RNS Number : 7046M
RA International Group PLC
01 May 2024

1 May 2024

RA INTERNATIONAL GROUP PLC

("RA International", "RA", the "Group" or the "Company")

Results for the year ended 31 December 2023

RA International Group plc (AIM: RAI), a specialist provider of complex and integrated remote site services to organisations globally, announces its audited full year results in respect of the 12 months ended 31 December 2023. The Company expects that its annual report will be available on its website by the end of next week.

HIGHLIGHTS

- The Group achieved a significant turnaround, delivering an EBITDA profit of USD 6.3m (2022 EBITDA loss: USD 4.1m) and a profit before tax of USD 0.2m (2022 loss: USD 13.0m).
- This performance was achieved due to an increase in gross profit margin to 14.5% (2022: 8.3%) primarily due to the sales mix and an increase in higher-margin IFM revenue, and despite a 7.3% reduction in reported revenue to USD 58.3m (2022: USD 62.9m).
- The Group successfully secured the sale of previously impaired assets for USD 5.2m, also securing follow-up work with the same client. In addition, the Group completed a refinancing and fundraising exercise, raising USD 1.8m through the issue of new loan notes. Together these actions have significantly improved the Group's cash and liquidity position.
- Cash increased by USD 9.4m during the year resulting in a net cash position (cash less loan notes) of USD 1.1m (2022 net debt: USD 6.5m).
- The basic earnings per share was 0.1 cents (2022 loss: 7.6 cents).
- The Group continued to make good progress in strengthening its position with Government clients and is actively securing and delivering contracts for the UK and US Governments.
- The closing year-end order book was USD 49m (2022: USD 83m), reflecting a shift towards high-value UK and US Government framework agreements that are not included in the order book and a slowdown in the UN contract bid cycle in recent years. The Group currently has a number of tenders submitted to the UN organisations that, if successful, will significantly rebuild the order book.

Soraya Narfeldt, CEO of RA International, commented:

"The Board is pleased with the progress made in 2023 towards its key objectives of improving RA's financial stability, returning to profitability, and continuing to invest in the Group's future growth and development.

In 2023, RA continued to deliver high-value, high-margin IFM projects and secured contracts in existing locations and new regions including Suriname, Ivory Coast, and Ethiopia. The refreshed RA Federal Services board brings a wealth of experience, leading to a significant improvement in new business opportunities and performance. We were very pleased with the sale of previously impaired assets, which has already resulted in follow-on work with a new client.

The Group has a healthy sales pipeline and is awaiting decisions on several large, high-quality bids across its core client base. If successful, these bids will diversify RA further by geography and client portfolio. Our focus in 2024 is to continue building on the significant progress made in 2023, improve cash flow further, and increase profitability."

Enquiries:

RA International Group PLC Sangita Shah, Chair Soraya Narfeldt, Chief Executive Officer	Via Strand Hanson
Strand Hanson Limited (Nominated & Financial Adviser and Broker) Ritchie Balmer / James Spinney / David Asquith	+44 (0) 20 7409 3494

About RA International

RA International is a leading provider of services to remote locations. The Group offers its services through three channels:

RA International is a leading provider of services to remote locations. The Group offers its services through three channels: construction, integrated facilities management and supply chain, and services two main client groups: humanitarian and aid agencies and western government organisations focusing on overseas projects. It has a strong customer base, largely comprising UN agencies, UK and US government departments and global corporations.

The Group provides comprehensive, flexible, mission critical support to its clients enabling them to focus on the delivery of their respective businesses and services. Focusing on integrity and values alongside making on-going investment in its people, locations and operations has over time created a reliable and trusted brand within its sector.

CHAIR'S STATEMENT

In 2023, I am pleased to report that the Group successfully transitioned to stability, profitability, and positive cash generation. After several challenging years, RA achieved a significant turnaround from a substantial loss in 2022 to a modest profit in 2023. Bolstered by a series of refinancing efforts, we have strengthened the balance sheet and improved cash balances, setting a healthier financial foundation for the Group.

This successful transition was underpinned by a decision to inject agility and proportionality and as such the year witnessed significant changes in the Board, its advisers and auditor. The Group Board was streamlined, with two Directors retiring, Alec Carstairs and Philip Haydn-Slater. The CFO, Andrew Bolter also stepped down following ten years of service to the Group. I would like to express my gratitude on behalf of the Board for their invaluable service and commitment to the Group. Additionally, in keeping with the Group strategy, we expanded the US-focused RA Federal Services ("RA FS") board. Dave Marshall has been promoted to Group Finance Director, reporting directly to the Board.

The year also saw the transition of RA's auditor to PKF Littlejohn LLP following a competitive tender process. In addition, we are delighted to have appointed Strand Hanson as our Nominated and Financial Adviser and Broker, specialists in advising companies working in frontier and emerging markets.

During the year we reported our inaugural Task Force on Climate-related Financial Disclosures ("TCFD") framework. Given the size and complexity of the Group, where our locations are exposed to the physical risks associated with climate-related risks, the exercise was challenging. However, we recognise the importance of this initiative in understanding relevant climate-related risks and enhancing our risk management practices, and as such we established a cross-departmental TCFD Steering Group responsible for analysing our climate-related risks. Additionally, the Group enhanced its risk management capabilities, adding a "four lines of defence" model for risk assurance.

The Board is cognisant of the changes to the QCA Corporate Governance Code that will come into effect in 2025 and we remain committed to continue to adopt the code.

In summary, RA is in a far stronger position than the very challenging years previously. The recent restructuring of the RA FS board, with the appointment of David Dacquino as its Chair, is already bearing fruit. We have been awarded strategically important US Government contracts and our pipeline includes several UK and UN mandates.

I would personally like to take this opportunity to express my gratitude to the staff at RA, spearheaded by our founders Soraya and Lars, for their continued commitment, dogged persistence, and assiduous efforts in successfully transitioning the business. I would also like to thank all our stakeholders for their continued support.

Sangita Shah
Non-Executive Chair
30 April 2024

CHIEF EXECUTIVE OFFICER'S REVIEW

Our focus on stability and cash generation is evident in our 2023 results, where the Group returned to profitability after navigating through some of the most challenging years we have faced.

Throughout this period, we remained steadfast in recognising and building upon the strengths of our business. As a result, our operations performed well, we retained clients, and we enhanced the core values of our business. Furthermore, we continued to execute high-value facilities management projects and secured multiple supply chain contracts for asset delivery to regions such as South America, North Africa, and West Africa.

Financial performance

The Group achieved a significant turnaround from an EBITDA loss of USD 4.1m in 2022 to EBITDA profit of USD 6.3m, and a profit before tax of USD 0.2m (2022 loss: USD 13.0m). This result was delivered despite a reduction in reported revenue of 7.3% to USD 58.3m (2022: USD 62.9m).

Gross profit margin increased to 14.5% (2022: 8.3%) due to the sales mix and an increase in higher-margin IFM revenue.

IFM revenue increased 16.5% to USD 31.9m (2022: USD 27.4m), primarily relating to an increase in catering and hotel services, as well as upselling on long-term contracts.

Construction revenue fell to USD 12.4m (2022: USD 21.3m) due to two significant projects being completed in the prior year.

Supply chain revenue reduced marginally to USD 13.9m (2022: USD 14.2m).

Cash increased by USD 9.4m during the year resulting in a net cash position (cash less loan notes) of USD 1.1m (2022 net debt: USD 6.5m).

The basic earnings per share was 0.1 cents (2022 loss: 7.6 cents).

Sale of impaired assets

We were particularly encouraged by the success of previously impaired asset sales, which generated net income. Additionally, the client who purchased the assets requested RA to ship and erect the assets, creating additional revenue and cross-selling opportunities for our other business services. In total, USD 5.2m was recognised and these sales also removed the need for future storage costs. The disposals generated a net cash inflow of USD 3.5m in 2023, with USD 2.0m of income outstanding at 31 December 2023, and USD 0.4m of related costs due for payment in 2024.

