accordant

Annual Report 2024

With our long history and experience of market fluctuations we remain confident in seeing more buoyant conditions that follow a period of contraction, and furthermore our broad capability to deliver within it.

Jason Cherrington,
Group CEO

Financial Highlights

$212.4m

Revenue
FY2023, $227.4 million

$(10.0)m

Net Profit / (Loss) After Tax
FY2023, $2.0 million

$22.6m

Shareholders' Funds
FY2023, $34.6 million

$2.3m

Net Operating Cash Flow
FY2023, $4.7 million

$24.4m

Net Bank Debt
FY2023, $21.5 million

Achievements

8,068

Candidates placed into a temporary, contract or permanent role.

1,609

Organisations partnered with to deliver recruitment services.

The Work Collective won the RCSA Industry Award for Excellence in Social Purpose for the second consecutive year.

AWF achieved Impac Prequal 5 star certification and Tōtika PreQual Gold Member status.

2,064

Training outcomes delivered.

14,600+

Temporary and contract assignments filled across New Zealand.

27,000+

Safety engagements with our temporary employees.

61,788

Hours worked by TWC participants across 82 client partners.

Accordant Group achieved Toitū carbonreduce certification.

Chair's Report

Simon Bennett, Chair

After the disruptions of recent years, our teams have been working resolutely in pursuit of momentum. Now with the added backdrop of economic recession and a prolonged recovery hindering their progress, I would characterise this period as one of the toughest trading conditions we have operated in for quite some time.

So whilst this report details FY24, it is reflective of a moment in time. Our businesses have rich and long histories of trading through economic cycles. Experience tells us significant opportunities follow soon after the bottoming out period. Therefore, whilst we are removing costs wherever we can, we are reticent to reduce our capability by down sizing our highly talented delivery teams.

AWF has been successful in this regard. The identification, investment and targeting of market opportunity in relative stable sectors is paying off. They have turned the corner and the momentum is already evident in their FY24 results. Our conservative approach protected us when the previous government loosened immigration settings.

Indeed, our white-collar business units are encouraged by AWF's trajectory, as they currently wear the impact of sluggish hiring from the public sector and certain pockets of the private sector as well. In FY24, this segment's revenue dropped by 14.2%. It indicates the turbulence in the market, but importantly we are buoyed that a heavy majority of revenue has been sustained.

Absolute IT and Madison have had the most challenging conditions in FY24. JacksonStone & Partners and Hobson Leavy, while not delivering at their usual levels, have been less impacted due to the nature of executive search and selection.

I unhappily report a loss after-tax of $10m in FY24, largely on account of the decision to impair the carrying goodwill of Madison and AWF. As mentioned, the current trajectory in AWF is positive, however we are taking a cautious approach to the growth rate considering New Zealand's macroeconomic settings. For Madison, the impairment recognises that the volume of work in some of Madison's core revenue channels has changed. The MBIE Jobs Online data for example, shows that "Clerical and Administration" job advertisements in March 2024 have slumped down to 2014 levels with the only other period lower than this being the onset of the pandemic in March 2020. The opportunity ahead for Madison is in increasing its share of mid-senior specialist recruitment and plans are afoot.

Having paid a 3.0 cent interim dividend during the year, the Board of Directors have resolved to suspend the payment of dividends during the current economic climate where a good portion of our clients continue to exercise restraint in hiring.

New Zealand will resume its growth – we are already hearing anecdotes of pent-up demand. Furthermore, there are more nuanced long-term issues such as underlying productivity, to solve.

Last year I referred to our strategy of optimisation, expansion and diversity of earnings remaining relevant and achievable. This is our long-term strategy, and it remains unchanged. Accordant has been, and will return to, being a reliable dividend stock.

Your Board is supporting Jason and the management team as they remain cognisant of market movements. We test ourselves hard on where to stay the course and where to adapt – this agility is paramount to success.

On behalf of the Board, I would like to recognise our entire team for their immense efforts at a time where resilience is tested. Remember that every interaction you make today has a cumulative effect, and when multiplied across our entire Group, the difference is significant. In buoyant times and tough times, remember the positive impact you have on the individual, the organisation, and our country.

I would also like to thank Laurissa Cooney for her four years of service as a Board Director and Chair of the Audit & Risk Committee. She has been an active contributor and strong supporter of the team. We farewell her at the end of May and have appreciated the smooth transition to Bella Takiari-Brame who we welcomed to the Board in January.

We look forward to introducing both Bella and our newly appointed Chief Financial Officer, Rod Hyde at our annual shareholder meeting later in the year.

For the Board,

Simon Bennett, Chair

CEO's Insights

Jason Cherrington, Group CEO

With Accordant's revenue generated from various industries across the country within both the public and private sectors, we are somewhat a barometer for the peaks, troughs, and general economic state of the country. We notice trending movements in hiring intentions and job application numbers usually ahead of the officially reported unemployment rate, with the pace of decision making that we see leading up to and throughout the search and selection process a reflection of business confidence and also an indication of the job seeker's appetite to covet a new role or hunker down and stay put.

New Zealand's economic environment and labour market per se has remained inconsistent and challenged through FY24, where the impact of higher interest rates, increasing business costs, a fall in hiring demand and a coalition government determined to tackle Government spending at pace all contributing to labour market contraction. Unemployment rose to 4.3% in the March 2024 quarter, a trend that is expected to continue well into FY25.

As the largest provider of labour and talent solutions in New Zealand it is perhaps unsurprising that our resulting revenues in the public sector have been impacted in the short term, down 12.4% vs prior year. The uncertainty and slowdown in decision making that existed prior to the October 2023 general election remained, albeit with a sense of pent-up demand that has been unfulfilled and where skills shortages remain in some specialist areas and senior role appointments that will need to be met at the back end of this current cycle. We did however expect the private sector to rally faster than the current trends suggest, and two consecutive quarters of negative GDP growth further impacted business confidence.

At the half year we continued to have cautious optimism for the second half performance, where events such as the general election and other economic factors signalled potential recovery. Clearly however, New Zealand's economic recovery is taking longer than anticipated and this adversely impacted the second half performance and full year result, with total revenue down by 6.6% on the prior year.

Due to uncertainty in the medium term and performance below expectations in FY24, we have taken the decision to impair the goodwill held on our balance sheet for Madison Recruitment and AWF by $6.5m and $4.5m respectively. Whilst these adjustments are non-cash, they do make up a large portion of the NPAT loss of $10m for the year.

Whilst we have swiftly responded to these fluctuations with a necessity to reduce operational costs, our core capability has not been compromised in order to maximise the opportunities that still exist today, and those expected to return in the short to medium term.

We have adapted operating models, doubled down on the growth success we have seen in our blue-collar business this year, and maximised conversions elsewhere to offset the pauses in some clients' hiring activity, whilst laying down the groundwork for the medium term when hiring activity returns to normal levels. With our long history and experience of market fluctuations we remain confident in seeing more buoyant conditions that follow a period of contraction, and furthermore our broad capability to deliver within it. We've also taken the opportunity to further develop our talent pool across the business.

MADISON RECRUITMENT

Madison Recruitment had a highly challenging year. Roles within the salary banding that Madison typically recruits for (entry level to mid-level corporate roles) saw a significant decline. In today's world of work it is a reality that some types of roles have disappeared completely, and some are being recruited direct more easily. As indicated in the MBIE Jobs Online data from March 2024, "Clerical and Administration" job advertisements have slumped to 2014 levels. We have noted the volume of white-collar temp roles has reduced since 2020, although Madison maintains a strong market share and capability in this space. This includes a number of ongoing partnerships with key government clients that continue to benefit from our ability to deliver quality volume temp staffing solutions at pace. The use of external recruitment agencies for hiring has materially slowed in the last six months, and while we expect central government changes will create opportunity, part of that market is unlikely to return to previously seen levels.

New Zealand's economic environment and labour market per se has remained inconsistent and challenged through FY24

We have therefore concluded that the carrying goodwill for Madison needs to be appropriately reduced, specifically by $6.5m.

The outlook for Madison does however remain positive as its breadth and nature of services evolves. We have a specific focus on supporting clients to recruit more mid-senior specialist, management and leadership roles. These areas are forecast to see noticeable movement this coming year as the push for greater productivity across the country continues and the leadership competencies required evolve. In an area of the market that sits below the tier that Hobson Leavy and JacksonStone & Partners would normally service, it is not only an opportunity to capitalise on but one that they can help Madison unlock.

ABSOLUTE IT

Within our interim report I highlighted the underperformance of Absolute IT, and a need to adapt our operating model.

After a particularly buoyant market for IT professionals in 2021 and 2022, Absolute IT saw a significant decline in the demand for candidates in FY24. A trend that has been echoed globally. Having increased the size of their technology departments of the previous years, we saw a trend of many organisations slowing their tech recruitment significantly or, in some cases, reduced the size of their tech teams.

Absolute IT has also transitioned through restructure to ensure that the business is fit for the future. The plans that have been paused for many organisations around digital transformation and efficiencies enabled by technology have not gone away – the economy is somewhat depending on these activities picking up and Absolute IT is well-placed to capitalise on that – even more so in its evolved form.

HOBSON LEAVY

With Hobson Leavy completing its first year as part of the Group, I have very much enjoyed getting to know the team and learning first-hand the key ingredients for their high reputation. With the work they do with executives, Boards and leadership assessment, they uncover talent needs where they may confidently introduce our other business units for a connected client solution. The sharing of leads has been organic, and we look forward to further embedding the team in the upcoming year. The effects of economic slowdown did eventually impact the final quarter of the year and we have adjusted the fair value of the business in line with that movement. With Boards and Executive teams reviewing capability more frequently in the current climate it is expected they will benefit from this movement over the forthcoming year.

JACKSONSTONE & PARTNERS

With a large portion of JacksonStone & Partners' revenue coming from the public sector in Wellington, results were negatively impacted. The year began on a strong note, building upon a record result from the previous year. Favourable market conditions initially supported our growth trajectory. Uncertainty post-election culminated in many of our central government clients pausing hiring decisions, and more specifically their appetite to hire or extend existing contractors. In response to the decrease in revenue, we adapted by further diversifying the business's focus outside of our core central government channel.

Our financial performance gradually improved toward the end of year, positioning us on a positive path as we approach FY25. Whilst not immune to current economic conditions, we have also seen the continued growth of our Māori recruitment practice throughout FY24. The breadth and depth of our many historic relationships has been instrumental in navigating these challenges and seizing opportunities as the market continues to evolve.

AWF

To recognise the uncertainty in New Zealand's rate of growth in the medium term, we have taken a more prudent approach to assessing AWF's carrying goodwill. This has led to an impairment of $4.5m.

However, despite challenges at the macroeconomic level, AWF's results are positive. AWF's growth has bucked the labour hire market trend and has been contributed to by our early conservative approach to the construction sector where bad debt and overexposure to migrant labour costs have seen multiple competitors close branches and/or fall victim to insolvency proceedings.

After a slow start to the year AWF's revenue finished more than 7% up on prior year with an accelerating 16% in the final quarter, largely off the back of a targeted focus in the civil and infrastructure sectors as well as specific manufacturing and engineering clients.

Worker retention and satisfaction remains high, as does growth in share of key blue-chip clients who continue to value AWF's resolute commitment to Health & Safety excellence as well as best practice recruitment methodologies.

While pleasing to see the results following a purposeful change of focus, we now have an opportunity to build on this momentum and I am excited to see the business continue to demonstrate how a positive and high level of care for labour workers can make a tangible difference to our results and market position.

Investment into our leaders has remained important for us through these uncertain times, with many undertaking a blended leadership programme across the Group.

