ANNUAL REPORT 2023

ASX : STG

Straker Translations Limited

straker LanguageCloud

ABOUT **STRAKER**

As an AI language tech pioneer, Straker is well-positioned to be a leading player as AI continues to disrupt the language industry.
As a Top 100 company with unique technology and a global services reach, Straker is capable of delivering an AI-enhanced human-in-the-loop platform at scale to meet the changing needs of the market.

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HIGHLIGHTS

Straker Translations (Straker, also referred to as Company) has delivered another strong year of growth, building its reputation as a changemaker in the international translations sector and consolidated its reputation as a globally capable technology-led translations partner.

$59.4M

Revenue up 6% on FY2022 despite 2nd half macro-economic headwinds

$1.4M

Adjusted EBITDA of $1.4m, up from $0.2m in 2022

57%

Record gross margins, increase of 270 basis points compared to FY22

$12.5M

Strong cash balance, added $1.7m of cash in Q4

OPERATIONAL **HIGHLIGHTS**

IDEST business acquired in FY22, has outperformed market conditions and grew revenue versus the previous year

Free Cash Flow Positive $1.0m in FY23-H2

Renewed landmark strategic translations partnership with IBM for another 3 years

Adjusted EBITDA $1.4m in FY23

Integration of our AI-Powered RAY (RAY) Translation platform with the Lingotek and IBM platforms to drive productivity and margin improvements.

CHAIRMAN & CEO'S REVIEW

Dear fellow shareholders,

FY23 was a particularly interesting year for the Language Services Provider (LSP) industry. To put it in context, it was preceded by two exceptional years which saw firstly a COVID induced slowdown in 2020, only to be followed by a boom year in 2021, propelled by a backlog of demand and an overall economic recovery following the COVID crisis.

In 2022, the global economy began experiencing inflation and an energy crisis, a war in Europe as well as mass layoffs in the tech industry which all contributed to an overall uncertainty by customers. This saw the industry slow as clients in general reduced order volumes as well as a reduction the number of languages being localised. According to industry expert Nimzdi the median revenue growth rate of the Top 100 LSP's in 2022 was 5%, vs 15% in 2021.[1]

The economic impact of these factors propelled interest rates higher around the world as numerous central banks acted to combat surging inflation. Over FY23 the US 10 year bond yield, for example, increased from 2.31% to 3.57%, close to its highest level in well over a decade. This had a dramatic impact on the valuations of pre-profitable technology stocks whose valuations are especially sensitive to interest rates and its effects were most acutely felt by smaller companies. In Australia, the ASX Emerging Companies Index fell 22% during the year, almost double the decline of large capitalisation companies, as measured by the ASX All Technology Index, and more than four times the decline experienced by the broader Australian share market.

Unfortunately, Straker's share price was not immune to this pervasive dynamic and declined materially during FY23. A measure of comfort may be gained, however, by the superior relative share price performance of Straker for the year, which returned a result at the top of its ASX peer group.

Despite the well documented macro and market challenges, we are pleased to report that in FY23 Straker continued its long track record of sales growth, having more than tripled its revenue since its IPO, delivered a consecutive year of Adjusted EBITDA profitability and produced Free Cash Flow in Q4.

Growth Continues

In FY23 our revenue grew 6% vs the prior year to $59.4m. Cash receipts, a strong indicator of the health of our business, were up a robust 23% to $62m.

Straker is a global company, and the tempo of worldwide activity is not synchronised. Thus, we saw distinct trends emerge through the year worthy of highlight: a steady improvement in Asia Pacific revenue; a strong recovery in IBM revenues towards the end of the year, although still below peak levels; stable volumes in the recently acquired IDEST; and lastly, a volatile performance in Europe and North America.

Whilst the Company continued to win new business across our various regions, a major achievement in FY23 was the extension of the existing relationship with IBM. Straker signed its landmark two-year strategic translations services agreement with IBM in November 2020. This transition witnessed IBM's shift from managing 110 distinct vendors, primarily relying on manual processes, to adopting Straker as a comprehensive solution that facilitated localisation support across 55 different languages.

1.The 2023 Nimdzi 100: The Ranking of the Top 100 Largest Language Service Providers

In November 2022, IBM signed an extension to this agreement but with expanded scope, highlighting our technical excellence by citing the "significant productivity and efficiency gains" accruing to IBM through working with Straker. The agreement now runs for a further three years, effective from Jan 1, 2023, a year longer than the extension option originally envisaged.

Among other aspects, it now covers translations 'around the clock' for any combination of languages that IBM might request. In our view, IBM's choice to continue work exclusively with Straker under an expanded scope is an emphatic confirmation of the market leading quality of our technology, and product strategy.

Notwithstanding the moderation in the sector's growth in FY23, the LSP industry's growth story remains intact. As one commentator eloquently put it, "every industry, every company, every business transaction in the world relies on language. Without language, society and the economy would grind to a halt."[2] This remains a constant.

At the time of our IPO in 2018 the LSP market was estimated at US$50bn. Now, five years later, the market in 2022 was estimated at US$64.7bn and is forecast to reach $90.8bn over the next 5 years.[3] Ours is an accelerating growth story.

Earnings & Balance Sheet Strength

In addition to our top line growth, in FY23 Straker delivered Adjusted EBITDA of $1.4m. This result was due to a rigorous focus on costs as well as material Gross Margin improvements, particularly in the second half. Importantly, this has not come at the price of constricting growth or R&D.

As the Company continued to integrate the lower margin revenue from the IDEST we saw a healthy improvement in Gross Margin. An especially strong result in Q4 saw the Gross Margin for the full year rise to 57% versus 54% in the prior year.

Through the year Straker also steadily and materially reduced its operating costs, taking out approximately $5m in expenses on an annualised basis. Salary expense was reduced by 15%, including a 16% reduction in production costs in Q4.

As a result of these efforts and continued revenue growth the Company remains well funded. Operating Cashflow for FY23 was $1.4m and benefitted from a very strong performance in the final Quarter thanks to strong cash receipts and the positive impact of expense reductions secured earlier in the year. Most importantly, also in the final Quarter of the year the Company generated Free Cashflow[4] of $1.7m. As a result of this cashflow performance Straker ended the year with $12.5m cash and debt free.

Research & Development

As an AI language tech pioneer Straker is very well positioned to be a leading player as AI continues to disrupt the industry. Whilst we have had a strong internal focus on cost control, we have not slowed down the pace of our R&D investment. It has been our view that the world of localisation is evolving, and customers are increasingly looking for eco-system providers that are integrated into customer processes and this has been the focus of our recent efforts.

As we highlighted at our FY22 AGM we are now transitioning to a new innovation cycle that will further extend our technology advantage over our competition. COVID lockdowns have accelerated workplace app usage and have permanently changed workplace behaviour. Our focus is on driving the seamless integration of our RAY platform with the workplace 'super apps' such as Slack and Microsoft Teams, a move aligned with our strategy to 'be where the customer works'.

We have developed an app for Slack that allows Straker clients to order translations and monitor the progress of those translations without leaving the Slack environment. The approach, further enhances the user experience of our clients, allowing their teams to order and manage translations within their normal workflow. IBM, with whom we have been the exclusive provider of translation services for over two years now, was our launch customer for this application.

2."The Biggest Opportunity in Generative AI is Language, Not Images" Forbes November 2022
3.The 2023 Nimdzi 100: The Ranking of the Top 100 Largest Language Service Providers
4.Defined here as Operating Cashflow less Investing Cashflow

A key focus during the year was the consolidation of RAY Cloud and RAY Enterprise into the RAY LanguageCloud product. RAY LanguageCloud is a frictionless product designed to be integrated into workplace apps taking language and workflows into everyday tools our customers use. The product forms a key plank of our organic growth strategy.

Growth Strategy

Particularly since Straker's IPO, M&A has been a key element of our growth strategy. Traditionally, it has been challenging to persuade customers to transition to more efficient translation methods due to the strong relationships they have already established. Over the course of many years, trust has been built, with customers recognising the higher value of intimate customer knowledge regarding style and content, thus creating a reluctance to disrupt well-established workflows. Thus, Straker pursued acquisition led growth to secure customers and then integrate the newly acquired business. Straker acquired 9 businesses over the last 8 years, the most recent being IDEST in Europe in January 2022.

In FY23, however, we did not close any transactions. This reflects several factors, a lack of attractively priced targets; an unwillingness, despite our focus on accretive acquisitions, to use our own SCRIP as funding given the depressed share price; and finally, the priority placed on maximum extraction of efficiency gains from previously acquired businesses.

Most importantly, it is also reflective of an increasing focus on organic growth. During the year a broad review of the Company's market opportunity culminated in a clarity of our Mission: "delivering our customers a frictionless language cloud environment they can trust" and a reinvigorated focus on maximising the opportunities that exist across our current business. With customers now proactively looking for AI driven solutions more than ever before as they become increasingly aware of the costs efficiencies which AI can yield, we believe a cost-effective organic growth-focused strategy provides the best opportunities for Straker, given our technology edge.

Embedding deeply into workplace super apps, for example, and leveraging them as a sales channel for low-cost customer acquisition by Straker is key. Apps like Slack and Microsoft Teams have extraordinary reach verging on ubiquity when it comes to Enterprise workplaces in particular. There are an estimated 1m organisations using Microsoft Teams and Slack is used by an estimated 280m active users per month. These applications can extend into third-party app ecosystems, replacing internal functions that might have been handled by a variety of tools, reducing friction for clients, and improving their productivity. Our clients want products that are easy to use inside their existing workplace environments, a closed loop for security and highly scalable.

Straker is well advanced on this path. The RAY Slack application went live with IBM during the second Half. After launching the RAY LanguageCloud app during the year Straker now has put it through the Microsoft Teams screening process and it is expected to be available in the Microsoft Teams app store early in FY24.

Artificial Intelligence

Straker completed its IPO in 2018 and our prospectus noted that:

The growing use of artificial intelligence and machine learning in providing translation services is enabling greater efficiency in translation delivery. However, these technologies have not evolved anywhere close to the point where fully automated translation can be widely used.

In our view, five years later this remains the case. Neural machine translation offerings such as Google Translate and DeepL have been around since before Straker's IPO. The much more recent public launch of Chat GPT however has significantly increased the public's awareness and understanding of the immense power of large language models.

Large language models are expected to yield an acceleration in the creation of content as well as the productivity of human translators. Rather than disrupting, Generative Pre-trained Transformers (GPT) are likely to drive sustained innovation and gradually reduce the amount of human labour required for revision for simple translation needs.

However, where large language models such as ChatGPT perform poorly is in standalone translation of highly technical and nuanced writing – the market where Straker is primarily focused. Financial, legal and medical translations or any other highly specialised industry requiring bespoke knowledge is not compatible with large language model translation. Human revision will still be necessary to fact-check and review translations in high-risk scenarios.

Perhaps the key problem with technologies such as ChatGPT is one of confidentiality. ChatGPT users need to bear in mind that whatever they plug into ChatGPT is stored by OpenAI and used to improve its own algorithms. This fact alone would breach many companies' internal protocols on data protection of sensitive information and customer data.

In our view this technology is an opportunity for Straker, and the winners in our space will be those LSPs that integrate GPT into their customer workflows, train specific domain language models, and fuse the technology with professional tech-savvy linguists.

Board Changes

Shareholders will note the composition of the Board changed during the year. Former Non-Executive Chairman Phil Norman stepped down after eight and a half years on the Board. Non-Executive Director Tim Williams also retired, which then saw Steve Bayliss joining as Independent Non-Executive Director in his place. Both Phil and Tim helped guide Straker through its IPO on the ASX and provided valuable guidance to the Executive team till their respective retirements. We take this opportunity to again acknowledge their invaluable counsel over many years. Major shareholder Bailador's Board representative, Paul Wilson retired after seven years of service, to be replaced by James Johnstone, whom we welcome back to the Board. We thank Paul and wish him well.

In addition to these changes the Board undertook and implemented changes to its operating structure and focus. The renamed Audit & Risk Committee continues to be chaired by Independent Non-Executive Director Amanda Cribb who is well qualified to assist the organisation in this capacity. The newly named People & Culture Committee is chaired by Steve Bayliss with a broader remit than just remuneration and nominations. Both Committees have at least an even split of independent directors and meet more frequently to help the needs of the organisation at large.

With changes to the overall remuneration for the Board of Directors, a new Share Ownership Policy was introduced. This policy mandates that each Director acquires shares of Straker Translations Ltd from the market within their initial three years of service, equivalent in value to their annual director fees. This strategic initiative fosters alignment between the Board of Directors and all our shareholders.

In closing, on behalf of the Board we would like to thank our staff for their commitment this year to serving our customers and continuing to grow the business. The last several years have been marked by volatility and global crisis of one kind or another, with FY23 no different, but our staff have endured and delivered. And to our shareholders, we thank you for your continued support. Our market is expected to continue to exhibit a steady trend of growth and with Straker's leading technology you can expect to see the Company continue to deliver success.

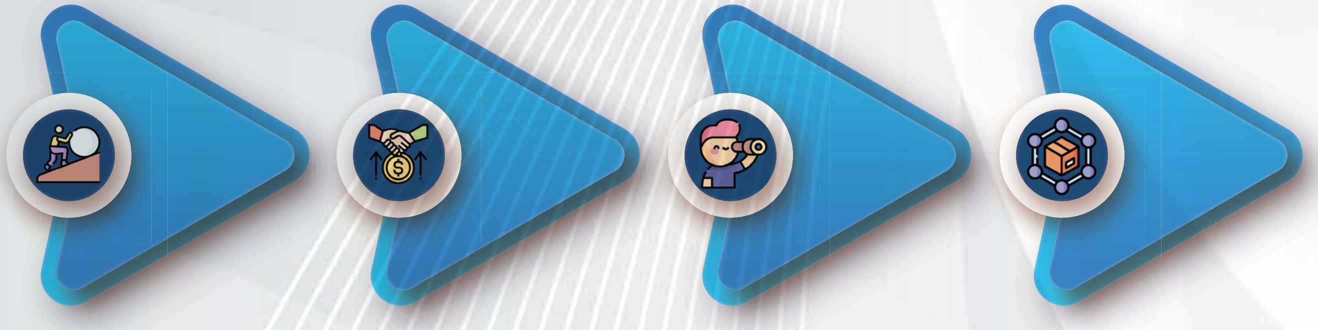
Heith Mackay-Cruise
Chairman

Grant Straker
Chief Executive Officer

OUR **STRATEGY**

Deliver our customers a frictionless translation environment they can trust

Straker Translation's strategy is built on innovation and growth.



It has traditionally been difficult to get customers to switch to more efficient translation methods

That meant we pursued an acquisition strategy to acquire customers and get consolidation benefits

With customers now actively looking for AI driven solutions we believe a cost effective organic strategy is a better option

Embedding deeply into vertical channels Push into market verticals and technology verticals

Generative AI Technology Innovation

Our proposition is founded on our advanced LanguageCloud Technology. Our goal is to be the world leaders in using generative AI driven technology to enhance translator productivity.