Refinancing

During the year, the Group completed a refinancing and fundraising exercise. The purpose of the exercise was to extend the maturity of the USD 14.0m of loan notes issued by the Group in previous periods, and which were due to mature in the second half of 2023. USD 11.7m of loan notes were extended to mature in January 2027, with the Group aiming to repay USD 2.3m by November 2024 in order to begin reducing debt commitments. An additional USD 1.8m was also raised through the issue of new loan notes in order to maintain adequate liquidity.

Contract awards and framework agreements

The sale of impaired assets, as previously mentioned, not only contributed to our financial recovery but also led to follow-on work. This resulted in the expansion of our client base and global reach, adding Suriname, Ivory Coast, and Ethiopia to our portfolio. Our supply chain and logistics teams provided Last Mile Logistics to support these new clients, ensuring timely delivery of assets. Additionally, our construction team successfully installed all the assets that were sold.

Pleasingly, our Integrated Facilities Management (IFM) teams will begin providing facilities management services and catering to these clients, demonstrating the effectiveness of the RA business model. This integration of services underscores our commitment to long-term partnerships and comprehensive support for our clients.

During the period we received contracts with an aggregate value of over USD 25m, including three task orders for US Navy base on Diego Garcia awarded under an existing framework agreement.

We were also pleased to announce a new framework agreement with the UK FCDO to provide operational support capability funded through the Conflict, Stability and Security Fund (CSSF) in September 2023. Having scored highest out of 27 awardees, we are well placed to begin participating in task orders.

From a standing start in 2021, western Government contracts now account for 51% of our revenue. Our success in winning UK and US Government framework agreements has opened up a large pool of potential projects, diversifying our client base and aligning with our strategic goal of extending our geographic reach. However, the nature of these framework agreements means that while we have visibility on the ceiling value of funds available, we cannot be certain of the timing, quantity, and exact value of future task orders.

In contrast, humanitarian and commercial contracts are typically awarded on a fixed-value basis over a specified period of time. These contracts provide a more predictable and visible revenue stream, but may not offer the same level of growth potential as the government contracts. The shift in our business mix, along with a slowdown in the UN contract bid cycle in recent years, means that the order book at 31 December 2023 reduced to USD 49m (2022: USD 83m in 2022). Consequently, this is no longer fully representative of the scope and potential of the projects we are pursuing through our framework agreements and IDIQ (indefinite delivery indefinite quantity) contracts.

However, we are optimistic about the future given the number of tenders submitted to UN organisations which, if successful, will significantly rebuild the order book. Additionally, bid activity with both commercial and humanitarian organisations is increasing once again, indicating a positive trend in both these sectors.

RA Federal Services ("RA FS")

During the summer, we made changes to the RA FS board, appointing new directors to lead the company. Mr. Dave Dacquino, who has been the Chairman and CEO of Serco US for several years, now leads the Board. He brings a wealth of experience and knowledge to the table, and we believe he will help us grow this side of the business rapidly. Joining him are Brandon Weidenfeller as CEO, and Ms. Danielle Saunders and Ms. Sandy Peavy as board directors, who together bring extensive experience in US Government work. We are excited about this change and confident in the future it will bring.

We have several promising opportunities in the pipeline and are preparing for an influx of work over the next few months. RA FS has been very successful with US Embassy projects, and we are currently working on projects in Suriname, Zimbabwe, and Thailand. We anticipate this type of work to increase over the coming years and are building an organisation to support this growth.

There is a significant momentum with the Overseas Building Operations (OBO) work, with projects in several new countries. As a result RA FS has significant opportunities for growth, both overseas and within the US.

Strategy review

In 2023, we conducted a thorough review of the Group's strategy, setting our guiding compass for the future. This process provides the clarity and determination necessary to achieve our long-term vision of becoming the leading infrastructure and support services provider globally. In addition to our mission to deliver quality work on time, we aim to lead our industry with differentiable and sustainable solutions and initiatives, ensuring that we are at the forefront of innovation and excellence.

The three pillars of our strategic goals can be summarised as follows:

- **A steadfast commitment to financial stability as we navigate the ever-changing economic landscape.** We understand the importance of maintaining a strong foundation to support our continued sustainable growth.
- **Profitability is a key element that drives our decision-making process.** We understand the significance of striking a balance between delivering outstanding customer service and generating returns for our shareholders.
- **Doing business the right way.** We are dedicated to investing in the growth and development of our workforce, and strive to promote a sustainable approach in all aspects of contract execution.

A key focus of our development is leveraging the knowledge gained from our own sustainability efforts to offer solutions to clients. We recognise that some clients struggle with sustainability due to limited resources or expertise on the ground, particularly in measuring supply-chain impacts. We aim to assist by applying our knowledge to help them set achievable strategies and gather necessary information to show progress. This aligns with our commitment to deliver projects while positively impacting the environment and communities.

Outlook

We are making good progress in building a resilient business and our results for 2023 reflect this, with a return to profitability and cash generation. Furthermore, we built a broader customer base and enhanced our existing customer relationships, entering global framework agreements and delivering on our capabilities. Our efforts are paving the way for us to seize new opportunities within the commercial sector as well as adding to our service offering by strengthening our catering capabilities.

In addition to progress made at RA FS, since entering 2024 we have seen a return in momentum in

In addition to progress made at RA FS, since entering 2024 we have seen a return in momentum in construction projects and have been invited to support UK Export Finance and the Togolese Republic in a rural electrification project funded by UK Export Finance. With the UN, we have won tenders in Western Sahara and are awaiting adjudication on other bids, including providing support on the border between South Sudan and Sudan. Furthermore, we are gaining momentum with our existing UK and US Government framework agreements.

With an increased execution focus on service excellence to our customers, effective conversion of a substantial pipeline of opportunities, the safety and productivity of our colleagues, and progressing the technology-enablement of our business, we are well-aligned to grow our revenues and deliver improved profits.

Soraya Narfeldt, Chief Executive Officer
30 April 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	***2023 USD'000***	*2022 USD'000*
Revenue	7	**58,286**	62,917
Cost of sales	9	**(49,853)**	(57,717)
Gross profit		**8,433**	5,200
Administrative expenses	9	**(11,587)**	(11,695)
Underlying operating loss		**(3,154)**	(6,495)
Non-underlying items	9	**5,211**	(4,217)
Operating profit/(loss)		**2,057**	(10,712)
Investment revenue		**188**	206
Finance costs		**(2,044)**	(2,491)
Profit/(Loss) before tax		**201**	(12,997)
Tax expense	11	**(7)**	(169)
Profit/(Loss) and total comprehensive income for the year		**194**	(13,166)
Basic earnings per share (cents)	12	**0.1**	(7.6)
Diluted earnings per share (cents)	12	**0.1**	(7.6)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	***2023 USD'000***	*2022 USD'000*
Assets			
Non-current assets			
Property, plant, and equipment	15	**17,024**	19,590
Right-of-use assets	16	**4,353**	4,421
		21,377	24,011
Current assets			
Inventories	17	**4,147**	5,154
Trade and other receivables	18	**15,741**	16,389
Cash and cash equivalents	19	**16,843**	7,514
		36,731	29,057
Total assets		**58,108**	53,068

Equity and liabilities

Equity and liabilities			
Equity			
Share capital	20	**24,300**	24,300
Share premium		**—**	18,254
Merger reserve		**(17,803)**	(17,803)
Share based payment reserve		**—**	574
Retained earnings		**18,417**	(457)
Total equity		**24,914**	24,868
Non-current liabilities			
Loan notes	22	**13,495**	14,000
Lease liabilities	23	**4,318**	4,556
Employees' end of service benefits	24	**1,502**	928
		19,315	19,484
Current liabilities			
Loan notes	22	**2,280**	—
Lease liabilities	23	**833**	650
Trade and other payables	25	**10,766**	6,974
Provisions	26	**—**	1,092
		13,879	8,716
Total liabilities		**33,194**	28,200
Total equity and liabilities		**58,108**	53,068

