STRAKER TRANSLATIONS LIMITED AND GROUP
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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STRAKER TRANSLATIONS LIMITED AND GROUP
COMPANY DIRECTORY
FOR THE YEAR ENDED 31 MARCH 2017

Company Number	:	1008867
Registered office	:	C/- BDO Auckland Level 4, 4 Graham Street Auckland
Principal place of business	:	Auckland, New Zealand
Independent Auditor	:	BDO Auckland Auckland
Solicitor	:	Bell Gully Auckland
Banker	:	ANZ Bank BNZ Bank NAB Bank
Directors	:	Grant Straker Stephen Donovan James Johnstone (appointed 24 October 2016) Philip Norman Tim Williams Paul Wilson

STRAKER TRANSLATIONS LIMITED
CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

Dear Shareholder,

The last year has proven to be an exciting, growth filled year where the Board, Executive and Team have delivered excellent results for all shareholders. We have made two acquisitions proving we can execute a growth by acquisition as well as an organic growth strategy, we raised more capital to support our growth and have continued the development of our world leading technology platform.

We are now a company of more than 80 staff situated in seven offices in Auckland, Sydney, Denver, Tokyo, London, Dublin and Barcelona. This makes us a significant global player in the translation industry and our RAY technology platform has proven itself to lead the world with its advanced machine learning, crowdsourcing and frictionless content flow capabilities.

Growth through acquisition is still a major focus and we are actively engaging with various potential target opportunities. This may require us to do another capital raise for an acquisition pre and Initial Public Offer ("IPO") this financial year but will depend on the opportunity, timing and the cost of any deal.

While this would mean a small bit of dilution for existing shareholders, the increase in revenue and therefore valuation at IPO should give a good uplift in the price per share well above any dilution percentage.

Our investment in organic and acquired growth means we have increased our loss over the previous year, the good news is that we will see the benefit from this in FY18 as we move into profit. We still have very good control of our costs and with lower levels of investment in growth could have lowered our losses but believe the growth going forward will give better shareholder returns in the mid to long term.

We are now ideally placed to commit to an IPO and it is highly likely this will occur in FY18 although there are obviously many factors that need to be considered before we push the go button. An advisor has been selected for a listing on the ASX and we are engaging in pre IPO roadshows where we have seen considerable interest in supporting us at an IPO. There is also interest from external players in potentially acquiring the business so we are in a good position in terms of shareholder value and liquidity.

As I have publicly stated we believe that we can achieve a $100m+ valuation and we have been given no reasons as to why this shouldn't be the case from our recent engagement with potential investors and with comparative IPO and company sale valuations.

Thanks again for your support and I look forward to continuing to update you on our story over the following year.

Grant Straker

STRAKER TRANSLATIONS LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

The Directors are pleased to present the consolidated financial statements of Straker Translations Limited for the year ended 31 March 2017.

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of the Straker Translations Limited Group as at 31 March 2017 and the results of their operations and cash flows for the year ended 31 March 2017.

The Directors consider that the consolidated financial statements of the Group have been prepared using accounting policies appropriate to the Group's circumstances, consistently applied and supported by reasonable and prudent judgements and estimates and that all applicable New Zealand equivalents to International Financial Reporting Standards have been followed.

The Directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and enables them to ensure that the financial statements comply with the Financial Reporting Act 2013.

The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Approved for and on behalf of the Board of Directors on 24 August 2017

Director

Director

INDEPENDENT AUDITORS REPORT
TO THE SHAREHOLDERS OF
STRAKER TRANSLATIONS LIMITED

Opinion

We have audited the consolidated financial statements of Straker Translations Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated Statement of Financial Position as at 31 March 2017, and the consolidated Statement of Profit & Loss and Other Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

Basis for Opinion

We conducted our audit in accordance with 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 are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In addition to audit services, our firm provides taxation and business services to the Group. We have no other relationship with or interests in Straker Translations Limited or any of its subsidiaries.

Other Information

The Directors are responsible for the other information. The other information comprises the Chief Executive Officer's Report and statutory information, but does not include the consolidated financial statements and our Auditor's Report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, 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 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 (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 decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Who We Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which 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 and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Chris Neves.

BDO Auckland

BDO Auckland
Auckland
New Zealand
24 August 2017

STRAKER TRANSLATIONS LIMITED AND GROUP
CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 $	2016 $
Revenue	3	11,802,384	10,027,684
Cost of sales (translator contractor costs)		(5,176,115)	(3,858,697)
Gross margin		6,626,269	6,168,987
Other income		-	6,124
Selling and distribution expenses		(5,356,096)	(4,344,696)
Administration expenses		(3,272,075)	(2,702,845)
Loss from trading operations		(2,001,902)	(872,430)
Acquisition of subsidiaries costs	24	(314,383)	-
Operating loss before finance income	4	(2,316,285)	(872,430)
Finance income		30,863	131,274
Finance expense		(285,418)	(28,317)
Net financing (expense) / income	5	(254,555)	102,957
Loss before income tax		(2,570,840)	(769,473)
Income tax expense	6	(17,800)	-
Loss for the year tax after tax attributable to the owners of the Company		(2,588,640)	(769,473)
Other Comprehensive Income			
Foreign currency translation differences		103,437	(189,982)
Total Comprehensive Income for the year attributable to the owners of the Company		**(2,485,203)**	**(959,455)**