SOCIAL & ENVIRONMENTAL IMPACT

The Work Collective's unique model and its mission was once again recognised and crowned the winner of the Excellence in Social Purpose category at the 2023 RCSA Awards. We were also finalists in Excellence in Diversity, Equity, Inclusion and Belonging and finalists also at the SEEK SARA awards for Outstanding Progress in Diversity, Equity & Inclusion. In FY24, The Work Collective has focused on supporting youth, Māori and Pasifika job seekers who have been facing challenges fully accessing the employment market. The work has resulted in 162 individuals placed into a mix of temporary and permanent positions.

With the social impact it delivers, The Work Collective remains a key part of Accordant's Environmental, Social and Corporate Governance strategy.

We are also pleased to report that Accordant is now a Toitū carbonreduce certified organisation, having measured our operational emissions in accordance with ISO 14064-1 and the GHG Protocol. With our base year emissions now verified, we will be rolling out initiatives this year to assist us in our reduction journey and intend to measure our progress annually.

GROUP COLLABORATION EXPANDS

In the last six months, we have made strides in cross-unit collaboration. Accordant's continued success will be in each business unit thriving, whilst identifying and then harnessing additional ways in which the sum of the parts is greater. And so, the FY25 year is a theme of amplifying our collective impact.

Our positioning within the infrastructure sector is growing. In particular, AWF and JacksonStone & Partners have joined forces and now represent the only recruitment members in the Infrastructure New Zealand (INZ) Association.

Although our brands already serve the health sector with their existing services, there is vast opportunity that remains untapped. In our history we have acquired and divested of a health business, and in recent times have also assessed acquisition opportunities. We have ascertained that the path forward now is to build rather than acquire. We have existing infrastructure, experience and expertise across our Group that is being tapped into and assembled, with potential to deliver a significant standalone revenue channel in this area.

LEADERSHIP DEVELOPMENT

Investment into our leaders has remained important for us through these uncertain times, with many undertaking a blended leadership programme across the Group. The programme not only brings together leaders from across all functions and business units but is also an invaluable way of strengthening ties when presenting our overall broad capability and market knowhow.

Indeed, for our leaders, as it is for leaders across our client base, there are a plethora of skills and aptitude required to lead during tough economic times. At the same time we are confronted with accelerating changes as the future of work evolves with AI and other significant advances in technology. In our spotlight on Leadership on page 14, we share insights into what has and has not changed. Following this is our spotlight on Navigating Digital Innovation and the Future of Work. In a people-based company like ours, trust and authenticity are huge drivers of loyalty and so ours will be a journey of utilising technology in a way that would make those drivers flourish. We are here to partner as organisations seek to take advantage of the opportunities change brings and also mitigate the risks.

AGILITY, ADAPTABILITY & MOMENTUM

Often repeated but possibly more pertinent than ever before – Accordant has an enviable diversification of services across many sectors. This means that whilst we are not immune, we are better positioned than many to weather pockets of turbulence, challenging as they may be. Past downturns have seen some competitors contract and others exit altogether. Nevertheless, our yardstick must be that of continuous improvement and agility to meet our customers' evolving needs.

Clearly, we have experienced an unsatisfactory year of trading and whilst we can benchmark our results against macro environmental conditions, it does not change the net result nor my unrelenting determination to see the business return to a better financial performance. For my part I will continue to ensure we focus our resources in the places that give us the best opportunity for return and get us back to more sustainable underlying earnings.

Just as we are attuned to declining market confidence as we have experienced over the past few months, we are also sensitive to improvements in business and job hunter confidence long before official statistics validate this. We are proactively working to ensure momentum is sustained.

There are many in our organisation who have previously traded through tough economic times and whilst they acknowledge that the current trading conditions are unique, their longstanding experience tells them demand always bounces back. They also serve as pathfinders for those who have not experienced such inconsistent times.

And so, I thank all my team for remaining resolute in fluid conditions, for their adaptability and resilience in changed times. We continue to stay close and relevant to our broad and loyal customer base, while seeking opportunities to further enhance it. The continued efforts of my team are essential to ensuring this is a success. Finally, I'd like to thank the Board for their continued and consistent energy, wisdom, and support in all our endeavours.

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

DIVERSITY & INCLUSION

Growing capability and nurturing a diverse and inclusive workforce

CONNECTING PEOPLE

Building networks and relationships across New Zealand

INNOVATIVE SOLUTIONS

Delivering innovation and insights that help shape the employment market

ENABLING GROWTH

Strong metro and regional representation to enable productivity and growth

Our Businesses

absolute IT

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.

HOBSON LEAVY EXECUTIVE SEARCH

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

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.

AWF

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 21 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

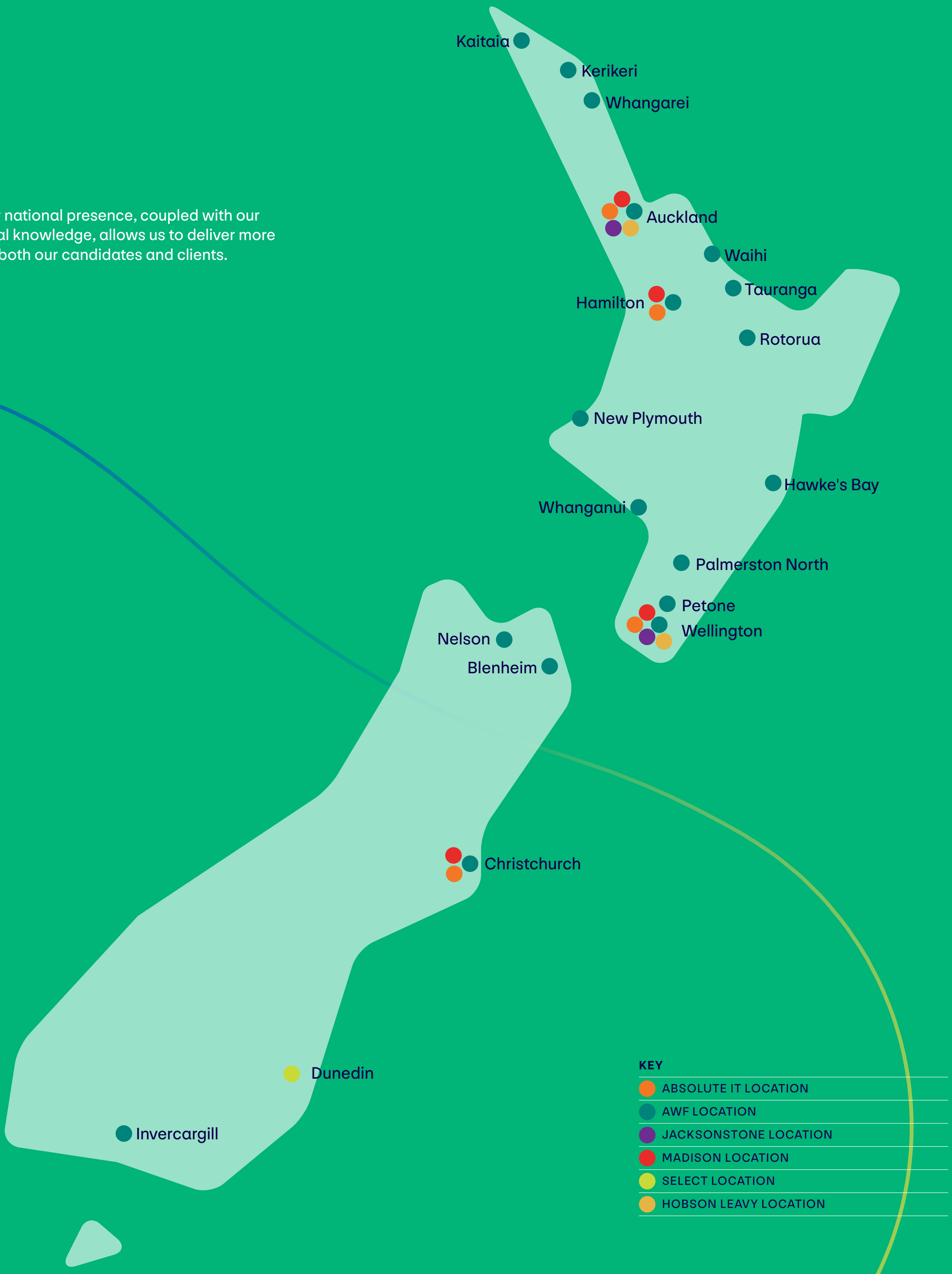
JacksonStone & Partners is an executive search and recruitment consultancy, specialising in permanent and interim professional placements. Established in 2011, JacksonStone works across all disciplines up to Chief Executive level and including board appointments, for organisations in the public, private 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

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.



Rethinking Leadership – the increasing importance of resilience and adaptability.

We were delighted to welcome executive search specialists Hobson Leavy to the Accordant Group in January 2023, adding to our capability with their presence in Auckland and Wellington, and their long history of commitment to quality work as an executive search specialist. With their location and client base, they complement JacksonStone & Partners, who joined the Group in 2019. JacksonStone & Partners specialises in permanent and interim professional placements up to chief executive and board level across the public, private and not-for-profit sectors.

Our Group's capability continues to expand across the broad scope of leadership appointments, so we can provide the best possible support to organisations who are facing significant change. Following the tumultuous events of recent years, many New Zealand organisations are shining a spotlight on what successful leadership is for them, and how they ensure it continues to be effective. This includes reflecting on the qualities and capabilities needed in their executive team today, and into the future.

Speaking to Hobson Leavy's founding partners Carrie Hobson and Stephen Leavy, it's evident that despite a strong recovery from the COVID pandemic, organisations are faced with a range of challenges in today's shifting economic and social environment. They're looking to their leaders to chart a course forward and harness the opportunities in front of them, from new technologies and innovation to talent infrastructure design and access to skills.

Effective leaders must employ a range of styles depending on the circumstances or situation. This agility is important in an increasingly complex world of work. Psychologist and author Daniel Goleman describes six leadership styles based on different aspects of emotional intelligence: authoritative, pacesetting, affiliative, democratic, coaching and coercive. When leaders are well versed in several leadership styles, and can alternate between them dependent on the circumstances, their businesses can perform better and they build a stronger culture.

For example, in times of difficulty when decisions need to be made and organisations need to be reorientated, a leader may be more authoritative or visionary in their approach. Once the pathway forward is clear, the leader may switch their focus. This could be towards an affiliative leadership style where they build a work environment emphasising personal connections and positivity, a coaching leadership style focusing on the personal development of their team, or a more democratic style of leadership where every member of the team has a voice and provides feedback to management.

Effective leadership builds trust and improves employee satisfaction, which in turn positively impacts organisational performance.

Regardless of style, effective leadership builds trust and improves employee satisfaction, which in turn positively impacts organisational performance. Following the height of the COVID pandemic, authentic leadership has risen in prominence. This means leaders who are self-aware, who can bring their whole selves to work, and who inspire the same within their workforce, are most in demand. These leaders also show other strengths such as resilience, curiosity and nimbleness – as well as an innate ability to manage the risks their organisation or market faces, acting with pace to mitigate and respond to them.

One style of leadership that's become less tolerated over the last 20 years is siloed leadership. All members of an Executive Leadership team must work together, support each other, and contribute to the business as a whole rather than focusing exclusively on their specific area of direct responsibility.

Executive teams are also reshaping as their markets and customer needs evolve. There is evidence of newer roles increasingly holding a seat at the executive table, such as Chief Digital Officers, Chief People Officers, and Chief Sustainability Officers. Organisations are aware that these more specialist skillsets complement the broad skills of a traditional leadership team, helping manage both risks and opportunities.