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Share Capital USD'000	*Share Premium USD'000*	*Merger Reserve USD'000*	*Treasury Shares USD'000*	*Share Based Payment Reserve USD'000*	*Retained Earnings USD'000*	*Total USD'000*
As at 1 January 2022	24,300	18,254	(17,803)	(1,199)	534	13,223	37,309
Total comprehensive income for the period	—	—	—	—	—	(13,166)	(13,166)
Share based payments (note 13)	—	—	—	—	311	—	311
Non-cash employee compensation (note 13)	—	—	—	981	—	(608)	373
Lapsed share options (note 13)	—	—	—	—	(94)	94	—
Issuance of treasury shares (note 21)	—	—	—	218	(177)	—	41
As at 31 December 2022	**24,300**	**18,254**	**(17,803)**	—	**574**	**(457)**	**24,868**
Total comprehensive income for the period	—	—	—	—	—	194	194
Share based payments (note 13)	—	—	—	—	57	—	57
Lapsed / cancelled share options (note							

13)	—	—	—	—	(631)	426	(205)
Capital reduction *	—	(18,254)	—	—	—	18,254	—
As at 31 December 2023	**24,300**	—	**(17,803)**	—	—	**18,417**	**24,914**

* On 21 December 2023 the Registrar of Companies registered the cancellation of RA International Group plc's share premium account. USD 18,254,000 of share premium was accordingly transferred to retained earnings, creating distributable reserves and enabling the Company to become dividend paying.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Notes	***2023 USD'000***	*2022 USD'000*
Operating activities			
Operating profit/(loss)		**2,057**	(10,712)
Adjustments for non-cash and other items:			
Depreciation and impairment of property, plant, and equipment	15,16	**4,241**	6,566
Loss/(profit) on disposal of property, plant, and equipment	15	**40**	(3)
Unrealised differences on translation of foreign balances		**105**	(35)
Provision for employees' end of service benefits	24	**859**	526
Share based payments	13	**57**	489
Non-underlying items	9	**(1,668)**	3,334
		5,691	165
Working capital adjustments:			
Inventories		**1,071**	2,067
Trade and other receivables		**2,691**	(257)
Trade and other payables		**2,446**	(3,362)
Cash flows generated from/(used in) operations		**11,899**	(1,387)
Tax paid	11	**(129)**	—
Employees' end of service benefits paid	24	**(285)**	(329)
Settlement of share options		**(205)**	—
Net cash flows generated from/(used in) operating activities		**11,280**	(1,716)
Investing activities			
Investment revenue received		**188**	206
Purchase of property, plant, and equipment	15	**(1,101)**	(618)
Proceeds from disposal of property, plant, and equipment	15	**309**	359
Net cash flows used in investing activities		**(604)**	(53)
Financing activities			
Repayment of borrowings	22	—	(11,500)
Proceeds from borrowings	22	**1,775**	15,500
Repayment of lease liabilities	23	**(973)**	(834)
Finance costs paid		**(2,044)**	(2,491)
Proceeds from share options exercised		—	41
Net cash flows (used in)/generated from financing activities		**(1,242)**	716
Net increase/(decrease) in cash and cash equivalents		**9,434**	(1,053)
Cash and cash equivalents as at start of the period	21	**7,514**	8,532
Effect of foreign exchange on cash and cash equivalents		**(105)**	35
Cash and cash equivalents as at end of the period	21	**16,843**	7,514

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

1 CORPORATE INFORMATION

The principal activity of RA International Group plc ("RAI" or the "Company") and its subsidiaries (together the "Group") is providing services in demanding and remote areas. These services include construction, integrated facilities management, and supply chain services.

RAI was incorporated on 13 March 2018 as a public company limited by shares in England and Wales under registration number 11252957. The address of its registered office is One Fleet Place, London, EC4M 7WS.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards. They have been prepared under the historical cost basis and have been presented in United States Dollars ("USD"). All values are rounded to the nearest thousand (USD'000), except where otherwise indicated.

Going concern

The Group has a sufficient level of cash and access to liquidity to be able to operate for the foreseeable future and accordingly it is appropriate to prepare the financial statements on a going concern basis.

Climate change

In preparing the financial statements, the management has considered the impact of the physical and transition risks of climate change and identified this as an emerging risk but have concluded that it does not have a material impact on the recognition and measurement of the assets and liabilities in these financial statements as at 31 December 2023. Further details are available in our Annual Report.

3 BASIS OF CONSOLIDATION

The financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of a subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity while any resultant gain or loss is recognised in the profit or loss. Any investment retained is recognised at fair value.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,

- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

4 SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is acting as a principal in all its revenue arrangements.

Sale of goods (supply chain)

Revenue from the sale of goods and the related logistics services is recognised when control of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Construction

Typically, revenue from construction contracts is recognised at a point in time when performance obligations have been met. Generally, this is the same time at which client acceptance has been received. Dependant on the nature of the contracts, in some cases revenue is recognised over time using the percentage of completion method on the basis that the performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments are recognised only to the extent that it is highly probable that they will result in revenue, and they are capable of being reliably measured.

Services (integrated facilities management)

Revenue from providing services is recognised over time, applying the time elapsed method for accommodation and similar services to measure progress towards complete satisfaction of the service, as the customers simultaneously receive and consume the benefits provided by the Group.

Cost of sales

Cost of sales represent costs directly incurred or related to the revenue generating activities of the Group, including staff costs, materials and depreciation.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional, meaning only the passage of time is required before payment of the consideration is due.

Accrued revenue

Accrued revenue represents the right to consideration in exchange for goods or services transferred to a customer in connection with fulfilling contractual performance obligations. If the Group performs by transferring goods or services to a customer before invoicing, accrued revenue is recognised in an amount equal to the earned consideration that is conditional on invoicing. Once an invoice has been accepted by the customer accrued revenue is reclassified as a trade receivable.

Customer advances

If a customer pays consideration before the Group transfers goods or services to the customer, a customer advance is recognised when the payment is received by the Group. Customer advances are recognised as revenue when the Group meets its obligations to the customer.

Borrowing costs

Borrowing costs directly attributable to the construction of an asset are capitalised as part of the cost of the asset. Capitalisation commences when the Group incurs costs for the asset, incurs borrowing costs and undertakes activities that are necessary to prepare the asset for its intended use or sale. Capitalisation ceases when the asset is ready for use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying value amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any impairment in value. Capital work-in-progress is not depreciated until the asset is ready for use. Depreciation is calculated on a straight-line basis over the estimated useful lives. At the end of the useful life, assets are deemed to have no residual value. Contract specific assets are depreciated over the lesser of the length of the project, or the useful life of the asset. The useful life of general property, plant and equipment is as follows:

Land	Unlimited (not depreciated)
Buildings	Lesser of 5 to 20 years and term of land lease
Machinery, motor vehicles, furniture and equipment	2 to 10 years
Leasehold improvements	Lesser of 10 years and term of lease

The carrying values of property, plant, and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down, with the write down recorded in profit or loss to their recoverable amount, being the greater of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property, plant, and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant, and equipment. All other expenditure is recognised in profit or loss as the expense is incurred.

An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

Assets' residual values, useful lives, and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include those expenses incurred in bringing each product to its present location and condition. Cost is calculated using the weighted average method. Net realisable value is based on estimated selling price less any further costs expected to be incurred in disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks, which are readily convertible to known

Cash and cash equivalents comprise cash in hand and balances with banks, which are readily convertible to known amounts of cash and have a maturity of three months or less from the date of acquisition. This definition is also used for the consolidated cash flow statement.