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

STRAKER TRANSLATIONS LIMITED AND GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share Capital	Accum. Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total Equity
Group - 31 March 2017		$	$	$	$	$
Balance 1 April 2016		9,707,166	(5,233,575)	24,090	(61,935)	4,435,746
Loss for the year		-	(2,588,640)	-	-	(2,588,640)
Currency translation differences		-	-	-	103,437	103,437
Total comprehensive income for the year		-	(2,588,640)	-	103,437	(2,485,203)
Transactions with owners in their capacity as owners						
Issue of share capital	16	3,997,847	-	-	-	3,997,847
Share option cost expensed		-	-	36,187	-	36,187
Balance 31 March 2017		13,705,013	(7,822,215)	60,277	41,502	5,984,577
Group - 31 March 2016						
Balance 1 April 2015		3,996,543	(4,464,102)	11,358	128,047	(328,154)
Loss for the year		-	(769,473)	-	-	(769,473)
Currency translation differences		-	-	-	(189,982)	(189,982)
Total Comprehensive Income for the year		-	(769,473)	-	(189,982)	(959,455)
Transactions with owners in their capacity as owners						
Issue of share capital	16	5,710,623	-	-	-	5,710,623
Share option cost expensed		-	-	12,732	-	12,732
Balance 31 March 2016		9,707,166	(5,233,575)	24,090	(61,935)	4,435,746

The above statement should be read in conjunction with the notes to and forming part of the financial statements

STRAKER TRANSLATIONS LIMITED AND GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Notes	2017 $	2016 $
Current Assets			
Cash and cash equivalents		3,475,178	3,413,844
Trade receivables	7	2,382,496	1,139,322
Other assets and prepayments	8	459,625	583,705
Total Current Assets		**6,317,299**	**5,136,871**
Non - Current Assets			
Goodwill	9	3,695,233	-
Capitalised software	10	813,063	346,248
Plant & equipment	11	240,637	137,240
Total Non - Current Assets		**4,748,933**	**483,488**
Total Assets		**11,066,232**	**5,620,359**
Current Liabilities			
Accounts payable	12	354,293	99,236
Sundry Creditors and Accruals	13	1,316,247	928,440
Employee Provisions	14	195,263	156,937
Earnout Liability -Current	15	1,320,473	-
Total Current Liabilities		**3,186,276**	**1,184,613**
Non- Current Liabilities			
Earnout Liability - Non-Current	15	1,895,379	-
Total Non- Current Liabilities		**1,895,379**	-
Total Liabilities		**5,081,655**	**1,184,613**
Equity			
Share capital	16	13,705,013	9,707,166
Foreign currency translation reserve		41,502	(61,935)
Share option reserve		60,277	24,090
Accumulated losses		(7,822,215)	(5,233,575)
Total Equity		**5,984,577**	**4,435,746**
Total Equity and Liabilities		**11,066,232**	**5,620,359**

Approved for and on behalf of the Board of Directors on 24 August 2017

Director

Director

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

STRAKER TRANSLATIONS LIMITED AND GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 $	2016 $
Cash flows from operating activities			
Receipts from customers		12,551,656	9,579,155
Interest received		30,863	34,743
Payments to suppliers and employees		(14,505,997)	(11,046,456)
Interest paid		(2,522)	(28,317)
Net cash used in operating activities	25	(1,926,000)	(1,460,875)
Cash flows from investing activities			
Payments for capitalised software development		(548,444)	(346,248)
Payments for plant & equipment		(86,045)	(92,925)
Payments for acquisition of subsidiaries		(1,421,291)	-
Net cash used in investing activities		(2,055,780)	(439,173)
Cash flows from financing activities			
Proceeds from issue of shares		5,000,000	6,195,826
Ordinary shares redeemed		(1,000,000)	-
Cost of share issue		(2,153)	(485,203)
Loans repaid		-	(1,007,263)
Net cash from financing activities		3,997,847	4,703,360
Net increase in cash and cash equivalents		16,067	2,803,312
Effect of exchange rate on foreign currency balances		45,267	(93,461)
Cash and cash equivalents at beginning of the year		3,413,844	703,993
Cash and cash equivalents at end of the year		3,475,178	3,413,844

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

STRAKER TRANSLATIONS LIMITED AND GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. GENERAL INFORMATION AND REPORTING ENTITY

Straker Translations Limited ("Company" or "parent") is a company domiciled and incorporated in New Zealand and registered under the Companies Act 1993. The Company and its subsidiaries (hereafter, "the Group") consolidated financial statements (hereafter "the financial statements") have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 2013.

The principal activity of the Group is the provision of translation services.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). These financial statements have been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards, International Accounting Standards and Interpretations (NZ IFRS's).

Straker Translations Limited has elected to report as a Tier 1 for-profit entity.