So then, how do organisations get their leadership right, or wrong? The key is ensuring that the executive team and the board are always holding up a mirror to their strengths and weaknesses. It is also acknowledging that what worked last year may not work again this year. Market dynamics shift, and customer needs evolve. The organisations getting it right understand this and act accordingly.

It is important to recognise that employee needs change over time too. A widely accepted fundamental tenet of success is where employees feel a sense of purpose and understand their 'why' behind coming to work. This is top of mind around today's leadership table.

Organisations are planning for their future talent needs, and as part of this are identifying the skills, capability and capacity that ensures their ways of working are sustainable long into the future. Skilful workforce planning looks at what needs to happen next week, next year, and in five years' time. The question that needs to be genuinely considered is "what are the needs of, and the requirements for, our future workforce?".

With the economic and technological environments changing so quickly, many of the coming risks and opportunities, not to mention roles in the future workplace, may not even be visible yet. That's why flexibility will be just as key to leaders as to employees. That also requires changing the traditional approach to how leaders are chosen and trained. Rather than someone who's best at their current role, the focus must shift towards someone who can adapt to anything, and who is willing to keep changing the model.

There's been a resurgence in the belief in Kiwi ingenuity and our ability as a nation to 'punch above our weight' on a global stage. New Zealanders have an inherent pioneering spirit. With a focus on resilience and adaptability, this ethos will serve organisations well as they focus on the future of work in their industry or sector.

Above all, creating a unifying vision for success in a fast-changing and ambiguous environment will be vital for an effective leader. Strong leaders will continue to bring diverse groups of people together who are aligned to a common goal, even as the pathways to get there change.

Navigating Digital Innovation & The Future of Work.

When you think about the future of work in Aotearoa New Zealand, digital investment and innovation are even more important than ever. Significant advances in generative AI are literally happening overnight, benefitting organisations by automating repetitive tasks, enhancing creativity, improving decision-making, increasing customer satisfaction, and facilitating better human-machine collaboration.

The challenge for employers will be keeping up with the speed of change, to ensure they're giving their people the best possible experiences. Our belief has always been that everyone has the right to participate in rewarding work, which smart technologies can now enable better than ever, for example acting as coaches and assistants for new starters and those with diverse abilities. Studies have shown it can level the playing field by boosting everyone's performance.

This opens up both significant risks and opportunities for employers and workers alike. Microsoft's Work Trend Index shows New Zealand workers are among the strongest adopters of generative AI in the workplace, with 84% using the technology at work, higher than the global average. Four in five AI users in New Zealand are bringing their own AI tools to work. This is challenging employers to quickly introduce training and cohesive AI strategies and frameworks to ensure workers are delivering the most value to their organisations without compromising their security.

In this environment, it's increasingly important for employers to consider how to share knowledge faster and better across their organisations. It's not uncommon for employees spanning four generations to be working alongside one another, and there's an increasing trend towards later retirement.

With AI evolving faster than any technology to date, this could exacerbate issues such as frustration and conflict arising from intergenerational communications, and certain generations being left behind. What's considered 'native' for one generation may be 'novel' for another, as anyone in today's workplace could attest. This will require even more focus on strong communication principles and ways of working to encourage knowledge-sharing and collaboration.

Digital exclusion is also shaping into a significant issue that employers need to be mindful of. We have observed that some employers are increasingly favouring those with AI skills when recruiting or restructuring. The risk is that it creates an unequal job market, with the "haves" possessing AI expertise and the "have nots" struggling to find fulfilling or full-time roles.

It will be important for employers to upskill their people to help avoid this scenario and maintain a healthy workforce in future years, alongside jobseekers actively seeking out training to improve their career opportunities. While finding the resources to do this is a challenge in the current economic environment, we expect to see skilling increase over the next few years as

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businesses try to remain competitive and battle for talent skilled in AI. Change management will also be at the top of businesses' agenda, as employers consider the impact of new tech investments on their people and prepare them for the future of work.

In Accordant's own sphere of people solutions, we see that AI is also having an impact on the recruitment process. Common use cases include writing job ads, matching jobs and candidates, screening, testing, scheduling appointments, recording interview transcripts, checking references, and writing personalised replies to applicants. There is enormous potential for significant cost and time efficiency gains, creativity, competitive advantage, fewer errors and improvement to workflows and processes. We continue see the benefits and efficiency gains of our own investment in technology, which supports our people with the tools they need to succeed and deliver more for our clients and candidates.

However, there are also several reasons that are holding both external and internal recruiters back from AI adoption. Bias in AI tools has been well-reported, with learning models reflecting the unconscious biases of the humans that train them. Fears or misconceptions around security and privacy, as well as the lack of access to resources and training (especially as generative AI is still evolving and few specialists are available). Developing those resources will be a focus for our industry, and we'll be keeping an eye on developments overseas.

While New Zealand is yet to issue its own guidance, the UK government recently introduced guidelines for 'Responsible AI in recruitment'. With organisations now realising benefits from using a range of AI-enabled technologies across virtually every stage of the recruitment process, the UK government identified that these technologies also pose risks such as "perpetuating existing biases, digital exclusion, and discriminatory job advertising and targeting". The guide focuses on identifying potential ethical risks and providing assurance of good practices, and more frameworks like this can be expected as AI adoption ramps up.

There's no doubting that the future of work will be powered by AI. More and more organisations will be looking for guidance to prepare their workforces and learn from leading examples. Starting small, testing, inviting feedback and iterating to enable greater scale provides a sustainable approach for many. There is significant opportunity for employers to harness the productivity gains that AI and other advancing technologies deliver and then, rather than simply cutting costs, use these gains to power other areas where these technologies aren't as effective as people.

At Accordant we remain committed to our own technology journey, and our focus remains on supporting our people and the diverse range of candidates and clients we partner with.

Climate Change – upskilling, preparation and our initial assessment.

While Accordant is not considered a Climate Reporting Entity under Aotearoa New Zealand's climate-related disclosure framework, we have advanced our work on understanding the implications of climate change for our business. This year's focus has been on upskilling and preparing ourselves, conducting an initial assessment of the value chain and measuring our carbon footprint.

To upskill key decision makers in the business, we engaged a Climate Change specialist and through engagements with the Board and ELT this resource has helped to build internal understanding and capabilities on climate-related matters. We also benefited from the input of Laurissa Cooney, Chair of the Audit & Risk Committee, who is on the steering group of Chapter Zero New Zealand.

For our initial climate-related financial assessment, we conducted a thorough analysis of our value chain to uncover potential risks and opportunities related to both physical impacts and transitioning to a low-emissions economy. We utilised various sources, including a consideration of historical impacts, sector-based climate scenario reports from New Zealand, and future climate projections. Building on this initial assessment managers can introduce new risks or opportunities through our risk management framework.

While Accordant has not experienced any material impacts in the last financial year from climate change, we acknowledge the effects of both Cyclone Gabrielle and the Auckland Anniversary flooding events, which occurred in the previous financial year. This primarily related to the impact on our people and candidates, disruptions to infrastructure projects and the flow-on impact on labour resourcing countered by an increased demand for labour associated with recovery works. Neither event created a material impact being restricted to our AWF business in a specific geographic area.

This illustrates that although physical risks may have a flow on impact upon revenue and cost to service clients, our strategy of maintaining a diversity of both market segments and operating across different regions provide a buffer against any short term and regionalised impacts.

We have identified medium to long-term opportunities, such as the increase in infrastructure projects to enable adaptation to the physical impacts of climate change or labour demand generated by the shift to a low emissions economy. To capitalise on these opportunities, we will stay well-informed about our clients' short, medium, and long-term plans that necessitate labour.

Accordant was recently certified by Toitū Envirocare as a Toitū carbonreduce organisation.

Accordant was recently certified by Toitū Envirocare as a Toitū carbonreduce organisation. This has required Accordant to measure our annual greenhouse gas emissions since 1 April 2021 and implement and track emission reduction projects. Toitū's carbon certification has been issued in accordance with international standard for measurement (ISO 14064-1), as well as aligning with GHG Protocol Standards. The Toitū carbonreduce program is endorsed by, and Toitū Envirocare accredited by, the Joint Accreditation System of Australia and New Zealand, and the audits have been conducted in conformance with international standards.

FY22 emissions were measured at 375.27 tCO2e and FY23 emissions (which included Hobson Leavy) were measured at 382.71 tCO2e.

Having completed our first carbon footprint, we have confirmed that our impact is relatively small. We have begun identifying reduction projects and will be finalising reduction targets in FY25.

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 The Icehouse and Metro Performance Glass. 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

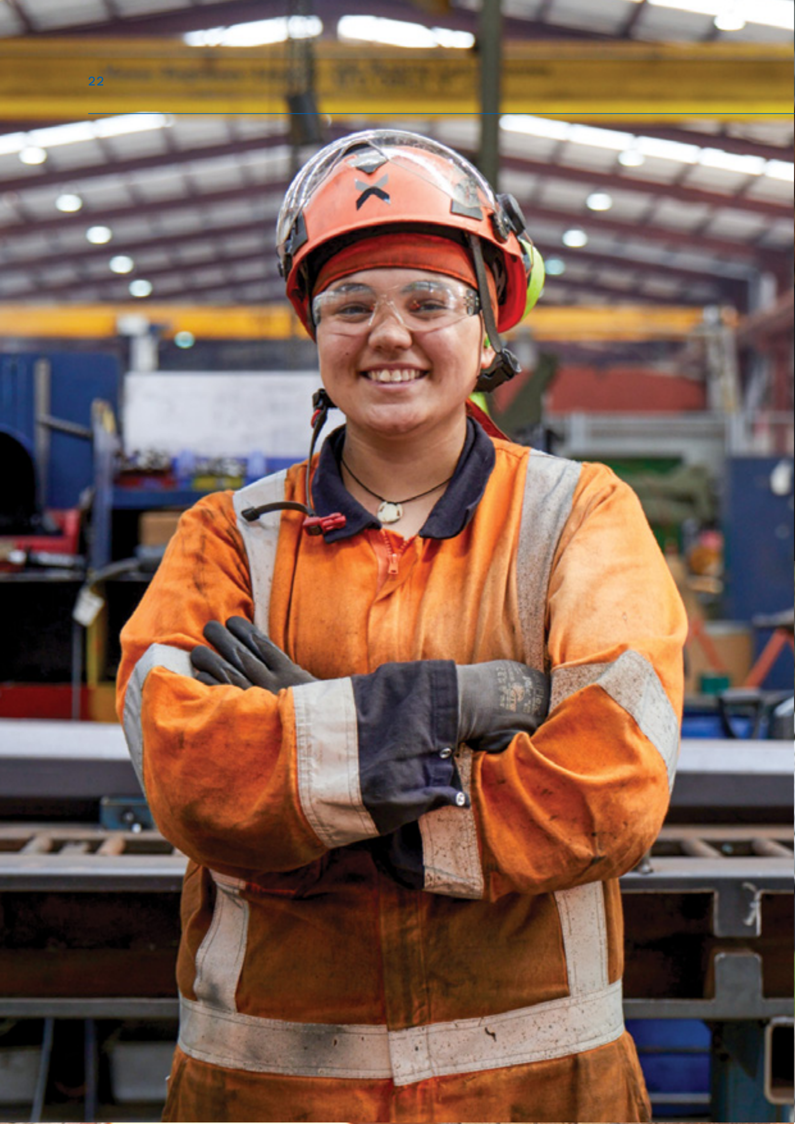
Nick joined the Board as an independent Director in January 2018 after 15 years in Managing Director roles in New Zealand, Australia, and Asia/Pacific with Korn Ferry. Nick brings deep industry expertise in recruiting, outsourcing, consulting and talent management. Nick was the CEO and Director of a 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.