Straker continues to invest in R&D with some notable achievements:

- We have developed new 'vertical channel' technology with our integration into workplace apps like Slack and Microsoft Teams
- Significantly reduced our Opex through internal automation
- Created a new product-led team under newly appointed Head of Product
- Developed a PaaS platform offering (Platform as a Service)
- Integrated the IDEST team into our LanguageCloud platform
- Integrated generative AI access directly into our translator tools

TECHNOLOGY

The Straker LanguageCloud offers an enterprise grade solution with generative AI integration

- Automation into systems
- Easy sign up
- Workplace apps, no need for another portal
- All languages and functions
- One stop shop (translations, transcreation, interpreting, media)

Easy

- Closed loop AI enhanced systems
- Overarching security layer
- Secure human-in-the-loop process

Secure

- Scalable
- Full power for AI enhanced human in the loop quality
- Deep integration into customer systems
- Project management
- Vendor management
- 20,000+ human translator pool
- 100+ languages

Powerful

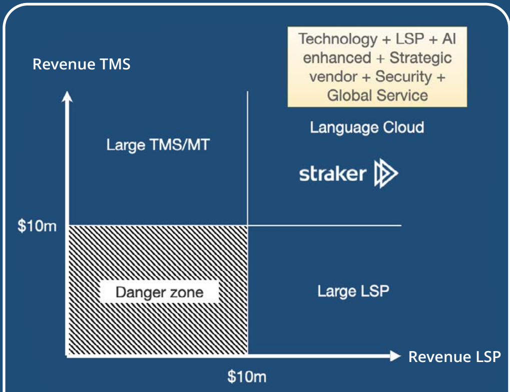
Market Leaders in the LanguageCloud category

Enterprise customers are looking for

- a strategic, technology based supplier
- can deliver multiple languages
- productivity based pricing
- technology hooks and security layers
- workplace apps to lower costs and simplify the translation process

Industry Shift Opportunity

With the industry already starting to consolidate, Opex tightening for many organisations, and the latest wave of generative AI bringing more awareness of its power, there is a significant opportunity to win new business as customers look for LanguageCloud solutions



Danger zone represents $40bn market opportunity as small players exit the market and revenue shifts

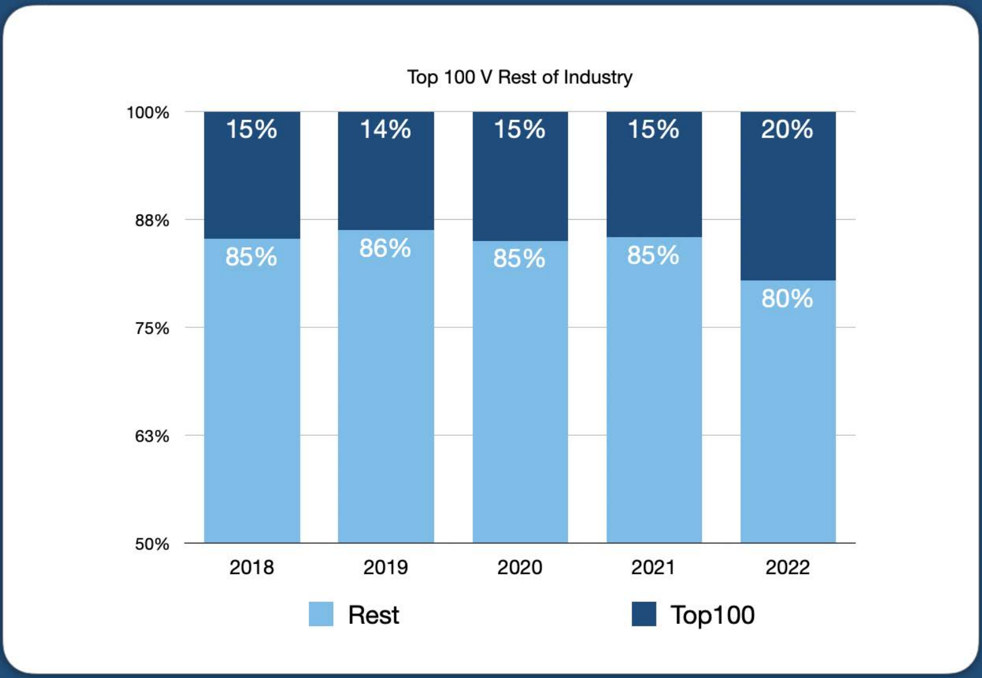
Maximising the Existing Business

Focus on Opex	Price Increases	Alternative Models (PaaS)
Winning More Customer Wallet	Increasing margins	Switch to LanguageCloud

Growth Initiatives

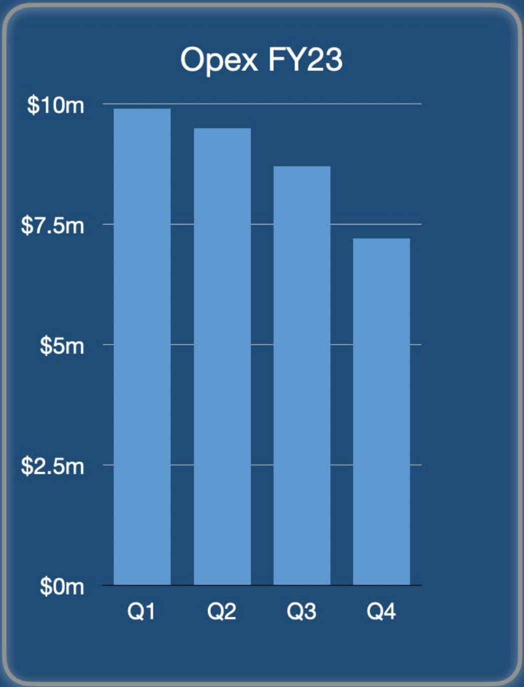
Slack App	Vertical Markets	AI Validation Opportunities
Teams App	Corporate Media	Intelligence Platform

INDUSTRY CONSOLIDATION UNDERWAY



*Nimdzi Industry Reports 2017-2022

Operational Efficiency



How Generative AI Is Changing The Industry

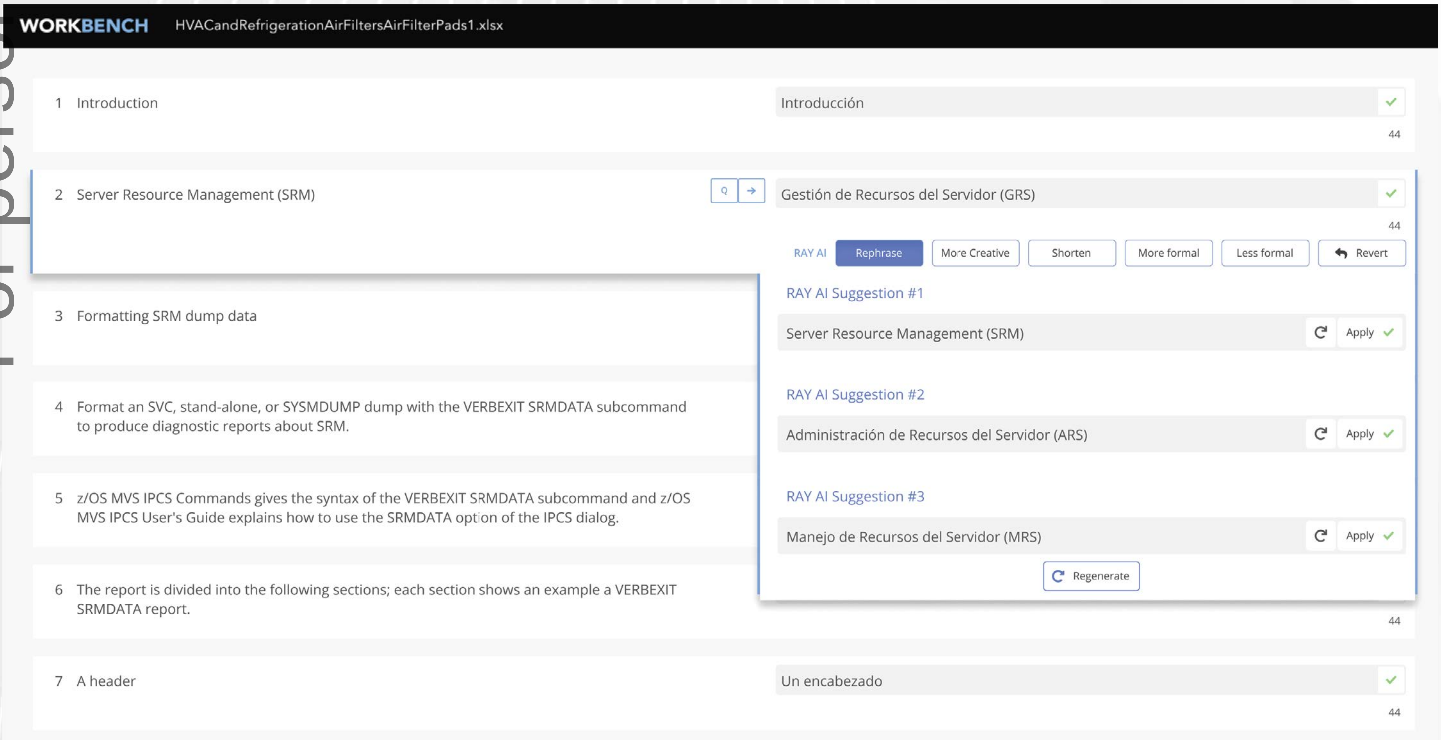
Forecast Impact of Generative AI on the industry

Our market focus (rows 2 and 3)

		2022	2023	Impact
1	Raw Machine Translation	~2,000 billion words/day **2% market**	~3,000 billion words/day **2.9% market**	Long term distruption
2	Enhanced Machine Translation	2bn words/day **0.7% market**	10bn words/day **2.5% market**	
3	Human + Machine	0.6bn words/day **41% market**	0.8bn words/day **47% market**	Sustained Innovation
4	Manual Human	0.45bn words/day **51% market**	0.35bn words/day **39% market**	
5	Transcreation	0.05bn words/day **5% market**	0.16bn words/day **8% market**	Immediate massive disruption

**data is estimated by Konstantin Dranch - language industry researcher*

The industry is forecast to grow in the 2 main market segments we are focused on



Our latest translator workbench now includes integration with LLMs (large language models) to give translators instant access to generative AI inputs, further enhancing translator productivity

MANAGEMENT COMMENTARY

The following commentary should be read in conjunction with the consolidated financial statements and the related notes in this report. Some parts in this commentary include forward-looking statements and information on strategy and plans for the business that involve risks and uncertainties. Actual events and the timing of events may vary.

All amounts are presented in New Zealand dollars unless otherwise stated. Straker is a New Zealand incorporated company and has a 31 March year-end balance date.

References to FY22 and FY23 refer to the 12 months ended 31 March in the respective years.

Non-IFRS measures

To ensure that the presentation of results fully reflect the underlying performance of the business, Straker Group publishes its key metrics on a non- IFRS basis as well as on an IFRS basis. For transparency purposes, Straker also publishes full reconciliations between IFRS and non-IFRS measures. IFRS refers to New Zealand International Financial Reporting Standards.

Non-operating costs include costs of restructuring activities, acquisition and integration costs, and other non-recurring consulting costs. The non-IFRS measures have not been independently audited or reviewed.

The obligation to prepare a Directors' Report in section 298 of the Australian Corporations Act 2001 (CA) does not apply to Straker as a New Zealand company. However, the ASX Listing Rules include a separate requirement (ASX LR 4.10.17) requiring all listed entities to include an operational and financial review statement in their Annual Reports which is equivalent to the general information requirements set out in s299 and 299A of the CA. This Management Commentary section is intended to meet this requirement.

Company background

Based in New Zealand, Straker has established itself as a world-leading AI data-driven translation platform powering the global growth of businesses.

Straker has developed a hybrid translation platform that uses a combination of AI, machine-learning, and crowd-sourced translators. The company's cloud- based platform manages the end-to end translation process, leveraging AI, machine-learning (both in-house and third party owned engines) to create a first draft translation and subsequently matches the customer's content with one or more of the approximately 10,000 crowd-sourced human translators for refinement.

This process is managed using Straker's proprietary AI-Powered LanguageCloud platform, which has been developed over nine years and is an enterprise grade, end-to-end, cloud-based platform. By leveraging machine translations and its big data assets, the AI-Powered LanguageCloud platform enables the delivery of faster and more accurate translations, lowering the time and cost to deliver versus traditional translation services. The platform can be integrated directly into customers' systems and consists of a customer dashboard, machine translation integration and modules for assisting and managing translators.

Industry

Straker operates in the language services industry, providing a platform for the translation of written content in both offline and online form. Typical content translated includes product brochures, operating manuals, legal documents, and websites.

The global language services market was recently estimated at US$64.7 billion in 2022 and is projected to reach US$90.8 billion by 2027, growing at a compound annual growth rate of 7.0%.

Key drivers behind the growth of the industry include:

- advancements in technology, such as machine translation, natural language processing, and artificial intelligence, have significantly improved the quality and efficiency of language services. These technological innovations make language services more accessible and cost-effective, driving the demand for these services;
- the increasing level of globalisation, accompanied by the need for localisation of content;
- the rapid increase in content produced, both online and offline, providing an ever-increasing base of content which may require translation;
- the economic emergence of new markets with specific language requirements; and
- regulatory authorities mandating translation of content, particularly in the European Union.

Competitive positioning

Since the Company's inception it had focused on the consolidation opportunities presented by the highly fragmented nature of the translation services market in which a number of smaller, typically capital constrained companies targeted customers in local geographies. As we alluded to in our FY22 Annual Report, however, Straker's customer proposition continued to evolve and combined with growing customer appetite for language services providers that can integrate into customer processes has yielded an evolution in strategy. Looking forward Straker expects growth to be underpinned by a greater focus on organic customer acquisition.

With the changes in customer behaviour wrought by the COVID pandemic the importance of integrating our services with workplace 'super apps' such as Slack and Microsoft Teams have become paramount. Thus over FY23 we have positioned Straker's product offering to align with this dynamic and our mantra is to 'be where the customer works'.

Our RAY LanguageCloud, designed to integrate as never before with our customers' work flows, was launched in FY23 and is the first product of its kind in the market. It uses embedded AI and experts-in-the-loop to improve speed to market, lower costs and remove complex processes, delivering frictionless translation to businesses worldwide. Our customers can now uniquely benefit from a seamless translation experience from within their productivity app environment, such as Slack, speeding up the process with automation and immediate bot support.

Significant changes in the year

During the FY23 year the company had a full year contribution from Belgium-based IDEST, which was acquired in January 2022.

Straker's value proposition

The explosion and speed of content creation today means there is more content being created than all the human translators in the world can translate effectively. We could see this happening nearly a decade ago and knew that machines and humans together would be the future of the industry.

That point has now arrived and, using our world-class AI-Powered LanguageCloud platform and our global services capability, we are able to deliver solutions to customers that legacy providers in the industry have no ability to match. Our value proposition is based around:

- how we can simplify the translation process - from rapid quoting to advanced customer dashboards and fully integrated Application Programming Interfaces (API) connectors;
- generative AI is a game changer for our industry as it changes customer perceptions of what is possible with AI. This opens the door for us to win new organic business as we showcase our AI driven solutions to potential customers, especially in the Enterprise space;
- how we are able to deliver better value through our platform and our ability to offer differentiated delivery and pricing models based on productivity-based costs savings and not just pricing on word volume;
- with offices in 9 countries around the globe offering 24/7 delivery capability and services using more than 10,000 translators we have scale on tap and can deliver large and urgent projects quickly;
- speed is now a major consideration for customers, so our ability to deliver projects within a short timeframe is of huge value. This includes our ability to automate and increase the speed of the actual translation; and
- the combination of our world-class sales and support teams, advanced technology and our geographical reach is a compelling proposition for both large and small customers. With a growing development team, we are continuing to invest in research and development and continue to find more ways to increase the efficiency of the translation process and integration of acquired companies.

MANAGEMENT COMMENTARY CONTINUED

Operating revenues

Revenue growth

Types of services	2023	2022	Change
	$'000	$'000	%
Language services	53,042	50,293	5%
Subscriptions	6,121	5,345	15%
Professional services	245	263	-7%
	59,408	**55,901**	**6.3%**

Total revenue for the 2023 financial year was $59.4 million, a 6.3% improvement on the prior year's $55.9 million. The increase was driven by a 15% increase in subscription revenue and a full year contribution from IDEST which was acquired in the last quarter of the 2022 financial year. Professional services revenue of $245,000 was generated from value-added services related to the translation management platform.

Revenue by region	2023	2022	Change
	$'000	$'000	%
APAC	23,592	21,518	10%
EMEA	16,751	14,129	19%
NAM	19,065	20,254	-6%
Total	**59,408**	**55,901**	**6.3%**

The Asia Pacific region experienced robust growth, reflecting strong demand for translation services amongst key enterprise clients. In the EMEA region, growth was positively influenced by the full year contribution from IDEST. However, similar to the North American market, the economic downturn had a dampening effect on normal customer expenditure.

Gross margin	2023	2022	Change
	$'000	$'000	%
Gross margin (%)	57.0%	54.3%	2.7%

In the past year, our gross margins experienced a notable increase, rising to 57.0% compared to 54.3% in the corresponding period the previous year. This achievement is particularly impressive considering the dilutionary impact caused by the IDEST acquisition, which currently operates at lower margins. The improvement in our gross margins is a testament to our emphasis on pursuing higher margin projects and implementing strategic initiatives to enhance production efficiency through greater automation and optimized workflows. These measures have enabled us to achieve greater profitability while delivering quality language services to our clients.

MANAGEMENT COMMENTARY CONTINUED

Statutory results

	2023	2022	Change
	$'000	$'000	%
Revenue	59,408	55,901	6%
Gross profit	**33,892**	**30,381**	**12%**
Gross margin %	57.0%	54.3%	5%
Other income	82	90	-9%
Depreciation & amortisation	(6,787)	(6,538)	4%
Operating expenses excluding D&A	(33,050)	(30,583)	8%
Operating expenses	**(39,837)**	**(37,121)**	**7%**
Percentage of operating revenue	-67.1%	-66.4%	-1%
Operating loss before net finance expense	**(5,863)**	**(6,650)**	**12%**
Percentage of operating revenue	*-9.9%*	*-11.9%*	*17%*
Net finance income	3,186	263	1111%
Loss before income tax	**(2,677)**	**(6,387)**	**58%**
Percentage of operating revenue	*-4.5%*	*-11.4%*	*61%*
Income tax credit/(expense)	(80)	475	-117%
Net loss after tax	**(2,757)**	**(5,912)**	**53%**

Revenue for the 2023 financial year was $59.4 million, a 6% improvement on the prior year's $55.9 million. The recent acquisition of IDEST played a significant role in driving this growth. Despite the challenging economic conditions experienced in Europe and North America, which had a dampening effect on our existing business, we maintained a steady performance. Furthermore, we strategically decided to discontinue lower margin business, which contributed positively to our overall outlook.

Operating expenses, excluding depreciation and amortisation, of $33.1 million were up 8% on FY22 due to a full year contribution from IDEST. Though the year we steadily and materially decreased our operating expenses, reducing our operating expenses by an annualised $5m. This prudent cost management strategy reflected in a profitable Q4, returning an adjusted EBITDA of $1m in that quarter.

The loss from operations decreased to $5.9 million, an improvement of 12%, in line with the Gross Profit increase. The increase in depreciation and amortisation reflected the increase in amortisation associated with the acquisition of IDEST.

The loss before income tax was $2.7 million, helped by unrealised foreign exchange gains and a $1.1m gain on fair value adjustment to contingent consideration liability.