The financial statements comply with International Financial Reporting Standards (IFRS).

The financial statements are presented in New Zealand dollars (NZD), which is also the functional currency of the parent company. Amounts are rounded to the nearest dollar in the financial statements.

The preparation of financial statements in compliance with adopted NZ IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2(c).

a) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except as noted in the accounting policies.

b) Change of accounting policies

The Company has changed from a Tier 2 for profit entity, to a Tier 1 for profit entity. The change has had no effect on the accounting policies adopted or how they have been applied, however it has resulted in increased disclosure. Comparative information has been included for the increased disclosure.

2. BASIS OF PREPARATION (CONTINUED)

c) Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management has identified the following critical balances and transactions for which significant judgments, estimates and assumptions are made:

i) Acquisition of subsidiaries (notes 15 & 24)

The Directors have made significant judgments in respect of the accounting of subsidiaries by considering the fair value of the assets and liabilities acquired and considering the likelihood of the subsidiaries achieving their earn out targets. At the reporting date the purchase price allocation to goodwill is provisional as the Group is still obtaining historical information in respect of customers acquired in both acquisitions.

ii) Goodwill (note 9)

The Directors have used judgement in determining there is no impairment associated with goodwill by using a value-in-use calculation.

iii) Capitalised software development (note 10)

The Group has considered costs associated with software development and capitalised those that meet the criteria of their accounting policy (note 26l). Judgement is required particularly in respect of meeting those criteria.

iv) Revenue/Work in Progress ("WIP") recognition (note 8)

Translation income not considered appropriate to recognise as income in the current year, is deferred as Work in Progress on the Statement of Financial Position until the stage of completion is sufficient ensure to it is probable that economic benefits will flow to the Group. Related costs to each project are also deferred.

	Notes	2017 $	2016 $

3. REVENUE

		2017 $	2016 $
Translation revenue		11,802,384	10,027,684

4. OPERATING LOSS BEFORE FINANCE INCOME

The following items of expenditure are included in operating loss before finance costs:

		2017 $	2016 $
Selling and Distribution expenses			
Advertising and marketing		5,356,096	4,344,696
Administrative expenses			
Remuneration to parent auditor:			
- fee relating to audit of the financial statements		30,000	22,000
- taxation services		8,000	8,000
Other non-Group auditor's remuneration for audit of subsidiary entity		11,628	5,000
Amortisation of capitalised software development		81,629	-
Depreciation		86,045	67,804
Impairment loss recognised on loans and receivables (Trade Receivables)		7,516	32,657
Rent		272,215	182,540
Salaries and wages		1,192,101	958,284
Kiwisaver contributions		69,886	62,127

5. FINANCE INCOME AND EXPENSES

		2017 $	2016 $
Finance income			
Interest received on loans and receivables		30,863	34,753
Foreign exchange gain on loans and receivables		-	96,521
Total finance income		30,863	131,274
Finance expense			
Interest expense on liabilities stated at amortised cost		(2,522)	(28,317)
Foreign exchange loss on loans and receivables		(195,065)	-
Imputed interest on Earn-Out liability		(87,831)	-
		(285,418)	(28,317)
Net finance (expense) / income		(254,555)	102,957

	Notes	2017 $	2016 $

6. INCOME TAX EXPENSE

a) Income tax recognised in profit or loss

The total charge for the period can be reconciled to the accounting profit as follows:

		2017 $	2016 $
Loss before tax		(2,570,840)	(769,473)
Income tax expense calculated at 28% (2015: 28%)		(719,835)	(215,452)
Tax losses not recognised		702,035	215,452
Income tax expense recognised in profit or loss		(17,800)	-

b) Imputation credit account balances

		2017 $	2016 $
Balance at beginning of the year		10,452	32,000
Loss of Imputation credits due to share change		-	(32,000)
Imputation credits received		11,664	10,452
Balance at end of the year		22,116	10,452

c) Deferred tax

A deferred tax asset in respect of timing differences and taxation losses has not been recognised by the Group or Company as the Directors consider the recognition requirements of NZ IAS 12 are not met due to a history of recent losses.

The value of deferred tax asset not recognised as at 31 March 2017 was $538,567 (2016 $795,014). The deferred tax asset not recognised is comprised of the effect of the tax benefit of operating losses.

	Notes	2017 $	2016 $

7. TRADE RECEIVABLES

	2017 $	2016 $
Trade receivables	2,382,496	1,139,322
The above balance is net of an impairment allowance	15,251	31,423
Opening balance of impairment provision	31,423	-
Additional expense identified	7,516	32,657
Used during the year	(23,688)	(1,234)
	15,251	31,423

8. OTHER ASSETS AND PREPAYMENTS

	2017 $	2016 $
Prepayments	239,321	175,834
Tax receivables	4,339	10,435
Work in progress	215,965	397,436
	459,625	583,705

9. GOODWILL

Goodwill was recognised as a result of the acquisition of two subsidiaries (refer note 24) as follows:

	2017 $	2016 $
Goodwill from Elanex Translations Limited acquisition	2,807,087	-
Goodwill from Eurotext Translations Limited acquisition	888,146	-
	3,695,233	-

The recoverable amounts of the above CGUs have been determined from value in use calculations based on cash flow projections covering a five year period to FY2022. Revenue has been assumed to be based on budget for FY2018 and then to increase by 5% per annum thereafter.