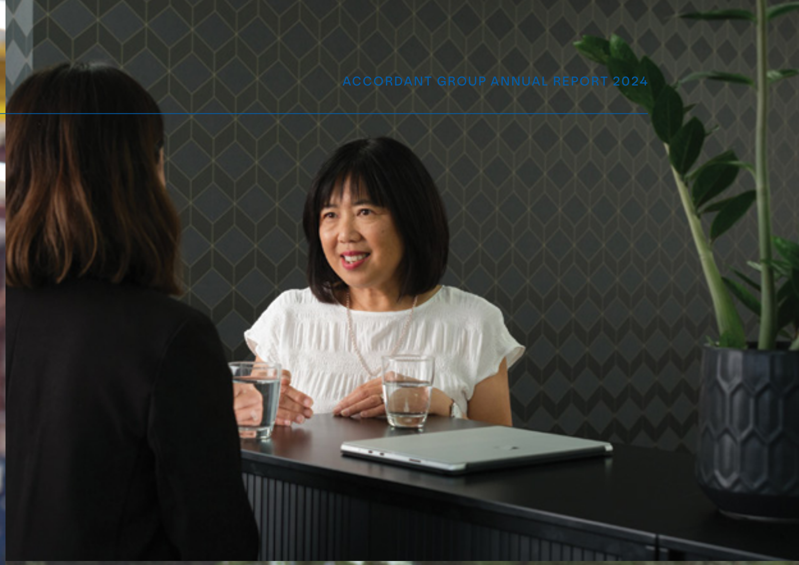
Laurissa Cooney

Laurissa, who is of Te Āti Hau Nui a Pāpā Rangi (Whanganui) descent, joined the Board as an independent Director in August 2020. Laurissa has previously held senior management, auditing and consulting roles with Deloitte in New Zealand, and Deloitte Touche in London, and was the CFO for Te Whare Wānanga o Awanuiārangi. She currently serves as a Co-Chair of the Aotearoa Circle, and she is an Independent Director for Air New Zealand and Goodman (NZ). She is also a Chair for the Ngai Tai ki Tamaki Audit & Risk Committee and a member of the Chapter Zero steering committee. Laurissa is a Chartered Member of the Institute of Directors and a fellow of the Chartered Accountants Australia and New Zealand Institute.

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. Richard is now an independent Director.



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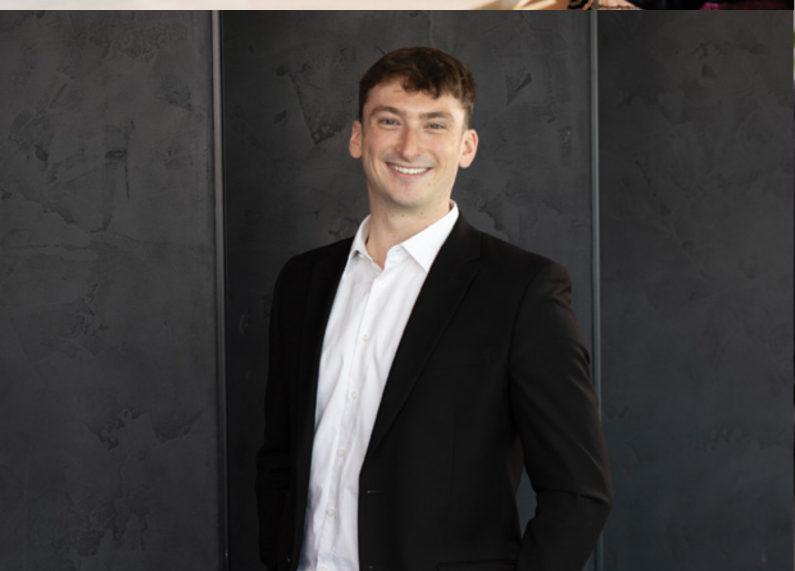
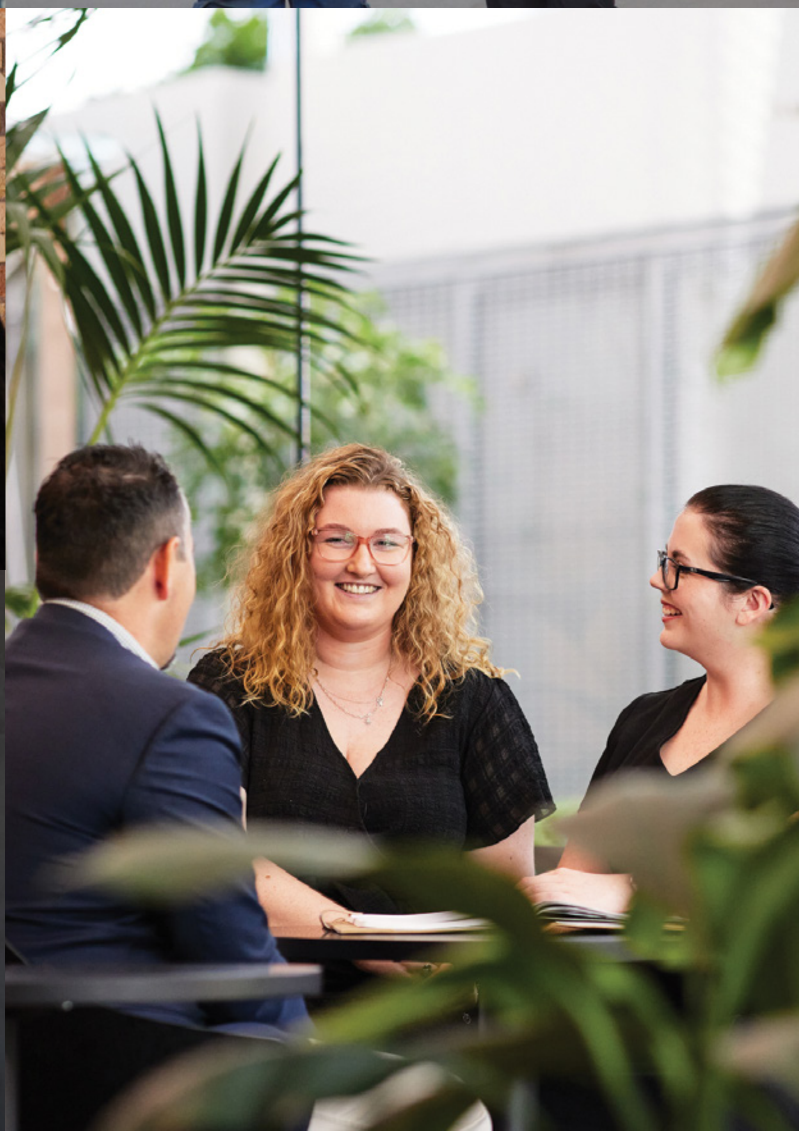
AWF





Financial Commentary

REVENUE

Group Revenue of $212.4m is down 6.6% on the prior year Revenue of $227.4m.

AWF Revenue is up $6.0m (7.9%) on the prior year.

Revenue sourced from the provision of services to Commerce (Madison Recruitment, Absolute IT, JacksonStone & Partners & Hobson Leavy) was down $21.5m (14.2%).

New Zealand's economic environment and labour market has been and continues to be inconsistent and volatile. Impacted by higher interest rates, high cost of living, increasing business costs, two consecutive quarters of negative GDP growth, a fall in hiring demand and a coalition government determined to tackle Government spending, all contributing to a labour market contraction.

NET LOSS AFTER TAX

A loss after-tax of $10.0m for the year after providing impairment writedowns of $6.5m on Madison Recruitment, $4.5m on AWF and recognising a fair value adjustment gain of $1.865m on the deferred contingent consideration payable to the vendors of Hobson Leavy. The Board expects that more buoyant market conditions will return generating demand that will need to be met.

DIVIDEND

The Directors have resolved not to declare a final dividend for the year ended 31 March 2024 (2023: 3.00 cps). The interim Dividend paid 1 December 2023 was 3.0 cps (2023: 6.5 cps).

CASH FLOW

Cash flow from operating activities of $2.3m was down $2.4m on the prior year operating cash flow due to lower net cash from operations $2.0m, increased Bank interest $0.95m, offset by lower government grants $0.55m, and lower Taxation paid of $1.1m.

NET BANK DEBT

Net Bank Debt at $24.4m was up $2.9m on the prior year $21.5m.

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 2024, 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 2024, 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 an awards sponsorship arrangement, we have no relationship with or interests in the Company or any of its subsidiaries.

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

Impairment testing of goodwill and other indefinite life intangible assets for AWF, Madison Recruitment and Absolute IT

Goodwill of $31.6 million (2023: $42.6 million) and other indefinite life intangible assets (brand names) of $12.1 million (2023: $12.1 million) are recognised in the consolidated financial statements at 31 March 2024, as detailed in notes B4 and B3 respectively. This also includes an impairment of $6.5 million and $4.5 million relating to the Madison Recruitment and the AWF cash generating units (CGU) 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 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 terminal growth rate).

The AWF, Madison 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 $9.8 million respectively.

The key judgements underpinning their future cashflows include sales and terminal growth rates, discount rates applied as well as increases in temporary staff per day specifically for AWF.

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.

How our audit addressed the key audit matter

We have audited 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 2025 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, growth rates, discount rates and terminal growth rates to determine the extent to which any changes in these inputs would result in impairment to AWF, Madison Recruitment and Absolute IT CGUs;
- Involving our internal valuation specialists in assessing the discount and terminal growth rates for reasonableness in comparison to market data. We also referenced external market data to challenge the growth forecasts applied for specific industries in which the CGUs operate.
- 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-for-assurance-practitioners/auditors-responsibilities/audit-report-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

Bryce Henderson, Partner
for Deloitte Limited
Auckland, New Zealand
29 May 2024

Accordant Group Limited

Statement of comprehensive income
For the year ended 31 March 2024

		GROUP	
		2024	**2023**
	NOTE	$'000	$'000
Revenue from contracts with customers	A2	212,385	227,371
Investment revenue	A3	114	65
Fair value gain on contingent consideration	G1	1,865	–
Direct costs		(2,271)	(2,186)
Employee benefits expense	A1,F1	(120,314)	(119,883)
Contractor costs	A1	(73,342)	(86,503)
Depreciation and amortisation expense	A4,B1,B2,B3	(4,947)	(4,628)
Impairment of goodwill	B4	(11,000)	–
Impairment of right of use assets	B2	–	(109)
Other operating expenses		(9,852)	(8,988)
Finance costs	A4	(2,791)	(1,683)
Business acquisition expenses		–	(379)
(Loss) / Profit before income tax		(10,153)	3,077
Tax benefit/(expense)	A5	145	(1,100)
Net (Loss) / Profit after income tax		**(10,008)**	**1,977**
Other comprehensive income for the year		–	–
Total comprehensive income		**(10,008)**	**1,977**
Earnings per share			
Total basic earnings per share (cents/share)	C3	(29.2)	5.8
Total diluted earnings per share (cents/share)	C3	(29.2)	5.8