MANAGEMENT COMMENTARY CONTINUED

Earnings before interest, tax, depreciation and amortisation

	2023	2022	Change
	$'000	$'000	%
Operating loss before net finance expense	(5,863)	(6,650)	-12%
Add:			
Depreciation & amortisation	6,787	6,538	4%
EBITDA	**924**	**(112)**	**925%**
EBITDA margin	1.6%	-0.2%	876%
Acquisition & restructure costs	504	300	68%
Adjusted EBITDA	**1,428**	**188**	**660%**
Adjusted EBITDA margin	2.4%	0.3%	

A significant milestone with the company returning an EBITDA profit of $0.9 million improving on the $0.1m loss in FY22, reflecting improved operational efficiency. Adjusted EBITDA, which excludes non-recurring acquisition and restructure costs improved 660% to $1.4 million profit from $0.2 million in the prior year.

MANAGEMENT COMMENTARY CONTINUED

Cashflow

	2023	2022	Change
	$'000	$'000	%
Receipts from customers	62,037	50,330	23%
Other operating cash flows	(60,609)	(52,695)	-15%
Operating cash flow	**1,428**	**(2,365)**	**160%**
Capital investment	(2,312)	(2,682)	14%
Free cash flow	**(884)**	**(5,047)**	**83%**
Investment in acquisitions	-	(1,924)	100%
Investing cash flow	**(2,312)**	**(4,606)**	**50%**
Repayment of borrowings	-	(8,400)	100%
Interest & transaction costs paid	-	(602)	100%
Net capital raise	8	25,841	-100%
Lease liability	(545)	(754)	28%
Deferred consideration and contingent payments	(1,703)	(993)	-72%
Net financing cash flow	**(2,240)**	**15,092**	**-115%**
Net cash flow	**(3,124)**	**8,121**	**-139%**
Effect of exchange rate on foreign currency balances	498	(165)	402%
Cash and cash equivalents at beginning of the year	15,131	7,175	-111%
Cash and cash equivalents at end of year	**12,505**	**15,131**	**-17%**

Receipts from customers were up 23% to $62.0 million, reflecting improved collections and strong customer relationships. Furthermore, the operating cash inflow for the year improved significantly, standing at $1.4 million compared to the prior year's outflow of $2.4 million. This positive shift underscores the improved profitability of our group and our focus on optimising operational efficiency.

Moreover, we achieved a favourable improvement in free cash outflow, which reduced to $0.9 million. Notably, during the final half of the year, we experienced a cash inflow of $2.0 million. These encouraging figures highlight our commitment to effective cash management and reinforce our financial stability.

Investing cash flows included $2.3 million in capital investment as we continued to invest in our product-led strategy.

Financing cash flows include $1.7m in deferred and contingent consideration payments to former shareholders of acquired companies. These payments demonstrate the success of the acquisition strategy for all parties involved.

Throughout the year, our total cash outflow amounted to $3.1 million. The second half performance of positive $2.0m operating cash flow represents a significant turnaround in the face of the challenges of ongoing impacts from the downward economy.

Cash reserves at the end of the period stood at $12.5 million. With no debt and substantial cash reserves, the company is in a strong position to continue to deliver on its strategy to be a leader in the consolidation of the global translation sector and support organic growth.

BOARD OF DIRECTORS

HEITH MACKAY-CRUISE
Chairman

Heith was appointed the Non-Executive Chairman of Straker on 24 August 2022.

Heith has been involved in the media, education and technology sectors over the past 25 years. Heith is currently the Non-Executive Chairman of UP Education Limited in New Zealand, a Non-Executive director of Southern Cross Media Group Limited (ASX:SXL), Codan Limited (ASX:CDA), Orro Holdco Pty Ltd and a Non-Executive National Director of the Australian Institute of Company Director.

Heith is a previous Non-Executive Chair of LiteracyPlanet, hipages Group and the Vision Australia Foundation as well as a previous Non-Executive Director of LifeHealthcare and Bailador Technology Investments. In Heith's prior executive career, he was the founding CEO of Sterling Early Education, the Global CEO and Managing Director of Study Group and CEO for PBL Media New Zealand. Heith also held senior executive positions with Australian Consolidated Press and worked in sales and marketing roles for PepsiCo around Australia.

Heith is a mentor with Kilfinan Australia, a Fellow of the Australian Institute of Company Directors and has a Bachelor of Economics degree from the University of New England.

GRANT STRAKER
CEO and Co-Founder

Grant (Ngāti Raukawa) was appointed to the board on 21 December 1999.

Prior to founding Straker in 1999, Grant served in the British Army as an elite paratrooper.

As a co-founder of Straker, Grant has extensive experience in the language translation market.

Grant's wide-ranging technical, sales and business skills, combined with his strong entrepreneurial drive, have placed him in an ideal position to help accelerate the growth of Straker.

Grant is a member of the NZ Institute of Directors.

Along with Merryn Straker, Grant was the winner of the 2018 master category for NZ Entrepreneur of the Year.

JAMES JOHNSTONE
Non-Executive Director

James was appointed a Non-Executive Director of Straker on 1 December 2022.

James is Partner at Bailador Technology Investments, an ASX-listed investment fund targeting private expansion stage technology companies.

He is a Director of BTI portfolio company Access Telehealth, and a Board Observer for Mosh and InstantScripts.

Prior to Bailador, James was the founding Commercial Director of Mozo, an online financial comparison marketplace which was acquired by Future Plc (FUTR.LSE) in 2021.

James has more than 20 years' experience in venture capital, strategy consulting and corporate development, previously working as a strategy consultant and with Virgin Group Travel and Financial Services businesses in Sydney and London.

James completed a Co-op Scholarship (Bachelor of Accounting) from UTS Sydney, is a qualified Chartered Accountant, and is a Graduate of the Australian Institute of Company Directors

AMANDA CRIBB
Independent Non-Executive Director

Amanda (Ngāti Tūwharetoa, Ngāpuhi, Ngāti Kauwhata, and Ngāti Hauiti) was appointed as a Straker Director on 20 July 2020.

With over 18 years of executive leadership roles in technology companies, Amanda has been instrumental in steering companies through early-stage growth and fostering long-term sustainability.

Prior to her directorship, Amanda held various Chief Financial Officer positions including 10 years at Zag (now part of Accenture) and 5 years at Datacom. Amanda brings a deep understanding of the industry and a track record of success in driving growth and transformation. In addition to her directorship, Amanda also serves as a Director of the Garage Project, and holds an executive position in a cybersecurity company.

Amanda holds an MBA from the Henley Business School in the UK and she is a full member of Chartered Accountants Australia & New Zealand (CA ANZ) and a Chartered Member of the New Zealand Institute of Directors.

STEPHEN DONOVAN
Non-Executive Director

Steve was appointed a Non- Executive Director of Straker on 1 December 2004.

He is a former partner of Ernst & Young. He qualified as a Chartered Accountant in the UK and has operated within the IT and finance industry in New Zealand for a number of years.

Steve has significant experience as a director and investor in the SME sector in New Zealand, including a Finance Director role at accounting software provider, Greentree Software Group, which was sold to MYOB in 2016. Other current directorships include, Buro Seating Limited (office chair wholesaler) and New Zealand Pure Dairy Products Limited (infant formula manufacturer).

Steve is Straker's former Chief Financial Officer and has been working with technology companies across a range of industries. Steve holds a Bachelor of Economics from the University of Lancaster and is a qualified Chartered Accountant and a current member of the Institute of Chartered Accountants in England and Wales.

STEVEN BAYLISS
Independent Non-Executive Director

Steve was appointed a Non-Executive Director of Straker on 24 August 2022 .

Steve is one of New Zealand's most experienced and awarded marketing professionals. Steve's career started with international brewer Lion Nathan which it culminated in an Australian based role developing and teaching marketing best practice across New Zealand, Australia, and China.

After a period based in the USA in the FMCG sector, Steve returned to New Zealand to take up the role of GM Marketing and Innovation at Air New Zealand in 2004.

Steve then moved to Foodstuffs New Zealand in 2011, setting up a central function serving the two cooperatives across marketing, public relations, customer experience, CRM, Advanced Data and Analytics, and Acquiring functions. Steve also served as Chief Creative Officer at Sky Television, helping reinvent the business, moving from a linear broadcaster to a data-rich, modern digital business.

Steve is a published business author, professional director, and consultant. He holds a Bachelor of Commerce from Otago University.

MANAGEMENT TEAM

GRANT STRAKER
CEO and Co-Founder

Prior to founding Straker in 1999, Grant served in the British Army as an elite paratrooper.

As a co-founder of Straker, Grant has extensive experience in the language translation market.

Grant was appointed to the board on 21 December 1999.

Grant's wide-ranging technical, sales and business skills, combined with his strong entrepreneurial drive, have placed him in an ideal position to help accelerate the growth of Straker. Grant is a member of the NZ Institute of Directors. Along with Merryn Straker, Grant was the winner of the 2018 master category for NZ Entrepreneur of the Year.

MERRYN STRAKER
Chief Operating Officer

In her role as Chief Operating Officer, Merryn oversees Straker Translations' global production systems and teams, making sure that every touch point within the company runs smoothly - from client projects to finance and everything in between. Merryn is also responsible for the Integration team for new acquisitions and the Product team for product development. She has a Bachelor of Management Studies (majoring in Management and HR), from Waikato University.

DAVID INGRAM
Chief Finacial Officer

As CFO, David is responsible for all the company's financial functions including accounting, audit, treasury, corporate finance, and investor relations. Before joining Straker, David was CFO at Ultra Commerce, a digital commerce software business based out of Sydney, and prior to this, CFO at ASX/NZX listed Gentrack and CFO of Zeacom (now part of Enghouse Systems). His career spans more than 25 years of varied experience in financial management, business leadership and corporate strategy.

KIM ANDREWS
Chief People Officer

Kim works alongside the leadership team to provide operational support to improve the performance, production, and efficiency of the business. Her primary responsibilities include managing every aspect of human resources and administering best practice, plus overseeing day-to-day office operations, the coordination and supervision of policies and procedures, and employee engagement. Prior to joining Straker, Kim was in the Telco industry for 16 years and has a strong background in Leadership, HR and Credit Management.

DAVID SOWERBY
Chief Revenue Officer

David has more than ten years' experience in the Internet and tech industry. He was founder of Sportsys Pty Ltd a company that provided sports statistics and online companies. His background in statistics and data analysis and his strong entrepreneurial drive helps accelerate the growth of several early-stage ventures. He has proven experience in building businesses and has been directly responsible for growing several companies from start-up phase and growing start-up units within larger organisations. David has an Bachelors Degree in Science from the University of Queensland, a Graduate Diploma in Management from Central Queensland University and a Masters of Business Administration from Trinity College Dublin.

INDIVER NAGPAL
Chief Platform Officer

Indy has been working in web application development for more than 17 years at various companies in the US, Canada, Australia, India and New Zealand. Over the years, Indy has been involved in different aspects of software development from programming to project management, content development, training and consulting. As the CPO of Straker Translations, Indy is responsible for setting the technical direction of the company across its multilingual translation product sets.

TAMAS SZOKE
Chief Production Officer

Tamas joined the Straker in 2016 following Straker's acquisition of Eurotext. He has extensive experience in the field of localisation production having worked as a project manager for more than 10 years, before taking over the management of the European and then later the Global Production teams in Straker. He studied English Linguistics and Literature and also holds a Bachelors Degree in International Business.

STRAKER TRANSLATIONS LIMITED AND GROUP FINANCIAL STATEMENTS

Financial Report
For the year ended 31 March 2023

STRAKER TRANSLATIONS LIMITED AND GROUP

Financial statements content

STRAKER TRANSLATIONS LIMITED AND GROUP

Directors' responsibility statement

For the year ended 31 March 2023

The Directors are pleased to present the consolidated financial statements of Straker Translations Limited for the year ended 31 March 2023.

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 2023 and the results of their operations and cash flows for the year ended 31 March 2023.

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 30 May 2023.

Heith Mackay-Cruise
Chairman

Grant Straker
Chief Executive Officer

Independent auditor's report

to the shareholders of Straker Translations Limited

BDO Auckland

INDEPENDENT AUDITOR'S 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 2023, and the consolidated statement of profit or 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 2023, 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") and International Financial Reporting Standards ("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 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

Our firm carries out other assignments for the Group in the areas of taxation advice services and corporate finance services. The firm has no other relationship with, or interests in, the Company or any of its subsidiaries.

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.

Goodwill impairment

Key Audit Matter	How The Matter Was Addressed in Our Audit
The Group has recognised goodwill on historical acquisitions. The total goodwill balance of $15.242m at 31 March 2023 is subject to an annual impairment test in accordance with *NZ IAS 36 Impairment of Assets*. Management performed their impairment test by considering the recoverable amount of the Group's goodwill using a value in use calculation. This calculation is complex and subject to key inputs and assumptions, such as discount rates, terminal growth rates and future cashflows, which inherently include a degree of estimation uncertainty and are prone to potential bias or inconsistent application. Management has performed a re-allocation of the cash generating units ("CGUs") at 31 March 2023 as a consequence of business re-organisations that took place in North America, Europe and Asia-Pacific regions in the year. Refer to note 13 (intangible assets - goodwill impairment) of the consolidated financial statements.	• We obtained an understanding of key controls relating to the review and approval of the impairment review. • We obtained management's assessment of the change in cash generating units (CGUs) at 31 March 2023. We compared the assessment to the requirements of IAS 36 *Impairment of Assets* when a re-allocation occurs as a consequence of business reorganisations, which took place in North America, Europe and Asia-Pacific regions in the year. We challenged management's position, and their assumptions and judgements, to ensure the goodwill GCU allocation remained appropriate. • We obtained management's value in use calculations prepared for each of the cash generating units and evaluated the key inputs and assumptions. The key inputs included revenue, growth rates, gross margin, costs, allocation of corporate overheads, discount rates, and terminal growth rates. • We assessed the accuracy of previous forecasts to actual performance in order to form a view on the reliability of management's forecasting ability and to understand key differences between historical actual versus forecast performance. We have considered the sensitivity of the value in use model to movements in key assumptions. We tested the mathematical accuracy of the value in use calculations. We have performed this in order to identify the CGUs that required closer scrutiny. • We engaged our internal valuation experts to assess that the methodology used is consistent with NZ IAS 36 Impairment of Assets, and to ensure the discount rates and terminal growth rates used, fell within an appropriate range.

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- We have compared the carrying value of the CGUs' assets to the recoverable amount determined by the impairment test to identify any impairment losses.
- We reviewed the disclosures in note 13 of the consolidated financial statements, including impairment and sensitivity analysis in relation to the cash generating units, to the requirements of the accounting standard.

Subsequent measurement of contingent consideration liabilities

Key Audit Matter	How The Matter Was Addressed in Our Audit

As part of the consideration for the historical acquisition of IDEST, management previously recognised $2.381m of contingent consideration liabilities in the prior year.
 	
The liabilities are contingent on the future revenue and margin performance of the acquired entity over a period of two years from the date of acquisition.
 	
During the current year, $0.04m was paid to the vendors of IDEST in relation to a part payment of the liability in the first year after the date of the acquisition. As the targets were not fully achieved, this resulted in the Group recognising a gain on fair value of $1.337m to profit or loss in the year.
 	
Additionally, management has re-assessed the probability of the acquired entity achieving the revenue and margin targets in the second year from the date of the acquisition. The fair value of the contingent consideration liabilities at 31 March 2023 is $1.711m.
 	
As the recognition of the remaining contingent consideration liabilities are dependent on forecasts when compared to the prescribed revenue and margin targets, the liabilities are subject to significant judgement and estimation uncertainty around the assumptions and inputs to management's forecast calculations and are prone to bias.
 	
Refer to note 17.2 (contingent consideration liabilities) of the consolidated financial statements.
	• We reviewed the sale and purchase agreement to identify the contingent consideration clauses and relevant revenue/margin targets.
	• We confirmed that the targets for the first year after the date of the acquisition were not achieved in full. We re-calculated the gain on fair value of $1.337m.
	• As the remaining liabilities are based on achieving revenue and margin targets for future periods, we have performed the following procedures:
	    • Compared actual revenue performance to the targets.
	    • Compared future forecast revenue to management-prepared budgets.
	    • Challenged management's assumptions and inputs to the budgets.
	• We reviewed the disclosures in note 17.2 of the consolidated financial statements, including the descriptions of the contingent consideration liabilities, to the requirements of the accounting standard.

Other Information

The directors are responsible for the other information. The other information comprises the Appendix 4E Report and Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. We obtained the Annual Report prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 IFRS, and for such internal control as the directors determine is

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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.

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.

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 Richard Croucher.