Gross margin is expected to increase over time from the level experienced in FY2017 to the amounts below in FY2019 which are based on historic margins achieved and are closer to the Group's norms.

Other key assumptions are as follows:

	Elanex	Eurotext
Revenue FY18	\$6.2m	\$2.2m
Gross margin FY19	55%	50%
Discount rate	14.4%	14.4%
Growth rate applied to period beyond 5 years	2.5%	2.1%

10. CAPITALISED SOFTWARE DEVELOPMENT

	Notes	2017 $	2016 $
Opening Balance		346,248	-
Additions in the year		548,444	346,248
Less: Amortisation		(81,629)	-
Closing Balance		813,063	346,248

11. PLANT AND EQUIPMENT

	Computer software	Furniture and Fittings	Leasehold Equipment	Computer Equipment	Total
2017					
Cost					
Balance at 1 April 2016	34,977	84,380	4,828	224,255	348,440
From acquisitions	58,077	-	8,333	62,661	129,071
Additions	68,349	9,799	7,897	-	86,045
Disposals	-	(34,710)	(2,293)	(41,505)	(78,508)
Balance at 31 March 2017	161,403	59,469	18,765	245,411	485,048
Accumulated Depreciation					
Balance at 1 April 2016	34,362	48,775	442	127,621	211,200
Depreciation charge for the year	14,565	9,024	1,914	71,050	96,553
Disposals	-	(34,710)	(2,292)	(26,340)	(63,342)
Balance at 31 March 2017	48,927	23,089	64	172,331	244,411
2016					
Cost					
Balance at 1 April 2015	34,281	75,242	21,917	141,184	272,624
Additions	696	9,138	4,828	83,071	97,733
Disposals	-	-	(21,917)	-	(21,917)
Balance at 31 March 2016	34,977	84,380	4,828	224,255	348,440
Accumulated Depreciation					
Balance at 1 April 2015	34,030	43,595	3,574	84,114	165,313
Depreciation charge for the year	332	5,180	18,785	43,507	67,804
Disposals	-	-	(21,917)	-	(21,917)
	34,362	48,775	442	127,621	211,200
Net book value					
At 31 March 2015	251	31,647	18,343	57,070	107,311
At 31 March 2016	615	35,605	4,386	96,634	137,240
At 31 March 2017	112,476	36,380	18,701	73,080	240,637

	Notes	2017 $	2016 $

12. ACCOUNTS PAYABLE

Trade payables	354,293	99,236

No interest is incurred on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

13. SUNDRY / CREDITORS AND ACCRUALS

Accruals	350,024	202,581
Translator costs accrual	889,935	727,907
Goods and services tax	76,288	(2,048)
	1,316,247	928,440

14. EMPLOYEE PROVISIONS

Provision for holiday pay	195,263	156,937
	195,263	156,937

15. EARN OUT LIABILITY

Note 24 details the acquisition of two subsidiaries during the year.

In relation to the acquisition of Elanex, a total earn out liability of USD$1.904m is payable upon the successful achievement of revenue targets on 30 April 2017, then annually on 1 February until February 2019. The maximum earn out liability has been accrued, is payable in USD$ and has been discounted based on the Group's incremental borrowing rate and the number of years remaining under the earn out period.

It has been translated to NZD at the year-end exchange rate.

In relation to acquisition of Eurotext, an earn out liability of €0.5m is payable upon the successful achievement of revenue targets on 11 October 2017 and 11 October 2018. The maximum earn out liability has been accrued, is payable in Euros € and has been discounted based on the Group's incremental borrowing rate and the number of years remaining under the earn out period.

The liability has been translated to NZD at the year-end exchange rate.

Current	1,320,473	-
Term	1,895,379	-
	3,215,852	-

16. SHARE CAPITAL

	Notes	2017 $	2016 $
Balance at beginning of the year		9,707,166	3,996,543
Proceeds from issue of redeemable preference shares during the year		5,000,000	6,195,826
Repayment of proceeds to existing shareholders (ordinary shareholders)		(1,000,000)	-
Costs of share issue		(2,153)	(485,203)
Balance at end of the year		13,705,013	9,707,166

	2017 No# of Shares	2016 No# of Shares
Share capital at the beginning of the year	3,126,614	2,434,692
Ordinary shares (redeemed and cancelled) / issued	(90,909)	22,472
Convertible preference shares issued during the year	454,545	669,450
Balance at end of the year	3,490,250	3,126,614

The company has issued 2,366,255 ordinary shares (2016: 2,457,164) at year end. These shares have no par value. Ordinary shares have equal voting rights and share equally in dividends and surplus on winding up.

The Company has issued 1,123,995 convertible preference shares (2016: 669,450) The convertible preference shares have equal voting rights and share equally in dividends as ordinary shares, but rank ahead of ordinary shares on wind up.

