

We deliver. Regardless.

ANNUAL REPORT 2018





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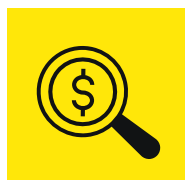
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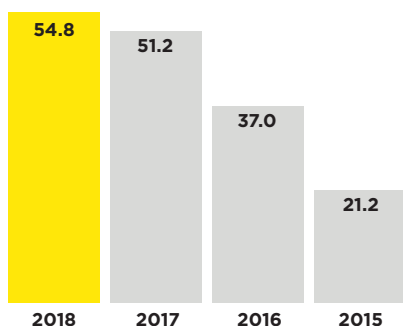
HIGHLIGHTS



+7%

USD 54.8m

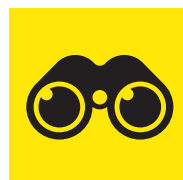
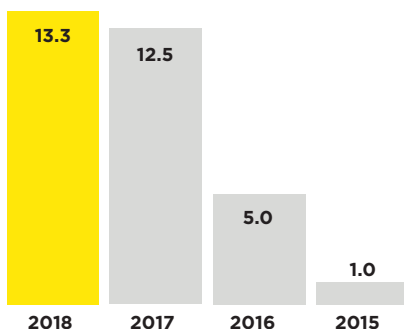
REVENUE



+6%

USD 13.3m

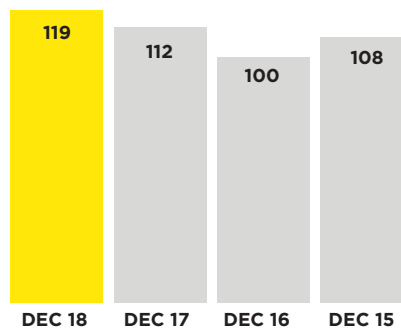
UNDERLYING PROFIT



+6%

USD 119m

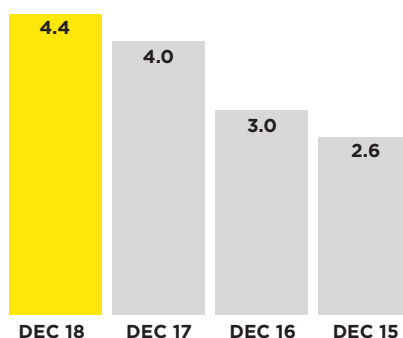
REVENUE BACKLOG



+10%

4.4 years

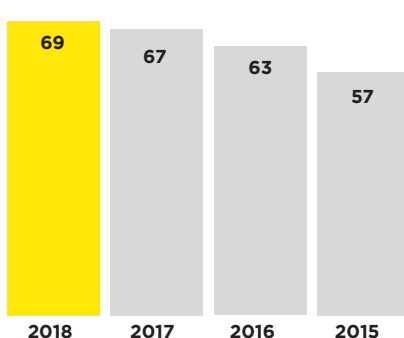
AVERAGE CONTRACT
LENGTH



+3%

69%

LOCAL LABOUR
PARTICIPATION



USD 24.7m

RAISED ON ADMISSION
TO AIM

USD 27.8m

NET CASH

1.0p

DIVIDEND PER SHARE

LETTER FROM THE FOUNDER



SORAYA NARFELDT
Chief Executive Officer

I am delighted to introduce our first annual report following our Admission to AIM last year. 2018 was transformative for the RA International Group as we secured the additional funding required to take our business to the next stage of growth.

When Lars and I founded RA International in 2004, we recognised that large organisations were unable to manage or implement projects effectively when operating in remote locations. This often resulted in inefficiencies that hindered the progress of important peacekeeping, humanitarian and commercial projects.

From early projects in Afghanistan we expanded into Africa supporting the United Nations across the continent and growing substantially in the process. Over the years we have built a reputation for honesty and the efficient and reliable delivery of projects, evidenced by our high client retention. We now have over 2,000 staff, from 34 countries, most of whom

are local staff members who we have recruited and trained over the years.

One of RA International's key strengths is the importance we have always placed on sustainability. We are acutely aware that, by maximising the positive impact we have on communities, we foster strong local relationships that enable us to work more efficiently and effectively to the benefit of our clients. We are an active participant and contributor to the United Nations Global Compact and align our corporate social responsibility strategy to the UN's Sustainable Development Goals (SDGs).

Before our Admission to AIM we were regularly approached to work on projects that we had to decline due to capital constraints. The fundraising we undertook at the time of our Admission, combined with our own resources, addressed this and we immediately began to bid on larger and longer-term contracts.

In addition, we continued to work towards diversifying our geographic presence and customer base, as well as broadening the mix of services we offer to each client. I am pleased to report that we are already starting to see the results of these efforts; both with regards to contracts won and those for which we have been invited to tender since the Admission.

I look forward to reporting on our progress in the years to come and showcasing some of the very valuable work we do for our clients and the communities we work with.

SORAYA NARFELDT,
CHIEF EXECUTIVE OFFICER

A handwritten signature in dark ink, enclosed within a hand-drawn oval. The signature appears to read 'Soraya Narfeldt' in a cursive style.

10 April 2019

STRATEGIC REPORT



RA INTERNATIONAL AT A GLANCE

RA International is a leading provider of services to remote locations in Africa and the Middle East

We provide comprehensive, flexible, mission critical support to our clients enabling them to focus on the delivery of their respective businesses and services.

Our focus on integrity alongside on-going investment in people, locations and operations has, over time, created a reliable and trusted brand within our sector.

KEY FACTS:

**FOUNDED
IN 2004**



**DELIVERED MORE
THAN USD 450M OF
CONTRACTS SINCE INCEPTION**



**CURRENT OR PAST
PRESENCE IN 20+
COUNTRIES ACROSS
AFRICA AND THE
MIDDLE EAST**



**MORE THAN 2,000
EMPLOYEES**



**69% OF EMPLOYEES
ARE LOCAL STAFF**



**PARTICIPANT AND
CONTRIBUTOR
TO THE UNITED
NATIONS GLOBAL
COMPACT**



**CSR STRATEGY
ALIGNED TO THE
UN'S SUSTAINABLE
DEVELOPMENT
GOALS**



SERVICE CHANNELS

Our services are delivered through three channels: construction, integrated facilities management and supply chain logistics.

CUSTOMERS

We have a strong customer base, largely comprising UN agencies and humanitarian organisations, western governments and global corporations.

KEY DIFFERENTIATORS

The growth of RA International has been achieved through securing contracts with new customers and by generating repeat business from clients across our three service channels. We believe that this is due to the following features which differentiate us from our competitors:

- Compliance with international and local regulations
- Risk management focus
- Intelligence-led approach
- Innovative solutions to remote site service delivery
- Global supply chain capability
- Strong track record of project delivery
- On-ground personnel and Executive Management Team (EMT) actively involved in project level matters

- Robust back office support to enable and deliver multiple projects simultaneously
- Focus on developing local content through capacity building programmes
- Proactive in seeking government approvals and permissions

INVESTOR WEBSITE

The investors section of our website at www.raints.com contains a wide range of information of interest to institutional and private investors, including: latest news, press releases and our Annual Reports and Sustainability Reports.





Locations past and current

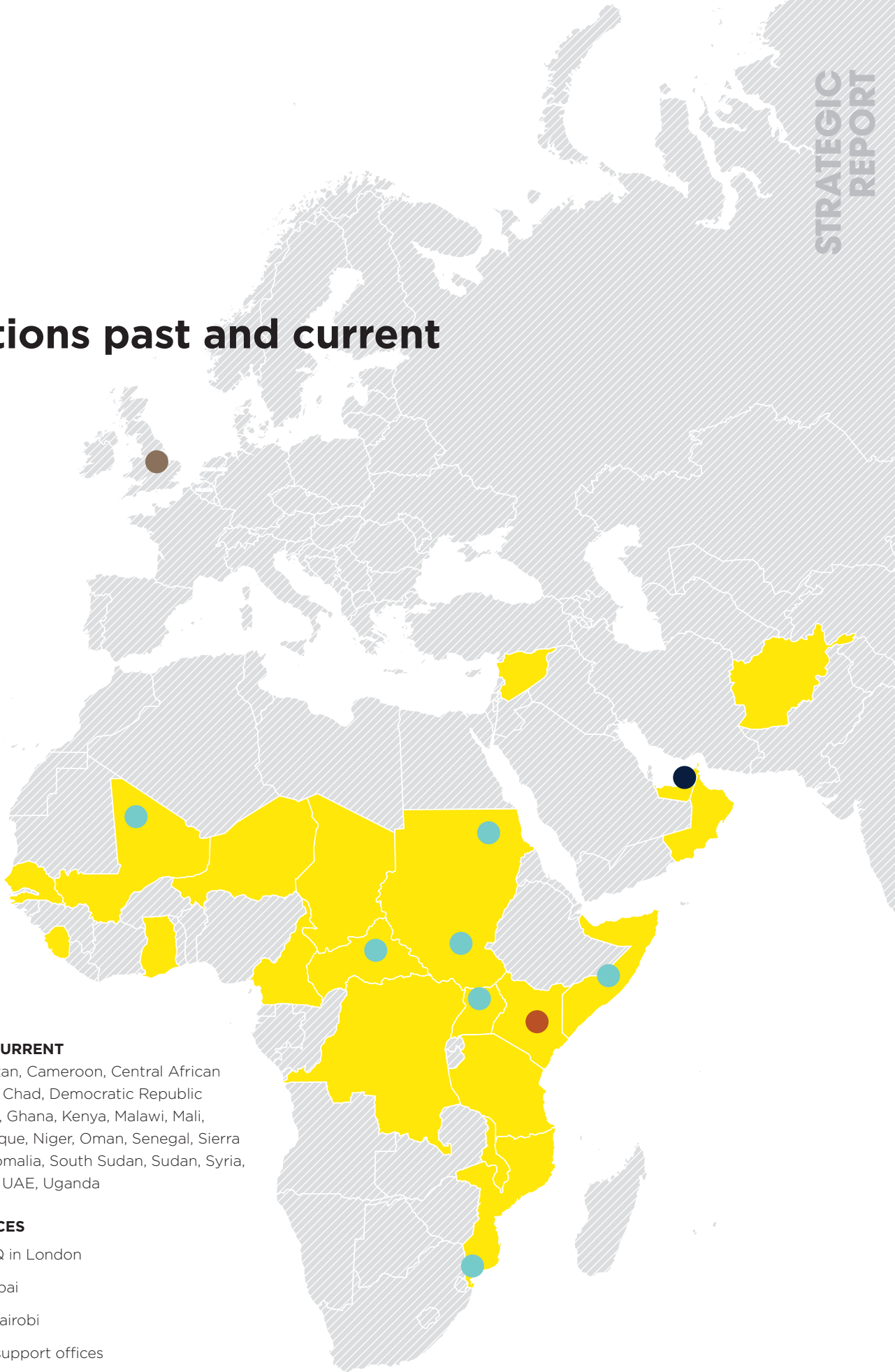


PAST & CURRENT

Afghanistan, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Ghana, Kenya, Malawi, Mali, Mozambique, Niger, Oman, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Tanzania, UAE, Uganda

RA OFFICES

-  Group HQ in London
-  HQ in Dubai
-  PMO in Nairobi
-  Country support offices



INTRODUCTION FROM THE CHAIR

OVERVIEW

In my first statement since the Company's Admission to AIM, in mid-2018, I am pleased to report that RA International has made strong progress and has delivered a solid performance in its first year on the market.



SANGITA SHAH
Non-Executive Chair

RESULTS

For the year ended 31 December 2018, underlying profit increased by 6.3% to USD 13.3m on revenues of USD 54.8m (2017: USD 51.2m).

The contracted revenue backlog as at 31 December 2018 was USD 119m compared to USD 112m the previous year.

PLACING AND BALANCE SHEET

In June 2018, the Company completed a placing to raise USD 21.4m (after expenses) alongside the Company's Admission to trading on AIM. With a strengthened balance sheet the Company is well placed to commence bidding on larger and longer-term contracts in line with our strategy. Since Admission to AIM the Board has been encouraged by the positive feedback, from existing and potential customers, on the Company's PLC-status and the opportunities this has provided.

As a result of the above activity, net cash at 31 December 2018 was USD 27.8m and net assets were USD 59.2m.

GOVERNANCE

Given the nature of RA's business, the Board is committed to the maintenance and continuous review of the highest of compliance and governance standards. As a service provider to the UN and western governments, RA International is required to have a strict level of policies and procedures in place in order to secure contracts. Since Admission, RA International has adhered to the QCA Corporate Governance Code which the Directors feel is appropriate to the Company's size and structure and published its first Sustainability Report. More information can be found in the Corporate Governance section on our website.

PEOPLE

RA International employs over 2,000 people across Africa and the Middle East. Whenever possible, our goal is to recruit and develop the skills of the local communities. Over the years we have seen local employee participation increase to 69% across our operations, contributing significantly to successful service delivery. This is a trend we want to continue, as it is both good for our business and the wider

communities in which we work. Our international staff are often deployed as a means to recruit and develop local people towards an eventual handover. Undoubtedly the key asset of RA lies in its people: I would like to thank all our people for their unstinting dedication and support in helping us to build strong communities.

DIVIDEND

As stated in the Admission Document, the Directors intend to adopt a progressive dividend policy whilst retaining sufficient capital to meet both the working capital needs of the business and to fund continued growth. The Directors remain confident in the Company's ability to deliver its strategy and, as such, propose a maiden full year dividend of 1.0p per share to be paid on July 3, 2019 to the Shareholders on the register as of May 24, 2019. The ex-dividend date is May 23, 2019.

SANGITA SHAH
Non-Executive Chair

A handwritten signature in black ink, appearing to read 'Sangita Shah', written over a light blue background.