BDO Auckland

BDO Auckland
Auckland
New Zealand
30 May 2023

STRAKER TRANSLATION LIMITED AND GROUP

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March 2023

	Notes	2023 $'000	2022 $'000
Revenue	4	59,408	55,901
Cost of sales	6	(25,516)	(25,520)
Gross profit		**33,892**	**30,381**
Operating expenses			
Selling and distribution expenses		(15,948)	(15,504)
Product design and development		(9,849)	(9,161)
General and administration		(14,040)	(12,456)
Total operating expenses	6	**(39,837)**	**(37,121)**
Other income	5	82	90
Operating loss before net finance income		**(5,863)**	**(6,650)**
Finance income		3,560	2,140
Finance expense		(374)	(1,877)
Net finance income	7	**3,186**	**263**
Loss before income tax		**(2,677)**	**(6,387)**
Income tax credit/(expense)	8	(80)	475
Loss for the year after tax attributable to shareholders		**(2,757)**	**(5,912)**
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Foreign currency translation differences		(653)	401
Total comprehensive income for the year attributable to shareholders		**(3,410)**	**(5,511)**
Earnings per share for the year			
Basic and diluted earnings per share (cents)	9	(4.07)	(8.83)

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

STRAKER TRANSLATION LIMITED AND GROUP

Consolidated statement of changes to equity

for the year ended 31 March 2023

	Notes	Share Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total Equity
Group – 31 March 2023		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance 1 April 2022		**68,796**	**(28,217)**	**830**	**(222)**	**41,187**
Loss for the year		-	(2,757)	-	-	(2,757)
Foreign currency translation differences		-	-	-	(653)	(653)
Total comprehensive income for the year		**-**	**(2,757)**	**-**	**(653)**	**(3,410)**
Transactions with owners in their capacity as owners						
Issue of share capital	19	8	-	-	-	8
Cost of issue of share capital		-	-	-	-	-
Share option		-	-	273	-	273
Balance 31 March 2023		**68,804**	**(30,974)**	**1,103**	**(875)**	**38,058**

	Notes	Share Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total Equity
Group – 31 March 2022						
Balance 1 April 2022		**42,529**	**(22,305)**	**460**	**(623)**	**20,061**
Loss for the year		-	(5,912)	-	-	(5,912)
Foreign currency translation differences		-	-	-	401	401
Total comprehensive income for the year		**-**	**(5,912)**	**-**	**401**	**(5,511)**
Transactions with owners in their capacity as owners						
Issue of share capital	19	27,405	-	-	-	27,405
Cost of issue of share capital	19	(1,138)	-	-	-	(1,138)
Share option			-	370	-	370
Balance 31 March 2022		**68,796**	**(28,217)**	**830**	**(222)**	**41,187**

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

STRAKER TRANSLATION LIMITED AND GROUP
Consolidated statement of financial position
As at 31 March 2023

Consolidated Statement of Financial Position

Restated (Note 16)

	Notes	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents		12,505	15,131
Trade receivables	10	9,715	12,218
Other assets and prepayments	11	4,049	4,931
Total current assets		**26,269**	**32,280**
Non–current assets			
Intangible assets	13	28,505	31,397
Plant and equipment		323	364
Right-of-use assets	18	1,246	1,634
Total non–current assets		**30,074**	**33,395**
Total assets		**56,343**	**65,675**
Current liabilities			
Trade payables	14	2,606	4,170
Sundry creditors and accruals	15	4,545	5,234
Contract liability	16	6,403	6,883
Employee benefits liability		812	1,132
Deferred consideration	17.1	-	1,401
Contingent consideration	17.2	-	1,348
Lease liabilities	18	438	463
Total current liabilities		**14,804**	**20,631**
Non-current liabilities			
Contingent consideration	17.2	1,711	1,230
Lease liabilities	18	1,031	1,421
Deferred tax liability	8	739	1,206
Total non-current liabilities		**3,481**	**3,857**
Total liabilities		**18,285**	**24,488**
Net assets		**38,058**	**41,187**
Equity			
Share capital	19	68,804	68,796
Foreign currency translation reserve		(875)	(222)
Share option reserve	25	1,103	830
Accumulated losses		(30,974)	(28,217)
Total equity		**38,058**	**41,187**

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

STRAKER TRANSLATION LIMITED AND GROUP

Consolidated statement of cash flows

for the year ended 31 March 2023

	Notes	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		62,037	50,330
Government grants and tax incentives		190	93
Interest received		22	-
Payments to suppliers and employees		(60,820)	(52,788)
Interest paid		(1)	-
Net cash from / (used) in operating activities	26	**1,428**	**(2,365)**
Cash flows from investing activities			
Payments for capitalised software development		(2,207)	(2,457)
Payments for plant & equipment		(105)	(225)
Payments for acquisition of businesses and subsidiaries, net of cash acquired	12	-	(1,924)
Net cash used in investing activities		**(2,312)**	**(4,606)**
Cash flows from financing activities			
Payment of borrowings		-	(8,400)
Loan interest paid		-	(602)
Proceeds from issue of shares	19	8	26,979
Cost of share issue		-	(1,138)
Lease liability payments		(545)	(754)
Payment of contingent consideration		(340)	(993)
Payment of deferred consideration		(1,363)	-
Net cash (used) / from financing activities		**(2,240)**	**15,092**
Net (decrease) / increase in cash and cash equivalents		**(3,124)**	**8,121**
Effect of exchange rate on foreign currency balances		498	(165)
Cash and cash equivalents at beginning of the year		**15,131**	**7,175**
Cash and cash equivalents at end of the year		12,505	15,131

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

1.Reporting entity and statutory base
Straker Translations Limited ("the Company" or "parent") is a company domiciled in New Zealand and registered under the New Zealand Companies Act 1993 and is listed on the Australian Securities Exchange (ASX). The audited consolidated financial statements of Straker Translations Limited and its subsidiaries (together, "the Group" or "Straker") have been prepared in accordance with the requirements of New Zealand Companies Act 1993 and the Financial Reporting Act 2013.

For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), the Group is a Tier 1 for-profit entity.

The principal activity of the Group is the provision of language & subscription services.

2. Basis of preparation
The financial statements comply with NZ GAAP, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards.

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 thousand dollars ($'000) in the financial statements.

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

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

b) New standards, interpretations and amendments effective from 1 April 2022
There were no new standards, interpretation and amendments impacting the Group that have been adopted in the annual financial statements for the year ended 31 March 2023.

There are no new standards, interpretations and amendments that are expected to have a material impact on the Group's financial statements for the year ending 31 March 2024.

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.

The directors have applied significant judgement in the Group's going concern assessment (refer Note 2d).

i) Business combination complete in the prior period (Note 12) and contingent consideration liabilities (Note 17)
The directors have made significant judgements in respect of the accounting of business combinations by considering the fair value of the assets and liabilities acquired, in particular customer relationship intangible assets and software intangible assets, and by considering the likelihood of the acquirees achieving revenue and gross margin earn out targets in determining the contingent consideration liabilities.

ii) Goodwill (Note 13)
The directors have made significant judgement in considering the assumptions and inputs in the value-in-use calculations used to support the carrying value of goodwill.

iii) Capitalised software development (Note 13)
The Group has considered costs associated with software development and capitalised those that meet the criteria of their accounting policy. Judgement is required particularly in respect of meeting those criteria.

iv) Revenue (Note 4) and Contract asset (Note 11.1) and Contract liability (Note 16) recognition

Language services revenue
Language services revenue determined to be earned but not yet invoiced is accrued as a contract asset and recorded under current assets on the Statement of Financial Position when it is probable that economic benefits will flow to the Group.

Language services revenue received in advance for services not yet performed are deferred as contract liability on the Statement of Financial Position until the percentage of completion of services is sufficient to ensure it is probable that economic benefits will flow to the Group.

Subscriptions
Subscription revenues received in advance for services not yet performed are deferred as contract liability on the Statement of Financial Position and recognised over time on a straight line basis over the duration of the contract.

d) Going concern
The directors have prepared the financial report on a going concern basis of accounting, which assumes the Group will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for a period of at least 12 months from the date of signing these financial statements.

e) Change in presentation of Statement of profit and loss and other comprehensive income
The Group has changed the presentation of the Statement of profit or loss and other comprehensive income. The information previously presented for the year ended 31 March 2022 for amortisation of acquired intangibles of $0.908m and acquisition and integration costs of $0.015m has been reclassified to general and administration.

3. Segment reporting
The Group provides language services and language technology via subscriptions to its customers.

The Group's operating segments are each of the Company and its subsidiaries, and these are grouped as territories by geographical region as reportable segments as there are regional managers responsible for the performance of the Group entities within their territories. The geographical regions are Asia Pacific (APAC), Europe, Middle East and Africa (EMEA) and North America (NAM).

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Board of Directors, Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer.

Segment financial performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Inter-segment sales are minimal.

The Group's only customer exceeding 10% of revenue contributes $15.0 million in revenue.

Reports provided to the chief operating decision maker do not identify assets and liabilities per segment. Assets and liabilities are instead presented on a consolidated basis as they are throughout the consolidated financial statements. Also, the Group's financing (including finance costs and finance income), amortisation of intangible assets, acquisition and integration costs and income taxes are managed on a group basis and are not provided to the chief operating decision makers at the reportable segment level.

3. Segment reporting (Continued)

Year ended 31 March 2023	APAC	EMEA	NAM	TOTAL
Revenue	**$'000**	**$'000**	**$'000**	**$'000**
Language services	23,440	16,751	12,851	53,042
Subscriptions	2	-	6,119	6,121
Professional services	150	-	95	245
Other income	93	(11)	-	82
Total income	**23,685**	**16,740**	**19,065**	**59,490**
Expenses	(27,314)	(16,408)	(21,631)	(65,353)
Net finance income	1,231	1,118	837	3,186
Segment contribution	**(2,398)**	**(1,450)**	**(1,729)**	**(2,677)**

Year ended 31 March 2022	APAC	EMEA	NAM	TOTAL
Revenue	**$'000**	**$'000**	**$'000**	**$'000**
Language services	21,516	14,129	14,648	50,293
Subscriptions	-	-	5,345	5,345
Professional services	2	-	261	263
Other income	65	17	8	90
Total income	**21,583**	**14,146**	**20,262**	**55,991**
Expenses	(25,353)	(13,458)	(23,803)	(62,614)
Net finance income/(expense)	667	(612)	208	263
Segment contribution	**(3,103)**	**76**	**(3,360)**	**(6,387)**

4. Revenue
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, **the Group:** identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects revenue dependent on factors such as input hours, words translated, and costs incurred.

Normally these factors are known at time of recognition. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue.

The accounting policy and key judgements for the Group's material revenue streams are outlined below.

Language services
The Group's Language Services contracts with customers provide for the Group to be reimbursed for their performance under the contract as the work is undertaken.

The Group's performance obligations towards customers, in the majority of the Group's contracts, are for the provision of language services as a single delivery.

As the Group has an enforceable right to remuneration for the work completed up to that stage and there is no alternative use for the translated asset, the Group recognises revenue over time for this performance obligation.

The Group measures the completeness of this performance obligation using input methods. The relevant input method is the cost incurred to date as a proportion of total costs, in determining the progress towards the completion of the performance obligation for Language Services contracts.

Language services revenue determined to be earned but not yet invoiced is accrued as a contract asset and recorded under current assets on the Statement of Financial Position when it is probable that economic benefits will flow to the Group.

Subscriptions

The Group recognises revenue pursuant to software licence agreements upon the provision of access to its customers of the Group's intellectual property as it exists at any given time during the period of the licence.

The Group's Subscription revenue is derived from software platform access and support services contracts with customers.

The Group has determined that the software access and support services are only one performance obligation, which is to provide the platform services to the customers over the contracted period. The customer could not benefit from deployment of the platform on its own and separately from the platform access, and as such there is no distinct performance obligation.

The customer receives and consumes the benefit as the Group performs its performance obligation, therefore control is transferred over time.

Revenue is therefore recognised over the duration of the agreement or for as long as the customer has been provided access, when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable.

Revenue received for services not yet performed are deferred as a contract liability on the Statement of Financial Position, and recognised over the contract period as the performance obligation is completed.

Professional services
Professional services revenue comprises fees charged for value-add services which are one-off charges. Revenue is recognised over time based on input hours.

4. Revenue (Continued)

a. Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2023	2022
	$'000	$'000
Language services	53,042	50,293
Subscriptions	6,121	5,345
Professional services	245	263
Revenue from contracts with customers	**59,408**	**55,901**

Additional disaggregation of the Group's revenue by segment is included in Note 3.

5. Other income

	2023	2022
	$'000	$'000
Research & development tax credit	87	43
Miscellaneous income/(expense)	(5)	47
	82	**90**

The Group received government grant income in the year in the form of a R&D Tax Credit of $87,000 (2022: $43,000).

Government grants are not recognised until there is reasonable assurance that:

(a) the entity will comply with the conditions attaching to them and

(b) the grants will be received.

When the recognition criteria are met, government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. When the recognition criteria are met, a government grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, is recognised in profit or loss in the period in which it becomes receivable.

6. Expenses

	Notes	2023	2022
Cost of sales and operating expenses		**$'000**	**$'000**
Advertising and marketing		991	1,077
Employee entitlements		23,039	23,181
Recruitment and other personnel costs		1,175	1,172
Superannuation contributions		385	305
Share option expenses		273	370
Consultants and contractors		27,628	27,220
Bad debts written off		27	24
Capitalised software development		(2,207)	(2,468)
Communication, insurance and office administration		647	789
Computer equipment and software		1,918	1,503
Platform costs		1,775	1,379
Short term and low value leases		370	253
Travel-related costs		643	173
Other operating expenses		1,398	825
Acquisition and restructure costs		504	300
Total cost of sales and operating expenses excl. depreciation and amortisation		**58,566**	**56,103**
Depreciation and amortisation			
Amortisation of customer relationship	13	1,739	2,030
Amortisation of software development	13	1,408	1,062
Amortisation of acquired software	13	3,003	2,697
Amortisation of right of use assets	18	461	539
Depreciation of plant and equipment		176	210
Total depreciation and amortisation		**6,787**	**6,538**
Total cost of sales and operating expenses		**65,353**	**62,641**
Remuneration to parent auditor			
- fee relating to audit of the financial statements		114	106
- fee relating to other assurance engagement (interim review)		52	52
- fee relating to audit of subsidiary financial statements paid to parent auditor network		-	15
- taxation services – compliance		23	25
Total auditor's remuneration		**189**	**198**

During the year, a fee of EUR 48,000 (2022: EUR 35,556) was paid to BDO Belgium for advisory services related to acquisition activities.

7. Net finance income and expense

		2023	2022
Finance income	Notes	$'000	$'000
Interest received on financial assets at amortised cost		22	-
Foreign exchange gain		2,402	-
Gain on fair value adjustment to deferred consideration liability	17.1	14	-
Gain on fair value adjustment to contingent consideration liability	17.2	1,122	2,140
Total finance income		**3,560**	**2,140**
Finance expense			
Interest expense on loans and borrowings stated at amortised cost		(1)	(831)
Interest expense on leases		(83)	(67)
Foreign exchange loss		-	(910)
Imputed interest on contingent consideration liability	17.2	(290)	(69)
Total finance expense		**(374)**	**(1,877)**
Net finance income		**3,186**	**263**

Interest income and expense

Finance income includes interest income, which is recognised as it accrues in profit or loss, using the effective interest method, and fair value gain on adjustment to contingent consideration liabilities, which is measured at fair value through profit or loss.

Finance expense includes interest expense on liabilities, and imputed interest on consideration liability.

Foreign currency translation gains and losses are recorded in finance income and expense in accordance with Note 27 b.

8. Income tax expense

	2023	2022
(a) Income tax recognised in profit or loss	**$'000**	**$'000**
Current tax expense	554	86
Deferred tax credit	(474)	(561)
Total tax expense/(credit)	**80**	**(475)**

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.

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.

The total charge for the period can be reconciled to the accounting profit as follows:	**2023** **$'000**	**2022** **$'000**
Loss before tax	(2,677)	(6,387)
Income tax expense calculated at 28% (2022: 28%)	(750)	(1,788)
Prior period adjustments	245	-
Different tax rates applied in overseas jurisdictions	(172)	25
Tax losses not recognised	757	1,288
Income tax expense/(credit) recognised in profit or loss	**80**	**(475)**

8. Income tax expense (Continued)

b) Deferred tax liability

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2022: 28%).

	2023	2022
Deferred tax liability	**$'000**	**$'000**
Deferred tax liabilities arising on intangible assets	1,198	1,760
Reversal of temporary differences	(474)	(561)
Effect of change in foreign exchange rates	15	7
At 31 March	**739**	**1,206**

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.

A deferred tax asset has not been recognised by the Group because the directors consider that it is not probable that the related tax benefit will be recognised, due to a recent history of losses.

The value of deferred tax asset not recognised as at 31 March 2023 was $2,507,573 (2022: $1,262,704). The deferred tax asset not recognised is comprised of the effect of the tax benefit of operating losses. The Group has accumulated tax losses to carry forward for tax purposes of $8,955,619 (2022: $4,509,656).

Factors affecting the future tax charge
Estimates and assumptions

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the company's belief that its tax return positions are supportable, the company believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The directors believe that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

No material uncertain tax positions exist as at 31 March 2023. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

8. Income tax expense (Continued)

c) Imputation credits

Imputation credits available for use in future reporting periods are as follows:

	2023	2022
	$'000	$'000
Imputation credits at 1 April	**5**	**19**
New Zealand tax payments, net of refunds	2	(14)
Imputation credits available to shareholders of the company at 31 March	**7**	**5**

9. Earnings per share

Earnings per share has been calculated based on shares issued at the respective measurement dates. Share options are considered anti-dilutive as the Group is loss making and are thus not taken into account in the calculation of diluted earnings per share.