During the year 90,909 ordinary shares were redeemed and cancelled for $1,000,000. 454,545 convertible preference shares (2016: 669,450) were issued for a total net value of $4,997,847 (2016: $5,710,623).

17. GROUP SUBSIDIARIES

Subsidiary	Country of Incorporation	Ownership Interest (%) 2017	Ownership Interest (%) 2016
Straker Europe Limited	Ireland	100%	100%
STS Translations Inc (USA)	United States of America	100%	100%
Straker Translations Pty Limited	Australia	100%	100%
Straker Spain SL	Spain	100%	100%
Straker UK Limited	United Kingdom	100%	100%
Eurotext Translation Limited	Ireland	100%	-%
Elanex Translation Inc	United States of America	100%	-%

Straker Spain SL is a 100% subsidiary of Straker Europe Limited. All subsidiary companies have March balance dates.

18. CAPITAL MANAGEMENT

The Group's capital includes share capital and retained earnings. The Group's policy is to maintain a strong share capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

While the Group is in growth mode, and is incurring operating losses, the Group issues new share capital from time to time to ensure that the Group has sufficient resources to enable the settlement of liabilities as they fall due.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes in the Group's management of capital during the period.

19. EVENTS AFTER THE REPORTING PERIOD

There were no reported significant events after balance date as at 31 March 2017.

20. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk; and
- Foreign exchange risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade and other receivables
- Trade and other payables

Financial risk management objectives, policies and processes

The principal financial instruments of the Group comprise cash and cash equivalents, trade receivables, and other assets, accounts payable and sundry creditors and accruals.

The Group manages their exposure to key financial risks, including interest rate, currency risk, and credit risk in accordance with the Group's financial risk management policies. The objective of these policies is to support the delivery of the Group's financial targets whilst protecting future financial security.

The purpose is to manage the interest rate, currency, and credit risks arising from the Group's operations and its sources of finance. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

i) Financial instruments by category

31 March 2017

	Notes	Loans and Receivables $	Liabilities at Amortised Cost $	Fair value through Profit or Loss $	Total Carrying Amount $
Financial Assets					
Cash and cash equivalents		3,475,178	-	-	3,475,178
Trade and other receivables	7	2,382,496	-	-	2,382,496
Total		5,857,674	-	-	5,857,674
Financial Liabilities					
Trade payables	12	-	(354,293)	-	(354,293)
Accruals	13	-	(889,935)	-	(889,935)
Earn out liability	15	-	-	(3,215,852)	(3,215,852)
Total		-	(1,244,228)	(3,215,852)	(4,460,080)

Maturity analysis - Contractual liabilities

	Due Current	Due 1-12m	Due 13-24 m	Due 25-36m	Total
Trade Payables and Accruals	1,244,228	-	-	-	1,244,228
Earn out liability	485,298	875,137	1,236,521	932,323	3,529,279
	1,729,526	875,137	1,236,521	932,323	4,773,507

31 March 2016

	Notes	Loans and Receivables $	Liabilities at Amortised Cost $	Fair value through Profit or Loss $	Total Carrying Amount $
Financial Assets					
Cash and cash equivalents		3,413,844	-	-	3,413,844
Trade and other receivables	7	1,139,322	-	-	1,139,322
Total		4,553,166	-	-	4,553,166
Financial Liabilities					
Trade payables	12	-	(99,236)	-	(99,236)
Accruals	13	-	(727,907)	-	(727,907)
Total		-	(827,143)	-	(827,143)

Maturity analysis

Trade payables and accruals are payable on demand .

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

ii) Credit Risk

Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents and trade receivables.

In the normal course of business, the Group incurs credit risk from debtors and transactions with banking institutions. The Group manages its exposure to credit risk by:

- holding bank balances and short-term deposits with banking institutions with good credit ratings; and
- maintaining credit control procedures over debtors. The Group performs credit evaluations on all customers requiring credit.

The maximum exposure at reporting date is equal to the total carrying amount of cash and cash equivalents, short-term deposits and trade receivables as disclosed in the Statement of Financial Position. At each reporting date, trade receivables are reviewed for indicators of impairment. Where there are indicators of impairment, an impairment allowance in the value of the receivable is made and recognised in profit or loss.

The Group does not require any collateral or security to support these financial instruments and other debts it holds due to the low risk associated with the counterparties to these instruments.

iii) Liquidity risk

The Group closely monitors its cash inflows and cash requirements to manage the net position in order to maintain an appropriate liquidity position. The Directors consider that with the monies raised from the issue of share capital (Note 16) that liquidity is sufficient for the foreseeable future.

iv) Foreign currency risk

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities. The foreign currencies in which the Group primarily transacts are Euros and US Dollars. The Group does not currently hedge its exposure, but does have a natural hedge in that the majority of its receipts and payments are in U.S. Dollars.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2017	**2016**	**2017**	**2016**
AUD	0.9080	0.9199	0.9135	0.9023
EUR	0.6310	0.6125	0.6541	0.6070
US	0.6950	0.6786	0.6985	0.6909
GBP	0.5220	-	0.5614	-
JAP	77.925	-	78.0057	-

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

iv) Foreign currency risk (continued)

The table below summarises the material foreign exchange exposure on the net monetary assets and liabilities of entity against its respective functional currency, expressed in NZD:

	2017 NZ$	2016 NZ$
EUR	341,491	735,649
US	1,668,352	909,135
AUD	162,144	497,386
GBP	440,750	-
JAP	78,831	-

Sensitivity analysis

Based on the net exposure above, the table below outlines the sensitivity of profit and equity to reasonably likely movements of that currency to the NZD.