10 April 2019

OUR BUSINESS



INTRODUCTION

RA International is a leading provider of services to remote locations in Africa and the Middle East. The Company offers its services through three channels: construction, integrated facilities management (IFM) and supply chain. We service three main client groups: humanitarian and aid agencies, governments and commercial customers, predominantly in the oil and gas and mining sectors.

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

During our transition to a public company, and as we start to take on larger contracts and mature as an organisation, we recognise that we face new expectations from all our

stakeholders. In 2018, this led us to look carefully at RA International's purpose and ensure that, as we grow, we remain focused on our mission — to deliver immediate results and lasting change.

COMPLIANCE AND REGULATION

International and local compliance and regulation plays a vital role in our ability to bid for and execute contracts in the territories where we operate. The UN is a significant customer for us and we are a signatory, participant and contributor to the United Nations Global Compact. We operate to international best practices and ensure we are compliant with local practices.

CORPORATE SOCIAL RESPONSIBILITY

Since our inception in 2004, a key part of our business model has been to act responsibly and make a meaningful contribution, whether that means providing stable employment, improving workplace conditions, promoting equality and diversity or

creating opportunities for people to develop their skills.

In 2018, we formalised our approach to sustainability in order to increase the positive impacts and diminish the negative impacts of our operations, and to ensure we continue to align our aims with the United Nations SDGs. Our CSR strategy focuses on three areas where we feel we can make the most positive impact: Labour Rights, People & Skills Development and Resource Management. We are currently setting measurable targets and will from next year be monitoring progress and tracking improvements. A more detailed introduction to our CSR approach and activities can be found within this report and within our first comprehensive Sustainability Report which is available on our website.

OUR BUSINESS MODEL

OUR BUSINESS IS TO ENABLE CLIENT DELIVERY

OUR CLIENTS

We have successfully delivered over USD 450m of projects to a broad range of clients, often in remote locations and difficult conditions. Our clients are largely UN agencies, western governments and global corporations who are executing complex projects in demanding environments.

HUMANITARIAN AGENCIES

We work closely with humanitarian agencies, including many UN agencies and NGOs.

GOVERNMENTS

We count a number of governments as clients including the USA, UK, Canada, France, and Italy as well as the EU and African Union.

COMMERCIAL

Our diverse commercial client base operates across a number of sectors including oil and gas, mining, telecoms, automotive, logistics and facilities management.

OUR SERVICES

We have a strong position within our market and consistently deliver across three, often integrated, service channels in countries across Africa and the Middle East to international standards.

CONSTRUCTION

Build, design and build, or design, build and operate projects

Civil construction, such as horizontal and vertical construction, roads, runways, helipads and aprons

Permanent, semi-permanent and temporary facilities including accommodation camps, workshops, warehouses and offices

Permanent, semi-permanent and temporary infrastructure including: power generation, water treatment plant, solid/liquid waste management plant and landfills and workshops

IFM

Facilities management and maintenance

Plant and equipment operation and maintenance

Catering, hospitality, and accommodation

Cleaning and laundry

Waste management

Vehicle fleet operation and maintenance

Pest and vector control

SUPPLY CHAIN

Local, regional and global procurement of mission critical equipment, material and consumables

Consolidation and repacking services

Land, sea and air logistics management

Last mile logistics

Warehousing and yard management

Inventory control

Freight forwarding and clearance of goods

DELIVERING VALUE

HOW WE DO IT

We are frequently asked how we are able to do what we do given the complexity of our work and the demanding environments we operate in. Since RA International's foundation in 2004 we have built a reputation for integrity and the efficient and reliable delivery of projects.

LOCAL INTELLIGENCE

Subject matter experts who take an intelligence-led approach

Local on the ground knowledge that enables us to work quickly and efficiently

SPECIALISED EXPERIENCE

Strong track record of project delivery and long-term partnerships

Reputation for last mile delivery to remote and challenging locations

BEST PRACTICE

Risk management focused and clear reporting structures

Compliance with international and local regulations

OUR STAKEHOLDERS

We recognise that investing in communities through local employment and community projects has a profound effect on our ability to win and execute client projects and deliver value to all our stakeholders.

CLIENTS

We have a long track record for providing comprehensive, flexible and mission critical support which enables our clients to focus on the delivery of their business and services. Over the years we have formed close partnerships with our clients and have built a reliable and trusted brand within our market.

COMMUNITIES

RA International works on many fronts to ensure that our business benefits people living in the areas where we operate and does not harm their environment. We have integrated our sustainability strategy with the Company's core business activities and aligned ourselves with the UN's Sustainable Development Goals.

EMPLOYEES

The success of our Company is dependent on our employees. Our goal is to recruit and develop local people whenever practical and economically viable. In this way, we are able to meet most of our labour needs and build the foundation for a long-term relationship with the local community.

SHAREHOLDERS

Through effective management, a clear strategy and a strong focus on risk management and compliance with international and local regulations, we aim to deliver shareholder value through capital growth and a progressive dividend policy.

USD 119m 3

REVENUE BACKLOG
AS AT 31 DECEMBER
2018 (2017: USD 112M)

CORE
SUSTAINABILITY
GOALS

69%

LOCAL LABOUR
PARTICIPATION
(2017: 67%)

1.0p PER
SHARE











MAIDEN FULL YEAR
DIVIDEND







OUR STRATEGY

Our strategy is closely aligned to the Company's purpose. We have never lost sight of why the Company was founded: to offer a transparent and responsible project delivery service from start to finish. Taking on full ownership of a project allows us to deliver more efficiently and provide better value to organisations working in remote and challenging

environments, so that they can focus on the delivery of their core objectives. Our aim is to do this wherever there is a need for our services, but we primarily target the humanitarian, government, and oil and gas and mining sectors due to these being the organisations predominantly executing complex projects in demanding environments.

Through expansion into new territories and increasing our footprint in existing territories we can increase the value we deliver to all our stakeholders. Following our Admission to AIM we are in a strong position to execute our growth strategy through four, interdependent objectives:

OBJECTIVE	DESCRIPTION	VALUE TO STAKEHOLDERS
BROADEN OUR CUSTOMER BASE	<p>Clients in the humanitarian sector such as multiple United Nations agencies and the World Bank represent over half of our revenue. We have been working with many of these clients for over 10 years and maintain strong relationships throughout the humanitarian sector.</p> <p>While we continue to target business growth from our long-term clients, we recognise the inherent risks associated with over-reliance on the humanitarian sector and aim to continue to expand the number of customers we service in the western government and commercial sectors.</p> <p>By working with a variety of organisations we have the opportunity to make more efficient use of our resources and hasten our geographic diversification. When simultaneously executing several projects in one geographic location we can pass efficiencies on to our clients and better influence project delivery to the benefit of local communities.</p>	    
DIVERSIFY OUR GEOGRAPHIC REACH	<p>We maintain and constantly update a list of geographies to target for expansion. This said, our growth is often 'customer-led' in that we find that delivering a project for a new customer in one country, often leads to requests to perform in another. In entering new geographies, we often become enablers to new clients delivering their own projects in these locations and are then asked to follow these new clients to new geographies.</p> <p>Our newly created Project Management Office (PMO) in Nairobi can deliver projects worldwide, be it rapidly mobilising for a new contract or value engineering an existing project.</p> <p>Reducing geographical concentration decreases the wider financial and operational impact that temporary project stoppages can have on the Company, and which can arise in challenging locations. Most often these situations are beyond our control, such as in instances of political instability or conflict.</p>	    

OBJECTIVE	DESCRIPTION	VALUE TO STAKEHOLDERS
TARGET LONGER-TERM CONTRACTS	<p>Tendering and delivering larger and longer-term contracts is a key driver for financial growth. It also provides the Company with greater forward earnings visibility which allows us to plan for the future.</p> <p>These contracts, lasting up to five years or greater, better enable us to offer our project staff sustained long-term employment and support greater investment from RA International in the local community and countries where we operate.</p>	  
CROSS-SELL OUR SERVICES TO NEW AND EXISTING CUSTOMERS	<p>Providing a greater mix of services to each client allows us to make more efficient use of our resources, drives revenue growth and strengthens our relationships with clients.</p> <p>Construction projects are often drivers of IFM and supply chain revenue. We aim to maintain the mix of service offerings equally between Construction and our other service channels.</p> <p>In most cases we believe we can provide services more effectively and at a lower cost than our competitors or our clients. From a financial and administrative standpoint, clients can benefit from working with one supplier, allowing them to focus on the delivery of their own projects without having to manage multiple service providers.</p>	  



Financial strength



Business growth



Risk mitigation



Efficiency



Social impact

OUR MARKET

The size of our market is difficult to define given our broad service offering and the significant number of potential customers who utilise the services we provide. We primarily work for humanitarian agencies and western governments but we are more frequently bidding on projects with commercial customers working in the mining and oil and gas industries.

Limiting the market to these industries and geography to Sub-Saharan Africa, we estimate a market size of at least USD 30b in annual expenditure. Historically, we have estimated that 1%-2% of this budget directly relates to services we provide, however since our Admission to AIM we have been invited to bid for additional contracts not previously included in our estimate. We now estimate the addressable portion of this budget to be 2-4%.

HUMANITARIAN & GOVERNMENT SPEND

A key part of our business is to help deliver Overseas Development Aid (ODA) on behalf of governments and international aid agencies. Their goals are to provide stability in conflicted regions, promote democracy, contribute to counter terrorism and law enforcement efforts, and to help alleviate short-term humanitarian crises. Our experience operating in remote locations across Africa is seen as being especially valuable in this context.

In the majority of cases, RA International projects involve supporting countries that are coping with or emerging from long-term conflict. Of the 21 humanitarian response plans presented in 2018, all but two were conflict-related, and many involved long-term instabilities. 16 countries have been in crisis for five years or more; three have been making annual aid appeals for a period of approximately 18 years.¹

In 2017, UN agencies and USAID spent approximately USD 4.6b¹ and USD 4b² respectively in Chad, Niger, Central African Republic, the Democratic Republic of Congo, Eritrea, Ethiopia, Libya, Mali, Somalia, South Sudan and Sudan. These are all countries in which RA International is presently working or can provide services at short notice.

The US remains the largest single foreign aid donor. While in many cases we are excluded from competing directly for US Government contracts, we can partner with US contractors to carry out or support their projects on the ground. Our service offering, geographical reach, and experience in successfully completing US Government projects puts us in an ideal position to do this.

Spending on international aid to Africa remained stable in 2018. However, needs rose faster than contributions leading to a shortfall of around 48%. The UN alone reported a USD 2b shortfall in its peacekeeping budget.

Looking ahead, we anticipate the planned cuts to the USAID budget will widen this gap. In an effort to compensate, the EU presented its highest ever humanitarian aid budget of EUR 1.6b in 2018, and is now looking to increase contributions for 2019 and 2020. It has also proposed to increase foreign spending by some 30% from 2021-2027.

US defence spending looks set to increase in the coming years, which will undoubtedly have a knock-on effect on NATO countries, Russia and China. This will boost RA International's business in the government sector since we are well-equipped to compete for military contracts, including the building and servicing of training camps and bases across Africa.

COMMERCIAL SPEND IN SUB-SAHARAN AFRICA

The mining and oil & gas sectors, which represent the mainstay of RA International's commercial business and new commercial sector business targets, are experiencing renewed confidence in the future. They anticipate growth in 2019, partly driven by healthy growth rates in the economies in which we operate. 3.6% growth is forecast across sub Saharan Africa in 2019.³

¹United Nations Office for the Coordination of Humanitarian Affairs, www.unocha.org/

²USAID, explorer.usaid.gov/

³IMF, www.imf.org/en/Publications/WEO/Issues/2019/01/11/weo-update-january-2019



EXECUTIVE MANAGEMENT TEAM

RA International's Executive Management Team is actively involved in operations, often down to the level of field implementation. Each member has experience working in remote locations and has a deep understanding of the profound impact seemingly small problems can have on project delivery.



SORAYA NARFELDT
Chief Executive Officer

Soraya Narfeldt founded RA International in 2004 and has led the Company to becoming a leading remote site service provider. Since founding RA International, Soraya has turned the Company into a multifaceted organisation with operations in the Middle East and across Africa, employing over 2,000 staff. In 2018, Soraya identified the need for the Company to take the leap to become a public company and led RA International through the process of listing on AIM.

Soraya is a strong advocate and supporter of responsible business practices and community-based enterprises. She is a regular contributor and speaker on the subject to high profile journals and international forums.



LARS NARFELDT
Chief Operating Officer

Lars Narfeldt has served for over two decades in pivotal leadership and development roles in some of the world's most challenging environments. As COO at RA International, he is responsible for day-to-day operations across the Company. His role also encompasses setting CSR strategy, HR, communications and marketing and compliance. He has been instrumental in developing RA International's strong brand equity amongst the Company's clients, geographies and markets.

Lars spent the first 15 years of his post university career working with the Swedish government and the UN. He worked with SIDA in Palestine and with the UN in the Democratic Republic of Congo, Uzbekistan, Sierra Leone and Afghanistan. While in Sierra Leone Lars managed a team of over 2,000 individuals and ran the UN Volunteer Programme.



ANDREW BOLTER
Chief Financial Officer

As CFO of RA International Andrew is responsible for overseeing financing activities, M&A, business planning and forecasting, financial reporting, taxation, audit and process improvement. Upon joining, he managed the implementation of RA International's enterprise resource planning system, and together with the CEO, developed a long-term strategic plan which has contributed to a more diverse customer base and significant business growth.

Andrew joined RA in 2011 from Ernst & Young's Transaction Advisory Services Group where he was primarily responsible for assisting multi-national corporations establish operations in the Middle East and Africa. He is a Canadian Chartered Accountant, Chartered Professional Accountant and a Chartered Business Valuator.