	2023	2022
Numerator	$'000	$'000
Loss for the year after tax ("N")	(2,757)	(5,912)

	2023	2022
Denominator	$'000	$'000
Weighted average number of ordinary shares used in basic EPS ("D1")	67,811	66,961

	2023	2022
	Cents	Cents
Basic and diluted earnings per share (N/D1 x 100)	(4.07)	(8.83)

10. Trade receivables

	2023	2022
	$'000	$'000
Gross trade receivables	10,392	12,498
Impairment allowance	(677)	(280)
Trade receivables	**9,715**	**12,218**
Opening balance of impairment provision	280	275
Bad debt written off	27	24
Increase/(decrease) in provision for the year	370	(19)
Closing balance of impairment provision	**677**	**280**

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the impact of the COVID-19 pandemic, gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

11. Other assets and prepayments

Restated (Note 16)

		2023	2022
	Notes	$'000	$'000
Contract asset	11.1	2,932	3,675
Prepayments		977	1,160
Sundry receivables		140	96
		4,049	**4,931**

11.1. Contract asset

Restated (Note 16)

	2023	2022
	$'000	$'000
Opening balance	3,675	1,652
Invoiced in the year	(3,675)	(1,652)
Revenue accrued for services performed not yet invoiced	2,932	3,675
	2,932	**3,675**

12. Business combinations completed in prior period

IDEST Communication SA ("IDEST")

On 1 January 2022, Straker Translations Limited obtained control of the assets and business of IDEST Communication SA ("IDEST"), based in Brussels, Belgium. Founded in 1990, IDEST focuses on serving international institutions with state-of- the-art, tailor-made translation services.

IDEST specializes in the institutional sector and translates into all the official languages of the European Union and United Nations. Its core business provides a comprehensive range of linguistic services to both national and international institutions and the public. The acquisition represents Straker's strategy to extend and consolidate its presence in the multi- billion-dollar European market.

The goodwill for the acquisition reflects intangible assets which do not qualify for separate recognition and include expected synergies. An element of the consideration is contingent on achieving revenue, gross margin targets and the re-signing of a major customer agreement, as detailed in Note 17.

A fair value assessment of IDEST's assets and liabilities has been undertaken and the identifiable assets and liabilities are shown at fair value. The valuation of the separately identifiable intangible assets, including customer relationships have been determined by an independent valuer.

The table below summaries the major classes of consideration transferred, and the recognised amounts of asset acquired, and liabilities assumed at the acquisition date. All amounts are in NZD'000.

IDEST		Fair value
	Notes	$'000
Debtors and other receivables		1,264
Property, plant and equipment		12
Computer software		12
Customer relationship asset		1,438
Creditors and accruals		(616)
Deferred tax liability		(403)
Total net assets		**1,707**
Cash paid (NZD), net of cash acquired		1,924
Deferred consideration liability	17.1	1,401
Shares in Straker Translations Limited	19	426
Fair value of contingent consideration liability on acquisition	17.2	2,381
Total consideration		**6,132**
Goodwill	13	**4,425**

12. Business combinations completed in prior period (Continued)

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The Group measures goodwill at the acquisition date as:

- the fair value of consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of contingent considerations are recognised in profit or loss. Refer to note 17 for contingent consideration payable.

13. Intangible assets

	Software development	Acquired software	Customer relationship	Goodwill	Total
Year ended 31 March 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening net book value	**4,606**	**7,169**	**4,380**	**15,242**	**31,397**
Additions in the year	2,207	-	-	-	2,207
Amortisation expense	(1,408)	(3,003)	(1,739)	-	(6,150)
Foreign exchange adjustment	141	881	29	-	1,051
Closing net book value	**5,546**	**5,047**	**2,670**	**15,242**	**28,505**
At 31 March 2023					
Cost	9,771	11,790	10,383	16,041	47,985
Accumulated amortisation and impairment	(4,225)	(6,743)	(7,713)	(799)	(19,480)
Closing net book value	**5,546**	**5,047**	**2,670**	**15,242**	**28,505**

	Software development	Acquired software	Customer relationship	Goodwill	Total
Year ended 31 March 2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening net book value	**3,198**	**9,939**	**4,845**	**10,817**	**28,799**
Additions in the year	2,468	63	1,438	4,425	8,394
Impairment during the year	-	(114)	-	-	(114)
Amortisation expense	(1,062)	(2,697)	(2,030)	-	(5,789)
Foreign exchange adjustment	2	(22)	127	-	107
Closing net book value	**4,606**	**7,169**	**4,380**	**15,242**	**31,397**
At 31 March 2022					
Cost	7,407	10,548	9,945	16,041	43,941
Accumulated amortisation and impairment	(2,801)	(3,379)	(5,565)	(799)	(12,544)
Closing net book value	**4,606**	**7,169**	**4,380**	**15,242**	**31,397**

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

13. Intangible assets (cont.)

Capitalised development costs are carried at cost less accumulated amortisation and impairment losses. Additions in the year include salaries and wages of $1.421m (2022: $1.189m). Capitalised development costs are amortised over the periods the Group expects to benefit from utilising the software to manage translation service projects (currently five years. 2022: 5 years). The amortisation expense is included within the administration expenses in profit or loss. Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

Acquired software

Computer software acquired separately or in a business combination is initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition.

Following initial recognition, Computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful economic lives of computer software is between 2 and 4 years dependent on the underlying nature and historical information and is amortised over 2-4 years on a straight line basis (2022: 2-4 years)

Customer relationships

Customer relationships acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, customer relationship intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful economic lives of customer relationships are between 3 and 7 years dependent on the underlying contracts, historical information and forecast revenues (2022: 3-7 years).

Intangible asset impairment

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

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. Any impairment in the goodwill carrying value is charged to the profit or loss. 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 profit or loss on acquisition date.

Cash generating units

The carrying amount of goodwill has been allocated to the cash generating units (CGUs) below.
The Group has allocated goodwill to the below regions or subsidiaries, as the group of assets that each generate cash inflows that are largely independent of the cash inflows from other assets in the Group.

13. Intangible assets (cont.)

There has been a change in the CGUs in the year. In the previous year, the CGU was defined as the acquired subsidiaries. During the current year, the Group undertook business reorganisations of the Group's cash flows and assets. This impacted the following:

- Eule, Eurotext, MSS, and On-Global CGU's were reorganised into the Europe CGU
- Com and Elanex were reorganised into the North America (NAM) CGU
- IDEST and NZ CGUs remaining unchanged, as these Group entities continue to operate largely independently.

The allocation of goodwill to the CGUs at 31 March 2023 is as follows:

	Note	Europe[1]	IDEST[2]	NAM[3]	Lingotek[4]	NZ[5]	Total
		$'000	$'000	$'000	$'000	$'000	$'000
31 March 2022 *(restated)*		2,971	4,425	1,990	3,137	2,719	15,242
Additions		-	-	-	-	-	-
31 March 2023		2,971	4,425	1,990	3,137	2,719	15,242
Operating	3	EMEA	EMEA	NAM	NAM	APAC	

[1] Europe – made up of subsidiaries located in Europe, excluding IDEST which is separately identified
[2] IDEST – made up of IDEST, a Belgium subsidiary
[3] NAM – made up of North American subsidiaries, excluding Lingotek which is separately identified
[4] Lingotek - made up of Lingotek, a USA subsidiary
[5] NZ – made up of the NZ entity

Goodwill impairment

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment, by comparing the carrying amount of each CGU to its recoverable amount.

The recoverable amount of all CGUs has been determined based on value-in-use calculations. The cash flow projections used in the value in use calculations are based on management's forecasts for the year ending 31 March 2024, then applicable growth rates applied to revenue and costs from year 2 to 5 for most of the cash generating units. Cash flows beyond the five-year period are extrapolated using the terminal growth rates stated below.

The key assumptions and inputs to the value in use calculations are as follows:

	Annual revenue growth rates	Gross margin rate	Discount rate	Terminal growth rate
Year ended 31 March 2023	$'000	$'000	$'000	$'000
Europe	6%	57%	13.3%	1.7%
NAM	7%	65%	14.3%	1.7%
Lingotek	7%	64%	14.3%	1.7%
NZ	1%	54%	16.8%	1.7%
IDEST	12%	45%	14.9%	1.7%
Year ended 31 March 2022				
Europe *(restated)*	5% - 6%	35% - 58%	9.4% - 11.3%	1.7%
NAM *(restated)*	2%	44% - 58%	11.2% - 11.3%	1.7%
Lingotek	6%	67%	11.2%	1.7%
NZ	5%	55%	11.9%	1.7%
IDEST	5%	47%	11.5%	1.7%

Based on the value in use calculations, there is no impairment of goodwill in the current year.

Goodwill impairment (continued)

Europe CGU
Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of Europe CGU's recoverable amounts that would cause the CGU's carrying amount to exceeds its recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross margin rate	Discount rate	Terminal growth rate
Europe	Rate to below 2.6%	Decrease in rate of 6.0%	Increase in rate of 8.1%	Rate to below 0%

IDEST CGU
Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of IDEST CGU's recoverable amounts that would cause the CGU's carrying amount to exceeds its recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross margin rate	Discount rate	Terminal growth rate
IDEST	Rate to below 11.8%	Decrease in rate of 0.1%	Increase in rate of 0.1%	Rate to below 1.6%

NAM CGU
Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of NAM CGU's recoverable amounts that would cause the CGU's carrying amount to exceeds its recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross margin rate	Discount rate	Terminal growth rate
NAM	Rate to below 3.7%	Decrease in rate of 2.2%	Increase in rate of 18.4%	Rate to below 0%

Lingotek CGU
Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of Lingotek CGU's recoverable amounts that would cause the CGU's carrying amount to exceeds its recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross margin rate	Discount rate	Terminal growth rate
Lingotek	Rate to below 5.2%	Decrease in rate of 1.4%	Increase in rate of 2.2%	Rate to below 0%

NZ CGU
Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of NZ CGU's recoverable amounts that would cause the CGU's carrying amount to exceeds its recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross margin rate	Discount rate	Terminal growth rate
NZ	Rate to below 0.8%	Decrease in rate of 0.1%	Increase in rate of 0.1%	Rate to below 1.4%

14. Trade payables

	2023	2022
	$'000	$'000
Trade payables	**2,606**	**4,170**

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.

15. Sundry creditors and accruals

	2023	2022
	$'000	$'000
Accruals	1,573	2,294
Translator costs accrual	2,666	2,820
Goods and services tax	151	(113)
Sundry payables	155	233
	4,545	**5,234**

16. Contract liability

	2023	*Restated* 2022
	$'000	$'000
Opening balance	6,883	5,234
Recognised as revenue in the year	(6,240)	(5,628)
Payments received in advance	5,760	7,277
	6,403	**6,883**

Restatement of Contract Liability as at 31 March 2022
Contract liability has increased by $3.104M with a corresponding increase in Contract assets (note 11.1) as this represents accrued income that was previously netted within the Contract liability balance. This restatement has no impact on Profit and Loss or Cash Flow for the year ended 31 March 2022.

Remaining performance obligations
Contract liability represents an obligation to provide products or services to a customer when payment has been made in advance and delivery or performance has not yet occurred. These are expected to be delivered within the next 12 months, for which the practical expedient regarding any financing component has been applied.

17. Consideration liabilities

17.1. Deferred consideration liabilities

	2023	2022
	$'000	$'000
Due within one year	**-**	**1,401**
Movement during the year		
Opening balance	1,401	-
On acquisition in prior year	-	1,401
Paid in year	(1,363)	-
Gain on fair value adjustment to deferred consideration liability (finance income)	(14)	-
Foreign exchange adjustment	(24)	-
Closing balance	**-**	**1,401**

17.2. Contingent consideration liabilities

	2023	2022
	$'000	$'000
Due within one year	-	1,348
Due after more than one year	1,711	1,230
Total	**1,711**	**2,578**
Movement during the year		
Opening balance	2,578	3,334
On acquisition in prior year	-	2,381
Paid in year	(340)	(993)
Gain on fair value adjustment to contingent consideration liability (finance income)	(1,122)	(2,140)
Unwinding of imputed interest on contingent consideration (Note 7)	290	85
Foreign exchange revaluation	305	(89)
Closing balance	**1,711**	**2,578**

IDEST

Paid during the period

During the current period, the Group paid contingent consideration liability of EUR 0.02m (NZD 0.04m) after achieving revenue and gross margins targets.

A contingent consideration liability of EUR 0.776m (NZD 1.337m) has been de-recognised in the current period, with the corresponding impact recorded in profit or loss in relation to contingent consideration settled this period. This is included in gain on fair value adjustment.

Contingent consideration liability due on 29 April 2024

Due to re-measurement of forecast earnings, an additional contingent consideration liability of EUR 0.125m (NZD 0.215m) has been recognised in the current period, and included in gain on fair value adjustment, with the corresponding impact recorded in profit or loss. The remaining liability of EUR 0.875m (NZD 1.524m) is payable on 29 April 2024, upon achieving revenue and gross margin targets.

Contingent consideration liability due on 30 April 2024

A further contingent consideration liability of EUR 0.25m (NZD 0.435m) is payable upon successful renewal of the contract with the European Commission on or before 30 April 2024 on terms and conditions similar to or better than the current terms and conditions.

The discounted liability of NZD 1.711m, in relation to contingent consideration payable in April 2024, is included in the non-current liability.

Lingotek

A contingent consideration liability of USD 1.372m (NZD 1.974m) was de-recognised in FY22 due to remeasurement of forecast earnings. The corresponding impact was recorded in FY22 profit or loss. No remeasurement changes were made in the current period.

NZTC

In relation to the acquisition of NZTC, a final contingent consideration payment amounting to NZD 0.3m was made during the current period after the successful achievement of revenue targets.

18. Lease accounting

	Equipment	Property	Total
Right of use assets	**$'000**	**$'000**	**$'000**
At 1 April 2022	**5**	**1,629**	**1,634**
Additions	-	83	83
Impact of lease modifications	-	(10)	(10)
Amortisation	(3)	(458)	(461)
At 31 March 2023	**2**	**1,244**	**1,246**
At 1 April 2021	**8**	**645**	**653**
Additions	-	765	765
Impact of lease modifications	-	755	755
Amortisation	(3)	(536)	(539)
At 31 March 2022	**5**	**1,629**	**1,634**

	Equipment	Property	Total
Lease liabilities	**$'000**	**$'000**	**$'000**
At 1 April 2022	**3**	**1,881**	**1,884**
Additions	-	-	-
Interest expense	1	65	66
Lease payments	(2)	(561)	(563)
Effect of change in foreign exchange rates	-	72	72
Lease modifications	-	10	10
At 31 March 2023	**2**	**1,467**	**1,469**
At 1 April 2021	**7**	**956**	**963**
Additions	-	732	732
Interest expense	1	75	76
Lease payments	(5)	(518)	(523)
Effect of change in foreign exchange rates	-	(37)	(37)
Lease modifications	-	673	673
At 31 March 2022	**3**	**1,881**	**1,884**

	2023	2022
	$'000	**$'000**
Current	438	463
Non-Current	1,031	1,421
	1,469	**1,884**

18. Lease accounting (Continued)

Lease liability payments are made monthly. The payments to be made within 12 months amount to NZD $0.444m (2022: NZD $0.451m). The remaining NZD $1.025m (2022: NZD $1.433m) will be paid within 4 years.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a term of 12 months or less.

Under the exemption, lease payments are recognised as lease expenses typically on a straight-line basis over the lease term.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they are dependent on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability may also include:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:
- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

18. Lease accounting (Continued)

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e., it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Nature of leasing activities (in the capacity as lessee)

The Group leases several properties in the jurisdictions in which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates.

The Group also leases certain items of plant and equipment. These leases comprise only fixed payments over the lease terms.

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 2% on the reporting date to lease payments that are variable.

Year ended 31 March 2023	Lease Contracts Number	Fixed payments	Variable payments %	Sensitivity $'000
Equipment leases with fixed payments	1	0.0%	-	-
Property leases with payments linked to inflation	3	-	52%	±5
Property leases with periodic uplifts to market	1	-	41%	±1
Property leases with fixed payments	2	4.0%	-	-
	7	**4.0%**	**93%**	**±6**

Year ended 31 March 2022	Lease Contracts Number	Fixed payments	Variable payments %	Sensitivity $'000
Equipment leases with fixed payments	1	0.0%	-	-
Property leases with payments linked to inflation	4	-	52%	±5
Property leases with periodic uplifts to market	1	-	41%	±1
Property leases with fixed payments	3	4.0%	-	-
	9	**4.0%**	**93%**	**±6**

Refer to note 23 for undiscounted maturity analysis for lease liabilities.

19. Share capital

	2023	2022
Ordinary capital	**$'000**	**$'000**
Balance at beginning of the year	68,796	42,529
Proceeds from issue of ordinary shares during the year	8	26,979
Ordinary shares issued during the year – consideration as part of business combination	-	426
Costs of share issue	-	(1,138)
Balance at end of the year	**68,804**	**68,796**

	2023	2022
Ordinary capital	**No. of Shares**	**No. of Shares**
Share capital at the beginning of the year	67,797,015	54,334,855
Ordinary shares issued during the year	42,284	13,198,964
Ordinary shares issued during the year – consideration as part of business combination	-	263,196
Balance at end of the year	**67,839,299**	**67,797,015**

The company has issued 67,839,299 ordinary shares (2022: 67,797,015) 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.