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 2024

		GROUP	
		2024	**2023**
	NOTE	$'000	$'000
Assets			
Non-current assets			
Property, plant and equipment	B1	1,946	2,730
Right of use assets	B2	6,371	7,038
Intangible assets – goodwill	B4	31,553	42,553
Intangible assets – other	B3	15,214	16,612
Total non-current assets		**55,084**	**68,933**
Current assets			
Cash and cash equivalents	C5	2,092	1,954
Trade and other receivables	C6	21,037	23,992
Total current assets		**23,129**	**25,946**
Total assets		**78,213**	**94,879**
Equity and liabilities			
Non-current liabilities			
Deferred tax liabilities	A5	2,504	2,929
Borrowings	C7	26,500	23,500
Lease liabilities	B2	4,296	5,374
Contingent consideration	G1	944	2,648
Total non-current liabilities		**34,244**	**34,451**
Current liabilities			
Trade and other payables	C8	17,696	21,399
Contract liabilities	A2	225	314
Taxation payable	A5	54	1,108
Provisions	F2	686	582
Lease liabilities	B2	2,673	2,439
Total current liabilities		**21,334**	**25,842**
Total liabilities		**55,578**	**60,293**
Net assets		**22,635**	**34,586**
Capital and reserves			
Share capital	C1	30,868	30,868
Treasury shares	C2	(804)	(804)
Group share scheme reserve		658	448
Retained earnings		(8,087)	4,074
Total equity		**22,635**	**34,586**

For and on behalf of the Board who authorised the issue of the financial statements on 29 May 2024:

SIMON BENNETT, Chair

LAURISSA COONEY, 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 2024

		GROUP				
	NOTE	Share capital $'000	Treasury shares $'000	Group share scheme reserve $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 April 2022		30,868	(804)	282	6,349	36,695
Profit for the year		–	–	–	1,977	1,977
Comprehensive income for the year		–	–	–	–	–
Total comprehensive income for the year		–	–	–	**1,977**	**1,977**
Transactions with owners in their capacity as owners:						
Dividends paid	C4	–	–	–	(4,309)	(4,309)
Restricted shares lapsed	F1	–	–	(57)	57	–
Share based payments	F1	–	–	223	–	223
Total transactions with owners in their capacity as owners		–	–	**166**	**(4,252)**	**(4,086)**
Balance as at 31 March 2023		**30,868**	**(804)**	**448**	**4,074**	**34,586**
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**

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 2024

	NOTE	GROUP 2024 $'000	GROUP 2023 $'000
Cash flow from operating activities			
Receipts from customers		215,112	230,322
Payments to suppliers, contractors and employees		(208,981)	(222,193)
Net cash (used in)/generated from operations		6,131	8,129
Net receipts from government grants		55	614
Interest paid on bank overdraft and loans		(2,233)	(1,277)
Interest paid on lease liabilities	B2	(305)	(318)
Income taxes paid		(1,334)	(2,433)
Net cash provided by operating activities	C5	**2,314**	**4,715**
Cash flow from investing activities			
Proceeds from disposal of property, plant and equipment		3	44
Payment for property, plant and equipment	B1	(233)	(733)
Net cash paid on acquisition of Hobson Leavy		–	(5,750)
Net cash used in investing activities		**(230)**	**(6,439)**
Cash flow from financing activities			
Dividends paid to share holders of the parent	C4	(2,154)	(4,309)
Proceeds from borrowings	C8	4,000	8,500
Repayment of borrowings	C8	(1,000)	(3,000)
Payment of principal on lease liabilities	B2	(2,792)	(2,485)
Net cash used in financing activities		**(1,946)**	**(1,294)**
Net (decrease)/increase in cash and cash equivalents held during the year		**138**	**(3,018)**
Cash and cash equivalents as at the beginning of the year		1,954	4,972
Cash and cash equivalents as at the end of the year	C5	**2,092**	**1,954**

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.

- 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 29 May 2024.

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. None of the 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.

There are a number of new standards and amendments to standards and interpretations that are not yet effective for the year beginning 1 April 2024. 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.

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 entity 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 entity 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 cashflows 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) and deferred consideration (note G1) arising from business combinations 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 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 notes:

Note – A2
Expectation of refund liabilities and rebates to customers.

Note – C6
Expected credit losses from trade and other receivables

Note – B2
Estimate of the future right of use assets and lease liabilities.

Note – B3
Estimating the remaining useful lives of identifiable customer relationships and restraint of trade assets and testing the carrying value of brand assets.

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

Note – F2
Rehabilitation under the ACC Partnership programme.

Note – G1
Estimation of the earn-out contingent consideration in a business combination.

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 – 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, 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.

	Segment revenue		Segment profit	
	2024	**2023**	**2024**	**2023**
SEGMENT REVENUE AND RESULTS	$'000	$'000	$'000	$'000
Continuing operations				
AWF and The Work Collective	82,304	75,825	(3,543)	321
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	130,081	151,541	(1,207)	7,726
Total for continuing operations	**212,385**	**227,366**	**(4,750)**	**8,047**
Other income			114	65
Central administration costs and directors fees		5	(2,726)	(2,973)
Finance costs			(2,791)	(1,683)
Business aquisition expenses			–	(379)
Total	**212,385**	**227,371**	**(10,153)**	**3,077**
Income tax expense			145	(1,100)
Total for the year	**212,385**	**227,371**	**(10,008)**	**1,977**

Revenue reported above represents revenue generated from external customers. Inter-segment sales in the year were $56,059 (2023: $107,002) 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 (2023: 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 chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

SEGMENT ASSETS	2024 $'000	2023 $'000
Continuing operations		
AWF and The Work Collective	21,522	24,831
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	54,824	68,419
Total segment assets	**76,346**	**93,250**
Unallocated assets	1,867	1,629
Total assets	**78,213**	**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	2024 $'000	2023 $'000
Continuing operations		
AWF and The Work Collective	9,643	8,192
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	15,198	21,780
Total segment liabilities	**24,841**	**29,972**
Unallocated liabilities	30,737	30,321
Total liabilities	55,578	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.

OTHER SEGMENT INFORMATION

		Depreciation and amortisation		Impairment	
		2024	**2023**	**2024**	**2023**
	NOTE	$'000	$'000	$'000	$'000
AWF and The Work Collective		1,376	1,505	4,500	109
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy		3,567	3,123	6,500	–
Unallocated		4	–	–	–
Total		**4,947**	**4,628**	**11,000**	**109**

		Non-current assets		Net additions to non-current assets	
		2024	**2023**	**2024**	**2023**
		$'000	$'000	$'000	$'000
AWF and The Work Collective		10,945	15,385	1,533	1,361
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy		44,130	53,548	650	638
Business combinations	G1	–	–	–	11,081
Unallocated		9	–	13	–
Total		**55,084**	**68,933**	**2,196**	**13,080**

	Employee benefits		Contractor costs	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
AWF and The Work Collective	73,316	67,802	475	197
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	44,219	49,308	72,867	86,306
Unallocated	2,779	2,773	–	–
Total	**120,314**	**119,883**	**73,342**	**86,503**

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 client, 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.

REVENUE FROM CONTRACTS WITH CUSTOMERS	2024 $'000	2023 $'000
Revenue earned on temporary placements		
AWF and The Work Collective	80,526	73,285
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	96,320	115,441
Total revenue earned on temporary placements	**176,846**	**188,726**
Revenue earned on permanent placements		
AWF and The Work Collective	985	1,504
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	9,769	13,545
Total revenue earned on permanent placements	**10,754**	**15,049**
Revenue earned on a retained basis		
AWF and The Work Collective	–	–
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	6,396	3,279
Total revenue earned on a retained basis	**6,396**	**3,279**
Other service revenue		
AWF and The Work Collective	793	1,036
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy	17,596	19,281
Total other service revenue	**18,389**	**20,317**
Total revenue	**212,385**	**227,371**

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	2024 $'000	2023 $'000
AWF and The Work Collective revenue from contracts with customers		
– Construction & civil	30,552	29,287
– Engineering & technical	16,889	13,713
– Manufacturing & logistics	34,863	32,825
Total AWF and The Work Collective revenue from contracts with customers	**82,304**	**75,825**
Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy revenue from contracts with customers		
– Administration & other services	333	828
– Arts & recreation services	1,453	1,891
– Construction and trades	2,286	2,138
– Education and training	4,678	6,588
– Financial and insurance services	13,905	16,627
– Government, defence and public safety	66,827	76,266
– Healthcare and social assistance	14,114	14,643
– Information technology	4,286	6,504
– Logistics (transport, postal & warehousing)	2,459	3,314
– Manufacturing	1,260	1,694
– Media & telecommunications	148	538
– Primary (agriculture, forestry, fishing, mining)	4,756	4,930
– Professional, scientific and technical services	5,822	4,706
– Property/rental and hiring services	725	670
– Retail trade & hospitality	1,939	3,065
– Utilities (electricity, gas, water, waste)	3,964	3,547
– Wholesale trade	1,126	3,597
Total Madison, Absolute IT, JacksonStone & Partners and Hobson Leavy revenue from contracts with customers	**130,081**	**151,546**
Total revenue	**212,385**	**227,371**

CONTRACT LIABILITIES

Contract guarantees

For revenue on a retained basis, the Group's standard contract terms for under 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.

	2024	**2023**
CONTRACT LIABILITIES	$'000	$'000
Rebate liabilities	209	176
Guarantee refund liabilities	16	122
Revenue in advance	–	16
Total contract liabilities	**225**	**314**
Classified as:		
Current	225	314
Non-current	–	–
Total contract liabilities	**225**	**314**

KEY JUDGEMENTS AND ESTIMATES – GUARANTEE AND REBATE LIABILITIES

Guarantee refund liabilities
Management has reviewed and assessed the historical experience rate for refund guarantees that represent the best estimate of expected candidates leaving within the guarantee period.

Rebate liabilities
Management has reviewed and assessed the past precedent and future expected sales for individual customers and the contract liabilities for rebates that represent the best estimate of expected rebates to customers.

A3 INVESTMENT REVENUE

Accounting Policy

Dividend and interest revenue is presented as investment revenue in the statement of comprehensive income.

Dividend revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue

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

	2024	2023
INVESTMENT REVENUE	$'000	$'000
Interest received	114	65
Total investment revenue	**114**	**65**

A4 EXPENSES

EXPECTED CREDIT LOSS	2024 $'000	2023 $'000
Impairment losses recognised	22	(35)
Impairment losses recovered	(2)	1
Changes in the expected credit loss provision	100	(247)
Total expected credit losses	**120**	**(281)**

DEPRECIATION AND AMORTISATION EXPENSE	NOTE	2024 $'000	2023 $'000
Depreciation of property, plant and equipment	B1	908	1,046
Depreciation of right of use assets	B2	2,641	2,443
Amortisation of intangible assets	B4	1,398	1,139
Total depreciation and amortisation expense		**4,947**	**4,628**

FINANCE COSTS	2024 $'000	2023 $'000
Financial liabilities measured at amortised cost		
Interest on bank overdrafts and loans	2,347	1,343
	2,347	**1,343**
Financial liabilities measured at fair value through profit or loss		
Interest on contingent consideration	139	22
	139	**22**
Lease liabilities		
Interest on lease liabilities	305	318
	305	**318**
Total finance costs	**2,791**	**1,683**

AUDITOR'S REMUNERATION TO DELOITTE FOR:	2024 $'000	2023 $'000
Audit of the financial statements		
Audit of the financial statements	312	334
Total auditor's remuneration to Deloitte	**312**	**334**

The Group's Audit and Risk Committee monitor the independence of Deloitte Limited and ensure Audit Partner rotation occurs after 5 years. These financial statements are the Deloitte Audit Partner's fifth year.

The Group (via Hobson Leavy) has an awards sponsorship arrangement with Deloitte Limited. The total value of this arrangement is $20,000.

OTHER ITEMS

Political donations
There have been no donations to any political party during the financial year (2023: $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 income statement 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 the income assessed on taxable profit for the year.

Current tax liabilities are calculated using tax rates that have been enacted at balance date, being 28% (2023: 28%) for New Zealand.