TREVOR STRATFORD **Business Development** **Director**

Trevor Stratford joined RA International in 2011. He has over 20 years' expertise in business development and brings a deep understanding of remote site service delivery, project management, contract management, technical knowledge and a mindset for client satisfaction. His mandate is to extend the Company's geographical reach and most importantly, develop new and existing customer relationships.

Trevor has worked across geographies that encompass South Africa, Zimbabwe, Malawi, Senegal, Dubai, Iraq and Brazil. He has commissioned projects in a variety of industries including electrical contracting, security, water treatment, packaging, and mining. Trevor has drawn on his diverse experience and knowledge to enhance the implementation and service delivery of the Company's projects.



JOHN MITCHELL **Director of Project** **Management**

John Mitchell heads up our in-house PMO which manages implementation of construction and IFM projects with a team of subject experts. His team works closely with Deputy Country Managers in the execution of projects in our operational areas.

John originally joined RA International in 2010. During his time with the Company he has worked across all departments and specialisations, developed a meritocratic workplace through a target-centric culture. He has focused on developing ambitious yet achievable goals to motivate staff and ensure professional development. John's background in the Royal Navy working in post-conflict areas makes him especially well placed to work alongside people from diverse cultures, religions and world views.



WILLIAM WARNOCK **Director of US Business** **Development**

William joined RA International's EMT in January 2019 having worked previously as a consultant. He is responsible for growing RA International's US Government project portfolio and has played a vital role in the Company's transition to embracing many USG business practices. William reports to the CEO on project development and provides recommendations for strategic investments.

Before RA International, William served for 30 years with the US Navy including acting as Defence Attaché assigned to the US Mission in Somalia. He has held a variety of diplomatic and military roles, and has served as Commander of all Naval forces deployed to Kuwait and Qatar where he was responsible for the employment of over 1,200 US Navy personnel. He has also served as the Naval Liaison to the White House under Presidents Bush and Clinton.

In addition to the EMT we have a committed team of management and senior staff spread across the Group, at Head Office, Regional, Country and Project level. Country Managers are particularly important in ensuring that the right resources are in place and available to bring in projects on time, on budget and to the right quality standards. This team of talented individuals all contribute to the growth of the business and are all committed to bringing about positive change to the local communities where we work.

OPERATING REVIEW

We made strong progress across our strategic objectives during the year. These are to:

- Broaden our customer base
- Diversify our geographic reach
- Target longer-term contracts
- Cross-sell our services to new and existing customers



SORAYA NARFELDT
Chief Executive Officer

CONTRACTS

Our strengthened balance sheet, following our Admission to AIM in June 2018, enabled us to bid for larger and longer-term contracts. The average contract value at 31 December 2018 was USD 7.2m with an average duration of 4.4 years when weighted by contract value.

We have increased our geographical presence; the Company executed projects in 9 countries in 2018 compared to 6 in 2017; entering Mali, Oman, and Sudan. In addition, we increased revenue from government and commercial customers. Together, revenue from these clients made up almost 40% of our total revenue in 2018 compared to less than 30% a year ago.

Having advocated the benefits of a 'one-supplier' model for years, we have now started to see significant demand for 'hybrid' projects where we may perform services from two or more of our service channels. Examples include recent projects executed for UNICEF and the UK MOD. There are significant efficiencies which can be passed on to the client when remote site operators are able to seamlessly transition from construction to providing IFM

services. We continue to advocate this delivery model and have structured our organisation in a way which best allows us to build infrastructure and take care of the occupying tenants.

Despite seeing an increase in the size and complexity of our contracts, our delivery record remains excellent, reflecting our commitment to delivering our projects on time and to a high standard. Our growth model continues to be 'customer led' and, in addition to targeting new customers, our focus remains on ensuring we meet the needs of existing clients. We secured significant new contracts and contract renewals from the UN. Most notable amongst these was a 5-year contract with UNICEF which has recently been uplifted to USD 22.8m, and a USD 30m power infrastructure project with the United Nations Support Office in Somalia.

As at 31 December 2018 the Company reported a revenue backlog of USD 119m compared to USD 112m the previous year.

At our half year we outlined our strategy for US Government contracts, whereby we partner with US companies in order to support them winning work across the African

continent. Our strategy has started to produce results, with two large and strategically important contracts awarded with new clients in the second half of 2018.

The first was a USD 9.1m contract awarded by URS Group, Inc., a subsidiary of AECOM, to provide construction services in Somalia repairing an asphalt runway for the US Naval Facilities Engineering Command. In December, we announced a second contract with a large US company, to provide support services in connection to strengthening the capacity of local security sector institutions in a Central African country, on behalf of the US Government.

NEW BUSINESS OPPORTUNITIES

The credibility gained and strengthened balance sheet resulting from the Admission to AIM has led to invitations to bid for opportunities which were previously unavailable to us, both from existing and new customers.

The biggest uplift is in the commercial sector, particularly from mining and oil & gas companies where we are bidding for a number of large construction and service projects.

Becoming a UK quoted company has also strengthened RA International's position when bidding for UK Government contracts, as evidenced by our increasing work from the MOD and FCO.

While our revenue backlog and bid pipeline is larger than ever before, many of the tenders now have longer preparation and adjudication periods, and many involve several counterparties (such as where we are a subcontractor to a US company). Contract awards are, therefore, taking longer than originally anticipated but we remain confident that our strategy will deliver great value to our stakeholders.

OPERATIONS

During the year we initiated operations in Sudan, Mali and Oman and increased our presence in the Central African Republic.

Additionally, we recently announced that we have significantly expanded operations in Mozambique, having acquired a 49% stake in a well-established local integrated facilities management company and a large parcel of land in the North of the country. Our plan is to construct a large, fully integrated and serviced camp in order to support upcoming gas projects in the region, and we are in the process of securing potential anchor tenants. The project is an example of one approach we are taking to further target new opportunities.

Our goal is to recruit and develop local people whenever it is practical to do so. Local labour participation is one of our key performance indicators and has grown consistently over the years. In 2018 local hires accounted for 69% of total employees compared to 67% in 2017, and 63% in 2016. As we enter new territories, we often need to bring in staff from outside if the necessary skills are not available on the ground. This may cause variations in the percentage of local

labour we employ until the required training and handover is complete.

In late 2017 we identified that we needed to scale-up and build a robust back-office function. This was driven by our ambition to deliver more large projects simultaneously, coupled with the significant reporting requirements of our customers and internal compliance requirements. As a result, in 2018 the Company's processes were structured so as to have an enabling function and a delivery function. To establish the delivery function, a project management office (PMO) was established in Nairobi that is responsible for implementing contracts. Deputy Country Managers report into the PMO and are responsible for project delivery in our operational areas. The enabling office is managed from Dubai and includes finance, HR, procurement, business development, communications, strategy, compliance and other senior level roles. To support these functions and strengthen the management team we made a number of key senior level appointments in 2018.

On 1 January 2019 William Warnock joined the Executive Management Team as Director of US Business Development, having worked previously with RA International as a consultant. CAPT Warnock has been instrumental in enabling the Company's transition to USG business practices and is responsible for expanding RA International's client base to USG organisations and contractors operating in Africa. He communicates directly with the CEO on project development and provides recommendations for strategic investments. In addition, he continues to leverage his expertise as the former defence attaché assigned to the US Mission Somalia.

OUTLOOK

We remain focused on our strategic objectives as we work to deliver on our rising backlog of contracts

(presently USD 130m). During the year, we streamlined our operations to three service channels, construction, integrated facilities management and supply chain.

We aim to execute our strategy through four independent pillars:

- Broaden our customer base
- Diversify our geographic reach
- Target longer-term contracts
- Cross-sell our services to new and existing customers

We continue to see strong business opportunities in the government sector and expect US and UK Government work to continue to increase as a portion of our overall revenue. We also anticipate strong growth from our Supply Chain service channel as we continue to bid on larger projects.

We continue to target work from commercial clients and have a number of large bids outstanding relating to the mining sector. Additionally, we have recently expanded into Mozambique to further target work from the oil & gas industry. Given the longer sales cycle involved when compared with humanitarian or government projects, we are not anticipating significant revenue generation from these projects in 2019 but are still expecting growth in revenue from commercial customers.

The Company is in a stronger position now than it was a year ago, and there are currently many large bids outstanding on which we are awaiting notification and where we are very well positioned to capitalise on our reputation for reliability and can-do approach. Many of the bids outstanding are transformational in nature and significance and while we await notice of awards we continue to bid on similar opportunities.

FINANCIAL REVIEW

OVERVIEW

Financial performance for the year ended 2018 was broadly in line with our expectations. The Group reported revenue and underlying profit of USD 54.8m and USD 13.3m, representing an increase of 7.0% and 6.3% respectively when compared with the prior year. The Group repaid all debt balances during the year and had a cash balance of USD 27.8m at 31 December 2018.



ANDREW BOLTER
Chief Financial Officer

	2018 USD'000	2017 USD'000 Restated ¹
Revenue	54,805	51,215
Underlying operating profit ²	14,212	13,585
Underlying profit ²	13,252	12,471
Profit (after exceptional items)	9,954	12,471
Normalised EPS (cents) ²	8.4	8.9
Basic EPS (cents)	6.3	8.9
Net Cash (end of period) ²	27,804	5,602

REVENUE

Despite the Company experiencing delays in the commencement of several projects in late 2018, the USD 28.7m revenue reported in the second half of 2018 represents the highest half-year revenue total reported by the Group since its formation in 2004.

As indicated in the interim financial review, the Group does not experience seasonality, but it does frequently execute short-term contracts (STCs) which often have a significant effect on revenue and profitability in a given quarter or half-year period. The Group reported revenue from STCs of USD 8.3m in 2018 compared with USD

7.0m in 2017. As the Group continues to secure higher value, longer-term contracts, it is expected that the effect of STCs will diminish.

PROFIT

Gross profit margin in 2018 decreased slightly to 37.7% (2017: 38.9%) resulting from a decrease in cost reimbursements received relating to prior periods. In connection with implementing IFRS 15 in 2018, the Group has reclassified non-contracted cost reimbursements to direct costs whereas in the past these payments were recorded as other income. It is not expected that the value of

non-contracted cost reimbursements will be significant in future periods. Excluding cost reimbursements, gross margin was consistent at 37.0% for both periods.

Underlying profit increased by 6.3% to USD 13.3m in 2018 (2017: USD 12.5m) and underlying margin was broadly consistent across the current and prior period at 24.2% and 24.4% respectively despite the impact of non-contracted cost reimbursements.

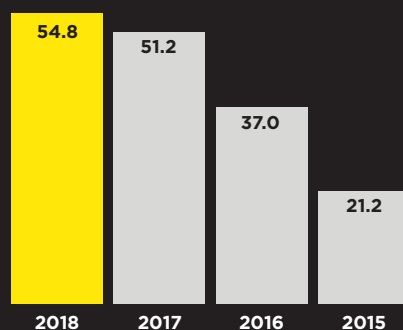
Underlying operating profit, which is used by the Group's management to assess operating performance, grew by 4.6% to USD 14.2m (2017: USD 13.6m).

EXCEPTIONAL ITEMS

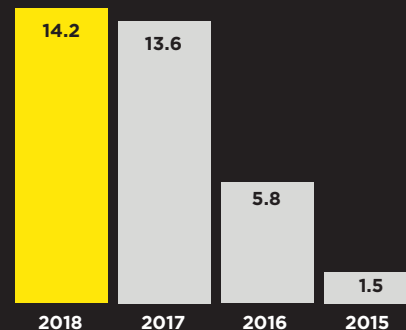
Exceptional items of USD 2.9m were recorded as costs for the year. These items represent expenses incurred in relation to the Company's Admission to AIM, which in accordance with international accounting standards, are presented as expenses in the income statement. Within the accounts, exceptional items are split into two categories: advisory fees and other costs associated with the Admission

KEY PERFORMANCE INDICATORS

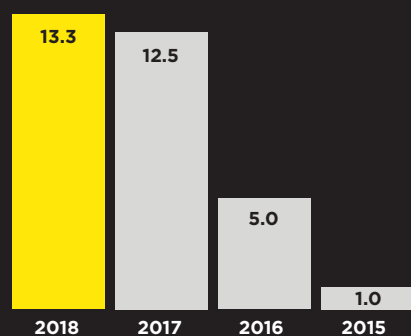
THE DIRECTORS USE THE FOLLOWING KPIS AS A MEASURE OF THE GROUP'S PERFORMANCE:



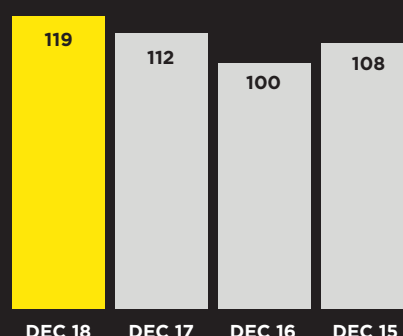
1. REVENUE (USDm)



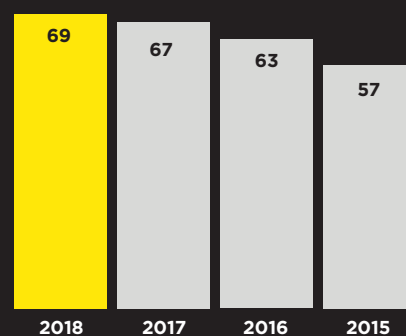
2. UNDERLYING OPERATING
PROFIT (USDm)



3. UNDERLYING PROFIT (USDm)



4. REVENUE BACKLOG AT YEAR
END (USDm)



5. LOCAL LABOUR PARTICIPATION
(% OF LABOUR WHO ARE LOCAL
WORKERS)

FINANCIAL REVIEW CONTINUED

totalled USD 1.3m and stock-based compensation totalled USD 1.6m. The stock-based compensation charge relates to the transfer of shares by the majority shareholder of the Company to certain employees at the AIM Admission date. While the Company was not a party to this transfer, IFRS mandates that the transaction be accounted for as a cost on the date of the share grant. The transfer of shares was conditional on the Company's successful Admission to AIM.