Impairment of non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. An asset's recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used maximising the use of observable inputs. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial instruments

i) Financial assets

Initial recognition and measurement
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Subsequent measurement
Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

Other receivables are subsequently measured at amortised cost.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset has expired.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve-months (a twelve-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. When arriving at the ECL we consider historical credit loss experience including any adjustments for forward-looking factors specific to the debtors and the economic environment.

A financial asset is deemed to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Income from financial assets

Investment revenue relates to interest income accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognised at fair value and subsequently classified at fair value through profit or loss, loans and borrowings, or payables. Loans and borrowings and payables are recognised net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loan notes.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as held at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Loans and payables

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Leases
Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised and initial direct costs incurred. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payment made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

Short-term leases and leases on low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of twelve months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Employees' end of service benefits
The Group provides end of service benefits to its employees in accordance with local labour laws. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. The Group accounts for these benefits as a defined contribution plan under IAS 19.

Share based payments
Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are provided in note 13.

That cost is recognised in employee benefits expense, included in administrative expenses, together with a corresponding increase in equity (share based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Contingencies

Contingent liabilities are not recognised in the financial statements, they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Foreign currencies

The Group's financial statements are presented in USD, which is the functional currency of all Group companies. Items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange prevailing at the reporting date. All differences are taken to profit or loss.

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

Foreign currency share capital (including any related share premium or additional paid-in capital) is translated using the exchange rates as at the dates of the initial transaction. The value is not remeasured.

5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

Amendments and interpretations that apply for the first time in 2023 do not have a significant impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

6 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the reported amount of assets and liabilities, revenue, expenses, disclosure of contingent liabilities, and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

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

a) Judgments

Use of Alternative Performance Measures (Note 14)

IAS1 requires material items to be disclosed separately in a way that enables users to assess the quality of a company's profitability. In practice, these are commonly referred to as "exceptional" items, but this is not a concept defined by IFRS and therefore there is a level of judgement involved in arriving at an Alternative Performance Measure ("APM") which excludes such exceptional items. The Group refers to these as non-underlying items and considers items suitable for separate presentation that are outside normal operations and are material to the results of the Group either by virtue of size or nature. See note 9 for further details on specific balances which are classified as non-underlying items.

b) Estimates and assumptions

Impairment reviews (Note 15)
Determining whether Property, Plant and Equipment is impaired requires an estimation of the value in use of the cash generating units. The value in use calculation requires the Group to estimate the future cash flows and a suitable discount rate in order to calculate present value. An impairment review has been performed at the reporting date and no impairment is required.

Percentage of completion (Note 18)
The Group primarily uses the output percentage-of-completion method when accounting for contract revenue on its long-term construction contracts. Use of the percentage-of-completion method requires the Group to estimate the progress of contracts based on surveys of work performed. The Group has determined this basis of revenue recognition is the best available measure on such contracts and where possible seeks customer verification of percentage-of-completion calculations as at financial reporting dates.

The accuracy of percentage-of-completion estimates has a material impact on the amount of revenue and related profit recognised. As at 31 December 2023, USD 745,000 of accrued revenue had been calculated using the percentage-of-completion method (2022: USD nil).

Revisions to profit or loss arising from changes in estimates are accounted for in the period when the changes occur.

IFRS 16 - interest rate (Note 23)
In some jurisdictions where the Group holds long-term leases, the incremental borrowing rate is not readily determinable. As a result, the incremental borrowing rate is estimated with reference to risk adjusted rates in other jurisdictions where a market rate is determinable, and the Group's cost of funding.

7 SEGMENTAL INFORMATION

For management purposes, the Group is organised into one segment based on its products and services, which is the provision of services in demanding and remote areas. Accordingly, the Group only has one reportable segment. The Group's Chief Operating Decision Maker ("CODM") monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and assessing performance. The CODM is considered to be the Board of Directors.

Operating segments
Revenue, operating results, assets, and liabilities presented in the financial statements relate to the provision of services in demanding and remote areas.

Revenue by service channel:

	2023 USD'000	*2022 USD'000*
Integrated facilities management	**31,947**	27,411
Construction	**12,407**	21,276
Supply chain	**13,932**	14,230
	58,286	62,917

Revenue by recognition timing:

	2023 USD'000	*2022 USD'000*
Revenue recognised over time	**44,354**	48,160
Revenue recognised at a point in time	**13,932**	14,757
	58,286	62,917

Geographic segment
The Group primarily operates in Africa and as such the CODM considers Africa and Other locations to be the only geographic segments of the Group. The below geography split is based on the location of project implementation.

Revenue by geographic area:

	2023 USD'000	*2022 USD'000*

	USD'000	USD'000
Africa	**50,863**	61,012
Other	**7,423**	1,905
	58,286	62,917

Non-current assets by geographic area:

	2023	*2022*
	USD'000	*USD'000*
Africa	**19,489**	22,223
Other	**1,888**	1,788
	21,377	24,011

Revenue split by customer

	2023	*2022*
	%	*%*
Customer A	**22**	19
Customer B	**14**	12
Customer C	**10**	9
Customer D	**10**	8
Customer E	**8**	—
Customer F	**5**	7
Other	**31**	45
	100	100

8 GROUP INFORMATION

The Company operates through its subsidiaries, listed below, which are legally or beneficially, directly or indirectly owned and controlled by the Company.

The extent of the Company's beneficial ownership and the principal activities of the subsidiaries are as follows:

Name of the entity	*Country of incorporation*	*Beneficial ownership*	*Registered address*
RA Africa Holdings Limited	British Virgin Islands	100%	3rd floor, J&C Building, PO Box 362, Road Town, Torola Virgin Islands (British) VG110
RA International Commercial Services Limited	British Virgin Islands	100%	3th floor, J&C Building, PO Box 362, Road Town, Torola Virgin Islands (British) VG110
RA International Limited	Cameroon	100%	537 Rue Njo-Njo, Bonaprisi, PO Box 1245, Douala, Cameroon
RA International RCA	Central African Republic	100%	Avenue des Martyrs, Bangui, Central African Republic
RA International Chad	Chad	100%	N'djamena, Chad
RA International DRC SARL	Democratic Republic of Congo	100%	Kinshasa, Sis No106, Boulevard Du 30 Juin, Dans La Commune De La Gombe EN RD, Congo
RA International Guyana Inc.	Guyana	100%	210 New Market Street, Georgetown, Guyana
Raints Kenya Limited	Kenya	100%	The Pavilion 6th Floor, Lower Kabete Road, Westlands, PO Box 2691-00621, Nairobi, Kenya
RA International SARL	Lebanon	100%	Beirut Souks, Souk El Dahab, section no 1144, plot no 1479, Beirut, Lebanon
Al Mutaheda Al-Alamia Ltd.	Libya	100%	Suq El Jumah- Tripoli Libya
Raints Mali	Mali	100%	Bamako-Niarela Immeuble Sodies Appartement C/7, Mali
RA International Limitada	Mozambique	100%	Distrito KAMPFUMO, Bairro Sommarchield, Rua. Jose Graverinha, no 198, R/C, Maputo, Mozambique