INCOME TAX EXPENSE	2024 $'000	2023 $'000
Current tax		
In respect of current year	348	1,071
In respect of prior year	(68)	187
	280	**1,258**
Deferred tax		
In respect of current year	(471)	7
In respect of prior year	46	(165)
	(425)	**(158)**
Total tax expense	**(145)**	**1,100**
Reconciliation to profit before tax		
(Loss) / Profit before income tax	(10,153)	3,077
Income tax at 28%	(2,843)	862
Tax effect of expenses that are not deductible in determining taxable profit	2,698	238
Income tax expense / (benefit)	**(145)**	**1,100**
Effective tax rate for the year	(1.4%)	35.7%

CURRENT TAX ASSETS AND LIABILITIES	2024 $'000	2023 $'000
Current tax liabilities		
Income tax (receivable)/payable	54	1,070
Business combinations	–	38
Total current tax liabilities	**54**	**1,108**

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	Right of use assets	Employee benefits	Other provisions	Intangible assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 April 2022	2,168	(1,984)	1,145	517	(3,497)	(1,651)
Prior period adjustment	–	–	166	(1)	–	165
Business combination	–	–	–	–	(1,436)	(1,436)
Charge (credit to profit or loss for the year)	5	14	(237)	(71)	282	(7)
As at 31 March 2023	**2,173**	**(1,970)**	**1,074**	**445**	**(4,651)**	**(2,929)**
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)**

	2024	**2023**
IMPUTATION BALANCES	$'000	$'000
Imputation credits available for subsequent reporting periods at 28%	**12,135**	**13,474**

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:

In this section there is information about:

(a) property, plant and equipment

(b) intangible assets

(c) 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		1,805	4,252	2,019	8,076
Less accumulated depreciation		(697)	(3,215)	(1,257)	(5,169)
Net book value at 1 April 2022		**1,108**	**1,037**	**762**	**2,907**
Additions		125	375	233	733
Business combinations		–	64	101	165
Disposals – cost		(97)	(33)	(44)	(174)
Depreciation expense	A4	(338)	(379)	(329)	(1,046)
Eliminations on disposal – depreciation		75	22	48	145
Net book value at 31 March 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**
Cost		1,834	4,911	2,255	9,000
Less accumulated depreciation		(1,224)	(4,070)	(1,760)	(7,054)
Net book value at 31 March 2024		**610**	**841**	**495**	**1,946**

B2 RIGHT OF USE ASSETS AND LEASES 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.

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
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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 does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, location, and security.

RIGHT OF USE ASSETS	NOTE	Property $'000	Motor vehicles $'000	Computer Equipment $'000	Total $'000
Cost		13,317	134	23	13,474
Less accumulated depreciation		(6,308)	(124)	(22)	(6,454)
Net book value at 1 April 2022		**7,009**	**10**	**1**	**7,020**
Additions/lease liability remeasurements		2,190	24	43	2,257
Business combinations		1,167	–	–	1,167
Disposals – cost		(1,387)	(39)	(23)	(1,449)
Depreciation expense	A4	(2,419)	(17)	(7)	(2,443)
Eliminations on disposal – depreciation		425	38	23	486
Net book value at 31 March 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**
Cost		15,723	276	42	16,041
Less accumulated depreciation		(9,525)	(131)	(14)	(9,670)
Net book value at 31 March 2024		**6,198**	**145**	**28**	**6,371**

	2024	2023
LEASE LIABILITIES	$'000	$'000
Property	6,795	7,760
Motor vehicle	144	16
Computer equipment	30	37
Total lease liabilities	**6,969**	**7,813**
Classified as:		
Current	2,673	2,439
Non-current	4,296	5,374
Total lease liabilities	**6,969**	**7,813**
Maturity analysis – contractual undiscounted cashflows:		
Less than 1 year	2,987	2,781
Later than 1 year and not later than 5 years inclusive	4,276	5,268
More than 5 years	451	964
Total undiscounted lease liabilities 31 March	**7,714**	**9,013**
Amounts recognised in Statement of Comprehensive Income:		
Interest on lease liabilities	(305)	(318)
Expenses relating to short term leases	(723)	(578)
Impairment of right of use assets	–	(109)
Total amounts recognised in the Statement of Comprehensive Income	**(1,028)**	**(1,005)**
Cash outflows recognised in the Statement of Cashflows:		
Recognised within cash flows from operating activities		
Interest elements of lease payments	(305)	(318)
Total recognised within cash flows from operating activities	**(305)**	**(318)**
Recognised within cash flows from financing activities		
Principal elements of lease payments	(2,792)	(2,485)
Total recognised within cash flows from financing activities	**(2,792)**	**(2,485)**
Total recognised within the Statement of cashflows	**(3,097)**	**(2,803)**

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) and computer software.

	NOTE	Customer Relationships $'000	Brand Name $'000	Restraint of Trade $'000	Total $'000
Cost		15,750	10,474	2,710	28,934
Less accumulated depreciation		(14,240)	–	(2,207)	(16,447)
Net book value at 1 April 2022		**1,510**	**10,474**	**503**	**12,487**
Business combinations		1,072	1,607	2,585	5,264
Amortisation expense	A4	(704)	–	(435)	(1,139)
Net book value at 31 March 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**
Cost		16,823	12,081	5,295	34,199
Less accumulated depreciation		(15,521)	–	(3,464)	(18,985)
Net book value at 31 March 2024		**1,302**	**12,081**	**1,831**	**15,214**

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.

Cash generating units 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.

	NOTE	2024 $'000	2023 $'000
As at 1 April		42,553	38,068
Business combinations – Hobson Leavy		–	4,485
Impairment Madison Recruitment		(6,500)	–
Impairment AWF		(4,500)	–
As at 31 March		**31,553**	**42,553**
Allocation to cash generating units			
• AWF		6,712	11,212
• Madison Recruitment		6,723	13,223
• Absolute IT		7,836	7,836
• JacksonStone & Partners		5,797	5,797
• Hobson Leavy		4,485	4,485
Total goodwill		**31,553**	**42,553**

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.

The recoverable amount of each cash generating unit is determined from value in use calculations which use a discounted cash flow analysis. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and forecast financial performance.

Management estimates discount rates using rates that reflect current market assumptions of the time value of money and risk specific to the cash generating units. The growth rates are based on management's best estimate. Forecast revenues, direct and indirect costs, are based on historical experience/past practices and expectation of future changes in the markets the Group operates and services.

Impairment testing of goodwill and other intangible assets is an area where estimates and judgements have a significant risk of causing a material adjustment to the carrying amount of the Group's goodwill and other indefinite life intangible asset balances.

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, pro rata against the carrying value of other assets (including intangible assets and net assets).

The value in use calculation uses post tax cash flow projections over a 5-year period based on the budgeted financial year to 2025 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 of 2.5%.

New Zealand's economic environment and labour market has been and continues to be inconsistent and volatile. Impacted by higher interest rates, high cost of living, increasing business costs, two consecutive quarters of negative GDP growth, a fall in hiring demand and a coalition government determined to tackle Government spending, all contributing to a labour market contraction.

In determining the value in use for each CGU (excluding Hobson Leavy) the Group has applied a post-tax discount rate ('WACC') of 11.51% after making adjustments to reflect the cash flow risks inherent in the forecasts. The WACC rate applied to Hobson Leavy is 19.5% reflective of this specific CGU.

AWF and Madison Recruitment

Year end testing has determined that an impairment of $6.5m on Madison Recruitment and $4.5m on AWF was required following changes in the economic environment in which these CGUs operate. Following these impairments, the carrying amount of the Madison Recruitment and AWF CGUs respectively are $16.2m and $13.9m.

This impairment was determined through the value in use calculations with the following assumptions:

- Madison Recruitment has applied zero sales growth for FY26 recognising the investment cost in the evolution of its service delivery strategy returning to standard sales growth of 2.5% (2023: 2.5%) thereafter.
- AWF has forecast sales growth of 9.0% for FY26 and FY27 as a result of an increase in average temporary staff per day of 2.4% for FY26 and FY27. Annual sales growth returns to 2.5% per annum for FY28 and thereafter.
- Terminal year sales growth assume 2.5% (2023: 2.5%).

Both the AWF and Madison CGUs are sensitive to changes in financial performance given the impairment recognised in the current year.

For AWF, in the event of a 1% decrease in growth rates (subsequent to its FY25 budget) an impairment of $0.4m would be recognised. In the event of a 1% increase in the WACC rate applied, an impairment of $1.3m would be recognised.

For Madison, a 1% decrease in growth rates (subsequent to its FY25 budget) an impairment of $0.3m would be recognised. In the event of a 1% increase in the WACC rate applied, an impairment of $1.2m would be recognised.

Absolute IT

The Absolute IT CGU is sensitive to changes in financial performance assumptions. Absolute IT's performance in FY24 has been constrained following a downturn in the IT sector, and wider economic uncertainty. Absolute IT is forecast to achieve annual growth of 2.5% post its FY25 budget, with a terminal year sales growth starting in FY30 at a constant rate of 2.5% (2023:2.5%).

As noted above Absolute IT is sensitive to changes in it's financial performance assumption, specifically the achievement of the FY25 budget. The CGUs recoverable amount is similar to it's carrying amount.

In the event of a 1% decrease in growth rates (subsequent to its FY25 budget) an impairment of $0.25m would be recognised. In the event of a 1% increase in the WACC rate applied, an impairment of $0.9m would be recognised.

JacksonStone & Partners

JacksonStone & Partners recoverable amount exceeds its carrying value, with an estimated sales growth of 2.5% subsequent to its FY25 budget.

A sensitivity analysis performed on this CGU including reducing the estimated growth rates by 1.0% and increasing the discount rate by 1.0% does not result in any impairment.

Hobson Leavy

Hobson Leavy recoverable amount exceeds its carrying value, with an estimated sales growth of 2.5% subsequent to its FY25 budget.

A sensitivity analysis performed on this CGU including reducing the estimated growth rates by 1.0% and increasing the discount rate by 1.0% does not result in any impairment.

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 value-in-use of the group of cash generating units to which goodwill has been allocated. The value-in-use calculation requires Management to estimate the future cash flows expected to arise from those cash generating units and a suitable discount rate in order to calculate present value.

The Board in determining the WACC rate to be applied considered the findings of a Corporate Advisory firm. They assessed the Group's weighted average cost of capital taking into consideration the 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.

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; and

(c) receivables and payables

C1 SHARE CAPITAL

	2024	2023	2024	2023
ORDINARY SHARE CAPITAL	No of Shares	No of Shares	$'000	$'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

	2024	2023	2024	2023
TREASURY SHARES	No of Shares	No of Shares	$'000	$'000
As at 1 April	517,289	517,289	804	804
As at 31 March	**517,289**	**517,289**	**804**	**804**

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

The treasury shares were acquired progressively over the period 28 May 2021 to 7 July 2021 at a weighted average cost of $1.5545 per share at a cost of $804k.

C3 EARNINGS PER SHARE

	2024	2023
EARNINGS PER SHARE	$'000	$'000
Comprehensive income for the year net of tax ($'000)	(10,008)	1,977
Number of ordinary shares as at 31 March	34,325,542	34,325,542
Weighted average number of shares for basic earnings per share	34,325,542	33,808,253
Total basic earnings per share (cents per share)	**(29.2)**	**5.8**
Weighted average number of shares for diluted earnings per share	34,325,542	33,808,253
Total diluted earnings per share (cents per share)	**(29.2)**	**5.8**

The restricted shares detailed in Note F1 could also potentially dilute earnings per share in the future, but currently are anti-dilutive (2023: 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.