EARNINGS PER SHARE

On June 29, 2018 the Company listed on AIM and issued 33,575,741 new shares representing a 24.0% increase in total shares outstanding.

Normalised earnings per share for 2018, both basic and diluted, was 8.4 cents per share (2017: 8.9 cents per share). Basic earnings per share, both basic and diluted, was 6.3 cents per share (2017: 8.9 cents per share).

CASHFLOW

The Company targets a 100% cash conversion ratio but significant increases in operational activity, such as mobilising for material contracts, may lead to short-term divergences.

Net cash flow from operations in the year was USD 10.9m (2017: USD 12.5m) which represents 80.1% cash conversion (2017: 92.0%)³. The primary factors contributing to the differential were:

- 1) A build-up of trade receivables, primarily from UN agencies: trade receivables were USD 10.0m at 31 December 2018, USD 3.8m higher than at December 31, 2017. The Group received payments totalling USD 3.5m within the first half of January 2019 including payment of 55.3% of receivables overdue at 31 December 2018.

- 2) Increased inventory due to project mobilisation: inventory balances increased USD 1.6m from 31 December 2017 resulting from higher levels of inventory on site and in-transit relating to construction works being undertaken in the Central African Republic (CAR) for MINUSCA and the execution of projects in Somalia; specifically, the construction of power infrastructure for UNSOS and a conference centre being built for the use of UNICEF and other customers.

BALANCE SHEET

Net of share issuance and AIM Admission costs, the Group raised USD 21.4m in proceeds. Net cash increased to USD 27.8m at 31 December 2018 (2017: USD 5.6m) and the Group repaid all debt balances in 2018.

Liquidity and net cash are often assessed by potential customers during the contract adjudication process. The completion of the Admission to AIM and related fundraising was a milestone for the Group in that it now qualifies to bid for larger projects and has the financial capacity to mobilise for multiple large projects simultaneously. Net assets at 31 December 2018 were USD 59.2m with the majority of the total balance sheet comprising cash and other current assets.

The Group continues to invest in revenue generating fixed assets, investing over USD 4m to upgrade and expand its camp facilities to accommodate UNICEF and other customers contracting with the Group for accommodation services.

Other investment initiatives include:

- The purchase and mobilisation of a fleet of heavy-duty trucks in CAR to greater improve our operating capability and efficiency in the country.
- Water purification equipment which once installed will distribute drinking water throughout our facilities in Mogadishu, removing the need for single-use water bottles.
- Upgrading certain construction equipment to be used in connection with the URS construction contract and other upcoming projects.
- Purchasing a 400-man tented camp which was leased to a client in 2018 and is being repurposed in connection with another project commencing in 2019.

DIVIDEND

The Directors have proposed a maiden full year dividend of 1.0p per share to be paid on 3 July 2019 to Shareholders on the register as of May 24, 2019. The ex-dividend date is May 23, 2019.

¹Comparative financial information has been restated following adoption of IFRS 15. Further details can be found within Note 5 of the consolidated financial statements and accompanying notes (p. 68-70).

²Full definitions and explanations of the purpose and usefulness of each non-IFRS Alternative Performance Measure used by the Group can be found within Note 18 of the consolidated financial statements and accompanying notes (p. 79-80).

³Cash conversion is calculated as cash flow generated from operations divided by operating profit.

MANAGING RISK

The Board has ultimate responsibility for ensuring the Group's risks are properly understood, quantified and appropriately managed. The Board continually assesses the Group's exposure to risk and seeks to ensure that risks are mitigated wherever possible.

Day-to-day risk management is the responsibility of the EMT and the Country Managers and any potential changes to risk are reviewed regularly during Executive and Management meetings. Working in remote and challenging locations requires the Group to have robust controls and company policies that are integrated into all levels of the business.

The principal risks that the Board believe are most likely to affect the business operations, impact strategy and financial performance, and influence reputation are set out below.

STRATEGIC RISKS

PROFITABLE GROWTH

Failure to retain and win profitable business will impact our financial performance and growth. The business is influenced by ODA budgets, political stability, attitudes towards outsourcing services, and our reputation in the market.

Key risk drivers:

- Mispricing bids
- Not meeting customer requirements
- Being unable to resource sufficient labour, equipment, and materials
- Not understanding or meeting our customers or stakeholder expectations

Controls and mitigation:

- An intelligence-led approach to bidding for contracts. Local intelligence with respect to labour and material prices and regional variances feeds into tender processes, protecting operating margins.
- Self-performance of project works so as to retain control of project timelines and quality.
- Investment in people, and infrastructure.
- Investment in local labour and capacity building where possible and practical to enhance local intelligence.
- Source new suppliers and uplift current material providers.

REPUTATION MANAGEMENT

Failure to manage our reputation will mean that we will be less likely to win or renew business from existing customers or attract new clients. It will also affect our ability to operate in our geographies and attract the necessary skills and talent.

Key risk drivers:

- Bribery and corruption issues either by our employees or counterparties
- Failure to respond and manage incidents
- Not delivering projects on time or to required standards

Controls and mitigation:

- Customer and stakeholder relationship management programmes in place.
- A zero-tolerance stance on bribery and corruption along with ongoing training programs on anti-bribery and corruption (ABC) risk management and an independent whistle blower channel.
- Gifts and hospitality policies in place.
- Ensure availability of company policies to all employees and stakeholders through country offices and online resources.
- Increasing regular training sessions across the whole company on ethical and compliance related subjects.
- Introducing clear incident management and crisis management strategies and procedures.

MANAGING RISK CONTINUED

FINANCIAL, LEGAL AND COMPLIANCE RISKS

FINANCIAL CONTROLS

Failure to impose strong financial controls may result in: inaccurate and delayed reporting of financial results, the inability to meet financial contractual reporting obligations, a heightened risk of error and fraud, poor quality data leading to poor business decisions, inaccurate forecasting, the failure to create a suitable capital structure, and an inability to make critical financial transactions. In turn this could lead to financial instability, potential business loss and a negative impact on our reputation.

Key risk drivers:

- Inadequate internal financial controls surrounding receipts, payments, and cash management
- Failure to adequately manage cash flow
- Misappropriation of assets, theft or fraud

Controls and mitigation:

- Group financial policies and procedures in place which are reviewed and updated regularly.
- Regular meetings to discuss status of all debts and identify any concerns regarding receipt of payments.
- Weekly review of cash flow forecasts at an operational and Group level.
- Authorised signatories in place for all payments with the CFO authorising all significant payments.
- Limit cash payments to the greatest extent possible and limit those staff who have access to cash. Operations funded on a weekly basis.
- Increasing training sessions across whole company on ethical and compliance related subjects, and whistleblowing procedures.

COMPLIANCE AND REGULATION

Failure to deliver contractual requirements or failure to meet and report against agreed service performance levels may lead to significant financial penalties, legal notices, onerous contract provisions, or early termination of contracts. Lack of oversight and procedures to control and monitor bribery and corruption may lead to litigation, inquiries or investigations that could divert management time and resources, and result in jail terms, heavy corporate fines, sanctions against bidding for contracts and damage to reputation.

Key risk drivers:

- Failure to deliver projects against agreed service performance
- Misunderstanding local regulations or legal requirements
- Bribery and corruption by employees and third parties in dealings with foreign public officials, resulting in possible heavy punitive measures via international legislations

Controls and mitigation:

- Standard Operating Procedures consistent across the Group.
- Engage local professional advisors in all operating jurisdictions.
- ABC training is regularly provided.
- Risk assessments on all third parties acting on behalf of RA International.
- Introducing training for third parties and have third parties agree to abide by RA International's code of conduct as part of their contractual obligations.

FINANCIAL, LEGAL AND COMPLIANCE RISKS CONTINUED

RESPONSIBLE AND ETHICAL BEHAVIOUR

Irresponsible or unethical behaviour could lead to a breach of human rights, labour rights or inadequate health and safety measures. This behaviour can arise from the actions of individual employees or as a result of poor company culture. The result might be the loss of clients, inability to win new business and loss of reputation.

Key risk drivers:

- Failure to communicate the Company's purpose and values
- Health and safety practices not adhered to or ignored
- Direct or indirect contribution to abuses

Controls and mitigation:

- All staff handling equipment and materials receive health and safety training.
- Constant challenging of behavioural norms and training to improve attitudes towards health and safety.
- Consistently support the Labour Rights initiatives of governments in countries of operation.
- Encourage more employees to become advocates for responsible behaviour through engagement in the Company's sustainability strategy. See our CSR overview on p. 24-28.

OPERATIONAL RISKS

RESOURCE MANAGEMENT

Failure to attract, acquire or develop adequate resources could impact financial and operational performance, and reputation.

Key risk drivers:

- Delivery delays caused by poor quality equipment and materials procured
- Manpower shortfall resulting from incorrect estimation of required labour
- Inability to recruit the right skills and labour

Controls and mitigation:

- Standard procurement procedures.
- Supplier penalty clauses included in purchase orders for delays and delivery of poor quality goods.
- HR works with the talent acquisition team to choose the right talent and manpower for each project.
- Retention schemes and succession planning programmes are constantly being improved.
- Expanding performance-linked award programmes.

CATASTROPHIC EVENTS

Failure to effectively respond to events that result from our own actions or events that are beyond our control such as weather, political upheaval, violence or war. Such events can result in multiple fatalities, severe property and asset damage or loss or very serious long-term environmental damage.

Key risk drivers:

- Lack of adequate policies and procedures to manage incidents
- Inadequate or delayed response to catastrophic events
- Poor health and safety procedures and policies

Controls and mitigation:

- Clear understanding of long-term weather security, and other restrictions that might be encountered during projects.
- Insurances covering business interruption, political violence and political risk.
- Medical and evacuation procedures updated regularly and accessible to all employees.
- Provide training programmes on health and safety.
- Crisis management, disaster recovery and business continuity plans being expanded and tested.

CORPORATE SOCIAL RESPONSIBILITY

From responsive to responsible to sustainable

2018 was a landmark year for sustainability at RA International. We re-assessed our whole approach with a view to integrating sustainability with the Company's core business activities, defined our priorities and aligned them with the UN's Sustainable Development Goals. To create a firm foundation for the future, we conducted our first ever materiality assessment, and hired a consultant to calculate our carbon footprint. Our efforts culminated in the publication of our first ever Sustainability Report which is available for download at www.raints.com.

THREE FOCUS AREAS, ALIGNED WITH THE SDGs

With the support of sustainability advisory group One Stone, we narrowed down RA International's sustainability priorities to three areas: People & Skills Development, Labour Rights and Resource Management. These are the areas in which we have an opportunity to become sustainability leaders and they correlate closely with three SDGs — SDG 4 Quality Education, SDG 7 Affordable & Clean Energy, and SDG 8 Decent Work & Economic Growth (see diagram).

In addition, there are five further goals and corresponding targets where we can create a positive direct or indirect impact, and two others where we have a responsibility to mitigate our negative impacts. (For a full breakdown see our Sustainability Report.)

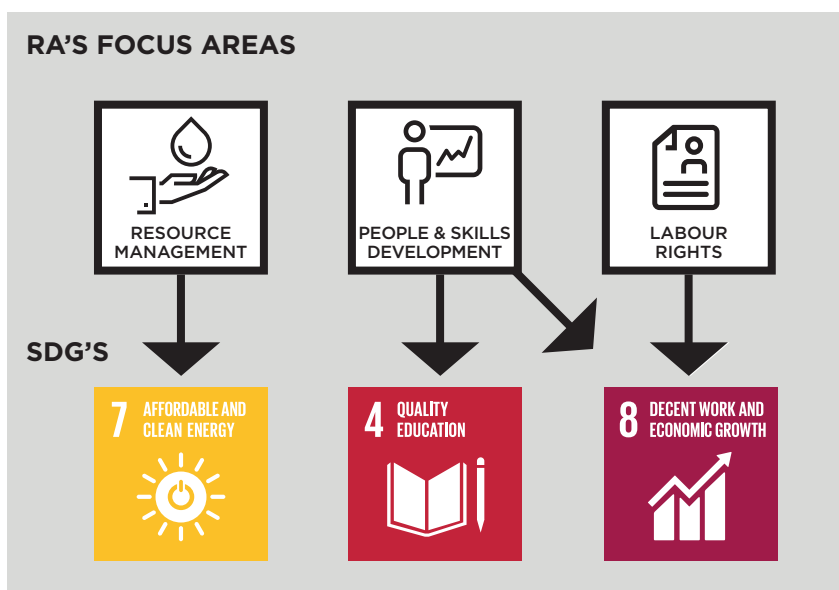
APPROACH AND TARGET SETTING

2019 will be our baseline, target-setting year. Three working groups (1 for each priority SDG) consisting of 4-6 global RA employees have been tasked with evaluating the environmental impacts and efficiency of all our ongoing operations. Based on their findings, they will set targets to reduce negative and amplify positive impacts from 2020 and beyond.

OUR PURPOSE

“To deliver immediate results and lasting change.”

Part of the strategy review carried out in 2018 was to define our Company's purpose. Following a process of internal consultation, we decided on: “To deliver immediate results and lasting change.” This statement resonates with our idea that the work we do should not only deliver business results for our clients, but also have an enduring positive effect on local communities.





PERSEVERANCE PAYS OFF IN MPOKO

In 2015, the UN initiated a youth employment project in Mpoko, a suburb of Bangui, Central African Republic. Its goal was to help the young, including former combatants, back into employment. However, in December 2017 after a series of setbacks, the programme was stopped. We decided to help alleviate the situation by taking on some of the young people from the programme to work on RA International's own projects in Mpoko. We focused on teaching transferable skills in the building trades as well as raising awareness of health & safety, personal responsibility, accountability and teamwork.