RA Facilities Services S.A	Mozambique	100%	Distrito Urbano 1, Bairro Central, Rua do Sol, 23 Maputo, Mozambique
RA International Niger	Niger	100%	Niamey, Quartier Cite Piudriere, Avenue du Damergou, CI-48, Niger
RA International Poland	Poland	100%	UL. MŁYŃSKA, numer 16, lokal 8 PIĘTRO, kod poczt. 61-730, poczta POZNAŃ
RA International*	Somalia	100%	Mogadishu, Somalia
RA International FZCO	South Sudan	100%	Plot no. 705, Block 3-K South, , Airport Road, Hai Matar South Sudan
Reconstruction and Assistance Company Ltd	Sudan	100%	115 First Quarter Graif west-Khartoum, Khartoum, Republic of Sudan
RA International Limited	Tanzania	100%	369 Toure Drive, Oysterbay, PO Box 62, Dar Es Salaam, Tanzania
RA International FZCO	UAE	100%	Office Number S101221O39, Jebel Ali Free Zone, Dubai, United Arab Emirates
RA International General Trading LLC	UAE	100%	Building 41, 3B Street, Al Quoz Industrial Area 1, PO Box 115774, Dubai, United Arab Emirates
RA International Global Operations Limited	UK	100%	1 Fleet Place, London, EC4M 7WS, United Kingdom
RA International Limited	Uganda	100%	4th Floor, Acacia Mall, Plot 14-18, Cooper Road, Kololo, Kampala, Uganda
RA Federal Services LLC	United States of America	100%	3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810
Berkshire General Insurance Limited	United States of America	100%	1 Church Street, 5th Floor, Burlington, Chittenden, Vermont, 05401, United States of America

* RA International in Somalia is not an incorporated legal entity.

RA International Global Operations Limited, registered number 12672019 is exempt from the requirements of Company Act 2006 relating to the audit of individual accounts by virtue of section 479A.

9 PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period is stated after charging:

	2023 ***USD'000***	*2022* *USD'000*
Staff costs	**23,655**	24,382
Materials	**18,683**	24,079
Depreciation of property, plant, and equipment	**4,241**	5,110
Impairment of property, plant, and equipment	**—**	1,456

Staff costs relate to wages and salaries plus directly attributable expenses.

Non-underlying items

	2023 ***USD'000***	*2022* *USD'000*
Restructuring costs	**2,245**	(3,502)
Palma Project, Mozambique	**2,966**	(715)
	5,211	(4,217)

Restructuring costs

During the year, USD 2,245,000 of net income was recognised relating to the sale of assets previously impaired by the Group. All cash from the transaction was received during the year.

Palma Project, Mozambique

During the year, a number of Palma Project assets were disposed of, generating net proceeds of USD 2,966,000 (2022: USD

During the year, a number of [illegible] Project assets were disposed of, generating net proceeds of USD [illegible] (2022: USD 114,000). These assets had been fully impaired in 2021 and as a result, the disposal resulted in a recovery which has been recorded in the current year. At 31 December 2023, USD 2,045,000 relating to the disposals was outstanding and recognised as a receivable, with USD 377,000 of costs due for payment in 2024.

The sale of assets removed the requirement for continued storage costs, and as such, no provision for unavoidable costs has been recognised at 31 December 2023 (2022: USD 1,092,000).

The Group reassessed the recoverable amount of all other impaired assets and deemed there was no further reversals necessary.

Auditor Compensation

Amounts paid or payable by the Group in respect of audit and non-audit services to the Auditor are shown below.

	2023 USD'000	*2022 USD'000*
Fees for the audit of the Company annual accounts	**225**	188
Fees for the audit of the subsidiary annual accounts	**—**	75
Additional fee for the prior year audit of the Group annual accounts	**—**	25
Total audit fees	**225**	288
Total non-audit fees	**—**	—

10 EMPLOYEE EXPENSES

The average number of employees (including directors) employed during the period was:

	2023	*2022*
Directors	**5**	7
Executive management	**3**	5
Staff	**1,198**	1,356
	1,206	1,368

The aggregate remuneration of the above employees was:

	2023 USD'000	*2022 USD'000*
Wages and salaries	**19,743**	19,820
Social security costs	**142**	148
Share based payments	**57**	684
	19,942	20,652

The remuneration of the Directors and other key management personnel of the Group are detailed in note 31.

11 TAX

The tax expense on the profit/(loss) for the year is as follows:

	2023 USD'000	*2022 USD'000*
Current tax:		
UK corporation tax on loss for the year	**—**	—
Non-UK corporation tax	**7**	169
Tax expense/ for the year	**7**	169

Factors affecting the tax expense

The tax assessed for the year varies from the standard rate of corporation tax in the UK. The difference is explained below:

	2023 USD'000	2022 USD'000
Profit/(Loss) before tax	**201**	(12,997)
Expected tax credit based on the standard average rate of corporation tax in the UK of 23.5% (2022: 19.0%)	**47**	(2,469)
Effects of:		
Deferred tax asset not recognised	**138**	115
Exemptions and foreign tax rate difference	**(178)**	2,523
Tax expense for the year	**7**	169

From 01 April 2023, the UK Corporation tax rate increased from 19.0% to 25.0%, resulting in an average tax rate for the period of 23.5% (2022: 19.0%).

The Group benefits from tax exemptions granted to its customers who are predominantly governments and large intragovernmental organisations. The CODM is not aware of any factors that tax exemptions granted will no longer be available to the Group.

The Group has USD 5,109,000 (2022: USD 3,463,000) of unused tax losses for which no deferred tax asset has been recognised.

12 EARNINGS PER SHARE

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2023	2022
Profit/(loss) for the period (USD'000)	**194**	(13,166)
Basic weighted average number of ordinary shares	**173,575,741**	172,601,934
Effect of employee share options	**—**	728,394
Diluted weighted average number of shares	**173,575,741**	173,330,328
Basic earnings per share (cents)	**0.1**	(7.6)
Diluted earnings per share (cents)	**0.1**	(7.6)

13 SHARE BASED PAYMENT EXPENSE

The Group recognised the following expenses related to equity-settled payment transactions:

	2023 USD'000	2022 USD'000
Employee retention share plan	**57**	311
Other share based payments	**—**	178
Other share based payments - non-underlying	**—**	195
	57	684

Employee Retention Share Plan

In October 2020, the Company introduced an Employee Retention Share Plan ("ERSP") and granted share options to a number of senior employees. Awards vest annually subject to continuous employment. There are no TSR linked vesting conditions associated with these options.

At 31 December, the following unexercised share options to acquire ordinary shares under the PSP and ERSP were outstanding:

Year of Grant	***Share Plan***	***Vesting Date***	***Exercise***	***Number of***	*Number of*

			price GBP	***options 2023***	*options 2022*
2020	ERSP	1 May 2022	0.10	—	229,710
	ERSP	1 May 2023	0.10	—	671,510
2021	ERSP	1 May 2021	0.10	—	17,212
	ERSP	1 May 2022	0.10	—	47,776
	ERSP	1 May 2023	0.10	—	107,243
	ERSP	1 May 2024	0.10	—	83,413
2022	ERSP	1 Dec 2022	0.22	—	741,457
	ERSP	1 Dec 2023	0.22	—	741,457
	ERSP	1 Dec 2024	0.22	—	741,457
	ERSP	1 May 2023	0.10	—	130,920
	ERSP	1 May 2024	0.10	—	261,840
	ERSP	1 May 2025	0.10	—	392,760
				—	4,166,755

The weighted average remaining contractual life for the shares options outstanding as at 31 December 2023 is nil (2022: 0.9 years).

	Number of options 2023	***Weighted average exercise price 2023 GBP***	*Number of options 2022*	*Weighted average exercise price 2022 GBP*
Outstanding at 1 January	**4,166,755**	**0.16**	3,875,019	0.10
Granted during the year	—	—	3,009,891	0.18
Exercised during the year	—	—	(324,463)	0.10
Settled during the year	**(1,771,238)**	**0.10**	—	—
Forfeited during the year	**(1,574,799)**	**0.21**	(328,476)	0.10
Lapsed during the year	**(820,718)**	**0.20**	(2,065,216)	0.10
Outstanding at 31 December	—	—	4,166,755	0.16

Options issued under the ERSP were valued using the Black Scholes model using the following inputs:

	Weighted average share price	**Expected volatility**	**Risk free rate**
2020	49p (USD 0.64)	49.70%	0.00%
2021	49p (USD 0.68)	48.60%	0.00%
2022	22p (USD 0.28)	46.80%	1.69%

The total fair value of the options at the grant date was USD 1,100,000. A charge of USD 15,000 (2022: USD 66,000) was recognised in cost of sales and USD 41,000 (2022: USD 245,000) was recognised in administrative expenses for the fiscal year ended 2023. The expected volatility input utilised represents the historic volatility of the share price of the Company since Admission.

