $'000	Group share scheme reserve $'000	Retained earnings $'000	Total equity $'000
Period ended 30 September 2020					
Balance at 1 April 2020	30,868	–	330	2,536	33,734
Comprehensive income					
Profit for the period	–	–	–	3,712	3,712
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	3,712	3,712
Transactions with shareholders					
Share based payments	–	–	(124)	–	(124)
Total transactions with shareholders	–	–	(124)	–	(124)
Balance at 30 September 2020	**30,868**	–	**206**	**6,248**	**37,322**
Period ended 30 September 2021					
Balance at 1 April 2021	30,868	–	204	8,937	40,009
Comprehensive income					
Profit for the period	–	–	–	1,663	1,663
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	1,663	1,663
Transactions with shareholders					
Dividends paid	–	–	–	(2,865)	(2,865)
Treasury shares acquired	–	(804)	–	–	(804)
Share based payments	–	–	21	–	21
Total transactions with shareholders	–	(804)	21	(2,865)	(3,648)
Balance at 30 September 2021	**30,868**	**(804)**	**225**	**7,735**	**38,024**

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 2021 (unaudited)

	GROUP	
	6 months to 30 September 2021 (unaudited) $'000	6 months to 30 September 2020 (unaudited) $'000
Cashflows from operating activities		
Receipts from customers	110,693	134,644
Payments to suppliers and employees	(103,734)	(141,768)
Net cash generated from operations	6,959	(7,124)
Net receipts from government grants	1,729	32,323
Interest paid on bank overdrafts and loans	(318)	(446)
Interest paid on lease liabilities	(218)	(269)
Income taxes paid	(2,498)	(2,534)
Net cash from operating activities	**5,654**	**21,950**
Cashflows from investing activities		
Proceeds from disposal of property, plant and equipment	–	34
Purchase of property, plant and equipment	(512)	(19)
Purchase of intangible assets	(108)	(10)
Net cash (used in)/from investing activities	**(620)**	**5**
Cashflows from financing activities		
Repurchase of issued share capital	(804)	–
Dividends paid to shareholders	(2,865)	–
Proceeds from borrowings	3,000	–
Repayment of borrowings	–	(21,000)
Payment of principal on lease liabilities	(1,171)	(1,263)
Net cash from/(used in) financing activities	**(1,840)**	**(22,263)**
Net increase/(decrease) in cash held	**3,194**	**(308)**
Cash and cash equivalents at start of the period	1,795	6,178
Net cash and cash equivalents at end of the period	**4,989**	**5,870**

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

Accordant Group Limited

Notes to the condensed consolidated interim financial statements
For the six month period ended 30 September 2021 (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, 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 2021.

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 2021.

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, with the exception of the 'IFRIC agenda decision on configuration and customisation costs for Software as a Service (SaaS) arrangements' described further below. None of these have had a material impact on the Group. The Group has not early adopted any new standards, amendments and interpretations that have been issued but are not yet effective.

There are a number of new standards and amendments to standards and interpretations that are not yet effective for the year beginning 1 April 2021.

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.

Deferral of compliance with IFRIC agenda decision on configuration and customisation costs for Software as a Service (SaaS) arrangements.

In April 2021, the IFRS Interpretations Committee (IFRIC), which is responsible for interpreting the application of IFRS, published another agenda decision clarifying how arrangements in respect of a specific part of cloud technology, Software as a Service (SaaS), should be accounted for. This agenda decision deals with specific circumstances in relation to configuration and customisation costs incurred in implementing SaaS.

The agenda decision sets out that only in limited circumstances, certain configuration and customisation activities undertaken in implementing SaaS arrangements may give rise to a separate asset where the customer controls the intellectual property of the underlying software code. In all other instances, configuration and customisation costs will be an operating expense. They are generally recognised in profit or loss as the customisation and configuration services are performed or, in certain circumstances, over the SaaS contract term when access to the cloud application software is provided.