Despite numerous disruptions, the initiative was ultimately successful. In March 2018 all our projects were completed, and 250 local youths had gained valuable work experience.

People & Skills Development

Our policy has always been to recruit and develop local people whenever this is practical and economically viable, only bringing in staff from outside the country when the necessary skills are not available on the ground. This approach is not just good for our business but also reduces costs for our clients and has a positive impact on the communities we work in (see case story above).

STAFF TRAINING

During 2018, we continued our efforts to instil safe working practices across our operations. Over 1,500 health and safety briefings (Toolbox talks) were held during the year. We also identified opportunities to improve key operational processes and set about devising training programmes to raise the skills and knowledge of our laundry and kitchen staff.

SUPPLIER DEVELOPMENT

Local sourcing has a positive impact on both our business and that of our suppliers. It means we are able to secure the supply of quality goods at an advantageous price while our supplier is able to grow his or her business based on the security of a long-term relationship with us. In 2018 we continued to buy from local suppliers, as well as supporting their development through micro-loans, business advice and basic training as needed.

CORPORATE SOCIAL RESPONSIBILITY CONTINUED

Labour Rights

We firmly believe that all RA employees have the right to decent work in a safe and secure environment. This includes the chance to benefit economically irrespective of gender, sexual orientation, religion or nationality. Our beliefs are enshrined in the RA Code of Conduct, RA Employee Handbook and Company Policies, 16 of which relate specifically to employee conduct. The content of these documents is explained to new recruits during induction training and explored in detail at monthly HR training sessions held across our sites.

INTERNATIONAL STANDARDS

We offer employment within a framework of legal, health and safety provisions that aligns with international best practice, even in countries where this is not required

by law. And in an effort to contribute to the long-term wellbeing of our host communities, we consistently support the Labour Rights initiatives of regional and national governments. (See case story below.)

SUCCESS IN SOMALIA FOUNDED ON RESPECT

When RA first started working in Somalia in 2009, the country faced severe challenges. There was a transitional government, virtually no infrastructure and the local population had lived much of their lives in a conflict-ridden state.

Over the last decade, we have invested in training Somali workers, who now account for 50% of our in-country workforce. Our efforts were officially recognised in 2017, when the Somali Ministry of Labour and Social Affairs awarded us a Certificate of Appreciation for upholding the labour rights of employees.

Responsible Business

TACKLING BRIBERY AND CORRUPTION

Our zero-tolerance position on bribery and corruption is clearly stated in the RA Code of Conduct and two specific policies: our RA Anti-Bribery & Corruption Policy and our Gifts & Hospitality Policy. Employees are made aware of our position both through policy training and through hard-hitting anti-corruption posters displayed at our sites. Anyone who witnesses or suspects a violation is encouraged to report it to their manager or to submit a report via our independent whistleblower channel.

COMBATTING HUMAN TRAFFICKING AND SEXUAL EXPLOITATION

In 2018, we decided to draw special attention to our Anti-Slavery Human Trafficking Policy and our Sexual Exploitation Policy. The Nairobi-based counter-trafficking organization Awareness Against Human Trafficking — HAART Kenya (see www.haartkenya.org) helped us devise and later run awareness-raising workshops with RA employees in Nairobi and Bangui.

The successful workshops highlighted the benefits of communicating our HR policies proactively, which has now become standard practice across the Company with regular company-wide policy training sessions.

COMMUNITY ENGAGEMENT

Our founder, Soraya Narfeldt, has always believed that business has a leading role to play in the development of emerging economies and driving positive change on the ground. Over the years, we have been involved in more than 30 community engagement projects and we continue to keep an eye open for opportunities. To cite a few examples from 2018, we answered a call for emergency food aid to starving people in the Lower Shabelle region of Somalia, continued to support the sporting career of RA employee and Olympic athlete Elisabeth Mandaba, and, following on from the workshops conducted with HAART Kenya, we became an official partner of Free As A Human. (see www.anyangompinga.com/free-as-a-human).



OPTIMISING WATER USE AND REDUCING PLASTIC WASTE

In Mogadishu, we installed two large reverse osmosis (RO) units to provide drinking water for our entire camp. Water is pumped from a 50-metre deep borehole and led to the RO units (pictured), which treat it to drinkable quality. The upgrades eliminate the need for an estimated 15,000 plastic bottles per month.

Resource Management

Resource Management is the focus area where we feel a concerted, company-wide effort can have most positive impact. We see numerous opportunities to improve, building on the initiatives launched in 2018. For example, the introduction of environmentally-friendly technologies in three of our smaller laundries, the installation of reverse osmosis (RO) units to provide drinking water in Mogadishu, and the decision to produce wraps (rolled, flat bread) locally rather than importing them. (See case story below.)

UTILITY SAVINGS FROM NEW LAUNDRY DESIGN

In 2018, we piloted a new laundry design at two camps in CAR and one in Somalia. The equipment filters and recycles water at various stages of the wash process so it can be reused for the washing cycle of the next load. It also recovers heat for re-use, further reducing electricity consumption. Projected savings are 25-30% less energy and 50% less water. The total utilities savings over a twenty-year period (the equipment's lifetime) in these three laundries alone will be 24 million litres of water and over a third of a million kWh of electricity. Following the success of these pilot projects, we have decided to implement the new design as standard.

	Water (l)	Power (kWh)
Daily consumption conventional design	5,320	102
Daily consumption advanced design	2,660	71
Annual saving/camp	799,000	9,180
Lifetime saving/camp	15,960,000	183,000
Lifetime savings across three camps	47,880,000	550,800

MORE SUSTAINABLE SNACKS

After analysing the impacts of importing and storing large volumes of wraps at our Mogadishu site, we decided to upgrade our own kitchen equipment and make the wraps in-house instead. In this way, we were able to lower transport impacts and reduce the energy required for cold storage. On-site production also has the added advantage of employing local manpower and ingredients.



LOOKING AHEAD

Within energy generation and use, we are now assessing the possibility of installing solar panels on the roof of a new building in Somalia, which will reduce the need for diesel generators. And we are investigating how modern, efficient AC systems can help reduce our energy consumption. To make our food supplies more sustainable, we are looking at a variety of options from increasing local sourcing to further reducing food waste in our kitchens. Within construction, we are in the process of developing a new, holistic design philosophy that will ensure RA International's future camps align with our sustainability goals.

CORPORATE GOVERNANCE REPORT



CHAIR'S CORPORATE GOVERNANCE STATEMENT



SANGITA SHAH
Non-Executive Chair

I am pleased to introduce the corporate governance section of our report. As Chair, I am responsible for instilling high standards of corporate governance processes within the Company. Such processes unquestionably underpin the Company's success and they are reflective of the long-established culture that exists towards adherence to international and local compliance and regulatory standards. The Board is fully supportive of embracing the highest levels of corporate governance possible.

The culture of the Company is based on strong ethical values and behaviours that are instilled throughout the organisation and embedded within the fundamentals of the business and its objectives. The Board is ultimately responsible for the risks of the Group and principle risks of the business are considered and understood by each director. Details of the Company's key risks can be found on pages 21-23 of the 2018 Annual Report.

Since our admission to trading on AIM on 29 June 2018, the Board has recognised the revisions to the AIM Rules for Companies effective 28 September 2018 pursuant to which all AIM companies are required to comply with a recognised corporate governance code. The Board complies with the Quoted Companies Alliance Corporate Governance Code (QCA Code) which is believed to be the most appropriate recognised governance code for the size and structure of the Company. The QCA Code makes clear that it is the prime responsibility of the Chair to ensure the Company applies the principles to the best advantage of all stakeholders.

One of my main objectives is to maintain strong relationships with Shareholders and to have a proactive investor relations programme to maintain good communication with all stakeholders. This includes making the Executive Directors available to meet with institutional Shareholders and

analysts following the announcement of interim and final results. I also intend to make myself available to Shareholders to discuss strategy and governance. I look forward to meeting Shareholders in the year to come.

Finally, I would like to thank our Executive Management Team for their hard work and dedication to the Company.

SANGITA SHAH
Non-Executive Chair

A handwritten signature in dark ink, appearing to read 'Sangita Shah', written over a light blue horizontal line.

10 April 2019



QCA CODE PRINCIPLES

The QCA has ten principles which the Company is required to adhere to and to make certain disclosures both within its report and accounts and on its website. The Company's website disclosures can be found at www.raints.com/wp-content/uploads/2018/11/RA-QCA-Disclosures-updated.pdf.

QCA CODE	REQUIRED DISCLOSURE	REFERENCE
1	Explain the Company's business model and strategy, including key challenges in their execution (and how those will be addressed).	2018 Annual Report: p. 7-12.
2	Seek to understand and meet Shareholders' needs and expectations. Explain the ways in which the Company seeks to engage with Shareholders.	Being newly admitted to trading on the AIM market of the London Stock Exchange, we are committed to listening and communicating openly with our Shareholders to seek to ensure that our strategy, business model and performance are clearly understood. Understanding the expectations of our investors and wider stakeholders and in turn helping these audiences understand our business is and will be a key part of driving our business forward. The Company's website contains all announcements, press releases, major corporate presentations and interim and year end results. Whilst being mindful of the requirements of the AIM Rules and Market Abuse Regulations, the Board may engage with Shareholders directly from time to time in relation to questions that they may have and other matters. The Company's first annual general meeting ('AGM') will be held on 24 June 2019, this will provide an opportunity for Shareholders to meet with the Company. There shall also be an opportunity for Shareholders to ask questions during the formal business of the meeting and informally following the meeting.
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success. Explain how the business model identifies the key resources and relationships on which the business relies. Explain how the Company obtains feedback from stakeholders.	The growth of our business has been achieved through securing contracts with new customers and by generating repeat business from existing clients both in regard to new contracts and contract extensions and uplifts. Our investment in local communities enables us to identify and manage risks inherent in operating in remote locations. Local intelligence in respect of labour, material and regional variances and regulatory requirements gathered by the Group feeds into its business model. The Group's intelligence-led approach also enables it to identify where new opportunities may arise which means we can mobilise quickly in new locations and capitalise on opportunities to deliver additional services to meet our client's needs. We have many key relationships with stakeholders, both externally with our suppliers, customers, regulators and others, and internally with our employees. We strongly believe that engaging with our stakeholders strengthens our relationships and helps us make better business decisions to deliver on our commitments. We engage with our key stakeholders through various channels depending upon who they are, and we value the feedback we receive from them. We take every opportunity to ensure that where possible the views of stakeholders are considered and acted on. Employees across the business work closely together, and the Board seeks to encourage an environment of openness and inclusion.

QCA CODE	REQUIRED DISCLOSURE	REFERENCE
4	Describe how the Board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the Board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.	2018 Annual Report: p. 21-23.
5	Identify those Directors who are considered to be independent; where there are grounds to question the independence of a Director, through length of service or otherwise, this must be explained.	<p>Sangita Shah, Non-Executive Chair, was appointed to the Board in May 2018.</p> <p>Alec Carstairs, Non-Executive Director, was appointed to the Board in May 2018.</p> <p>Philip Haydn-Slater, Non-Executive Director, was appointed to the Board in May 2018.</p> <p>Ian Henderson, Non-Executive Director, was appointed to the Board in May 2018.</p> <p>There are no grounds to question the Non-Executive Directors' independence.</p> <p>Please refer to 2018 Annual Report: p. 36-38 for further details of the Non-Executive Directors.</p>
	Describe the time commitment required from Directors (including Non-Executive Directors as well as part-time Executive Directors).	<p>The Executive Directors are expected to devote substantially the whole of their time to their duties with the Company. The Non-Executives have a lesser time commitment but are expected to devote as much time as is necessary to conduct their duties and responsibilities on behalf of the Company. Time commitment increases if any Non-Executive Director is provided with additional responsibility, such as being appointed to or as chair of further committees.</p>
	Include the number of meetings of the Board (and any committees) during the year, together with the attendance record of each Director.	2018 Annual Report: p. 41.

QCA CODE PRINCIPLES CONTINUED

QCA CODE	REQUIRED DISCLOSURE	REFERENCE
6	Identify each Director.	2018 Annual Report: p. 36-38.
	Describe the relevant experience, skills and personal qualities and capabilities that each Director brings to the Board (a simple list of current and past roles is insufficient); the statement should demonstrate how the Board as a whole contains (or will contain) the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the strategy of the Company for the benefit of the Shareholders over the medium to long-term.	2018 Annual Report: p. 36-38.
	Explain how each Director keeps his/her skillset up-to-date.	<p>The Board as a whole is kept abreast with developments of governance and AIM regulations. The Company's NOMAD provides initial training of AIM regulations as part of a Directors' onboarding and this is refreshed annually, and on an ad hoc basis where necessary to the Board as a whole.</p> <p>The Board is mindful of ensuring an understanding by the Directors of their fiduciary duties and responsibilities of good governance. The skill set of the Board is monitored and considered by the Directors. A Board evaluation process will be undertaken during 2019.</p>
	Where the Board or any committee has sought external advice on a significant matter, this must be described and explained.	No such advice has been sought to date.
	Where external advisers to the Board or any of its committees have been engaged, explain their role.	The Directors have access to the Company's NOMAD, Company Secretary, lawyers and auditors and are able to obtain advice from other external bodies as and when required.
	Describe any internal advisory responsibilities, such as the roles performed by the Company Secretary and the senior independent Director, in advising and supporting the Board.	The Company Secretary helps keep the Board up to date on areas of new governance and liaises with the Company's lawyers and NOMAD on areas of AIM requirements. The Company Secretary has frequent communication with the Chair and is available to other members of the Board as and when required.