Other Share Based Payments

On 26 July 2022, the Company agreed to issue a total of 1,459,435 Ordinary Shares to senior members of staff, including certain persons discharging managerial responsibilities. Ordinary Shares issued pursuant to the award were satisfied from the pool of Ordinary Shares held in Treasury. The fair value of the shares on the grant date was GBP 0.21 (USD 0.25) per share. A total charge of USD 373,000 was recognised, with USD 178,000 recognised as an administrative expense and USD 195,000 recognised as a non-underlying restructuring cost given the non-reoccurring nature of the transaction.

14 ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures ("APMs") used by the Group are defined below along with a reconciliation from each APM to its IFRS equivalent, and an explanation of the purpose and usefulness of each APM. APMs are non-IFRS measures.

In general, APMs are presented externally to meet investors' requirements for further clarity and transparency of the

Group's financial performance. APMs are also used internally by management to evaluate business performance and for budgeting and forecasting purposes.

	2023 USD'000	2022 USD'000
Profit/(loss)	**194**	(13,166)
Tax expense	**7**	169
Profit/(loss) before tax	**201**	(12,997)
Finance costs	**2,044**	2,491
Investment income	**(188)**	(206)
Operating profit/(loss)	**2,057**	(10,712)
Depreciation	**4,241**	5,110
Impairment	**—**	1,456
EBITDA	**6,298**	(4,146)

EBITDA

Management defines EBITDA as Operating Profit adjusted for depreciation and impairment. EBITDA facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures, tax positions and the age and booked depreciation on assets.

Net Cash

Net cash represents cash less overdraft balances, term loans and notes outstanding. This is a commonly used metric, helpful to stakeholders when analysing the business. Negative net cash is referred to as a net debt position.

	2023 USD'000	2022 USD'000
Cash and cash equivalents	**16,843**	7,514
Loan notes - non-current	**(13,495)**	(14,000)
Loan notes - current	**(2,280)**	—
Net cash/(debt)	**1,068**	(6,486)

15 PROPERTY, PLANT, AND EQUIPMENT

	Land and buildings USD'000	*Machinery, Motor vehicles, furniture and equipment USD'000*	*Leasehold improvements USD'000*	*Total USD'000*
Cost:				
At 1 January 2023	39,325	13,683	1,370	54,378
Additions	745	251	106	1,101
Disposals	(5)	(548)	—	(553)
Transfer to inventory	(107)	—	—	(107)
At 31 December 2023	**39,958**	**13,386**	**1,476**	**54,820**
Depreciation:				
At 1 January 2023	23,780	10,406	602	34,788
Charge for the year	1,804	1,188	263	3,255
Relating to disposals	(3)	(201)	—	(204)
Transfer to inventory	(43)	—	—	(43)
At 31 December 2023	**25,538**	**11,393**	**865**	**37,796**
Net carrying amount:				
At 31 December 2023	**14,420**	**1,993**	**611**	**17,024**

	Land and buildings	*Machinery, motor vehicles, furniture and equipment*	*Leasehold improvements*	*Total*

	USD'000	*USD'000*	*USD'000*	*USD'000*
Cost:				
At 1 January 2022	39,919	14,115	1,370	55,404
Additions	194	424	—	618
Disposals	(788)	(856)	—	(1,644)
At 31 December 2022	39,325	13,683	1,370	54,378
Depreciation:				
At 1 January 2022	21,438	8,089	365	29,892
Charge for the year	2,040	1,893	237	4,170
Relating to disposals	(226)	(491)	—	(717)
Provision for impairment	528	915	—	1,443
At 31 December 2022	23,780	10,406	602	34,788
Net carrying amount:				
At 31 December 2022	15,545	3,277	768	19,590

16 RIGHT-OF-USE ASSETS

	2023 ***USD'000***	*2022* *USD'000*
Cost:		
At 1 January	**7,887**	7,887
Additions	**918**	—
At 31 December	**8,805**	7,887
Depreciation:		
At 1 January	**3,466**	2,513
Charge for the year	**986**	940
Provision for impairment	—	13
At 31 December	**4,452**	3,466
Net carrying amount:		
At 31 December	**4,353**	4,421

Information related to lease liabilities is available in note 23.

The table below details rent resulting from lease contracts which are not capitalised and are therefore expensed in the year.

	2023 ***USD'000***	*2022* *USD'000*
Short-term leases	**653**	715

Short-term leases include amounts paid for vehicles and heavy equipment rental, as well as short-term property leases.

17 INVENTORIES

	2023 ***USD'000***	*2022* *USD'000*
Materials and consumables	**3,607**	4,442
Goods-in-transit	**540**	712
	4,147	5,154

No provision has been recognised in 2023 reflecting the cost of prefabricated camp assets held in inventory (2022: USD 2,478,000).

18 TRADE AND OTHER RECEIVABLES

	2023 **USD'000**	*2022* *USD'000*
Trade receivables	**11,196**	10,697
Accrued revenue	**2,265**	3,765
Deposits	**80**	112
Prepayments	**1,173**	514
Other receivables	**1,027**	1,301
	15,741	16,389

Invoices are generally raised on a monthly basis, upon completion, or part completion of performance obligations as agreed with the customer on a contract by contract basis.

During the year 100% of accrued revenue was subsequently billed and transferred to trade receivables from the opening unbilled balance in the period (2022: 100%).

As at 31 December the transaction price allocated to remaining performance obligations was USD 49,000,000 (2022: USD 83,000,000). This represents revenue expected to be recognised in subsequent periods arising on existing contractual arrangements. The Group has not taken the practical expedient in IFRS 15.121 not to disclose information about performance obligations that have original expected durations of one year or less and therefore no consideration from contracts with customers is excluded from these amounts. All revenue is expected to be recognised within the next five years.

As at 31 December the ageing of trade receivables was as follows:

	2023 **USD'000**	*2022* *USD'000*
Not past due	**8,127**	5,609
Overdue by less than 30 days	**1,843**	3,705
Overdue by between 30 and 60 days	**805**	831
Overdue by more than 60 days	**421**	552
	11,196	10,697

Trade receivables are non-interest bearing and generally have payment terms of 30 days. No ECL was recorded as at 31 December 2023 or 31 December 2022. All receivables are expected, on the basis of past experience, to be fully recoverable.

19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of financial position comprised of cash at bank of USD 16,843,000 (2022: USD 7,514,000).

20 SHARE CAPITAL

	2023 **USD'000**	*2022* *USD'000*
Authorised, issued and fully paid		
173,575,741 shares (2022: 173,575,741 shares) of GBP 0.10 (2022: GBP 0.10) each	**24,300**	24,300

21 TREASURY SHARES

	2023 **Number**	**2023** **USD'000**	*2022* *Number*	*2022* *USD'000*
As at 1 January	—	—	1,783,898	1,199
Issued in the period	—	—	(1,783,898)	(1,199)
As at 31 December	—	—	—	—

22 LOAN NOTES

The table below summarises the loan notes:

	2023 USD'000	2022 USD'000
As at 1 January	**14,000**	10,000
Additions	**1,775**	15,500
Repayments	**—**	(11,500)
As at 31 December	**15,775**	14,000
Current	**2,280**	—
Non-current	**13,495**	14,000

During the year, the Group completed a refinancing and fundraising exercise. The purpose of the exercise was to extend the maturity of the USD 14.0m of loan notes issued by the Group in previous periods which were due to mature in the second half of 2024. USD 11.7m of notes were extended to mature in January 2027, with the remaining USD 2.3m to be repaid in November 2024. An additional USD 1.8m was also raised through the issue of new loan notes. The notes with a 2027 maturity date carry an annual fixed interest rate of 8.50% (2022: 7.50%) for GBP denominated notes and 9.50% (2022: 8.00%) for USD denominated notes. The term of the note issuance is up to 37 months with principal to be repaid as a bullet payment upon maturity in January 2027. Interest is paid on a quarterly basis.