		2024		2023
		$'000		Total $'000
Recognised amounts:				
Prior year final dividend	3.0	1,071	5.6	1,987
Interim dividend	3.0	1,082	6.5	2,322
		2,153		**4,309**
Declared amounts:				
Final dividend declared	–	–	3.0	1,071

Dividends

Prior year final dividend

On 29 May 2023 the Directors resolved to approve the payment of a fully imputed final dividend of 3.0 cents per share (total dividend of $1,071,248) paid on 30 June 2023 to all shareholders registered on 16 June 2023. The dividend reinvestment plan was not offered on this distribution.

Current year interim dividend

On 27 October 2023 the Directors resolved to approve the payment of a fully imputed final dividend of 3.0 cents per share (total dividend of $1,082,348) paid on 1 December 2023 to all shareholders registered on 17 November 2023. The dividend reinvestment plan was not offered on this distribution.

Subsequent event

On 29 May 2024 the directors resolved not to declare a final dividend for the year ended 31 March 2024 due to economic uncertainty and market volatility.

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	2024 $'000	2023 $'000
Cash at bank	2,092	1,954
Total cash and cash equivalents	**2,092**	**1,954**

RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOWS FROM OPERATING ACTIVITIES	2024 $'000	2023 $'000
Net profit after income tax	(10,008)	1,977
Adjustments for operating activities non-cash items:		
Depreciation and amortisation	4,947	4,628
Impairment	(11,000)	109
(Gain)/loss on disposal of property, plant and equipment and intangible assets	108	(16)
Movement in expected credit loss provision	120	(281)
Movement in deferred tax	(425)	(158)
Equity-settled share-based payments	210	223
Interest on contingent consideration to the vendor of Hobson Leavy	139	22
Fair value movement on contingent consideration to the vendor of Hobson Leavy	(1,865)	–
Total non-cash items	14,234	4,527
Movements in working capital excluding movements relating to purchase of subsidiaries:		
(Increase)/decrease in trade and other receivables, and contract assets	2,890	2,666
Increase/(decrease) in trade and other payables, and contract liabilities	(3,749)	(3,236)
Increase/(decrease) in taxation payable	(1,053)	(1,219)
Total movement in working capital	(1,912)	(1,789)
Cash flow from operating activities	**2,314**	**4,715**

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 $200,000 (2023: $100,000) 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 $1.9 million (2023: $2.6 million) which are overdue at the reporting date. Included in other receivables are debtors with a carrying value of $Nil (2023: $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.

	2024	2023
TRADE AND OTHER RECEIVABLES	$'000	$'000
Trade receivables	20,553	23,008
Provision for expected credit loss	(200)	(100)
Total trade receivables	**20,353**	**22,908**
Other receivables	684	1,084
Total other receivables	**684**	**1,084**
Total trade and other receivables	**21,037**	**23,992**

Other receivables include Contract Assets that were previously disclosed under Note A2.

Contract Assets at 31 March 2024 were $135,000 (2023: $221,000).

PROVISION FOR IMPAIRMENT	2024 $'000	2023 $'000
PROVISION FOR EXPECTED CREDIT LOSS FOR TRADE RECEIVABLES		
As at 1 April	100	381
Impairment losses reversed	100	(247)
Impairment losses recognised	–	(34)
As at 31 March	**200**	**100**

EXPECTED LOSS RATES FOR TRADE RECEIVABLES	Current	1–30 days	30–60 days	60–90 days	90+ days	Total
2024						
Expected loss rate (%)	0.0%	0.0%	60.9%	100.0%	100.0%	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**
2023						
Expected loss rate (%)	0.0%	0.0%	5.1%	51.4%	98.4%	0.5%
Gross trade receivables ($'000)	20,393	2,132	325	122	36	23,008
Provision for impairment of trade receivables ($'000)	–	–	(15)	(54)	(31)	(100)
Net trade receivables	**20,393**	**2,132**	**310**	**68**	**5**	**22,908**

EXPECTED LOSS FOR OTHER RECEIVABLES

Management has reviewed and assessed other receivables and the provision for impairment $Nil (2023: $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 2024 Group revenue (2023: 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	2024 $'000	2023 $'000
Bank loans	26,500	23,500
Total borrowings	**26,500**	**23,500**
Classified as:		
Current	–	–
Non-current	26,500	23,500
Total borrowings	**26,500**	**23,500**

Summary of borrowing arrangements

During the financial year the Group changed the composition of the ASB Bank Facilities and extended the facilities to 31 October 2025.

The total Facility Limit has been reduced to $35.0m (2023: $38.0m). The Revolving Credit Facility was reduced to $18.0m from $23.0m and the Trade Finance Facility increased to $17.0m from $15.0m.

Facility usage at 31 March 2024 was: Revolving Credit $18.0m (2023: $18.0m) and Trade Finance $8.5m (2023: $5.5m). Cash at Bank at 31 March 2024 was $2.092m ($2023: $1.954m).

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 covenants 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 company'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 7.24% (2023: 4.26%).

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 2024					
Borrowings					
Bank loans – ASB Bank Limited (i)		23,500	3,000	–	26,500
Other financial liabilities from financing activities					
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**
For the year ended 31 March 2023					
Borrowings					
Bank loans – ASB Bank Limited (i)		18,000	5,500	–	23,500
Lease liabilities (ii)	B2	7,756	(2,803)	2,860	7,813
Hobson Leavy contingent consideration	G1	–	–	2,648	2,648
Total		**25,756**	**2,697**	**5,508**	**33,961**

(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 $1,649,000 (2023: $2,492,000) and remeasurement of existing leases during the year of $604,000 (2023: $368,000).

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 rate 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	2024 $'000	2023 $'000
Trade payables	5,101	8,431
Goods and services tax (GST) payable	2,132	1,980
PAYE	2,324	2,450
Other payables and accruals	8,139	8,538
Total trade and other payables	**17,696**	**21,399**

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 other than outlined in note C6.

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 bank borrowings. The Group is exposed to interest rate risk to the extent that it invests for a fixed term at fixed rates or borrows for a fixed term at fixed 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
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)**
2023							
Financial assets							
Non-interest bearing	-%	23,992	–	–	–	–	23,992
Floating interest	2.13%	1,954	–	–	–	–	1,954
Financial liabilities							
Non-interest bearing	-%	(9,376)	(2,409)	(2,262)	(7,916)	(964)	(22,927)
Floating interest	5.18%	(101)	(203)	(913)	(24,109)	–	(25,326)
		16,469	**(2,612)**	**(3,175)**	**(32,025)**	**(964)**	**(22,307)**

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.

	2024	**2023**
INTEREST RATE +/– 50 bps	$'000	$'000
Impact on profit and equity	133	117

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.

EMPLOYEE BENEFITS	2024 $'000	2023 $'000
Employee benefits	117,408	116,866
Employer contribution to Kiwisaver	2,696	2,794
Equity-settled share-based payments	210	223
Total employee benefits expense	**120,314**	**119,883**

Government grants of $55,000 (2023: $614,000) have been offset against employee benefits.

COMPENSATION OF KEY MANAGEMENT PERSONNEL (Excludes Directors)	2024 $'000	2023 $'000
Salaries and short-term benefits	3,240	3,144
Employer contribution to Kiwisaver	97	94
Equity-settled share-based payments	75	74
Total key management personnel compensation	**3,412**	**3,312**

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 was $461,000 (2023: $395,000).

Gross dividends paid during the year to key management who hold restricted shares was $75,000 (2023: $103,000).

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.

A total of 420,000 restricted shares were issued to senior staff during the year under the terms of the Group share scheme (2023: 490,000). At the same time an interest free loan was provided to staff to purchase these shares pursuant to the terms of the scheme.

No restricted shares were exercised during the year (2023: No restricted shares were exercised during the year).

No restricted shares expired during the year (2023: 150,000) and 119,000 restricted shares were forfeited during the year (2023: 105,000). The corresponding interest free loan provided to staff was also cancelled.

At 31 March 2024, there were 2,211,000 (2023: 1,910,000) shares held by staff members and corresponding loans to the value of $3,827,340 (2023: $3,418,440).

The following share-based payment arrangements were in existence at 31 March 2024.

RESTRICTED SHARE SERIES	Number	Grant date	Vesting date	Expiry date	Issue price $	Fair value at grant date of the option $
H Shares 2019 Grant	159,800	1/11/2018	1/01/2024	1/01/2025	1.90	0.55
H Shares 2020 Grant	31,200	18/06/2019	1/01/2024	1/01/2025	1.85	0.46
I Shares 2021 Grant	150,000	18/09/2020	1/07/2023	1/07/2024	1.50	0.37
J Shares 2021 Grant	250,000	18/09/2020	1/01/2025	1/01/2026	1.50	0.41
K Shares 2022 Grant	364,000	1/10/2021	1/01/2024	1/01/2025	1.90	0.43
L Shares 2022 Grant	396,000	1/10/2021	1/01/2025	1/01/2026	1.90	0.48
M Shares 2023 Grant	220,000	14/10/2022	1/10/2025	1/10/2026	1.80	0.50
N Shares 2023 Grant	220,000	14/10/2022	1/10/2026	1/10/2027	1.80	0.56
O Shares 2024 Grant	210,000	13/11/2023	1/10/2026	1/10/2027	1.50	0.28
P Shares 2024 Grant	210,000	13/11/2023	1/10/2028	1/10/2029	1.50	0.35
Total	**2,211,000**					

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 (Days)	Expected life (Years)	Risk Free Rate %	Annualised Volatility %	Option Value $
H Shares 2019 Grant	1,887	5.20	2.20%	26.70%	$0.55
H Shares 2020 Grant	1,658	4.50	1.30%	24.70%	$0.46
I Shares 2021 Grant	1,016	2.80	0.27%	33.60%	$0.37
J Shares 2021 Grant	1,566	4.30	0.37%	31.20%	$0.41
K Shares 2022 Grant	822	2.30	1.22%	36.80%	$0.43
L Shares 2022 Grant	1,188	3.30	1.40%	35.20%	$0.48
M Shares 2023 Grant	1,083	3.00	4.44%	37.10%	$0.50
N Shares 2023 Grant	1,448	4.00	4.45%	35.80%	$0.56
O Shares 2023 Grant	1,053	2.90	5.03%	39.20%	$0.28
P Shares 2023 Grant	1,784	4.90	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 (2023: $0.47).

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

	GROUP			
	2024		2023	
	Option Number	Weighted average exercise price $	Option Number	Weighted average exercise price $
Balance at 1 April	1,910,000	$1.79	1,675,000	$1.80
Granted during the year	420,000	$1.50	490,000	$1.80
Exercised during the year	–	$-	–	$-
Expired during the year	–	$-	(150,000)	$1.89
Forfeited during the year	(119,000)	$1.86	(105,000)	$1.90
Balance at 31 March	2,211,000	$1.73	1,910,000	$1.79

The number of restricted share options exercisable at 31 March 2024 is Nil (2023: Nil).

The restricted shares outstanding at 31 March 2024 had a weighted average contractual life from inception of 911 days (2023: 1,251 days).

During the year ended 31 March 2024 the share based payments expense recognised by the Group was a charge of $209,838 (2023: charge of $222,215).

There were no restricted share options exercised during the year (2023: 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	2024 $'000	2023 $'000
As at 1 April	582	400
Change in claims provision	104	182
As at 31 March	**686**	**582**
Classified as:		
Current	686	582
Non-current	–	–
Total provisions	**686**	**582**

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 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 (2023: 18,194,598) shares is the ultimate controlling entity of the Group, having a 53.01% (2023: 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	2024 $'000	2023 $'000
Mr Simon Bennett – Consultancy services	90	120

Accordant Group Services Limited has entered 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 2024, Group entities do not have any amounts owed or owing to a related party that is not a member of the Group (2023: $ Nil).