QCA CODE	REQUIRED DISCLOSURE	REFERENCE
7	Include a high-level explanation of the Board performance effectiveness process.	2018 Annual Report: p. 42.
	Where a Board performance evaluation has taken place in the year, provide a brief overview of it, how it was conducted and its results and recommendations. Progress against previous recommendations should also be addressed.	2018 Annual Report: p. 42.
8	Include in the Chair's corporate governance statement how the culture is consistent with the Company's objectives, strategy and business model in the strategic report and with the description of principal risks and uncertainties. The statement should explain what the Board does to monitor and promote a healthy corporate culture and how the Board assesses the state of the culture at present.	2018 Annual Report: p. 30 and 39.
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board. Roles and responsibilities of the Chair, CEO and other Directors with commitments. Describe the roles of the Committees.	2018 Annual Report: p. 39-40.
10	Describe the work of any Board committees undertaken during the year.	2018 Annual Report: p. 40.
	Include an audit committee report (or equivalent report if such committee is not in place).	2018 Annual Report: p. 43.
	Include a remuneration committee report (or equivalent report if such committee is not in place).	2018 Annual Report: p. 40 and 44-46.
	If the Company has not published one or more of the disclosures set out under Principles 1-9, the omitted disclosures must be identified and the reason for their omission explained.	N/A

BOARD OF DIRECTORS



Sangita Shah, Non-Executive Chair, was appointed to the Board in May 2018. Sangita is a qualified accountant and has extensive experience in corporate finance, journalism and senior consultancy.

Sangita brings with her a wealth of AIM listed and public market experience and is also the Non-Executive Chair of AIM traded Bilby plc, a Board Director of NASDAQ listed Forward Industries Inc. and a Director to Global Reach Technology EMEA Limited. She has held a number of senior roles within blue chip organisations, including Unilever, Mars, Ernst & Young and KPMG and is a past President of the Chartered Institute of Journalists. Sangita is also a regular consultant to a number of companies and to HM Cabinet Office. Sangita is a frequent key note speaker in forums for the Windsor Leadership Trust, European Parliament and European School of Management.



Soraya Narfeldt, Chief Executive Officer, was appointed to the Board in March 2018. The Company was founded by Soraya and Lars Narfeldt after they witnessed large organisations unable to provide a comprehensive range of services or manage or complete projects effectively when operating in remote locations, resulting in inefficiencies hindering the progress of peacekeeping, humanitarian and commercial projects. After initially undertaking successful projects in Afghanistan, the Group expanded into Africa, supporting the United Nations across the continent and growing its client base substantially. Soraya is a strong advocate and supporter of responsible business practice and has contributed articles on the subject to a number of recognised journals such as Forced Migration Review.

The Board retains full and effective control over the Company. The Company holds regular scheduled Board meetings, as well as ad hoc ones as and when the demands of the business requires.

Individual Directors may engage outside advisors at the expense of the Company in appropriate circumstances.

The Non-Executive Directors are independent in character and judgement and have the range of experience and calibre to bring independence on issues of strategy, performance, resources and standards of conduct which is vital to the success of the Group.



Lars Narfeldt, Chief Operating Officer, was appointed to the Board in March 2018. Lars is a Swedish citizen who spent the first fifteen years of his post university career working with the Swedish government and the UN. Lars worked with SIDA in Palestine and with the UN in the Democratic Republic of Congo, Uzbekistan, Sierra Leone and Afghanistan. While in Sierra Leone Lars managed a team of over 2,000 individuals and ran the UN Volunteer Programme. RA International was founded by Soraya and Lars Narfeldt in 2004.



Andrew Bolter, Chief Financial Officer, joined RA International in 2011 and was appointed to the Board in May 2018. Andrew is a Canadian Chartered Accountant, Chartered Professional Accountant, and a Chartered Business Valuator.

Having lived and worked across four continents, Andrew has gained a breadth of experience working in a variety of industries including financial services, support services, and telecommunications. He has advised on and executed equity and debt financing transactions, diligence, valuations, business planning services, merger mediations, hedge structuring and testing and other general corporate finance transactions. He has also performed and managed projects relating to assurance services, tax structuring, risk management, internal control audits and system implementations. Prior to joining RA International, Andrew held a number of roles with Ernst & Young and growth stage businesses in Canada and the UK.



Alec Carstairs, Non-Executive Director, was appointed to the Board in May 2018. Alec is a qualified chartered accountant with over 35 years experience of advising companies ranging from new start-ups to multi-national corporations, principally in the oil & gas sector. During his time at EY he acted as Head of UK Oil and Gas Mergers and Acquisitions and became Managing Partner of its Aberdeen office and was an elected member of the UK Governance Council. Alec has previously served as an independent Non-Executive Director of Ithaca Energy Inc., and is currently a Director of Cela Consulting Limited. Alec also has a number of charitable interests and is currently a Director of Vine Trust and Techfest and was formerly President of the Aberdeen & Grampian Chamber of Commerce.

BOARD OF DIRECTORS CONTINUED



Philip Haydn-Slater, Non-Executive Director, was appointed to the Board in May 2018. Philip has over 35 years of City experience, principally within institutional sales with a number of well-known firms.

Philip was co-founder of HD Capital Partners Ltd, where he was a Director for over five years. Prior to this he spent eight years as Head of Corporate Broking at WH Ireland Ltd in London, where he was responsible for originating and managing the sales process for a range of transactions, including flotations and secondary placings for corporate clients on AIM and other international exchanges, largely in the resources sector. Philip has worked in both London and Sydney for financial organisations that include ABN Amro, Bankers Trust, James Capel & Co and Bain Securities (Deutsche Bank) Sydney.



Ian Henderson, Non-Executive Director, was appointed to the Board in May 2018. Ian is a qualified chartered accountant (ACA and FCA) and holds an LLB in Scots Law and an MA in Philosophy and Politics from Edinburgh University. Ian has had a distinguished career as an investment manager in London for over 35 years during which time he managed, inter alia, JP Morgan's Natural Resources funds for over 20 years, which reached assets of over USD10b, and JP Morgan's Global Financials fund. Following his retirement as manager, Ian became an investment adviser for the JP Morgan Natural Resources funds before serving as a Non-Executive Director of Endeavour Mining Corporation, the TSX-V listed gold mining company operating in West Africa. He is currently a Non-Executive Director of BMO Capital Markets Limited, a London-based subsidiary of Bank of Montreal and Bluejay Mining Plc an AIM listed mining, exploration and development company.

CORPORATE GOVERNANCE FRAMEWORK

The Company is committed to a corporate culture that is based on sound ethical values and behaviours and it seeks to instil these values across the organisation as a whole. The Board is fully committed to taking this responsibility very seriously.

The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Company has appointed a Chief Executive Officer who is responsible for the overall strategy of the Group, a Chief Operating Officer, responsible for the Group's daily operations and a Chief Financial Officer, responsible for the Group's financial controls and reporting to the Board. It has also appointed four independent, Non-Executive Directors (including the Chair) to bring an independent view to the Board, and has the responsibility of ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives.

The Company has adopted a code on dealings in securities which the Board regards as appropriate for an AIM listed company and is compliant with the Market Abuse Regulations. The

Company takes all reasonable steps to ensure compliance by the Directors, employees and agents with the provisions of the AIM rules relating to dealings in securities.

The Directors take the issue of bribery and corruption seriously. The Directors acknowledge the importance of ensuring that the Group, its employees and those third parties to which the business engages with are operating within the requirements of the Bribery Act. The Company has adopted and implemented comprehensive anti-bribery and corruption policies and procedures (the 'ABC Policies') and the Directors impose a zero-tolerance approach to non-compliance. It is the Executive Directors' responsibility to ensure that all of the Group's employees, in the various locations, are complying with the ABC policies and that the Group has in place adequate procedures to ensure that its partners, contractors and suppliers do not engage in bribery or corrupt activity.

The ABC Policies, along with all other main compliance policies, are provided to staff upon joining the business and training is provided at the induction course to ensure that all employees within the business are aware of the importance of

preventing bribery and corruption. Each employee is required to sign an agreement to confirm that they will comply with the policies.

Annually staff are provided with refresher courses to ensure that the issues of bribery and corruption remain front of mind. The Company has a Compliance Manager working on these matters and a training program has been designed and is being rolled out throughout the Company.

All Company policies are also available to the staff through the employee self-service portal on the Company's HR Management System and in hard copy across HR and Country Manager offices.

BOARD DIVERSITY

The Board recognises the benefits of diverse skill sets, capabilities, backgrounds and experience to the effective functioning of the Board and delivery of strategy. Both the CEO and the Chair are females representing 28.6% of the Board.

BOARD COMMITTEES & STRUCTURE

The Board has a Remuneration Committee and Audit Committee.

All Board Committees report back to the Board following a Committee meeting.

2018 ACTIVITIES:

- Reviewed and approved the Company's 2018 Interim Report
- Reviewed and approved the 2018 audit plan presented by the Company's auditors
- Reviewed the independence and competence of the Company's auditors, Ernst & Young

THE REMUNERATION COMMITTEE

The Remuneration Committee is responsible for reviewing the performance of the Executive Directors and to make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

The Remuneration Committee comprises of Philip Haydn-Slater as Chair, Sangita Shah and Ian Henderson.

The first Remuneration Committee meeting was held on 13 December 2018 and all members were present. The Remuneration Committee shall meet at least twice a year and may meet at other times during the year as required, or as agreed between the members of the Committee or as requested by the Committee Chair.

2018 ACTIVITIES:

- Reviewed current remuneration structure
- Agreed to review share and share option schemes for below Board level employees
- Discussed a remuneration structure for executive bonuses relating to 2019
- Agreed to engage external consultants to assist with salaries against comparator peer groups
- Reviewed salaries and whether increases would be made
- Considered CEO bonus/share awards and 2019 salary
- Agreed to review the remuneration policy

REMUNERATION PLANS:

- Review and agree a remuneration structure
- Review and launch a share or share option scheme offering to employees below Board level
- Scorecard 2019
- Executive Director remuneration

THE AUDIT COMMITTEE

The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the EMT and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The Audit Committee comprises of: Alec Carstairs as Chair, Sangita Shah and Philip Haydn-Slater.

The first Audit Committee meeting was held on 13 September 2018. All members were present.

The Audit Committee has committed to meet no less than twice in each financial year and has unrestricted access to the Company's external auditors.

BOARD/COMMITTEE ATTENDANCE AT MEETINGS DURING 2018

	Board meetings (2 scheduled)	Audit Committee meetings (1)	Remuneration Committee meetings (1)
Sangita Shah	2	1	1
Soraya Narfeldt	2	N/A	N/A
Lars Narfeldt	2	N/A	N/A
Andrew Bolter	2	N/A	N/A
Alec Carstairs	2	1	N/A
Ian Henderson	2	N/A	1
Philip Haydn-Slater	2	1	1

BOARD OBJECTIVES/ACTIVITIES

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Directors intend to hold meetings of the Board not less than four times a year following admission with additional meetings as and when business demands require. The effectiveness of the Board, Director and senior management appointments and the Company's succession planning, will be evaluated on a regular basis.

The Board believes that running a sustainable business should benefit everyone, including its customers, employees and the host communities in locations in which the Group operates. Having a multi-cultural and multi-lingual workforce of people who are experienced in the way in which operations work in Africa and beyond is key to delivering this. Accordingly, the Group cooperates respectfully with local communities, building trust and goodwill. The Group provides stable employment and training to local unskilled or semi-skilled labourers. In this end, the Group has a direct impact on the wellbeing of its employees' families, and on the local economy in general.

MATTERS RESERVED FOR THE BOARD

The directors adopted a schedule of those matters that should be reserved for the Board.

The following matters require the approval of the Board.

- **Strategy and Management**
Approval of: long-term objectives; commercial strategic aims; annual operating and capital expenditure budgets; extending the Group's activities into new business; any decision to cease to operate all or any material part of the Group's business;
- **Structure and Capital**
Major changes to the Group's corporate or capital structure; changes to the management and control structure; change to the Company's listing; alteration of the Company's articles of association; change in the Company's accounting reference date, registered name or business name;

- **Financial Reporting and Controls**

Approval of: finance reports interim management statements and any other preliminary announcement of the final results; annual reports and accounts; dividend policy and declaration of any dividend and significant changes in accounting policies/practice;

- **Internal Controls**

Ensuring maintenance of a sound system of internal control and risk management;

- **Finance**

Raising new capital and confirmation of major financing facilities; recommendation of dividends; operating and capital expenditure budgets; granting of security over any material Group asset;

- **Contracts**

All contracts above USD 7m; major capital contracts over USD 2.5m; contracts which are material or strategic; contracts outside of the approved budget and not in the ordinary course of business; major investments or any acquisitions/disposals and transactions with Directors or other related parties which are not in the ordinary course of business;

BOARD COMMITTEES & STRUCTURE

CONTINUED

- **Communications**

Approval or resolutions and documentation put forward to Shareholders; approval of circulars, prospectuses and listing particulars and approval of press releases concerning matters decided by the Board;

- **Board Membership and Other Appointments**

- **Delegation of Authority**

Division of responsibilities between the Chair, the Chief Executive and Executive Directors; delegated levels of authority, including the Chief Executive's authority limits; establishment of Board committees and approval of terms of reference of Board committees;

- **Corporate Governance Matters**

Review of the Group's overall corporate governance arrangements;

- **Other**

Policies including the share dealing code; appointment or change of the Group's principal professional advisers and auditors; overall levels of insurance for the Company; material litigation; any decision likely to have a material impact on the Company or Group from any perspective including, but not limited to, financial, operational, strategic or reputational; matters reserved for Board decisions and which the Board considers suitable for delegation are contained in the terms of reference of its committees; and the grant of options, warrants or any other form of security convertible into shares.

The Board has formed two sub-committees: namely the Audit Committee and Remuneration Committee, with delegated responsibility to monitor their respective areas and to report back to the full Board. Board committees operate under clearly defined terms of reference which are kept under review to ensure proper functioning of the Committees and effective application of best practice.