Where a change in accounting policy is required, comparative financial information is required to be retrospectively restated to derecognise previously capitalised costs, where material, in accordance with NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The clarification requires careful consideration of the nature of costs that are incurred in implementing SaaS arrangements. Over several years, the Group has made certain judgements about most costs related to SaaS arrangements.

Accordingly, the Group will review these accounting judgements and make any required adjustments retrospectively as a change in accounting policy.

As at 30 September 2021, the carrying value of the Group's capitalised computer software was $748,000 (31 March 2021: $627,000; 31 March 2020: $973,000) of costs associated with numerous

Accordant Group Limited

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SaaS arrangements. Due to the quantum of the costs involved and across several SaaS solutions, the Group expects a significant amount of work will be required to review those costs. Management has been unable to complete its assessment prior to the finalisation of these interim condensed financial statements.

Management will complete its assessment and recognise any adjustments for its year ended 31 March 2022 annual financial statements.

GLOBAL PANDEMIC OF CORONAVIRUS DISEASE 2019

Following on from the disclosures in the Group's annual financial statements for the year ended 31 March 2021 regarding the ongoing COVID-19 pandemic, the COVID-19 pandemic continues to inhibit general activity and confidence levels within the community, the economy, and the operations of the Group's business. The Group continues to monitor developments and initiate plans to mitigate adverse impacts and maximise opportunities.

During the financial period Group eligible entities (AWF Limited only) received government Wage Subsidy #1 only totalling $1.744m (for 1,528 employees) and repaid $0.035m (for 34 employees). A net receipt of $1.709m. In addition AWF Limited received the Inland Revenue Resurgence Support Payment and Government leave support payments. Refer to the statement of cashflows.

These grants supported the Group's ability to retain personnel and pay remuneration throughout New Zealand's COVID19 Alert Levels 4 and 3. The government grants have been offset against employee benefits expense in the statement of comprehensive income.

These interim condensed consolidated financial statements have been prepared based upon conditions existing at the end of the reporting period, 30 September 2021, and considering those events occurring subsequent to that date, up to the date of the signing of these interim financial statements, that provide evidence of conditions that existed at the end of the reporting period. All reasonably known and available information with respect to the COVID-19 pandemic, has been taken into consideration and all reasonably determinable adjustments have been made in preparing these interim condensed consolidated financial statements.

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2021 (unaudited)

SEGMENT INFORMATION

The Chief Operating decision maker is the Group Chief Executive.

The Group has two defined Reporting Segments:

- **AWF** – Contingent Blue Collar Labour Hire associated with infrastructure, logistics, manufacturing, technical and construction.
- **Madison Recruitment, Absolute IT and JacksonStone & Partners** – White Collar Contingent temporary employees and contractors together with Permanent Recruitment associated with professional and managerial positions including technology and digital business sectors.

Within the White-Collar Reporting Segment are three (3) operating segments:

- Madison Recruitment
- Absolute IT
- JacksonStone & Partners

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 three brands.

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

- AWF
- Madison, Absolute IT and JacksonStone & Partners

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

The 'AWF' 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.

Madison, Absolute IT and JacksonStone & Partners

The 'Madison, Absolute IT and JacksonStone & Partners' segment operates branches under the brand names Madison Recruitment, Madison Force, Absolute IT and JacksonStone & Partners (from June 2019) in major cities throughout New Zealand. These brands derive their revenues from temporary, contract and permanent staff services to commerce.

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.