20. Group subsidiaries

Subsidiary	Country of Incorporation	Ownership Interest 2023	Ownership Interest 2022
Straker Europe Limited	Ireland	100%	100%
Straker Translations Inc.	United States of America	100%	100%
Straker Translations Australia Pty Limited	Australia	100%	100%
Straker Spain SL	Spain	100%	100%
Straker Translations UK Limited	United Kingdom	100%	100%
Eurotext Translations Limited ("Eurotext")	Ireland	100%	100%
Elanex Inc. ("Elanex")	United States of America	100%	100%
Straker Translations Hong Kong Limited	Hong Kong	100%	100%
Management System Solutions SL ("MSS")	Spain	100%	100%
Straker Germany GmbH (previously Eule Lokalisierung GmbH) ("Eule")	Germany	100%	100%
Straker Media SL (previously ComTranslations Online SL) ("Com")	Spain	100%	100%
On-Global Language Marketing Services SL ("On-Global")	Spain	100%	100%
New Zealand Translations Centre Limited ("NZTC")	New Zealand	100%	100%
Straker Lingotek LLC	United States of America	100%	100%
IDEST Communication SA	Belgium	100%	100%

Management System Solutions SL, Straker Media SL and On-Global Language Marketing Services SL are 100% subsidiaries of Straker Spain SL.

Straker Spain SL, Straker UK Limited, IDEST Communication SA and Eurotext Translations Limited are 100% subsidiaries of Straker Europe Limited.

Elanex Inc. and Straker Lingotek LLC are 100% subsidiaries of STS Translations Inc. (USA).

All subsidiary companies are providers of language services and have 31 March balance dates other than On-Global which has a 31 December financial year end.

21. Capital management

The Group's capital includes share capital and retained earnings. The Group's policy is to maintain a strong share capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

22. Events after the reporting period

There were no reported significant events after reporting date.

23. Financial risk management

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

- Credit risk;
- Interest rate 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.

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 receivables
- Trade payables, accruals and translator costs accrual
- Contract liability
- Contingent consideration liability

23. Financial risk management (continued)

(a) Financial risk management objectives, policies and processes

The Group manages their exposure to key financial risks, including credit risk, interest risk, liquidity risk and foreign exchange 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 Board reviews and agrees policies for managing each of these risks as summarised below.

	Assets at Amortised Cost	Liabilities at Amortised Cost	Fair value through Profit or Loss	Total Carrying Amount
31 March 2023	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets				
Cash and cash equivalents	12,505	-	-	12,505
Trade receivables	9,715	-	-	9,715
Total	**22,220**	**-**	**-**	**22,220**
Financial liabilities				
Trade payables	-	2,606	-	2,606
Accruals	-	1,573	-	1,573
Translator costs accrual	-	2,666	-	2,666
Contingent consideration	-	-	1,711	1,711
Contract liabilities	-	6,403	-	6,403
Lease liabilities	-	1,469	-	1,469
Total	**-**	**14,717**	**1,711**	**16,428**

Maturity analysis - Contractual liability

	Current	Due 1-6m	Due 7-12m	Due 13-24m	Due 25-36m	Total
Trade payables	2,606	-	-	-	-	2,606
Accruals	1,573	-	-	-	-	1,573
Translator costs accrual	2,666	-	-	-	-	2,666
Contingent consideration	-	-	-	1,961	-	1,961
Contract liabilities	107	5,199	1,046	51	-	6,403
Lease liabilities	-	224	226	467	552	1,469
Total	**6,952**	**5,423**	**1,272**	**2,479**	**552**	**16,678**

23. Financial risk management (continued)

31 March 2022	Assets at Amortised Cost $'000	Liabilities at Amortised Cost $'000	Fair value through Profit or Loss $'000	Total Carrying Amount $'000
Financial assets				
Cash and cash equivalents	15,131	-	-	15,131
Trade receivables	12,218	-	-	12,218
Total	**27,349**	**-**	**-**	**27,349**
Financial liabilities				
Trade payables	-	4,170	-	4,170
Accruals	-	2,294	-	2,294
Translator costs accrual	-	2,820	-	2,820
Deferred consideration	-	1,401	-	1,401
Contingent consideration	-	-	2,578	2,578
Contract liabilities	-	6,883	-	6,883
Lease liabilities	-	1,884	-	1,884
Total	**-**	**19,452**	**2,578**	**22,030**

Maturity analysis - Contractual liability

	Current	Due 1-6m	Due 7-12m	Due 13-24m	Due 25-36m	Total
Trade payables	4,170	-	-	-	-	4,170
Accruals	2,294	-	-	-	-	2,294
Translator costs accrual	2,820	-	-	-	-	2,820
Deferred consideration	-	1,401	-	-	-	1,401
Contingent consideration	-	-	1,279	1,706	-	2,985
Contract liabilities	80	5,235	1,369	200	-	6,883
Lease liabilities	-	222	230	419	1,013	1,884
	9,364	**6,857**	**2,878**	**2,325**	**1,013**	**22,437**

Financial instruments not measured at fair value

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)
Level 2: Observable direct or indirect inputs other than Level 1 inputs
Level 3: Unobservable inputs (i.e., not derived from market data).

Financial instruments not measured at fair value include cash and cash equivalents, trade receivables, trade payables, accruals and deferred consideration. Due to their short-term nature, the carrying value of each approximates their fair value.

There are no Level 1 or Level 2 financial instruments.

23. Financial risk management (continued)
Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below.

Level 3

Level 3		2023	2022
Financial liabilities	**Notes**	**$'000**	**$'000**
Contingent consideration liabilities	17.2	1,711	2,578

There were no transfers between levels during the year.

Quantitative information on significant unobservable inputs – Level 3

The fair value of the Level 3 contingent consideration liability has been determined by discounted cash flow valuation technique. The fair value has been determined with reference to unobservable inputs, including forecast revenue as explained in Note 17.2. During the year, the Group used cost of debt percentage in determining the IDEST contingent consideration. In the prior years, the Group used cost of debt percentage.

There was no any other changes to the valuation technique used during the year.

b. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. 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 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, and trade receivables as disclosed in the Statement of Financial Position. At each reporting date, trade receivables are reviewed for future expected credit losses in accordance with Note 23 e.

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. Trade receivables net of the Expected Credit Loss provision as stated in Note 10, include balances more than 30 days past due of $3.2m. The Group has received $1.3m in the post reporting date period and has determined that no further impairment of the remaining balance is required.

23. Financial risk management (continued)

A significant amount of cash and cash equivalents is held with the following institutions. All cash and cash equivalents are cash at bank (2022: no change):

	Rating	2023	2022
Bank		$'000	$'000
AIB	BAA1	28	144
ANZ New Zealand	A3	4,259	3,739
Bank of America	A2	-	202
Barclays	BAA2	156	175
BBVA US	BAA2	90	395
Caixa	BAA3	695	387
Citibank N.A.	BAA1	63	997
Commerzbank	BAA2	280	64
ING	BAA1	1,470	1,256
NAB	A2	2,494	6,112
Silicon Valley Bank[1]	N/A	-	1,083
Mitsubishi Bank	A1	265	68
Zions	BAA1	2,309	-

Note 1: Funds were transferred out from Silicon Valley Bank in October 2022.

c. Interest rate risk

The Group does not have borrowings, and as a result it is not exposed to cash flow interest rate risk.

d. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with financial liabilities as they fall due. The Group closely monitors its cash inflows and cash requirements to manage the net position in order to maintain an appropriate liquidity position. Refer to financial instrument maturity analysis in Note 23 (i).

Cash and cash equivalents consist of cash at bank immediately available on demand.

e. 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, US Dollars and Australian Dollars.

The following significant exchange rates applied during the year:

	Monthly average rate		Reporting date spot rate	
	2023	2022	2023	2022
AUD	0.9099	0.9436	0.9112	0.9288
EUR	0.5986	0.5988	0.5959	0.5996
USD	0.6231	0.6942	0.6227	0.6961

23. Financial risk management (continued)

The table below summarises the material foreign exchange exposure on the net monetary assets and liabilities of the entity against the significant foreign currencies in which the Group primarily transacts, expressed in NZD:

	2023	2022
EUR	**$'000**	**$'000**
Cash and cash equivalents	1,444	1,161
Trade receivables	1,566	2,518
Trade payables	(1,307)	(1,298)
Total	**1,703**	**2,381**

	2023	2022
USD	**$'000**	**$'000**
Cash and cash equivalents	4,657	5,165
Trade receivables	1,761	1,727
Trade payables	(353)	(1,553)
Total	**6,065**	**5,339**

	2023	2022
AUD	**$'000**	**$'000**
Cash and cash equivalents	2,769	5,990

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.

	2023	2022
	$'000	**$'000**
12.5% weakening in NZD/EUR (2022: 12.5%)	243	340
5% strengthening in NZD/EUR (2022: 5%)	(81)	(113)
20% weakening in NZD/USD (2022: 20%)	1,516	1,335
7.5% strengthening in NZD/USD (2022: 7.5%)	(423)	(372)
20% weakening in NZD/AUD (2022: 20%)	396	856
7.5% strengthening in NZD/AUD (2022: 7.5%)	(132)	(285)

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group. In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

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, Australian Dollars and US Dollars.

24. Related party transactions

The Group's related parties include its subsidiary companies as disclosed in Note 20. All related party transactions within the Group are eliminated on consolidation.

a. Transactions with other related parties during the normal course of business

No related party transactions were noted during the year.

b. Transactions with directors and key management personnel

In the prior year the Group repaid an unsecured simple term debt facility of NZD $1.5m with an interest rate of 11.50%pa provided by an entity associated with Stephen Donovan, a Straker non-executive director.

During the year interest on unsecured borrowings was nil (2022: NZD $0.135m).

2023	Director Fees (including disbursements)	Consulting Fees	Employee Benefits – Defined Contribution Plan	Salary & Bonus	Interest & Commitment Fee on Unsecured Borrowings	Total $'000
Grant Straker	-	-	14	478	-	492
Steven Bayliss	52	-	-	-	-	52
Amanda Cribb	90	-	-	-	-	90
Stephen Donovan	83	28	-	-	-	111
James Johnstone	25	-	-	-	-	25
Heith Mackay-Cruise	87	-	-	-	-	87
Phil Norman	44	25	-	-	-	69
Tim Williams	26	-	-	-	-	26
Paul Wilson	46	-	-	-	-	46
	453	**53**	**14**	**478**	**-**	**998**

2022	Director Fees (including disbursements)	Consulting Fees	Employee Benefits – Defined Contribution Plan	Salary & Bonus	Interest & Commitment Fee on Unsecured Borrowings	Total $'000
Grant Straker	-	-	13	436	-	449
Amanda Cribb	63	-	-	-	-	63
Stephen Donovan	64	65	-	-	135	264
Phil Norman	102	-	-	-	-	102
Tim Williams	63	-	-	-	-	63
Paul Wilson	63	-	-	-	-	63
	355	**65**	**13**	**436**	**135**	**1,004**

24. Related party transactions (continued)

c. Key management personnel including the Chief Executive Officer

	2023 $'000	2022 $'000
Short-term employee benefits	2,300	1,801
Total	**2,300**	**1,801**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Key management personnel includes the Executive Team.

25. Share options

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

The options vest at each financial year end. All options are fully exercisable by 1 June 2025.

Reconciliation of outstanding options	Number of Options	Average Exercise Price (NZD$)
Balance at 31 March 2021	**2,565,047**	**$1.41**
Issued during the year	1,419,600	$1.96
Exercised during the year	(97,351)	$1.14
Lapsed during the year	(144,526)	$1.65
Balance at 31 March 2022	**3,742,770**	**$1.59**
Issued during the year	863,000	$1.27
Exercised during the year	(45,652)	$0.84
Lapsed during the year	(652,441)	$1.52
Balance at 31 March 2023	**3,907,677**	**$1.50**

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 volatility.

Fair Value on grant date	2023 $'000	2022 $'000
Share Price at grant date	$1.30	$2.02
Exercise Price	$1.27	$1.96
Expected Volatility	30.0%	30.0%
Expected Life	4 years	4 years
Risk Free rate	3.59%	0.50%
Black out factor	25.0%	25.0%

25. Share options (Continued)

Directors

The following directors hold the following number of options as at balance date expressed at a blended average exercise price:

	2023	2023	2022	2022
	Exercise Price (NZD$)	Number of Options	Exercise Price (NZD$)	Number of Options
Stephen Donovan	$1.53	25,000	$1.53	25,000
Grant Straker	$1.53	763,667	$1.53	604,300

Phil Norman (former director) exercised 40,068 (2022:13,990) share options at an average of NZD$0.871 (2022: NZD$0.596) per share.

In the prior year Grant Straker directly and indirectly exercised 133,920 share options on a cashless basis for which he received 79,456 ordinary shares in the prior year.

Key management personnel including the Chief Executive Officer

The key management personnel hold the following number of options as at reporting date:

	2023	2023	2022	2022
	Exercise Price (NZD$)	Number of Options	Exercise Price (NZD$)	Number of Options
Key management personnel	$1.54	2,739,767	$1.61	2,242,600

26. Reconciliation of net profit for the year with net cash flows from operating activities

	2023	2022
	$'000	$'000
Net loss after tax for the year	**(2,757)**	**(5,912)**
Adjusted for:		
Non-cash items		
Amortisation of capitalised software development	1,408	1,062
Amortisation of computer software	3,003	2,697
Amortisation of acquired intangibles	1,739	2,030
Amortisation of right of use assets	461	539
Depreciation of plant and equipment	176	210
Impairment loss on trade receivables	443	47
Impairment of plant and equipment	(1)	3
Imputed interest on deferred consideration liability	290	(169)
Fair value of contingent consideration liability on acquisition	(1,136)	(1,895)
Share options	275	370
Taxation	(474)	(549)
Unrealised foreign currency (gain)/loss	(2,013)	377
Non-operating expenses		
Interest paid for financing activity	-	831
Interest on lease liabilities	83	58
Impact of changes in working capital items		
Movement in debtors, prepayments and other debtors	2,731	(4,081)
Movement in creditors, accruals and other payables	(3,009)	2,159
Movement in tax provisions	209	(142)
Net cash flow from operating activities	**1,428**	**(2,365)**

Non-cash investing and financing activities

Significant non-cash transactions included in financing activities include recognition of contingent consideration, gain/ (loss) on fair value adjustments and unwinding of imputed interest on the contingent consideration liabilities, as detailed in Note 17.2.

There are no significant non-cash transactions included in investing activities.

27. 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 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. Foreign currency translation

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss. Exchange differences realised on settlement of monetary assets and liabilities are also recognised in profit or loss.

On consolidation, the results of overseas operations are translated into New Zealand dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the date of the statement of financial position. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised to profit or loss in Group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

c. Goods and Services Tax

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

i. 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
ii. 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.

27. Summary of significant accounting policies (continued)

d. Financial instruments
Non-derivative financial assets
The Group classifies its financial assets as financial assets at amortised cost.

Amortised cost
These assets arise principally from the provision of services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Non-derivative financial liabilities
Non-derivative financial liabilities comprise trade payables, accruals, translator costs accrual, contract liability, lease liabilities, deferred consideration liabilities and contingent consideration 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 following:

• Other financial liabilities
Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group's other financial liabilities comprise: trade payables, accruals, translator costs accrual, contract liability and deferred consideration.

• Financial liabilities classified as fair value through profit or loss

After initial measurement, the Group measures its financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in profit or loss. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in profit or loss.

e. Impairment of assets
Financial assets – trade receivables

Impairment provisions for current trade receivables and contract assets are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

27. Summary of significant accounting policies (continued)

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 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.

Goodwill is tested for impairment annually.

f. Employee benefits
Short Term Employee Benefits
Liabilities for wages and salaries, including non-monetary benefits and annual leave wholly settled within twelve 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.

Defined contribution schemes
Contributions to defined contribution schemes are charged to the profit or loss in the year to which they relate.

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.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2023

Overview

The Board of Directors of Straker Translations Limited (Straker) is committed to upholding a high standard of corporate governance. Straker complies as far as possible with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (ASX Corporate Governance Principles and Recommendations) having regard to the nature and size of Straker's operations.

This Corporate Governance Statement outlines Straker's commitment to achieving compliance with the central principles of the recommendations set by the ASX Corporate Governance Council based on:

- an overview of Straker's implementation of the ASX Corporate Governance Principles and Recommendations during the year ended 31 March 2023
- an explanation of the ASX Corporate Governance Principles and Recommendations with which Straker does not currently comply and the reasons for any non-compliance; and
- a statement of Straker's intention to take certain actions and adopt certain policies and processes in order to achieve compliance with the ASX Corporate Governance Principles and Recommendations.

The Board charters, corporate governance principles and policies are available on Straker's website at www. strakertranslations.com.

This Corporate Governance Statement was approved by Straker's Board of Directors on 30th May 2023.

Principle 1:

Lay solid foundations for management and oversight
A listed entity should disclose:

- the respective roles and responsibilities of its board and management; and
- those matters expressly reserved to the board and those delegated to management.

The respective roles and responsibilities of Straker's Board and Management
Straker's Board of Directors (Board) is the body responsible for the overall corporate governance and decision making within the Company. While Straker's senior executive management team (being employees of Straker who report directly to Straker's Chief Executive Officer) deal with and supervise the day-to-day operational issues and processes experienced by Straker in carrying out its business, the role of the Board is to direct and supervise the management of Straker's business by its senior executive team, and to ensure that the longer-term strategic objectives of the Company continue to be met.

In order to promote efficiency, the Board may from time-to-time delegate certain functions to its senior executive management team. Actions delegated to the senior executive management team typically involve management of Straker's resources to deal with day-to-day operations of the business in a way that contributes to Straker's overall strategic direction as set by the Board. The Board has delegated to the Managing Director & Chief Executive Officer all the powers and authorities required to manage the day-to-day operations of Straker's business, except those expressly reserved to the Board or one of its committees. Straker's Board Charter sets out the role and responsibilities of the Board and regulates internal Board procedures. Details about the Company's Board are available on Straker's website.