BOARD EVALUATION/REVIEW OF BOARD'S EFFECTIVENESS

The Directors consider seriously the effectiveness of the Board, its Committees and individual performance.

The Board meets formally four times a year with ad hoc Board meetings as the business demands. There is a strong flow of communication between the Directors, and in particular between the CEO and Chair. Board meeting agendas are set in consultation with both the CEO and Chair, with consideration being given to both standing agenda items and the strategic and operational needs of the business. Comprehensive Board papers are circulated well in advance of meetings, giving Directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow up.

The Directors have a broad knowledge of the business and understand their responsibilities as Directors of a UK company quoted on AIM. The Directors are developing appropriate corporate governance procedures and looking forward to building further on the governance structure already in place.

The Company's NOMAD provides annual board room training and provided initial training as part of a Director's onboarding. The Company Secretary helps keep the Board up to date with developments in corporate governance and liaises with the NOMAD on areas of AIM requirements. The Company Secretary has frequent communication with both the Chair and CEO and is available to other members of the Board as required. The Directors also have access to the Company's auditors and lawyers as and when required and the Directors are able, at the Company's expense to obtain advice from other external advisors if required.

As a recently formed Board it is considered to be too soon to carry out a formal process of Board evaluation. The effectiveness of the Board, individual Directors and senior management will be considered on an on-going informal basis as the Board forms a united forum for building the business.

On behalf of the Board

SANGITA SHAH
Non-Executive Chair



10 April 2019

AUDIT COMMITTEE REPORT

The Audit Committee is responsible for reviewing and monitoring the effectiveness of the Group's financial reporting, internal control policies, and procedures for the identification, assessment and reporting of risk. The latter two areas are integral to the Group's core management processes and the Committee devotes significant time to their review. The Audit Committee is also responsible for overseeing the relationship with the external auditor.

An essential part of the integrity of the financial statements lies around the key assumptions and estimates or judgments to be made. The Audit Committee reviews key judgments prior to publication of the financial statements at both the end of the financial year and at the end of the six-month interim period, as well as considering significant issues throughout the year. In particular, this includes reviewing any subjective material assumptions within the Group's activities to enable an appropriate determination of asset valuation, provisioning and the accounting treatment thereof. The Audit Committee reviewed and was satisfied that the judgments exercised by management on material items contained within the Report and Financial Statements are reasonable.

Although not a member of the Audit Committee, the Chief Financial Officer is invited to attend meetings. The Audit Committee has engaged Ernst & Young LLP (EY) to act as external auditors and they are also invited to attend Audit Committee meetings, unless they have a conflict of interest. The Audit Committee also meets with the auditors without management in attendance. Since the Audit Committee was formed in June 2018, it has met twice and

the members attendance record at Audit Committee meetings during the financial year is set out in the Directors' Report on page 41. In a full year the Audit Committee plans to meet at least twice.

The Audit Committee has considered the Group's internal control and risk management policies and systems, their effectiveness and the requirements for an internal audit function in the context of the Group's overall risk management system. The Audit Committee is satisfied that the Group does not currently require an internal audit function; however, it will continue to periodically review the situation.

The Audit Committee has responsibility for reviewing the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns about possible wrongdoing in financial reporting, fraud, and bribery and ensure that appropriate follow up action is taken. No issues have been highlighted.

The external auditors, EY, were appointed during the financial year. The Audit Committee shall undertake a comprehensive review of the quality, effectiveness, value and independence of the audit provided by EY each year, seeking the views of the wider Board, together with relevant members of the Committee.

RESPONSIBILITIES

The Committee reviews and makes recommendations to the Board on:

- any change in accounting policies
- decisions requiring a major element of judgement and risk

- compliance with accounting standards and legal and regulatory requirements
- disclosures in the interim and annual report and financial statements
- reviewing the effectiveness of the Group's financial and internal controls
- any significant concerns of the external auditor about the conduct, results or overall outcome of the annual audit of the Group
- any matters that may significantly affect the independence of the external auditor

ALEC CARSTAIRS

Chairman of the Audit Committee



10 April 2019

DIRECTORS' REMUNERATION REPORT

THE REMUNERATION COMMITTEE

The Remuneration Committee is a standing committee of the Board of the Company and is comprised of at least three Non-Executive Directors.

The purpose of the Remuneration Committee is to assist the Board in discharging its oversight responsibilities relating to the attraction, compensation, evaluation and retention of Executive Directors and key senior management employees. The Remuneration Committee aims to ensure that the

Group's remuneration policy attracts and retains employees with the right skills and expertise needed to enable the Group to achieve its goals and strategies and that fair and competitive compensation, with appropriate performance incentives, are awarded.

The Remuneration Committee aims to ensure that the Company's remuneration policy is aligned with and promotes the implementation of the Company's strategy and effective risk management for the

long-term and all employees and Executive Directors are appropriately remunerated.

The Remuneration Committee comprises three Non-Executive Directors whose names and profiles are set out on pages 40 and 36-38 in this Annual Report respectively. The Remuneration Committee held one meeting during 2018. Members' attendance records are on page 41 in this Annual Report.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Details of Directors' service contracts are indicated below:

Director	Effective term	Notice period
Soraya Narfeldt	29 June 2018	6 months
Lars Narfeldt	29 June 2018	6 months
Andrew Bolter	29 June 2018	6 months

NON-EXECUTIVE DIRECTOR APPOINTMENT

Director	Effective term	Appointment Term
Sangita Shah	29 June 2018	3 years
Alec Carstairs	29 June 2018	3 years
Ian Henderson	29 June 2018	3 years
Philip Haydn-Slater	29 June 2018	3 years

DIRECTORS' REMUNERATION

	Fees/basic salary¹ GBP'000	Benefits in kind GBP'000	Other remuneration² GBP'000	Total 2018 GBP'000	Total 2017 GBP'000
Executive					
Soraya Narfeldt	273	16	12	301	297
Lars Narfeldt	149	11	9	169	82
Andrew Bolter	174	9	415	598	374
Non-Executive					
Sangita Shah	40			40	-
Alec Carstairs	25			25	-
Philip Haydn-Slater	25			25	-
Ian Henderson	25			25	-

DIRECTORS' SHARE OPTIONS

The Directors recognise the need to attract, incentivise and retain employees and the importance of ensuring that all employees are well motivated and able to identify closely with the profitability of the Group. To that end, the Company introduced the Share Option Scheme 2018 ('Scheme') under which options may be granted to eligible employees from time to

time, acting through the Board and subject to the rules of the Scheme.

The Scheme was adopted by the Board on Admission. The principal terms of the Scheme are summarised below.

Option awards under the Scheme provide the right to acquire a certain number of ordinary shares in the Company in the future, subject to the satisfaction of any specified performance conditions. The

Scheme is a UK non-tax advantaged, discretionary share option plan which provides for the grant of options to employees of the Group. The Board believes that the Scheme is an effective mechanism to incentivise key employees of the Group.

Performance options under the Scheme were granted to Andrew Bolter (Executive Director) as set out on the following page and have performance vesting conditions.

Option Holder	Date of Grant	Share Options	Option Exercise Period (with performance conditions)	Exercise Price GBP
Andrew Bolter	29 June 2018	1,304,347	From the third anniversary of Admission to the sixth anniversary of admission	0.10

The performance options granted under the Scheme are conditional on the performance of the Company and requires that the compound annual TSR in respect of a share must match or exceed specific targets which are measured over a period of time and against objective criteria set by the Board.

If at the end of the performance period, the performance condition is not satisfied, the option will immediately lapse and cease to be exercisable.

The Company's stock price was 0.44 pence as at the close of 31 December 2018.

¹The Executive Directors each have two employment contracts with the Group. One with the Company in connection with their role as a Director, and another with a subsidiary reflecting their role as a member of the EMT. The above figure denotes the total base salary for both employment contracts. EMT contracts are denominated in United Arab Emirate dirhams and have been converted to UK Pounds at a rate of 1 UAE Dirham : GBP 0.2026, being the average exchange rate during 2018.

²Other remuneration includes end of service benefits which are defined in note 4 of the annual financial statements and share based payments which are detailed in note 16.

DIRECTORS' REMUNERATION REPORT CONTINUED

NON-EXECUTIVE DIRECTORS

The below represents the annual fees to be paid to the Non-Executive Directors

Non-Executive Directors	Fees GBP
Sangita Shah	80,000
Alec Carstairs	50,000
Philip Haydn-Slater	50,000
Ian Henderson	50,000

CONSIDERATION BY THE DIRECTORS OF MATTERS RELATING TO DIRECTORS' REMUNERATION

The Committee is responsible for making recommendations to the Board regarding the framework for the remuneration of the Executive Directors and other members of Executive Management. The Committee works within its terms of reference, and its role includes:

- Determining and agreeing with the Board, the Remuneration Policy for all Executive Directors and under guidance of the Executive Directors, other members of the Executive Management Team.
- Ensuring Executive remuneration packages are competitive.
- Determining whether annual bonus payments should be made and approving levels for individual Executive Directors
- Determining each year whether any awards/grants should be made under the incentive schemes and the value of such awards
- Considering any new long-term incentive scheme awards and performance criteria
- Agreeing Directors' service contracts and notice periods

The Company is committed to maintaining an open and transparent dialogue with Shareholders on all aspects of Remuneration within the Group.

PHILIP HAYDN-SLATER
Remuneration Committee Chairman



10 April 2019



DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The Company is a leading provider of services to remote locations in Africa and the Middle East. It offers its services through three channels: construction, integrated facilities management and support services. The Company has three main client groups: humanitarian and aid agencies, governments and commercial customers,

predominantly in the oil and gas and mining sectors.

The Company provides comprehensive, flexible, mission critical support to its clients enabling them to focus on the delivery of their respective businesses and services. The Company's focus on integrity and values alongside on-going investment in people, locations and operations

has over time created a reliable and trusted brand within its sector.

RESULTS AND DIVIDENDS

The profit for the year was USD 9,954,000.

Subject to shareholder approval at the 2019 AGM, the final dividend for 2018 will become due and payable on 3 July 2019.

DIRECTORS

The Directors who served during the period and at the date of this Report are as follows:

	Name	Role	Appointment Date
1	Sangita Shah	Non-Executive Chair	3 May 2018 to present
2	Soraya Narfeldt	Executive Director	13 March 2018 to present
3	Lars Narfeldt	Executive Director	13 March to present
4	Andrew Bolter	Executive Director	3 May 2018 to present
5	Alec Carstairs	Non-Executive Director	3 May 2018 to present
6	Ian Henderson	Non-Executive Director	3 May 2018 to present
7	Philip Haydn-Slater	Non-Executive Director	3 May 2018 to present

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2018, the Company was aware of the following major shareholdings, representing 3% or more of the voting rights attached to the issued Ordinary Share capital of the Company:

Blackrock Investment Management (UK) Limited	4.9%
Jupiter Asset Management Limited	3%

The Directors are not aware of any notifications of changes to any major shareholdings between 31 December 2018 and 9 April 2019.

AUDITOR

Each person who is a Director at the date of approval of this annual report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the auditor is unaware; and
- The Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

DIRECTORS' INTERESTS

The Directors who held office at 31 December 2018 had the following interests in the Ordinary Shares in the capital of the Company:

	Total Shares Held at 31 December 2018
Sangita Shah	42,983
Soraya Narfeldt	95,857,145
Lars Narfeldt	42,000,000
Andrew Bolter	714,285
Alec Carstairs	108,743
Ian Henderson	-
Philip Haydn-Slater	100,000

GOING CONCERN

The financial information for the year to 31 December 2018 has been prepared assuming that the Group will continue as a going concern.

Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

Based on an assessment made using the Group's anticipated activities for the next 12 months from the date of authorisation of the financial statements, the Directors have formed a judgement that the going concern basis should be adopted in preparing the financial statements.

STRATEGIC REPORT

The Company is required by the Companies Act 2006 to include a Strategic Report in its Annual Report. The information that fulfils this requirement can be found from page 4-28.