	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
Group	2017 NZ$	2016 NZ$	2017 NZ$	2016 NZ$
10% weakening in NZD / EUR	34,149	73,540	34,149	73,540
5% strengthening in NZD / EUR	(17,075)	(36,782)	(17,075)	(36,782)
10% weakening in NZD / US	166,835	90,913	166,835	90,913
5% strengthening in NZD / US	(83,418)	(45,456)	(83.418)	(45,456)
10% weakening in NZD / AUD	16,214	49,738	16,214	49,738
5% strengthening in NZD / AUD	(8,107)	(24,869)	(8,107)	(24,869)
10% weakening in NZD / GBP	44,075	-	44,705	-
5% strengthening in NZD / GBP	(22,038)	-	(22,038)	-
10% weakening in NZD / GBP	7,883	-	7,883	-
5% strengthening in NZD / GBP	(3,942)	-	(3,942)	-

21. RELATED PARTY TRANSACTIONS

The Group's related parties include its subsidiary companies as disclosed in Note 17. All related party transactions within the Group are eliminated on consolidation.

a) Transactions during the normal course of business

The following transactions were noted during the year with related parties:

Related Party	Relation	Description of Transaction	Value of Transaction 2017 $	Balance Outstanding 2017 $	Value of Transaction 2016 $	Balance Outstanding 2016 $
Buro Seating LP	Director	Office Equipment	-	-	1,745	-

The amounts outstanding are unsecured, on normal trade terms and will be settled in cash. All balances are payable on demand and interest free.

No guarantees have been given or received. No impairment has been recognised in the period in respect of the amounts owed by related parties.

The Parent company, Straker Translations Limited has provided a Letter of Ongoing Financial Support to Straker Europe Limited, confirming that it will provide ongoing financial support for the foreseeable future, a period not expected to be less than 12 months from the date the letter was provided. The financial results, position, and commitments of Straker Europe Limited have been consolidated within these financial statements.

b) Transactions with key management personnel

Key management of the Group are considered to be members of the Board of Directors of Straker Translations Limited.

As required by s(211)(f) of the Companies Act 1993, the following key management personnel remuneration was paid out during the year:

	Consulting Fees	Employee Benefits - Defined Contribution Plan	Share Options Vested	Salary & Fees	2017 $	2016 $
Grant Straker	-	8,523	1,817	225,092	235,432	221,782
Stephen Donovan	33,100	4,843	1,817	157,494	197,254	212,399
Phillip Norman	50,000	-	1,817	-	51,817	45,593
Tim Williams	42,000	-	-	-	42,000	35,000
Paul Wilson	39,996	-	-	-	39,996	28,885
James Johnstone	16,518	-	-	-	16,518	-
Merryn Goble	-	-	-	-	-	153,127
	181,614	13,366	5,451	382,856	583,026	696,786

22. SHARE OPTIONS

Options to subscribe for shares have been issued to certain Directors and employees of the Company. The purpose of this plan is to incentivise, to attract, retain and reward certain staff for their service to the Company and to motivate them to contribute to the growth and profitability of the Company.

The options vest in portions which end each financial year end. All options are fully exercisable by 31 March 2018.

Reconciliation of outstanding options	No of Options	Average Exercise Price
Balance at 1 April 2016	35,025	$6.14
Issued during the year	53,804	$11.00
Lapsed/Exercised during the year	-	-
Balance at 31 March 2017	88,829	$9.2
Exercisable at 31 March 2017	34,247	$6.14
Exercisable at 31 March 2016	23,613	$5.96

The fair value of options granted was measured based upon the Black Scholes pricing model. Expected volatility is estimated by considering historic average share price and internal valuation volatility.

Fair Value on grant date	2017 $	2016 $
Share Price at grant date	$11.00	$8.71
Exercise Price	$11.00	$8.71
Expected Volatility	30%	30%
Expected Life	1.25 years	2.3 years
Risk Free rate	3%	3%

Directors
The following Directors hold the following number of options as at balance date:

Name	Exercise Price	Number of Options
2017		
Grant Straker	5.96	4,196
Stephen Donovan	5.96	4,196
Philip Norman	5.96	4,196
2016		
Grant Straker	5.96	4,196
Stephen Donovan	5.96	4,196
Philip Norman	5.96	4,196

23. OPERATING LEASE ARRANGEMENTS - AS LESSEE

	2017 $	2016 $
Minimum lease payments - Non-cancellable operating lease commitments		
No longer than one year	173,896	159,020
Longer than one year and not longer than five years	171,689	290,363
	345,585	449,383

The Group as lessee

Operating leases relate to office premises with lease terms of between 1 to 3 years, with an option to extend for a further 3 years. All operating lease contracts contain market review clauses in the event that the Group exercises its option to renew. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

24. ACQUISITION OF SUBSIDIARIES

During the year, the Group acquired two subsidiary companies, Eurotext Translation Limited ("Eurotext"), effective from 1 October 2016 and Elanex Translation Inc ("Elanex") effective from 1 February 2017.