23 LEASE LIABILITIES

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2023 USD'000	2022 USD'000
As at 1 January	**5,206**	6,040
Additions	**918**	—
Interest	**436**	476
Payments	**(1,409)**	(1,310)
As at 31 December	**5,151**	5,206
Current	**833**	650
Non-current	**4,318**	4,556

Interest of USD 436,000 (2022: USD 476,000) relating to the above lease liabilities has been included in Finance Costs for the year.

As at 31 December the maturity profile of lease liabilities was as follows:

	2023 USD'000	2022 USD'000
3 months or less	**163**	124
3 to 12 months	**670**	526
1 to 5 years	**1,806**	1,746
Over 5 years	**2,512**	2,810
	5,151	5,206

The Group had total cash outflows relating to leases of USD 2,062,000 in 2023 (2022: USD 2,025,000). This is the total of short-term lease payments from note 16 and payments from note 23.

24 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2023	2022

	USD'000	USD'000
As at 1 January	**928**	731
Provided during the year	**859**	526
End of service benefits paid	**(285)**	(329)
As at 31 December	**1,502**	928

25 TRADE AND OTHER PAYABLES

	2023 **USD'000**	2022 USD'000
Trade payables	**6,321**	3,744
Accrued expenses	**2,338**	2,309
Accrued tax expense	**193**	388
Customer advances	**1,914**	533
	10,766	6,974

All customer advances recorded at 31 December 2022 were subsequently recognised as revenue in 2023 and all customer advances held at 31 December 2023 were subsequently recognised as revenue in 2024.

26 PROVISIONS

	2023 **USD'000**	2022 USD'000
As at 1 January	**1,092**	1,422
Provided during the year	—	1,092
Utilised during the year	**(1,013)**	(1,422)
Reversed during the year	**(79)**	—
As at 31 December	—	1,092

Following the March 2021 attack on Palma, Mozambique the Group began incurring unavoidable costs relating to the Offsite Assets. All assets were disposed of in 2023. As such, no provision is held at 31 December 2023.

27 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January 2023 USD'000	*Cash flows USD'000*	*New leases USD'000*	*Other USD'000*	*31 December 2023 USD'000*
Non-current liabilities					
Loan notes	14,000	1,775	—	(2,280)	13,495
Lease liabilities	4,556	—	286	(524)	4,318
Current liabilities					
Loan notes	—	—	—	2,280	2,280
Lease liabilities	650	(1,409)	632	960	833
	19,206	**366**	**918**	**436**	**20,926**

	1 January 2022 USD'000	*Cash flows USD'000*	*New leases USD'000*	*Other USD'000*	*31 December 2022 USD'000*
Non-current liabilities					
Loan notes	—	14,000	—	—	14,000
Lease liabilities	5,206	—	—	(650)	4,556
Current liabilities					
Loan notes	10,000	(10,000)	—	—	—
Lease liabilities	834	(1,310)	—	1,126	650
	16,040	2,690	—	476	19,206

The 'Other' column includes the effect of reclassification of non-current portion of leases to current due to the passage of time, the effect of contracted loan note amounts not yet received, and the effect of accrued interest not yet paid.

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group was not exposed to any significant interest rate risk on its interest-bearing liabilities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities when revenue or expenses are denominated in a different currency from the Group's functional currency, as well as cash and cash equivalents held in foreign currency accounts.

At 31 December 2023, the Group held foreign cash and cash equivalents of GBP 948,000 (USD 1,207,000). Additionally, the Group held GBP denominated loans of GBP 2,239,000 (USD 2,850,000). UK pound sterling is primarily held by the Group to settle payment obligations denominated in GBP. As at 31 December 2022, the Group held GBP 364,000 (USD 440,000) and GBP denominated loans of GBP 1,970,000 (USD 2,382,000).

The Group's exposure to foreign currency variances for all other currencies is not material.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances and receivables.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable financial institutions as determined by the CODM and with respect to customers by only dealing with creditworthy customers and continuously monitoring outstanding receivables. The Company's 5 largest customers account for 50% of outstanding trade receivables at 31 December 2023 (2022: 61%).

Receivables split by customer:

	2023	*2022*
	%	*%*
Customer G	**21**	—
Customer A	**18**	14
Customer B	**14**	22
Customer C	**9**	7
Customer D	**9**	7
Customer F	**3**	11
Other	**26**	39
	100	100

No material credit risk is deemed to exist due to the nature of the Group's customers, who are predominantly governments and large intragovernmental organisations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group limits its liquidity risk by ensuring bank facilities are available.

The Group's terms of sale generally require amounts to be paid within 30 days of the date of sale. Trade payables are settled depending on the supplier credit terms, which are generally 30 days from the date of delivery of goods or services.

As at 31 December the maturity profile of trade payables and loan notes was as follows:

As at 31 December 2023

	Less than 3 months USD'000	***3 to 6 Months USD'000***	***6 to 12 Months USD'000***	***12 to 24 Months USD'000***	***Total USD'000***
Loan notes	—	—	**2,280**	**13,495**	**15,775**
Trade payables	**6,321**	—	—	—	**6,321**

Trade payables	6,321				6,321
	6,321	**—**	**2,280**	**13,495**	**22,096**

As at 31 December 2022

	Less than 3 months USD'000	*3 to 6 Months USD'000*	*6 to 12 Months USD'000*	*12 to 24 Months USD'000*	*Total USD'000*
Loan notes	—	—	—	14,000	14,000
Trade payables	3,744	—	—	—	3,744
	3,744	—	—	14,000	17,744

Liabilities falling due within twelve months are recognised as current on the consolidated statement of financial position. Liabilities falling due after twelve months are recognised as non-current.

The unutilised bank overdraft facilities at 31 December 2023 amounted to USD 10,000,000 (2022: USD 10,000,000) and carry interest of 1m Term SOFR +3.50% per annum (2022: 1m Term SOFR +3.50%). The facilities require a 100% cash margin guarantee to be paid upfront.

The Group manages its liquidity risk by maintaining significant cash reserves.

The Group's cash and cash equivalents balance is substantially all held in institutions holding a Moody's long-term deposit rating of Aa3 or above.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in business conditions.

No changes were made in the objectives, policies or processes during the year ended 31 December 2023.

Capital comprises share capital, share premium, merger reserve, treasury shares, share based payment reserve and retained earnings and is measured at USD 24,914,000 as at 31 December 2023 (2022: USD 24,868,000).

29 RELATED PARTY DISCLOSURES

Related parties represent shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

There were no transactions with related parties during the year (2022: USD nil). No outstanding balances with related parties are included in the consolidated statement of financial position at 31 December 2023 (2022: USD nil).

30 ULTIMATE CONTROLLING PARTY

The ultimate controlling party of the company, as shown within the substantial shareholders breakdown within the Directors' Report, is Soraya Narfeldt.

31 COMPENSATION

Compensation of key management personnel

The remuneration of key management during the year was as follows:

	2023 USD'000	*2022 USD'000*

Short-term benefits	**1,272**	1,379
Stock based compensation	—	373
	1,272	1,752

The key management personnel comprise of 3 (2022: 3) individuals. Included in key management personnel are 2 (2022: 3) Directors.