Selection and recommendation of director candidates

Before appointing or putting forward to shareholders any candidate for election or re-election as a director of Straker, a formal process is undertaken to complete appropriate checks on that candidate, including checks as to that candidate's character, experience, education, criminal record, bankruptcy history and a valid Australian Director Identification Number. If Straker is satisfied with the results of such checks and determines that the candidate be put forward to shareholders for election, Straker will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect that director candidate.

Terms of appointment of Directors and senior executives

All newly appointed Directors are provided with a letter of appointment setting out the term of appointment, remuneration, the Director's roles and responsibilities and the entity's expectations of that Director (including with regards to time commitments, the requirement to disclose Directors' interests and matters affecting the Director's independence, the requirement to comply with key corporate policies, and ongoing confidentiality obligations). Existing Non-Executive Directors of Straker also have their terms of appointment formalised in a written letter of appointment setting out the above items.

All senior executive employees of Straker have their terms of employment (including a description of their position, duties and responsibilities, remuneration arrangements, the role to which they report, termination obligations and entitlements, and ongoing confidentiality obligations) contained in a written agreement with Straker.

The Company Secretary role

Straker's Board has appointed an Australian based Company Secretary following completion of the Company's listing on the ASX. Since March 2023, the Company Secretary is assisted by the Board approved Straker employee, to ensure the following tasks are completed:

- advising the Board and its committees on governance matters;
- ensuring compliance with the Company's continuous disclosure obligations;
- monitoring that the Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers;
- ensuring that the matters discussed at Board and committee meetings are accurately captured in the minutes of those meetings; and helping to organise and facilitate the induction and professional development of Directors.

Diversity

The Company is committed to creating and ensuring a diverse work environment in which everyone is treated fairly, with respect and where everyone feels responsible for the reputation and performance of the Company. Straker understands that diversity and inclusivity in the workforce is a strategic asset, and that a workplace with a genuine balance of employees by gender, age and background will strengthen Straker's business performance and create opportunities to access the best people for Straker's business.

Straker has developed a formal Diversity and Inclusion Policy, which was adopted upon the Company's listing to the ASX in October 2018. The updated version (April 2023) copy of the policy can be found on the Company's website.

As at the year ended 31 March 2023, the respective proportions of employees within Straker were as follows:

	Female	Male	Gender Diverse
Board of Directors	1	5	
Executive Team	2	5	
Non-Executive Team	21	20	
All other employees (not including senior executive staff)	96	74	3
Total	**120**	**104**	**3**

Performance Management

Straker undertakes formal evaluation processes on an annual basis to review the performance of Straker's Board, various Board committees, individual Directors, and senior executive employees. These evaluation processes are conducted as follows:

- Board performance and Board committee performance: Straker's Board and Committees were reviewed in November 2022 with changes made to the composition and Charters. A market announcement was made on 1 December 2022. The Risk & Audit Committee was renamed the Audit & Risk Committee and the Remuneration & Nominations Committee was renamed the People and Culture Committee.

- Individual Director performance: Straker's Chairperson of the Board conducts performance reviews with individual Directors on an annual basis.

- Senior executive employee performance: The People and Culture Committee periodically evaluates the performance of Straker's senior executives in accordance with the provisions of Straker's People and Culture Committee Charter, which is available on Straker's website. The Chair, with feedback from all non-executive directors, provides formal feedback to the Managing Director & Chief Executive Officer on an annual basis.

Principle 2:

Structure the Board to add value

The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.
Straker understands the importance of a high performing and effective Board of Directors in ensuring proper governance of a listed entity. Straker has structured its Board of Directors in accordance with the recommendations set out in the ASX Corporate Governance Principles and Recommendations to ensure that the Board is of a sufficient size, independence level, and skill set composition to enable it to manage the requirements of Straker's business and the industry and market in which it operates.

People and Culture Committee

Straker's People and Culture Committee is tasked with overseeing and making recommendations to the Board on the nomination, selection, and appointment of Directors to the Board, the re-election of incumbent Directors, and the remuneration strategies and policies of the Company, including recommendations on the fees to be paid to Directors.
The People and Culture Committee has three members, with current members being Steven Bayliss, Amanda Cribb, Heith Mackay-Cruise (a majority all of whom are Independent Non-Executive Directors). The Committee is chaired by Steven Bayliss who is an Independent Director of Straker, in accordance with the requirements of the ASX Corporate Governance Principles and Recommendations. The People and Culture Committee Charter sets out the Board's policies and practices regarding the nomination, selection and appointment of new Directors and the re-election of incumbent Directors, as well as the Board's policies regarding the remuneration of Non-Executive Directors and other senior executives and is available on the Company's website.

Skills and experience of the Board

Straker recognises that its Board should represent a diverse range of skills, experience and attributes in order to ensure effective decision-making and governance of the Company. The Board currently comprised of members with skills and experience in the following areas:

- strategic capability and leadership;
- financial management, accounting and audit;
- commercial focus and knowledge of business practices;
- capital markets and financing;
- technology and innovation;
- legal and regulatory;
- risk management;
- corporate governance & ESG;
- sales and marketing;
- digital media and communications;
- cultural competence, with a focus on diversity, equity, and inclusion;
- employee engagement and talent retention.

There are also a range of qualifications currently represented across the Board, including in the fields of finance and accounting, business management, sales and marketing, and software development.

The Board review on an annual basis the skills, experience and attributes held by the Directors and whether the Board group as a whole possess the skills and experience required to fulfil their role on the Board and relevant Board committees. Where any gaps are identified, the Board will consider what training or development could be undertaken to fill those gaps and provide resources or access to resources to help develops and maintain the skills and knowledge of its Directors.

Board composition and independence

As at the year ended 31 March 2023, the Board comprised the following five Non-Executive Directors:

Name	Position	Date appointed to Board
Heith Mackay–Cruise	Chair and Independent Non-Executive Director	24 August 2022
Grant Straker	Managing Director & Chief Executive Officer	21 December 1999
Stephen Donovan	Non-Executive Director	1 December 2004
Amanda Cribb	Independent Non-Executive Director	20 July 2020
Steven Bayliss	Independent Non-Executive Director	24 August 2022
James Johnstone	Non-Executive Director	1 December 2022

The Board only considers a Director to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement. On this basis, the following Directors have been determined as being independent as at 31 March 2023 and for the full financial year ending on that date, being Heith Mackay-Cruise, Amanda Cribb, and Steven Bayliss. This is despite the foregoing interests/ relationships which the Board considers are not material and do not compromise the independence of the relevant Director:

Grant Straker, Stephen Donovan and James Johnstone are regarded as non-independent based on the ASX criteria in Principle 2 of the ASX Recommendations.

The Board considers the composition of the Board to be appropriate and does not believe that it is detrimental to the Company or its Shareholders that the majority of the Board is not independent.

The People and Culture Committee re-assesses the independence of each Non-Executive Director on an annual basis and in cases where a specific need for an independence assessment is identified due to a change in the interests, positions, associations, or relationships of one or more Non-Executive Directors. If the Board determines that a Director's status as an Independent Director has changed, the Board will disclose and explain that determination to the market in a timely manner.

Chair of the Board

The Chair of the Board, Heith Mackay-Cruise, is an Independent Non-Executive Director and is not the Managing Director nor Chief Executive Officer.

Induction of new Directors and ongoing professional development

Where a new Director is appointed to the Board, Straker's Chairperson will arrange induction sessions with the new Director in order to brief them on the background and growth story of the Company and advise the new Director on the Board procedures, constitutional documents, corporate governance policies and procedures.

Due to the current size and growth stage of Straker's business, the Director induction and professional development processes of the Company are largely informal. However, as Straker grows in size and market significance, Straker will consider providing Directors with appropriate formalised professional training and development opportunities to allow new and existing Directors to develop and maintain the skills and knowledge needed to perform their roles effectively.

Board and Committee Meeting Attendance

The number of scheduled Board and Committee meetings held during the year ended 31 March 2023 and the number of meetings attended by each of the Directors is set out in the table below:

Name	Board		Audit & Risk		People & Culture	
	A	B	A	B	A	B
Heith Mackay–Cruise	8	8	3	3	2	2
Grant Straker	13	13				
Stephen Donovan	13	13	4	4		
Amanda Cribb	13	13	4	4	2	2
Steven Bayliss	8	8			2	2
James Johnstone	3	3	1	1		
Phil Norman	5	5	1	1	1	1
Tim Williams	5	5			1	1
Paul Wilson	10	10			2	2

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of a committee during the year.

Principle 3:

Instil a culture of acting lawfully, ethically and responsibly
A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Straker is committed to complying with its legal obligations and to acting with honesty, integrity and in a manner consistent with the reasonable expectations of its investors and the wider community.

Company Values

Straker's key objectives are to:

- embrace change to continually evolve;
- solve hard problems that others cannot;
- celebrate success as one team;
- build trust and empower the Company's teams; and
- operate one platform with one team.

Code of Conduct

Straker expects that all of its Directors, senior executives and employees will also act ethically and responsibly, in strict compliance with all applicable laws, regulations, and in accordance with accepted principles of good corporate citizenship. In order to demonstrate Straker's commitment to acting ethically and responsibly, the Board has developed a Code of Conduct that clearly defines Straker's core values, articulates what Straker regards as acceptable business practices, and sets out the standards and expectations required of the Board, senior executives and employees in performing their duties. Straker's Code of Conduct is available on Straker's website.

Whistleblower Policy

Straker has developed a Whistleblower Policy, which was adopted on 26 February 2020.
The purpose of the Whistleblower Policy is to encourage the reporting of any instances of suspected unethical, illegal, fraudulent, or undesirable conduct involving the Company's businesses. The Company provides protections and measures so that anyone who makes a report may do so confidentially and without fear of intimidation, disadvantage, or reprisal.

The Whistleblower Protections Officers, which include any Director, Company Secretary or Auditor of Straker receives reports of material breaches of the policy, including action taken in response to breaches. A copy of the Whistleblower Policy can be found on the Company's website.

Anti-Bribery and Corruption Policy

Straker has developed an Anti-Bribery and Corruption Policy, which was adopted in April 2019. The purpose of the Anti-Bribery and Corruption Policy is to set out Straker position on matters relating to bribery and similar problematic conduct, and the responsibilities of those to whom this policy applies. It also provides guidance on how to recognise and deal with such conduct.

The Company Secretary, Chair of the Board and Chair of the Audit & Risk Management Committee receives reports of material breaches of the policy. A copy of the Anti-Bribery and Corruption Policy can be found on the Company's website.

Principle 4:

Safeguard integrity in corporate reports

A listed entity should have appropriate processes to verify the integrity of its corporate reporting.
Audit and Risk Management Committee

Straker's Audit and Risk Management Committee is tasked with reporting to the Board on the integrity of Straker's financial reporting process, its internal and external audit functions, and its internal control and risk management process.
In accordance with the requirements of the ASX Corporate Governance Principles and Recommendations, the Audit and Risk Management Committee comprises of at least three Non-Executive Director members, being Amanda Cribb, Stephen Donovan, James Johnstone and Heith Mackay-Cruise.

The ASX Corporate Governance Principles recommend that the Audit and Risk Management Committee will be chaired by an independent Director. The Board have had regard to the skills and experience of the Board and have determined that Amanda Cribb is the most appropriate member of the Board to act as chair of the Audit and Risk Management Committee. The relevant qualifications and experience of the members of the Audit and Risk Management Committee are available in the Annual Report.

The Audit and Risk Management Committee Charter sets out the policies and practices of the Board regarding the financial audit and risk management processes of Straker and is available on the Straker's website.

Declaration of Managing Director and CFO on financial statements

As a New Zealand incorporated Company, Straker is not subject to section 295A(4) of the Corporations Act 2001 (Cth) (which requires that the CEO/Managing Director and Chief Financial Officer (CFO) of a listed entity to provide certain declarations regarding the financial statements for that entity in each financial year). However, in accordance with the ASX Corporate Governance Principles and Recommendations, Straker's Managing Director and CFO provided to the Board (prior to the approval by the Board of Straker's financial statements for a financial period) a written opinion to the Board of Directors that, in their opinion:

- Straker's financial reports comply with the appropriate accounting standards;
- Straker's financial reports give a true and fair view of Straker's financial position and performance; and
- the opinion of the Managing Director and CFO has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

Periodic corporate reporting

Periodic reports are subject to approval from the Board or a Committee before release. The approval process includes confirmation from Management to the Directors that the relevant report has been reviewed and is accurate.

Principle 5:

Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Complying with Continuous Disclosure Obligations
Straker complies with the continuous disclosure obligations contained in the ASX Listing Rules. As part of these continuous disclosure obligations, where Straker becomes aware of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Straker's securities, Straker must immediately disclose that information to the market (subject to limited exceptions available under the ASX Listing Rules).

To encourage and assist compliance by the Board and its employees with these continuous disclosure obligations, the Board have developed a Continuous Disclosure Policy which is available on Straker's website. The Continuous Disclosure Policy has been developed with regard to ASX Listing Rules 3.1-3.1B and relevant ASIC regulatory guidance with respect to disclosure for investors. The Company Secretary will have primary responsibility for all relevant regulatory filings to ensure Straker's compliance with its continuous disclosure obligations.

Market Announcements

To ensure the Board has timely visibility of all information being disclosed to the market, all material announcements are circulated to the Board promptly after they have been made.

Investor and Analyst Presentations

All substantive investor or analyst presentations issued by Straker are released via the ASX Platform prior to commencement of the relevant presentation.

Principle 6:

Respect the rights of security holders

A listed entity should provide information about itself and its governance to investors via its website.

Access to information about Straker and its governance

In accordance with the ASX Corporate Governance Principles and Recommendations, Straker has an "Investors" section on its website, from which all relevant corporate governance information about Straker can be accessed by the general public. Such information includes:

- this corporate governance statement;
- Straker's constitution, Board charter and Board committee charters;
- the Straker code of conduct;
- various corporate governance policies; and
- names, photographs and summarised biographical information for each of Straker's Directors and senior executives.

Other relevant information and documents about Straker, including but not limited to copies of Straker's annual reports and financial statements, copies of Straker's announcements to the ASX, and copies of notices of meetings of shareholders (and any accompanying documents) can be accessed on relevant areas of Straker's website.

Shareholder relations

Straker has implemented a formal Shareholder Communications Policy to ensure that shareholders are provided with sufficient information to assess the performance of Straker at regular intervals and are informed of all major developments affecting the state of affairs of Straker, in accordance with applicable laws. A copy of Straker's Shareholder Communications Policy has been adopted and is available on Straker's website.

Pursuant to Straker's Shareholder Communications Policy, Straker regularly provides information to shareholders via:
• market releases to the ASX in accordance with Straker's continuous disclosure obligations;
• the investor relations section of Straker's website;
• investor webinars and podcasts;
• Straker's annual and half-yearly reports; and
• Straker's Annual Meeting.

In addition to providing shareholders with information about the Company, Straker also provides opportunities for two-way communication between shareholders and Straker by requesting that its external auditor and the relevant chairs of the various Board committees attend Straker's Annual Meeting to be available to answer any shareholder questions about the conduct of the audit and the preparation and content of the audit report, or about the activities of the various Board committees. Shareholders are encouraged to express to the relevant Straker representatives present at the Annual Meeting any matters of concern or interest to shareholders, with the understanding that these views will be communicated to the Board for consideration.

Shareholder participation at General Meetings

The Annual Meeting provides an open forum for the Board of Directors to communicate directly with Straker's shareholders. It is also an opportunity for shareholders to express views and ask questions.

Shareholders who are not able to attend the Annual Meeting and exercise their right to ask questions about or make comments on the management of Straker will be given the opportunity to provide questions or comments ahead of the Annual Meeting. Where appropriate, these questions will be considered and answered at the Annual Meeting.
Poll Resolutions

Straker's practice at all security holder meetings, is that all resolutions are decided by a poll rather than by a show of hands.
Electronic communications

Straker encourages its shareholders to receive information and communications from, and send communications to, Straker and its share registry electronically. Shareholders may elect to send and receive communications electronically by registering their email address online with Straker's share registry.

Principle 7:

Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Straker is committed to the establishment and maintenance of a sound risk management framework encompassing oversight, management, and internal control of risks within and facing Straker's business.

Audit and Risk Management Committee

As outlined above (see Principle 4), Straker's Audit and Risk Management Committee, oversees and reports to the Board of Directors on the integrity of Straker's financial reporting process and risk management process. Please see Principle 4 for further information on the membership structure and committee charter of Straker's Audit and Risk Management Committee.

Annual review of Straker's risk management framework

The Audit and Risk Management Committee, regularly reviews and discusses the major risks affecting Straker's business and develops strategies to mitigate these risks throughout the year, and reviews Straker's overall risk management framework at least annually to ensure that the framework continues to be effective and suitable to the risks involved in Straker's business.
Evaluating and improving risk management and internal control processes

While Straker does not have an internal audit function, the Board ensures that the risk management and internal control processes of Straker are regularly evaluated and the effectiveness of these processes will be continually improved through review by the Audit and Risk Committee, and by the Board.

Where it considers necessary, the Board will consider the recommendations of the external auditors and other external advisers in relation to Straker's financial reporting process and risk management framework, and appropriate action will be taken by the Board of Directors to ensure that key risks, as identified, are managed effectively.