	Segment revenue		Segment profit	
SEGMENT REVENUE AND RESULTS	6 months to 30 September 2021 (unaudited) $'000	6 months to 30 September 2020 (unaudited) $'000	6 months to 30 September 2021 (unaudited) $'000	6 months to 30 September 2020 (unaudited) $'000
Continuing operations				
AWF	39,688	34,152	445	9,881
Madison, Absolute IT and JacksonStone & Partners	70,759	71,786	3,826	197
Total for continuing operations	**110,447**	**105,938**	**4,271**	**10,078**
Central administration costs and directors fees			(1,115)	(1,484)
Finance costs			(549)	(777)
Profit/(loss) before tax			2,607	7,817
Income tax expense			(944)	(4,105)
Profit for the year			**1,663**	**3,712**

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2021 (unaudited)

Revenue reported above represents revenue generated from external customers. Inter-segment sales for the six month period ended 30 September 2021 were $146,000 (2020: $92,000) and have been eliminated from the above table.

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 2021 (unaudited) $'000	30 September 2020 (unaudited) $'000	31 March 2021 (audited) $'000
AWF	25,778	29,923	27,411
Madison, Absolute IT and JacksonStone & Partners	63,062	65,056	61,764
Total segment assets	88,840	94,979	89,175
Unallocated assets	2,922	1,708	682
Total assets	**91,762**	**96,687**	**89,857**

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 2021 (unaudited) $'000	30 September 2020 (unaudited) $'000	31 March 2021 (audited) $'000
AWF	9,238	16,100	10,509
Madison, Absolute IT and JacksonStone & Partners	20,724	21,818	19,214
Total segment liabilities	29,962	37,918	29,723
Unallocated liabilities	23,776	21,447	20,125
Total liabilities	**53,738**	**59,365**	**49,848**

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.

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OTHER SEGMENT INFORMATION	6 months to 30 September 2021 (unaudited) $'000	6 months to 30 September 2020 (unaudited) $'000	6 months to 30 September 2021 (unaudited) $'000	6 months to 30 September 2020 (unaudited) $'000
	Depreciation and amortisation		Impairment	
AWF	955	952	–	–
Madison, Absolute IT and JacksonStone & Partners	1,618	1,666	–	–
Madison impairment	–	7,000	–	7,000
Unallocated	–	–	–	–
Total	2,573	9,618	–	7,000
	Non-current assets		Net additions to non-current assets	
AWF	16,736	16,259	1,167	70
Madison, Absolute IT and JacksonStone & Partners	46,732	49,649	250	85
Unallocated	–	–	–	–
Total	63,468	65,908	1,417	155
	Employee benefits		Contractor costs	
AWF	35,496	21,278	14	15
Madison, Absolute IT and JacksonStone & Partners	21,263	15,783	40,835	43,774
Unallocated	1,412	690	–	–
Total	58,171	37,751	40,849	43,789

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For the six month period ended 30 September 2021 (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 does not have a reliance on its major customers (for the six month period ended 30 September 2020, no one customer accounts for more than 10.0% of the Group's revenue and therefore does not have a reliance on its major customers).

	GROUP	
REVENUE FROM CONTRACTS WITH CUSTOMERS	6 months to 30 September 2021 (unaudited) $'000	6 months to 30 September 2020 (unaudited) $'000
Revenue earned on temporary placements		
– AWF	38,824	33,669
– Madison, Absolute IT and JacksonStone & Partners	52,158	55,801
Total revenue earned on temporary placements	90,982	89,470
Revenue earned on permanent placements		
– AWF	677	386
– Madison, Absolute IT and JacksonStone & Partners	5,953	2,454
Total revenue earned on permanent placements	6,630	2,840
Revenue earned on a retained basis		
– Madison, Absolute IT and JacksonStone & Partners	2,706	2,082
Total revenue earned on a retained basis	2,706	2,082
Other service revenue		
– AWF	105	96
– Madison, Absolute IT and JacksonStone & Partners	10,024	11,450
Total other service revenue	10,129	11,546
Total revenue	**110,447**	**105,938**

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For the six month period ended 30 September 2021 (unaudited)

RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOWS FROM OPERATING ACTIVITIES	GROUP 6 months to 30 September 2021 (unaudited) $'000	GROUP 6 months to 30 September 2020 (unaudited) $'000
Net profit after income tax	1,663	3,712
Adjustments for operating activities non-cash items:		
Depreciation and amortisation	2,573	2,618
Impairment	–	7,000
Loss/(Gain) on disposal of property, plant and equipment	2	43
Movement in doubtful debts provision plus bad debt write off in current year	45	187
Movement in deferred tax	(224)	(333)
Equity-settled share-based payments	21	(124)
Interest on contingent consideration to the vendor of JacksonStone & Partners	13	62
Fair value loss on contingent consideration	585	–
Total non-cash items	3,015	9,453
Movements in working capital		
(Increase)/decrease in trade and other receivables, and contract assets	101	28,586
Increase/(decrease) in trade and other payables, contract liabilities and provisions	2,205	(21,705)
Increase/(decrease) in taxation payable	(1,330)	1,904
Total movement in working capital	976	8,785
Cash flow from operating activities	**5,654**	**21,950**

Accordant Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2021 (unaudited)

DIVIDENDS PAID

On 28 October 2020 the directors resolved not to declare an interim dividend for the year ended 31 March 2021 due to the on-going economic uncertainty caused by the COVID-19 pandemic. On 27 May 2021 the directors resolved to resume distributions of dividends and approved the payment of a fully imputed final dividend of 8.2 cents per share (total dividend $2,865,016) paid on 30 June 2021 to all shareholders registered on 20 June 2021 (six months ended 30 September 2020: On 8 June 2020 the directors resolved not to declare a final dividend for the year ended 31 March 2020 due to the economic uncertainty caused by the COVID-19 pandemic, the group did not pay any dividend).

FINANCIAL INSTRUMENTS

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

BUSINESS COMBINATIONS JACKSONSTONE & PARTNERS CONTINGENT CONSIDERATION

Following on from the disclosures in the Group's annual financial statements for the year ended 31 March 2021, as at 30 September 2021, there has been a further material change in the Group's estimate of the Net Disposable Revenue to the previous owners of JacksonStone & Partners under the contingent consideration arrangement for Earnout tranche 2. The future value of the contingent consideration arrangement is now assessed at $1.134m. An increase of $0.585m from the 31 March 2021 assessment of $0.549m, from improved trading performance.

CONTINGENT LIABILITIES

The Bank has issued five guarantees on behalf of the Group totalling $534,000 in support of property leases (4) and a surety bond to the NZX.

There were no other contingent liabilities as at 30 September 2021 or 30 September 2020.

EVENTS SUBSEQUENT TO REPORTING DATE

Interim dividend

On 27 October 2021 the directors approved the payment of a fully imputed interim dividend of $2.312 million (6.5 cents per share) to be paid on 1 December 2021.

Other

There were no other material events subsequent to reporting date.

Directory

Directors

Ross Keenan (Chairman & Independent Director)
Simon Hull (Non-independent Director)
Wynnis Armour (Independent Director)
Nicholas Simcock (Independent Director)
Laurissa Cooney (Independent Director)
Simon Bennett (Executive Director)
– appointed 21 June 2021

Auditor

Deloitte Limited
Deloitte Centre
80 Queen Street
PO Box 33
Auckland
Phone: +64 9 309 4944
Fax: +64 9 309 4947

Solicitors

Minter Ellison Rudd Watts
PwC Tower
15 Customs Street West
PO Box 105 249, Auckland 1143
New Zealand
DX CP24061
Phone: +64 9 353 9700
Fax: +64 9 353 9701

Share Registry

Link Market Services
Level 30, PwC Tower
15 Customs Street West
Auckland
New Zealand
PO Box 91976
Phone: +64 9 375 5998
or: 0800 377 388

Registered Office

Level 6, 51 Shortland Street
PO Box 105 675
Auckland City
Phone: +64 9 526 8770

Registered Office of
Accordant Group Limited

Level 6, 51 Shortland St
PO Box 105 675
Auckland City
Ph: 09 526 8770

accordant.nz

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