Compensation of directors

The remuneration of directors during the year was as follows:

	2023	*2022*
	USD'000	*USD'000*
Short-term benefits	**1,411**	1,574
Stock based compensation	—	178
	1,411	1,752

Highest paid director

The remuneration of the highest paid director during the year was as follows:

	2023	*2022*
	USD'000	*USD'000*
Short-term benefits	**492**	393
Stock based compensation	—	178
	492	571

The amount disclosed in the tables is the amount recognised as an expense during the reporting year related to key management personnel and directors of the Group.

32 STANDARDS ISSUED BUT NOT YET EFFECTIVE

No other standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are expected to have a material impact on the Group.

COMPANY STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2023

		2023	*2022*
	Notes	***USD'000***	*USD'000*
Assets			
Non-current assets			
Investments	4	**28,606**	28,606
Loan to subsidiary	5	**1,000**	1,000
		29,606	29,606
Current assets			
Trade and other receivables	6	**4,190**	5,984
Cash and cash equivalents		**320**	157
		4,510	6,141
Total assets		**34,116**	35,747
Equity and liabilities			
Equity			
Share capital	7	**24,300**	24,300
Share premium		**—**	18,254
Merger reserve		**—**	—

Treasury shares	8	—	—
Share based payment reserve		—	574
Retained earnings		**9,408**	(8,680)
Total equity		**33,708**	34,448
Liabilities			
Non-current liabilities			
Loan from subsidiary	9	—	1,000
		—	1,000
Current liabilities			
Trade and other payables	10	**408**	299
Total liabilities		**408**	1,299
Total equity and liabilities		**34,116**	35,747

The Company has taken the exemption conferred by section 408 of the Companies Act 2006 not to publish the profit and loss of the parent company within these accounts. The result for the Company for the year was a loss of USD 592,000 (2022: USD 22,396,000).

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Share Capital USD'000	*Share Premium USD'000*	*Merger Reserve USD'000*	*Treasury Shares USD'000*	*Share Based Payment Reserve USD'000*	*Retained Earnings USD'000*	*Total USD'000*
As at 1 January 2022	24,300	18,254	9,897	(1,199)	534	3,819	55,605
Total comprehensive income for the period	—	—	—	—	—	(22,396)	(22,396)
Share based payments	—	—	—	—	311	—	311
Non-cash employee compensation	—	—	—	981	—	—	981
Lapsed share options	—	—	—	—	(94)	—	(94)
Issuance of treasury shares (note 8)	—	—	—	218	(177)	—	41
Transfer of reserve	—	—	(9,897)	—	—	9,897	—
As at 31 December 2022	**24,300**	**18,254**	—	—	**574**	**(8,680)**	**34,448**
Total comprehensive income for the period	—	—	—	—	—	(592)	(592)
Share based							

payments	—	—	—	—	57	—	57
Lapsed / cancelled share options	—	—	—	—	(631)	426	(205)
Capital reduction *	—	(18,254)	—	—	—	18,254	—
As at 31 December 2023	**24,300**	—	—	—	—	**9,408**	**33,708**

* On 21 December 2023 the Registrar of Companies registered the cancellation of RA International Group plc's share premium account. USD 18,254,000 of share premium was accordingly transferred to retained earnings, creating distributable reserves and enabling the Company to become dividend paying.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 31 December 2023

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and the Companies Act 2006), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS101") under the historical cost basis and have been presented in USD, being the functional currency of the Company.

The Company has applied a number of exemptions available under FRS 101. Specifically, the requirement(s) of:

(a) paragraphs 91-99 of IFRS 13 "Fair Value Measurement";
(b) paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
(c) paragraphs 10(d), 10(f), and 134-136 of IAS 1 "Presentation of Financial Statements";
(d) IAS 7 "Statement of Cash Flows";
(e) paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
(f) paragraph 17 of IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
(g) paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 "Impairment of Assets".

2 SIGNIFICANT ACCOUNTING POLICIES

Except noted below, all accounting policies applied to the Company are consistent with that of the Group.

Investments
Investments held by the company are stated at cost less provision for diminution in value.

Merger Reserve
A merger reserve is a non-distributable reserve often arising from a share for share exchange transaction, such as that undertaken by the Company in 2018. The merger reserve is held at carrying value and maybe transferred to distributable reserves upon the disposable, write down, depreciation, amortisation, or diminution in value or impairment of the related asset.

3 EMPLOYEE EXPENSES

The average number of employees employed during the period was:

	2023	*2022*
Directors	**5**	7

The aggregate remuneration of the above employees was:

	2023 ***USD'000***	*2022* *USD'000*
Wages and salaries	**389**	447
Social security costs	**43**	53
	432	500

4 INVESTMENTS

	2023 ***USD'000***	*2022* *USD'000*
As at 1 January	**28,606**	50,047
Additions	—	350
Diminution in value	—	(21,791)
As at 31 December	**28,606**	28,606

During the prior year, the Company recognised a provision of USD 21,791,000 relating to diminution in value of the investment as at 31 December 2022. The provision was calculated with reference to the Company's market capitalisation at the year end date, adjusted to reflect cost of disposal, in order to determine the recoverable amount of the investment on a fair value less cost to sell basis.

Additionally, the Company invested USD 350,000 in RA Federal Services LLC, a 100% owned subsidiary.

5 LOAN TO SUBSIDIARY

	2023 ***USD'000***	*2022* *USD'000*
As at 1 January	**1,000**	—
Additions	—	1,000
As at 31 December	**1,000**	1,000

During the prior year, the Company advanced a loan of USD 1,000,000 to a subsidiary. This note carries an annual fixed interest rate of 9.56%. The term of the note issuance was 25 months with the principal to be repaid as a bullet payment upon maturity in November 2024. In December 2023, the loan was extended by 14 months to January 2026. Interest is to be received on an annual basis.

6 TRADE AND OTHER RECEIVABLES

	2023 ***USD'000***	*2022* *USD'000*
Prepayments	**99**	67
Due from subsidiary	**4,057**	5,879
VAT recoverable	**34**	38
	4,190	5,984

Amounts due from subsidiary represent amounts due from RA International FZCO, an immediate subsidiary, and are non-interest bearing and payable on demand.

7 SHARE CAPITAL

	2023	**2023**	2022	2022

	2023 Number	**2023 USD'000**	*2022 Number*	*2022 USD'000*
Authorised, issued, and fully paid:				
Ordinary shares of GBP 0.10 each	**173,575,741**	**24,300**	173,575,741	24,300

8 TREASURY SHARES

	2023 Number	***2023 USD'000***	*2022 Number*	*2022 USD'000*
As at 1 January	—	—	1,783,898	1,199
Issued in the period	—	—	(1,783,898)	(1,199)
As at 31 December	—	—	—	—

9 LOAN FROM SUBSIDIARY

	2023 USD'000	*2022 USD'000*
As at 1 January	**1,000**	—
Additions	—	1,000
Repayments	**(1,000)**	—
As at 31 December	—	1000

During the prior year, the Company subscribed to a loan from a subsidiary for USD 1,000,000. This note carries an annual fixed interest rate 9.56%. The term of the note issuance was 25 months with the principal to be repaid as a bullet payment upon maturity in November 2024. Interest is paid on an annual basis. The note was cancelled in January 2023 for no penalty.

10 TRADE AND OTHER PAYABLES

	2023 USD'000	*2022 USD'000*
Trade payables	**149**	176
Accruals	**259**	123
	408	299

11 RELATED PARTY TRANSACTIONS

The Directors have taken advantage of the exemption under paragraph 8(j) and 8(k) of FRS101 and have not disclosed transactions with other wholly owned Group undertakings. There are no other related party transactions.

END

FR URAKRSWUSOAR