Material exposure to risk

The Board ensures that any material exposure of Straker to economic, environmental, and social sustainability risks will be disclosed in accordance with the requirements of ASX Listing Rule 3.1.

The Board has considered the Company's exposure specifically to economic, environmental, and social sustainability risks and has determined the following:

• Economic risks

The business is exposed to general economic conditions. Specifically, material risk exists in relation to: competition and new technologies; reliance on key personnel; data loss, theft or corruption; technology platform failure; the impact of privacy laws and regulations; and country specific risks in new unfamiliar markets.

• Cyber Risks

Straker aims to provide its customers, as well as other stakeholders including contractors and employees, with increased cyber security precautions and greater resilience in a constantly evolving cyber security landscape. Straker Translations makes a conscious effort to continually refine its approach towards information security, risk appetite and accountability frameworks. The Company is certified to the standards required in ISO27001 and in ISO9001. In addition, its data centres hold SOC1, SOC2 and SOC3 security certifications (Service Organisation Controls).

• Environmental & Social sustainability risks

Straker recognises that there is an increasing global focus on environmental and sustainable business practices. The business is continuing to explore how it may enhance its reporting on environmental and social matters in a way that would be useful to investors and other stakeholders to better understand its business operations and its environmental and social impact.

Principle 8:

Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

People and Culture Committee

As outlined above (see Principle 2), Straker's People and Culture Committee's principal function is the oversight of the remuneration strategies and policies of the Company. Please see Principle 2 for further information on the membership structure and committee charter of Straker's People and Culture Committee.

Board review and determination of remuneration structures

The Board reviews the overall remuneration structure and policies and will consider recommendations from the People and Culture Committee. No individual Director or senior executive is or will be involved in deciding his or her own remuneration. The Board may seek the advice of external advisers from time to time in order to develop remuneration packages to retain and attract high quality Non-Executive Directors and senior executives and encourage these Directors and executives to pursue the growth and success of the entity without taking undue risks.

Straker's non-executive Directors are paid by way of fees for services up to a maximum aggregate sum of A$600,000 per annum as approved by shareholders at the Company's Annual Meeting held on 25 September 2018. Only with prior shareholder approval in General Meeting may fees be paid to Non- Executive Directors in excess of this A$600,000 fee cap.

As at 1st December 2022, The Board approved an uplift in the Director fees from A$60,000 per annum to A$70,000 per annum, inclusive of superannuation entitlements. It is expected that every Director formally participate in at least one Committee and the fee for doing so is included in the base fee. In addition, Committee Chairs receive an additional A$15,000 per annum given the heightened expectations of both the Audit & Risk Committee as well as the newly named People & Culture Committee, the latter retaining Committee Charter responsibility for all remuneration matters. The Board also agreed to increase the fee of the Chairman to A$130,000 per annum inclusive of superannuation entitlements with the Chairman attending all Committee meetings. The total Board fee costs remain well within the shareholder approved A$600,000 per annum approval.

Grant Straker, who is the Managing Director & Chief Executive Officer, is not paid Director's fees.

In addition, Straker's Non-Executive Directors are no longer entitled to participate in the Company's Employee Share Options Schemes, which requires approval by shareholders before further option issuances can be made to Directors.

As at 31 March 2023, the following Directors held options in Straker's legacy Employee Share Option Plan Scheme (ESOP Scheme):
- Grant Straker: 763,677 Options
- Stephen Donovan: 25,000 Options

On 24 August 2022, additional options were issued to the Managing Director & Chief Executive Officer under Straker's Long Term Incentive (LTI) under the ESOP Scheme:
- Grant Straker: 121,700 options at A$1.15 per option were issued to Grant Straker. Payment of the STI cash bonuses is assessed by the People & Culture Committee following each year-end and after completion of the audited annual financial statements and is linked to the achievement of annually agreed corporate and individual key performance indicators.

The Company's CEO and Managing Director was paid NZ$385,000 per annum as at 31 March 2023 and has the potential to be paid an STI cash bonus of up to 50% of his base salary, noting his salary increased to NZ$420,000 per annum effective 1 April 2023.

In addition, Straker's senior executives are entitled to participate in the Company's Employee Share Option Schemes. Option grants were made to various employees during the year ended 31 March 2023.

Aligning remuneration and performance to the creation of value for shareholders

As at the year ended 31 March 2023, Straker had in place an ESOP Scheme entitling the Managing Director & Chief Executive Officer, senior executive staff and other employees to the issue of options over ordinary shares in Straker, according to the terms of the plan.

To ensure that Straker's incentive strategies are appropriate for an ASX listed entity and continue to align the interests of Directors and senior executives with the creation of value for shareholders, the Board has taken the following steps:

- retained the existing ESOP Scheme that was in place prior to the IPO with some minor amendments to ensure compliance with the relevant ASX listing rule requirements; and
- established a LTI Employee Share Option Scheme (LTI scheme) to provide long-term incentives for qualifying employees, under which options over the ordinary shares of Straker may be issued to such qualifying employees of Straker. The LTI scheme was approved by the Board and shareholders and adopted at Straker's 2020 Annual Meeting.

Under Straker's Securities Trading Policy, participants in either or both of Straker's LTI and ESOP Schemes are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risks of participating in the relevant scheme (or schemes, as the case may be).

Any options offered to Directors and/or senior executives after Straker was listed on the ASX will be subject to Board and/or shareholder approval as required by applicable law, the ASX listing rules and Straker's constitution.

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 Interest Register

Director	Relevant Interest	% of Ordinary Shares Owned 31 March 2023	% of Ordinary Shares Owned 31 March 2022
Steven Bayliss	Ordinary Shares	0.01%	0.0%
Amanda Cribb	Ordinary Shares	0.09%	0.0%
Stephen Donovan	Ordinary Shares	2.38%	2.32%
James Johnstone	Ordinary Shares	0.06%	0.06%
Heith Mackay-Cruise	Ordinary Shares	0.18%	0.0%
Grant Straker	Ordinary Shares	8.95%	8.96%

Steven Bayliss acquired 10,000 ordinary shares during the current year.

Amanda Cribb acquired 60,166 ordinary shares during the current year.

Stephen Donovan acquired 40,000 ordinary shares during the current year.

Heith Mackay-Cruise acquired 120,000 ordinary shares during the current year.

Directors' remuneration for the current and prior year is disclosed in Note 24 of the financial statements for the year ended 31 March 2023.

ADDITIONAL DISCLOSURES

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

	2023	2022
$100,001 to $110,000	13	8
$110,001 to $120,000	4	5
$120,001 to $130,000	6	6
$130,001 to $140,000	7	6
$140,001 to $150,000	5	5
$150,001 to $160,000	3	5
$160,001 to $170,000	3	1
$170,001 to $180,000	2	1
$180,001 to $190,000	3	0
$190,001 to $200,000	1	4
$200,001 to $210,000	1	3
$210,001 to $220,000	2	1
$220,001 to $230,000	2	0
$230,001 to $240,000	1	1
$240,001 to $250,000	3	1
$250,001 to $260,000	2	2
$260,001 to $270,000	0	1
$270,001 to $280,000	1	2
$280,001 to $290,000	0	1
$290,001 to $300,000	0	3
$300,001 to $310,000	2	0
$320,001 to $330,000	1	0
$330,001 to $340,000	0	1
$360,001 to $370,000	1	0
$430,001 to $440,000	1	1
$470,001 to $480,000	1	0

Auditor's Remuneration

Fees payable to the Group auditor, and its affiliates, for assurance and non-assurance services are disclosed in Note 6 of the financial statements for the year ended 31 March 2023.

Donations

The Group made donations during the year of $nil (2022: nil).

Equity holding of all Directors

Director	Number of shares	Number of options
Non-executive Directors		
Steven Bayliss	10,000	-
Amanda Cribb	60,166	-
Stephen Donovan	1,615,830	25,000
James Johnstone	40,000	-
Heith Mackay-Cruise	120,000	-
Executive Directors		
Grant Straker	6,072,513	763,667

ADDITIONAL DISCLOSURES CONTINUED

Entries recorded in the interests register
Straker maintains an interests register in accordance with the Companies Act 1993 (New Zealand). The following are particulars of entries made in the interests register during FY23:

Directors' Interests
Directors disclosed the following relevant interests, or cessations of interest, the following entities.

Director / Entity	Relationship
Stephen Donovan	
Buro Seating Limited and Buro Seating Limited Partnership	Director & Shareholder
Dopast Holdings Limited	Director & Shareholder
New Zealand Pure Dairy Products Limited	Director & Shareholder
Canaveral Corner Limited	Director & Shareholder
Donovan Family Trust	Trustee
Munro Family Trusts	Trustee
Donald Alright Family Trust	Trustee
Viranda Holdings Limited	Director & Shareholder
Amanda Cribb	
Human Resources Institute of New Zealand (HRNZ)	Independent Director
Nealon Whanau Trust	Trustee
Redshield Security Limited	CFO
Brewwell Limited	Independent Director
Heith Mackay-Cruise	
Southern Cross Media Group Limited (ASX listed)	Director & Shareholder
Codan Limited (ASX Listed)	Director & Shareholder
The Australian Institute of Directors	Director & Member
Orro Holdco Pty Ltd	Director & Shareholder
New Zealand Holdco 2018 Limited	Director & Shareholder
MC Investment Nominees Pty Ltd	Director & Shareholder
Grant Straker	
Startup Council	Member
Airborne & Arziel Trust	Trustee

Director / Entity	Relationship
James Johnstone	
Dr Me Pty Limited	Director
Hairmop Pty Ltd	Observer
InstantScripts Pty Ltd	Observer
JAJ Management Pty Ltd	Director & Shareholder
JSFN Pty Ltd	Director & Shareholder
Carluke Nominees Pty Ltd	Director & Shareholder
Steven Bayliss	
Branded Culture Limited	Director & Shareholder
Brewwell Limited	Director
West Auckland Trust Services	Director
MyWave Limited	Director
Just Life Group	Director

ADDITIONAL DISCLOSURES CONTINUED

Share dealing of Directors

Directors disclosed the following acquisitions or disposals of relevant interests in Straker shares during the year. All dollar figures in this table are in Australian dollars.

Registered holder	Date of acquisition/ (disposal)	Consideration per share	Number of shares acquired/(disposed)
Steven Bayliss[1]	18 August 2022	1.295	10,000
Amanda Cribb	12 August 2022	1.12	60,166
Stephen Donovan	3 August 2022	1.07	40,000
Heith Mackay-Cruise[1]	2 August 2022	1.06	31,053
Heith Mackay-Cruise[1]	4 August 2022	1.01	30,000
Heith Mackay-Cruise[1]	8 August 2022	1.04	10,000
Heith Mackay-Cruise[1]	9 August 2022	1.08	15,000
Heith Mackay-Cruise[1]	11 August 2022	1.05	12,519
Heith Mackay-Cruise[1]	15 August 2022	0.96	1,428
Heith Mackay-Cruise	29 September 2022	1.225	10,000
Heith Mackay-Cruise	30 September 2022	1.20	10,000

[1] Purchased before being appointed Director.

Insurance

In accordance with the Companies Act 1993 (New Zealand), Straker has continued to insure its directors and officers (through renewal of its D&O insurance policy) against potential liability or costs incurred in any proceeding, except to the extent prohibited by law.

Remuneration disclosures

Information about non-executive and executive directors remuneration is provided on page 67 of this report. The total remuneration available to non-executive directors is fixed by shareholders. Currently, the annual total aggregate non- executive directors' remuneration is capped at AUD 600,000 as approved by shareholders at the Annual General Meeting in September 2018. Information regarding employee remuneration exceeding $100,000 per annum is presented on page 85 of this report.

Shareholder information

The shareholder information set out below is current at 31 March 2023.

Issued capital

The total number of issued ordinary shares in Straker Translations Limited as at 31 March 2023 was 67,839,299.

ADDITIONAL DISCLOSURES CONTINUED

Distribution of shareholding

Range	Number of Holders	%	Ordinary Shares	%
1 to 1,000	328	28.13	178,817	0.26
1,001 to 5,000	412	35.33	1,098,224	1.62
5,001 to 10,000	155	13.29	1,139,475	1.68
10,001 to 100,000	227	19.47	6,364,556	9.38
100,001 and over	44	3.77	59,058,227	87.06
Total	**1,166**	**100.00**	67,839,299	100.00

Un-marketable share parcels

Range	Number of Holders	%	Ordinary Shares	%
< AUD$500	217	18.61	79,425	0.12

Distribution of share options

Range	Number of Holders	%	Ordinary Shares	%
1 to 10,000	3	7.14	27,900	0.71
10,001 to 100,000	31	73.81	1,017,094	26.03
100,001 and over	8	19.05	2,862,683	73.26
Total	**42**	**100.00**	**3,907,677**	**100.00**

Options

There were 42 individuals holding a total of 3,907,677 unlisted options.

ADDITIONAL DISCLOSURES CONTINUED

Substantial holdings and limitations on the acquisition of securities

Straker is a New Zealand incorporated and domiciled company listed on the Australian Securities Exchange (ASX). From a regulatory perspective, this means that while the ASX Listing Rules apply to Straker, certain provisions of the Australian Corporations Act 2001 (Cth) do not. Straker is not subject to chapters 6, 6A, 6B, and 6C of the Australian Corporations Act 2001 (Cth) dealing with the acquisition of its shares (including substantial holdings and takeovers). The Companies Act 1993 (New Zealand) applies to Straker, while certain provisions of the Financial Markets Conduct Act 2013 (New Zealand) do not.

There is no requirement on Straker's substantial shareholders to provide substantial holder notices to Straker. Straker is aware of the following substantial shareholders with a holding of 5% or greater:

Name	Number of ordinary shares held	% of total issued capital
S Ward	9,931,366	14.64
Bailador Technology Investments Limited	9,160,354	13.50
Clime Asset Management Limited	6,122,267	9.03
A Hunter & M Straker & G Straker	6,072,513	8.95
Australian Ethical Investment Limited	4,342,675	6.40
Skyone Capital Pty Ltd	4,095,326	6.04
M Gregg & S Gregg	3,748,384	5.53
Total substantial Shareholders	**43,472,885**	**64.09**

Key limitations on the acquisition of shares in Straker are imposed by the following legislation: Commerce Act 1986, Overseas Investment Act 2005 and Takeovers Act 1993, together with various regulations and codes promulgated under such legislation.

ADDITIONAL DISCLOSURES CONTINUED

Top 20 Holders

The names of the 20 largest holders of Straker's ordinary shares are set out below

Name	Number of ordinary shares held	% of total issued capital
S Ward	9,931,366	14.64
Bailador Technology Investments Limited	9,160,354	13.50
Clime Asset Management Limited	6,122,267	9.02
A Hunter & M Straker & G Straker	6,072,513	8.95
Australian Ethical Investment Limited	4,342,675	6.40
Skyone Capital Pty Ltd	4,095,326	6.04
M Gregg & S Gregg	3,748,384	5.53
Washington H Soul Pattinson And Company Limited	2,550,000	3.76
S Donovan	1,615,830	2.38
Accident Compensation Corp	1,237,603	1.82
Lingotek Inc	989,022	1.46
D Sowerby	918,810	1.35
L Morgan	530,000	0.78
D Denholm	524,000	0.77
D Straker	400,845	0.59
I Nagpal	380,000	0.56
C Andrews	298,795	0.44
P Wilson	250,000	0.37
B Williams	223,066	0.33
M Bowden	220,000	0.32
Top 20 holders of ordinary fully paid shares (total)	**53,610,856**	**79.03**
Other shareholders (balance on register)	**14,228,443**	**20.97**
Grand total	**67,839,299**	**100.00**

Voting rights

Straker has a single class of ordinary shares on issue. Where voting at a meeting of shareholders is by voice or a show of hands, every shareholder present in person, or by representative, has one vote. On a poll, every shareholder present in person, or by representative, has one vote for each fully paid ordinary share. In practice, Straker ensures that all resolutions at shareholder meetings are decided by poll rather on a show of hands. Share options carry no voting rights until they are fully exercised and converted into actual shares. On market buy-back there is no on-market buy-back for Straker shares.

On market buy-back

There is no on-market buy-back for Straker shares.

Restricted ordinary shares

There were no restricted ordinary shares as at 31 March 2023.

Matters of circumstance arisen since year end

There have been no material matters of circumstance that have arisen since year end.

Environment issues

The Group is not affected by any significant environmental regulation in respect of its operations

DIRECTORY

Company Numbers	New Zealand 1008867 Australia 628 707 399
Registered office	New Zealand Level 2, 49 Parkway Drive Rosedale, Auckland 0632 Australia C/O Boardroom Pty Limited Level 12 225 George Street Sydney, NSW 2000
Head Office Address and Principal Place of Business	Level 2, 49 Parkway Drive Rosedale Auckland 0632 New Zealand
Directors	Heith Mackay-Cruise (Chair) (appointed 24 August 2022) Phil Norman (Former Chair) (resigned 24 August 2022) Grant Straker (Managing Director and Chief Executive Officer) Stephen Donovan James Johnstone (appointed 1 December 2022) Paul Wilson (resigned 1 December 2022) Amanda Cribb Steven Bayliss (appointed 24 August 2022) Tim Williams (resigned 24 August 2022)

Auditor	BDO, Auckland
Share Registrar	Link Market Services Limited Level 12 680 George Street Sydney, NSW 2000 Australia Phone: +61 2 8280 7100
Stock Exchange	Straker's shares are listed on the Australian Securities Exchange (ASX code: STG)
Company website	www.strakertranslations.com