Both entities are providers of translation services and the acquisitions were made as part of the growth strategy of the Group. The goodwill for both acquisitions reflect intangibles assets which do not qualify for separate recognition and include synergies expected.

Eurotext Translation Limited "Eurotext" (Republic of Ireland)
On 1 October 2016 the Group obtained control of Eurotext by acquisition of 100% of the share capital of the company.

Elanex Translation Incorporated "Elanex" (USA)
On 1 February 2017 the Group obtained control of Elanex by acquisition of 100% of the share capital of the company.

At the reporting date the purchase price allocation to goodwill is provisional as the Group is still obtaining historical information in respect of customers acquired in both acquisitions.

The following table summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date. All amounts are in NZD.

	Eurotext	Elanex	Total
Fair value of consideration transferred			
Cash paid (NZD)	385,802	2,270,241	2,656,043
Fair value of earn-out liability on acquisition	753,858	2,374,162	3,128,020
Total consideration transferred	1,139,660	4,644,403	5,784,063
Identifiable assets and liabilities acquired			
Cash	160,200	1,074,552	1,234,752
Debtors and other receivables	480,056	1,224,181	1,704,237
Fixed assets	129,071	-	129,071
Creditors and accruals	(540,036)	(462,557)	(1,002,593)
Tax	(1,295)	1,140	(156)
GST (VAT)	23,518	-	23,518
Total identifiable net assets	251,514	1,837,316	2,088,830
Goodwill resulting from acquisition	888,146	2,807,087	3,695,233

Goodwill is not expected to be tax deductible.

25. ACQUISITION OF SUBSIDIARIES (CONTINUED)

The revenue and profit included in profit and loss since acquisition for each subsidiary is shown below:

	Eurotext	Elanex	Total
Revenue (since date of acquisition)	1,037,068	1,088,553	2,125,621
Profit/Loss after tax (since date of acquisition)	(10,918)	(20,584)	(31,502)

If the acquisition date for all business combinations that occurred during the year 1 April 2016, the pro forma revenue and profit of each would have been:

	Eurotext	Elanex	Total
Revenue	1,993,689	6,757,167	8,750,856
Deficit after tax	(348,669)	(614,378)	(963,047)

A liability is recognised for contingent future earn out liability. This is detailed in note 15.

26. RECONCILIATION OF NET PROFIT FOR THE YEAR WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

	2017 $	2016 $
Net loss for the year	(2,588,640)	(769,473)
Adjusted for:		
Non-cash items		
Amortisation of capitalised software development	81,629	-
Bad debts	7,817	-
Depreciation	96,553	67,804
Asset written off	15,166	-
Imputed interest on earn out Liability	87,831	-
Share options	36,187	12,732
Impact of changes in working capital items		
Movement in debtors, prepayments and other debtors	272,682	(655,796)
Movement in creditors, accruals and other payables	(43,020)	(37,806)
Movement in tax provisions	5,941	-
Movement in GST	101,854	(78,336)
Net cash flow from operating activities	(1,926,000)	(1,460,875)

27. GOING CONCERN

The consolidated financial statements at 31 March 2017 disclose an operating deficit of $2.6m, operating cash outflows of $1.9m and positive net working capital of $3.1m. In addition, the Group has up to $1.4m of earn out liability to pay within 12 months from the date of signing of these financial statements.

The Directors have considered the current financial position of the Group and the going concern assumption, and are of the belief that the going concern assumption is valid on the basis of the following:

The Group's forecast cashflows indicate they will be in a position to pay their debts as they fall due in the foreseeable future being a period of 12 months from the date of signing the financial statements. The key assumptions to the forecast are that the Group will achieve a breakeven operating cashflow for the year ended 31 March 2018 based on sales growth across all subsidiaries and from synergies arising from the integration of the Eurotext and Elanex acquisitions. The Directors acknowledge there are uncertainties associated with achieving the revenue growth and synergies but consider there is headroom or capital raising options available should the forecast not be met.

These financial statements do not include any adjustments that may need to be made to reflect the position should the Group be unable to continue as a going concern. Such adjustments may include assets being realised at other than the amounts at which they are recorded in the consolidated Statement of Financial Position. In addition, the Group may have to provide for further liabilities that might arise.

28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The financial statements incorporate the financial statements of the Parent and entities controlled by the Company (its subsidiaries). Control exists when the Parent is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Parent controls a subsidiary if and only if the Parent has all the following: (a) power over the subsidiary; (b) exposure, or rights, to variable returns from its involvement with the subsidiary; and (c) the ability to use its power over the subsidiary to affect the amount of the Parent's returns.