F4 COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS	2024 $'000	2023 $'000
Property, plant and equipment	62	79
Total capital expenditure commitments	**62**	**79**

F5 CONTINGENT ASSETS AND LIABILITIES

ASB Bank Limited has issued seven guarantees (2023: seven) on behalf of the Group totalling $910,575 (2023: $888,000) 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 2024 (2023: $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 2024.

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 (see below), 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, a contingent consideration arrangement was agreed.

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

- Two Earn-outs based on performance in FY24 ('Earn-out tranche 1') and FY25 ('Earn-out tranche 2') above a specified and defined calculation of Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA'); and
- The Group will 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 discount interest of $76,000 has been 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. There has been 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 has been revised down to $1.0m (2023: $1.628m). The future liability has decreased by a total of $0.628m. The fair value gain of $0.508m and discount interest of $85,000 has been released to the Statement of Comprehensive Income for the year ended 31 March 2024.

Fair value measurement

Contingent consideration is the Group's only item measured at fair value. Contingent consideration is categorised within Level 3 of the fair value hierarchy. The following is information about how the fair value of contingent consideration is determined (in particular, the valuation technique(s) and inputs used).

• Valuation technique and key inputs:	Discounted cash flow method was used to capture the present value of the Group arising from the contingent consideration.
• Significant unobservable inputs:	Discount rate
• Relationship and sensitivity of unobservable inputs to fair value:	The higher the discount rate, the lower the fair value. If the discount rate was 1% higher/lower while all other variables were held constant, the carrying amount would decrease/increase by $12,000 (2023: $48,000).

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 2024 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 Simon having been employed as the CEO of the Company within the last three years.	The Board and ARC maintain an independent composition majority. This enables a non-independent Chair, who brings deep industry, sector and organisational knowledge. 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 2024:

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
Laurissa Cooney	Independent Director	1 August 2020
Richard Stone	Independent Director	25 January 2022
Bella Takiari-Brame	Independent Director	1 January 2024

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 of the directors are independent Directors other than Simon Hull and Simon Bennett.

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) while Simon Bennett has been determined to be a non independent director because within the last three years, he was the Chief Executive Officer of the Company.

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

Laurissa Cooney has resigned as a director, with effect from 29 May 2024.

Subsidiary Company Directors

The following were directors of subsidiary companies as at 31 March 2023. 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, Tony Staub, Shereen Low
AWF Limited	Jason Cherrington, Tony Staub, Shereen Low
Madison Recruitment Limited	Jason Cherrington, Tony Staub, Shereen Low
Absolute IT Limited	Jason Cherrington, Tony Staub, Shereen Low
JacksonStone & Partners Limited	Jason Cherrington, Tony Staub, Shereen Low
JacksonStone Consulting Limited	Jason Cherrington, Tony Staub, Shereen Low
The Work Collective Limited	Jason Cherrington, Tony Staub, Shereen Low
Probity NZ Limited	Jason Cherrington, Tony Staub, Shereen Low

Tony Staub has resigned as Group Chief Financial Officer with effect from 29 May 2024 and will, accordingly, be removed as a director of the above subsidiary companies. Rod Hyde has been appointed as Group Chief Financial Officer commencing 20 May 2024.

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 2024. 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
Simon Bennett	Trustee – Ice Foundation Director – The Icehoue Limited Director – Peak Partners Limited Director – Metro Performance Glass limited
Nicholas Simcock	Trustee – Wellington Creative Arts Trust Director – Simcorp Limited Director – Just Property Management Limited Director – GW Trustee (2023) Limited
Laurissa Cooney	Chair of the Audit & Risk Committee – Ngai Tai ki Tamaki Commercial Investment Director – Air New Zealand Limited Director – Goodman (NZ) Limited Director – Goodman Property Aggregated Limited Director – Goodman Property Services (NZ) Limited Director – GMT Bond Issuer Limited Director – Le Rissa Limited Co-Chair – The Aotearoa Circle Steering Committee Member – Institute of Directors Chapter Zero
Richard Stone	Trustee – Embassy Theatre 2020 Chair – Life Flight Trust Limited Chair – Commerce Building Limited Director – Bolton Holdings Limited Director – Cape Horn Land Company 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 – Crown Infrastructure Partners 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 Panel Member – University Advisory Group

Information used by Directors

During the financial year ended 31 March 2024 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 2024 the Directors of the Company had the following relevant interests in the Company's shares.

NAME OF DIRECTOR	Ordinary shares	Restricted shares held under the Company's long term incentive scheme*
Simon Bennett	280,007	960,000
Simon Hull	18,194,598	–
Nicholas Simcock	10,000	–
Laurissa Cooney	–	–
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 F to the financial statements.

Directors and Senior Manager share dealings

In accordance with the Companies Act 1993, between 1 April 2023 and 31 March 2024 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	55,153	$1.45	19 June 2023
Jason Cherrington	Purchase of shares	24,940	$1.16	15 September 2023
Jason Cherrington	Purchase of shares	3,774	$1.21	25 September 2023
Jason Cherrington	Purchase of shares	4,000	$1.17	2 October 2023

Diversity and inclusion

The gender breakdown of Accordant Group Limited's Board of Directors and Officers as at 31 March 2024 is set out in the table below:

Directors	31 Mar 2024	31 Mar 2023	Officers*	31 Mar 2024	31 Mar 2023
Female	2 (33%)	1 (25%)	Female	4 (44%)	6 (50%)
Male	4 (67%)	4 (80%)	Male	5 (56%)	6 (50%)
Gender Diverse	–	–	Gender Diverse	–	–
Total	6	5	Total	9	12

*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 2024 totalled $461,083. 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 Tikiari-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 2024.

Director	Annual $'000	Fees paid in year $'000
Simon Bennett*	136	136
Simon Hull	81	79
Nicholas Simcock	81	79
Laurissa Cooney	81	79
Richard Stone	71	70
Bella Takiari-Brame	71	18
	521	461

*In addition to the above Simon Bennett was paid $90,000 (2023: $120,000) by way of a consultancy fee for services provided to the Company for specific work undertaken over and above and separate from his role as a Director and Chair. He also received gross dividends of $40,000 in respect of Restricted Shares held under the Company's long-term incentive scheme.

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

Attendance at Board and Committee meetings during FY24

Director	Board	Audit & Risk Committee	Remuneration & Nominations	Health & Safety
Total meetings held	9	7	2	9
Meetings attended:				
Simon Bennett	9	7	2	9
Simon Hull	8	5**		8
Laurissa Cooney	9	7		9
Nick Simcock	8	6	2	8
Richard Stone	9	7**	2	9
Bella Takiari-Brame*	2	2**		2

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

**Attended as observers rather than as members of the Committee.

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	TBA	$31,250	$31,250	$579,427

The FY23 short term incentive was $Nil. The FY24 Short Term incentive is yet to be determined.

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 2024.

CEO remuneration FY23

Salary and fees	Taxable benefits	Subtotal – fixed remuneration	Short Term Incentive STI	LTI – Gross Dividends on Restricted Shares	Subtotal – pay for performance	Total remuneration
$528,653*	$15,860	$544,513	$56,135	$22,569	$78,704	$623,217

The Short-Term Incentive paid in FY23 relates to the CEO's performance in FY22.

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
2024	Jason Cherrington	$548,177	Yet to be determined
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%
2020	Simon Bennett	$589,368	40.0%

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 (2024)

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%, individual leadership targets 20% and Strategic initiatives 20%.	The STI performance for the 2024 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.	250,000 Restricted Shares were issued to the CEO in the FY24 financial year. Further information about the terms of the Restricted Shares, including the performance measures, is set out in note F 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 FY24.

Table A – interests awarded during the 2024 financial year.
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)
1 November 2018	Options to acquire restricted H shares	60,000	$1.90	1 July 2024
18 September 2020	Options to acquire restricted I shares	150,000	$1.50	1 July 2023
18 September 2020	Options to acquire restricted J shares	250,000	$1.50	1 January 2025
1 October 2021	Options to acquire restricted K shares	250,000	$1.90	1 January 2024
1 October 2021	Options to acquire restricted L shares	250,000	$1.90	1 January 2025

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 2024, 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			**2024**	**2023**
$100,000	–	$109,999	18	18
$110,000	–	$119,999	19	16
$120,000	–	$129,999	11	9
$130,000	–	$139,000	11	3
$140,000	–	$149,999	10	8
$150,000	–	$159,999	9	6
$160,000	–	$169,999	2	4
$170,000	–	$ 179,999	3	3
$180,000	–	$189,999	3	1
$190,000	–	$ 199,999	2	5
$200,000	–	$209,999	–	3
$210,000	–	$219,999	2	–
$220,000	–	$229,999	3	–
$230,000	–	$239,999	2	–
$240,000	–	$249,999	1	3
$250,000	–	$259,999	–	1
$260,000	–	$269,999	1	1
$270,000	–	$279,999	1	–
$280,000	–	$289,999	1	1
$290,000	–	$299,999	1	1
$300,000	–	$309,999	1	–
$310,000	–	$319,999	–	3
$320,000	–	$329,999	2	–
$340,000	–	$349,999	1	1
$350,000	–	$359,999	–	–
$360,000	–	$369,999	1	1
$370,000	–	$379,000	3	–
$390,000	–	$399,999	1	2
$400,000	–	$409,999	–	–
$410,000	–	$419,999	–	1
$430,000	–	$439,999	–	1
$440,000	–	$449,999	–	1
$470,000	–	$479,999	–	–
$500,000	–	$509,999	–	–
$510,000	–	$519,999	–	–
$550,000	–	$559,999	–	1
$570,000	–	$579,999	1	–
$580,000	–	$589,999	1	1
$590,000	–	$599,999	1	–
$620,000	–	$629,999	–	1
			112	96

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 F 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 2024.

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 2024. The total number of voting securities (fully paid ordinary shares) of the Company as at 31 March 2024 was 34,325,542. The total number of Restricted Shares of the Company as at 31 March 2024 was 2,211,000. 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 2024 was 36,536,542.

	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 30 April 2024.

Investor	Total Units	Percentage
Simon Alexander Hull & David John Graeme Cox	18,194,598	53.01%
Masfen Securities Limited	2,404,592	7.01%
Russell John Field & Anthony James Palmer	1 ,115,930	3.25%
Ma Janssen Limited	1,109,264	3.23%
New Zealand Central Securities Depository Limited	892,873	2.60%
Accordant Group Limited	517,289	1.51%
Susanne Rhoda Webster	426,750	1.24%
New Zealand Depository Nominee	426,567	1.24%
Peter Abe Hull & Antoinette Ngaire Edmonds	372,696	1.09%
Wynnis Ann Armour & Jocelyn Patricia Dutton	354,703	1.03%
Ross Barry Keenan	300,000	0.87%
Philip John Talacek & Brenda Ann Talacek	300,000	0.87%
Simon James Bennett	280,007	0.82%
Kevin James Hickman & Joanna Hickman	200,000	0.58%
Elizabeth Mary Keenan	150,000	0.44%
Lay Dodd Trustee Services Limited & Patricia Anne Neal	129,380	0.38%
Derek Arthur Andrews	110,487	0.32%
Jennifer Margaret Cherrington Mowat	104,059	0.30%
Margaret Elizabeth Price & Thomas Edward Price	102,300	0.30%
James Michael Robert Syme	100,000	0.29%

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 2024	Financial year ended 31 March 2023
Audit of the full year financial statements	314	334
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 2024.

NZX has not taken any disciplinary action against Accordant during the financial year ended 31 March 2024, 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

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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)
Laurissa Cooney (Independent Director)
Richard Stone (Independent Director)
Bella Takiari-Brame (Independent Director – appointed 1 January 2024)

Auditor

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