The results of subsidiaries acquired or disposed of during the period are included in the 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 their accounting policies 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.

b) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recovered 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 (the net amount of the GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

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

c) Tax

The income tax expense comprises current and deferred tax. The income tax expense is recognised in profit and loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts for taxation purposes.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Tax (continued)

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination that affects neither accounting nor taxable profit or loss to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax assets and liabilities on a net basis.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

d) Foreign currency translation

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date, with any gain or loss being recognised in the profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of Group companies functional currency to presentation currency

The transactions of foreign subsidiaries are translated into New Zealand dollars at the average monthly rate. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve ("FCTR") in other comprehensive income.

When a foreign operation is disposed of in part or in full, the relevant amount in the FCTR is transferred to the profit or loss as part of the profit or loss on disposal.

28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and is recorded net of sales taxes, value added taxes, discounts and after eliminating sales within the Group.

Translation services: Translation contracts are typically designed around milestone achievement. Normally invoicing is aligned to these milestones. Revenue recognition, however, is aligned to the percentage of work completed.

Work in Progress
Translation income not considered appropriate to recognise as income in the current year, is deferred as Work in Progress on the Statement of Financial Position until the stage of completion is sufficient ensure to it is probable that economic benefits will flow to the Group. Related costs to each project are also deferred.

Interest revenue
Interest revenue is recognised using the effective interest method.

Other income
Other income is predominantly rental income which is recognised when received.

f) Financial instruments

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group's transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Regular way purchases and sales of financial instruments are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the instrument. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Financial instruments (cont'd)

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade receivables, other assets and prepayments, accounts payable, sundry creditors and accruals.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Subsequent to initial recognition, other non-derivative financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Financial assets categorised as "Loans and Receivables" comprise:

- Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

- Trade and other receivables

Receivables of a short term nature are not discounted.

Non-derivative financial liabilities

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise accounts payable, sundry creditors and accruals.

Derivative financial instruments

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in profit or loss.

Derivative financial liabilities comprise earn out liability.

28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Plant and equipment

Owned assets
All plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items bringing them to the condition and location intended by management.

Where material parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Subsequent costs
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation
Depreciation is recognised in profit or loss over the estimated useful lives of each part of an item of plant and equipment.

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

The following depreciation rates are used in both years:

▪ Computer equipment	25% -50% Straight Line
▪ Computer software	25% -50% Straight Line
▪ Furniture and fittings	25% -50% Straight Line
▪ Leasehold equipment	8% -10% Straight Line

The residual value, depreciation method and estimated useful life of plant and equipment are reassessed at each reporting date.

h) Goodwill

Goodwill represents the excess of the cost of a business combination over the total fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities acquired at acquisition date.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree. Contingent consideration is included in cost at its fair value at acquisition date and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated Statement of Profit & Loss and Other Comprehensive Income on acquisition date.

28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Impairment of assets

Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset and that effect can be measured reliably.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics. Significant financial assets that are not found to be impaired when individually tested are included in collective testing.

Impairment allowances are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such an allowance being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such allowances are recorded in a separate allowance account with the loss being recognised within administrative expenses in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

Non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in profit or loss.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to present value using the a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

A cash-generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets.

j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Employee Benefits

Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Equity settled share option plan

The Employee Share Option Plan allows Group employees to acquire shares in the Company. The fair value of options granted is recognised as an employee expense in profit and loss with a corresponding increase in the share option reserve. The fair value is measured at the grant date and spread over the vesting periods. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account terms and conditions upon which the options are granted. When options are exercised the amount in the share option reserve relating to those options, together with the exercise price paid by the employee, is transferred to share capital. The amounts that relate to vested options which lapse or pass maturity is transferred to retained earnings.

l) Capitalised software development

Research costs are expensed as incurred. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are expensed when incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period. Development costs that have a finite useful life that have been capitalised are amortised from the commencement of the time at which they are available for use on a straight-line basis over the period of its expected benefit, not exceeding five years.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed (currently five years). The amortisation expense is included within the administration expenses in the consolidated Statement of Profit & Loss and Other Comprehensive Income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated Statement of Profit & Loss and Other Comprehensive Income as incurred.

STRAKER TRANSLATIONS LIMITED AND GROUP
STATUTORY INFORMATION

As required under s(211) of the Companies Act 1993, the Company and Group disclose the following statutory information.

Entries Made into the Companies Interests Register

Director	Relevant Interest	% of Ordinary Shares Owned 31 March 2017	% of Ordinary Shares Owned 31 March 2016
Stephen Donovan	Ordinary Shares	5.88%	6.67%
Grant Straker	Ordinary Shares	24.94%	31.19%
Tim Williams	Ordinary Shares	0.32%	0.36%

Number of Employees or Ex-Employees, excluding Directors, who received benefits exceeding $100,000 during the year

	No# of Employees
$100,000 to $110,000	1
$110,001 to $120,000	1
$130,001 to $140,000	1
$140,001 to $150,000	2
$150,001 to $160,000	1
$170,001 to $180,000	1

Donations made

The Group did not make any donations during the year (2016: nil).