Signed by order of the Directors

On behalf of the Board



Amanda Bateman

For and on behalf of AMBA
Secretaries Limited
Company Secretary

10 April 2019

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The Group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and

the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable;
- for the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the EU and, for the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the

Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of Board

ANDREW BOLTER
Chief Financial Officer



10 April 2019

FINANCIAL REPORT



AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

OPINION

In our opinion:

- RA International Group PLC's Group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of RA International Group PLC which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2018	Company statement of financial position as at 31 December 2018
Consolidated statement of comprehensive income for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 9 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 32 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRS International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OVERVIEW OF OUR AUDIT APPROACH

Key audit matters	<ul style="list-style-type: none"> • Risk of misstatement due to management override, fraud and error, specifically around revenue recognition • Risk of misstatement due to Group re-organisation and subsequent initial public offering ("IPO") • Risk of non-compliance with laws and regulations
Audit scope	<ul style="list-style-type: none"> • We performed an audit of the complete financial information of all components
Materiality	<ul style="list-style-type: none"> • Overall Group materiality of USD 600,000 which represents 5% of profit before tax (excluding exceptional items)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

AUDITOR'S REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of misstatement due to management override, fraud and error, specifically around revenue recognition.</p> <p><i>Refer to Basis of preparation and consolidation (page 63) and Note 8 of the Consolidated Financial Statements (page 72).</i></p> <p>Auditing standards require that we consider the risk of fraud or management override of internal controls in revenue recognition.</p> <p>We recognise that sales arrangements vary depending on the service being provided with accommodation and supply requiring minimal judgement. Accordingly, we focussed on construction and longer-term services contracts.</p> <p>The complexity and judgments are mainly related to estimation of the cost to complete of the projects, expected revenues and the related percentage of completion which the Group applies for recognising revenues. The determination of the cost to complete impacts the value and timing of revenue and profit recognised over the life of the project, and it is an estimate that requires expertise and judgment. (USD 1.7m of risk, PY comparative USD 1.5m)</p>	<p>Our principal audit procedures included:</p> <ul style="list-style-type: none"> • Performed walkthroughs of the revenue cycle to gain an understanding of when the revenue should be recognised, to map out the relevant controls end to end and the processes in place. We have assessed the design and implementation of these controls to be effective. • Obtaining an understanding and evaluating the key internal controls which support the project management and accounting. These include on the percentage of completion, estimates to complete for both revenue and costs and provisions for loss making projects or unbilled receivables. • Detailed substantive procedures on individually significant projects as well as high risk projects, such as loss making or particular locations. This included challenging the assumptions and estimates applied by management and substantiating transactions with underlying documents like contracts and change orders. • Utilising computer assisted data analytics techniques to examine the correlation of revenue streams through debtors to cash; highlighting unexpected data flows (business activities) which sat outside of the expected pathways. • Making enquiries of non-finance staff such as to discuss the status of particular projects with the respective project managers. Specific attention given to the collection and valuation risks related to the increased ageing of the unbilled receivables. • Detailed manual journal entry testing, applying particular focus to individually unusual and/or material revenue manual journals, particularly those posted around the year end. • Reviewing management's assessment of IFRS 15 and challenging key assumptions applied in their assessment to determine whether they meet the requirements of the standard. 	<p>We have concluded that revenue recognition accounting policies adopted are appropriate and have been applied consistently.</p>

We performed full scope audit procedures over this risk area, which covered 100% of the risk amount.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of misstatement due to Group re-organisation and subsequent initial public offering (IPO)</p> <p><i>Refer to Accounting policies (page 64) and Notes 5 and 6 of the Consolidated Financial Statements (pages 68-71).</i></p> <p>We consider the main risks of the Group re-organisation and IPO to be as follows:</p> <p>The technical accounting for the Group re-organisation is complex in nature and is not a routine transaction, the risk is therefore that the accounting entries made do not comply with the requirements of IAS 27.</p> <p>IPO costs associated with the issue of new equity are overstated and as a result, an incorrect cost is set off against equity rather than recognised through the income statement.</p> <p>Accounting for the gift of shares is another complex area — as a result there is a risk that the entries made to record this transaction do not meet the requirements of IFRS 2.</p>	<p>Our principal audit procedures on the Group reorganisation included:</p> <ul style="list-style-type: none"> Inspecting documentation to support the share split of RA International FZCO (RA), share exchange agreement between RA International Group PLC (RAI) and the Shareholders of RA. Agreeing the issuance and placement of new RAI shares on 29 June 2018 to support accounting adopted. Reviewing and considering the technical accounting for the above transactions to ensure this is in line with IAS 27. Assessing the adequacy of related disclosures in the Group's financial statements. <p>Our principal audit procedures on the accounting for IPO costs and the share gifts included:</p> <ul style="list-style-type: none"> Verifying a sample of the IPO costs to third party supporting documentation. Reviewing and challenging the nature of the IPO costs determined by management to be incremental and directly attributable to the share issue. Determining whether the IPO costs recorded by management as a cost of issuing new equity meet the requirements of IAS 32. Obtaining an understanding of the warrants issued. In addition, we reviewed and challenged the assumptions applied by management to determine the fair value. Ensuring that the accounting for the share gift complies with the requirements of IFRS 2 assessing the adequacy of related disclosures in the Group's financial statements. 	<p>We have concluded that the Group re-organisation has been accounted for appropriately.</p> <p>We have concluded that IPO costs were appropriately recognised and accounted for.</p> <p>Share gifts were appropriately accounted for and disclosed.</p>

We performed full scope audit procedures over this risk area, which covered 100% of the risk amount.

AUDITOR'S REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of non-compliance with laws and regulations</p> <p><i>Refer to Accounting policies (page 67) and Notes 11 and 12 of the Consolidated Financial Statements (pages 75-76).</i></p> <p>Auditing standards require that we consider the risk of non-compliance with laws and regulation on the financial statements.</p> <p>RA International operates in countries that rank amongst the highest on the Transparency International Corruption Perceptions Index and have limited legal structures. Both factors increase the risk of corruption and bribery.</p> <p>There is a risk that if that if the controls and policies in place are not sufficient to prevent or detect bribery there would be a material impact on the financial statements.</p>	<p>Our principal audit procedures included:</p> <ul style="list-style-type: none"> • Enquiries of management, and, when appropriate, those charged with governance as to whether the entity is in compliance with such laws and regulations. • Inspect correspondence, if any, with the relevant licensing or regulatory authorities. • Furthermore, performance of targeted procedures on the procurement process: <ul style="list-style-type: none"> o Performed walkthrough of the expenditure cycle to gain an understanding of different procurement process and to map out the relevant controls end to end. We have assessed the design and implementation of these controls to be effective. o Unusual journal posting originating from cash (such as manual cash payments and receipts) o Detailed testing of cash payments and higher risk expenditure (including travel and entertainment, advances and bonuses). 	<p>Based on the audit procedures performed no instances of non-compliance with laws and regulations were noted.</p>
We performed full scope audit procedures over this risk area.		

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. The majority of the trading activity is recorded through 1 subsidiary entity. We have classified this entity as full scope and this together with our other procedures provides 100% coverage of the Group. All audit work was performed by the primary audit engagement team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be USD 641,000 which is 5% of profit before tax (excluding exceptional items). We believe that profit before tax (excluding exceptional items) provides us with an appropriate basis for determining misstatements of importance to the users of the financial statements.

We determined materiality for the parent company to be USD 511,000, which is 1% of total equity. The parent company is not a trading entity, therefore we consider it appropriate to prepare materiality on a different basis.

During the course of our audit, we reassessed materiality based on the final position and this resulted in final materiality being USD 600,000 which is a decrease of USD 41,000.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely USD 320,000. We have set performance materiality at this percentage due to this being a first year audit of the entity within its current listed Group structure.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of USD 32,000, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

AUDITOR'S REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 50, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Copland (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

Date: 10 April 2019

Notes:

1. The maintenance and integrity of the RA International Group PLC web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 USD'000	2017 USD'000 Restated
Revenue	7	54,805	51,215
Direct costs	11	(34,168)	(31,268)
Gross profit		20,637	19,947
Administrative expenses	11	(6,425)	(6,362)
Underlying operating profit		14,212	13,585
Acquisition costs		(82)	-
Holding company expenses		(505)	-
Operating profit		13,625	13,585
Investment revenue		34	-
Finance costs		(407)	(1,114)
Underlying profit		13,252	12,471
Unrealised differences on translation of foreign balances		(364)	(46)
Exceptional items	13	(2,934)	-
Profit and total comprehensive income for the period		9,954	12,425
Basic and diluted earnings per share (cents)	15	6.3	8.9
Normalised basic and diluted earnings per share (cents)	15	8.4	8.9

FINANCIAL
REPORT

The attached notes 1 to 32 form part of the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 USD'000	2017 USD'000 Restated
Assets			
Non-current assets			
Property, plant, and equipment	19	16,395	9,170
Current assets			
Inventories	20	4,263	2,660
Trade and other receivables	21	15,962	12,669
Cash and cash equivalents	22	27,804	7,469
		48,029	22,798
Total assets		64,424	31,968
Equity and liabilities			
Equity			
Share capital	23	24,300	272
Additional contributed capital	23	-	1,809
Share premium		18,254	-
Merger reserve		(17,803)	-
Share based payment reserve		16	-
Retained earnings		34,427	23,020
Total equity		59,194	25,101
Non-current liabilities			
Term loans and notes	24	-	6
Employees' end of service benefits	25	350	251
		350	257
Current liabilities			
Term loans and notes	24	-	1,861
Trade and other payables	26	4,880	4,749
		4,880	6,610
Total liabilities		5,230	6,867
Total equity and liabilities		64,424	31,968

The financial statements were approved by the Board of Directors on 10 April 2019 and signed on its behalf by:



Soraya Narfeldt
CEO



Andrew Bolter
CFO

The attached notes 1 to 32 form part of the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital USD'000	Additional Contributed Capital USD'000	Share Premium USD'000	Merger Reserve* USD'000	Share Based Payment Reserve USD'000	Retained Earnings USD'000	Total USD'000
As at 1 January 2017	272	1,809	-	-	-	11,370	13,451
Total comprehensive income for the period**	-	-	-	-	-	12,425	12,425
Dividends declared and paid (note 17)	-	-	-	-	-	(775)	(775)
As at 31 December 2017	272	1,809	-	-	-	23,020	25,101
Total comprehensive income for the period	-	-	-	-	-	9,954	9,954
Share exchange (note 8)	19,612	(1,809)	-	(17,803)	-	-	-
Issue of share capital (note 8)	4,416	-	18,254	-	-	-	22,670
Non-cash employee compensation (note 16)	-	-	-	-	-	1,578	1,578
Share based payments (note 16)	-	-	-	-	16	-	16
Dividends declared and paid (note 17)	-	-	-	-	-	(125)	(125)
As at 31 December 2018	24,300	-	18,254	(17,803)	16	34,427	59,194

* Merger reserve represents the difference between the share capital of RA International FZCO and the nominal value of the shares issued by the Company to acquire RA International FZCO (note 8).

** Total comprehensive income recognised in 2017 has been restated due to the adoption of IFRS 15 (note 5).

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 USD'000	2017 USD'000 Restated
Operating activities			
Profit for the period		9,954	12,425
Adjustments for non-cash and other items:			
Depreciation on property, plant, and equipment	19	1,310	935
Loss on disposal of property, plant, and equipment	19	120	163
Amortisation of intangible assets		-	17
Investment revenue		(34)	-
Finance costs		407	1,114
Unrealised differences on translation of foreign balances		364	46
Provision for employees' end of service benefits	25	116	283
Share based payments	16	16	-
Exceptional items	13	2,934	-
		15,187	14,983
Working capital adjustments:			
Inventories		(1,587)	685
Trade and other receivables		(2,627)	(2,589)
Trade and other payables		(58)	(580)
Cash flows generated from operations		10,915	12,499
Employees' end of service benefits paid	25	(17)	(221)
Stock-based compensation and related costs	16	(24)	-
Net cash flows from operating activities		10,874	12,278
Investing activities			
Release / (deposit) of cash margin against guarantees issued	22	2,000	(2,000)
Deposits under lien released during the year	22	-	201
Purchase of property, plant, and equipment	19	(8,683)	(3,405)
Proceeds from disposal of property, plant, and equipment	19	97	23
Acquisition of subsidiary (net of cash acquired)	10	(565)	-
Net cash flows used in investing activities		(7,151)	(5,181)
Financing activities			
Repayment of term loans and notes	24	(1,867)	(3,160)
Proceeds from term loans and notes	24	-	2,432
Investment revenue received		34	-
Finance costs paid		(406)	(1,114)
Dividends paid	17	(125)	(775)
Share listing costs	13	(1,332)	-
Issue of share capital (net of issue costs paid)	8	22,672	-
Net cash flows from / (used in) financing activities		18,976	(2,617)
Net increase in cash and cash equivalents		22,699	4,480
Cash and cash equivalents as at start of the period	22	5,469	1,035
Effect of foreign exchange on cash and cash equivalents		(364)	(46)
Cash and cash equivalents as at end of the period	22	27,804	5,469

The attached notes 1 to 32 form part of the Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 in England and Wales under registration number 11252957. The address of its registered office is One Fleet Place, London, EC4M 7WS. The Company acquired, by way of a share for share exchange (the “Exchange”) the entire issued share capital of RA International FZCO and its subsidiaries (“RA”) on 12 April 2018. The Group reorganisation is treated as a common control transaction, for which there is no specific accounting guidance under IFRS. Consequently, the integration of the Company has been accounted for using merger accounting principles. The policy, which does not conflict with International Financial Reporting Standards (IFRS), reflects the economic substance of the transaction.

The adoption of merger accounting presents the Company as if it had always been the parent of the Group. As the Company was not incorporated until 13 March 2018, the financial statements of the Group represent a continuation of the financial statements of RA International FZCO, the former parent of the Group. Comparative information presented in these financial statements, relate to that of RA, not the Group.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and the Companies Act 2006. They have been prepared under the historical cost basis and have been presented in United States Dollars (USD), being the functional currency of the Company.

The financial information set out in this preliminary announcement does not constitute the Group’s statutory accounts for the years ended 31 December 2018 or 2017 but is derived from those accounts. Statutory accounts for the year ended 31 December 2018 will be delivered to the Registrar of companies in due course. The auditor has reported on the accounts; its report was unqualified, did not contain an emphasis of matter reference and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

3 BASIS OF CONSOLIDATION

The financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2018. 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.

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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.

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the fair value on the acquisition date. The net identifiable assets acquired, and liabilities assumed are recorded at their respective fair values on the acquisition date. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Construction

Revenue from construction contracts is recognised at a point in time when performance obligations have been met.

Services

Revenue from rendering of services is recognised over time, using the output method to measure progress towards complete satisfaction of the service.

Interest income

Interest income is 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.

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.

TAXATION

Current tax expense is based on taxable profit for the year and is recognised in profit or loss. Taxable profit may differ from net profit reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years, and it excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

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 as follows:

Buildings	Lesser of 20 years and term of land lease
Leasehold improvements	10 years or term of lease
Furniture and fixtures	5 years
Shipping containers	20 years
IT equipment	5 years
Tools and equipment	5 to 10 years
Motor vehicles	10 years

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.

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

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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 cash-generating units 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.

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.

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 12-months (a 12-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.

A financial asset is deemed to be impaired 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.

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.

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 borrowings

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.

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.

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 given in note 16.

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That cost is recognised in employee benefits expense, 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.

LEASES

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

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

The Group applied IFRS 15 for the first time, using a fully retrospective approach. The nature and effect of the changes as a result of the adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in 2018, such as IFRS 9 Financial Instruments. Following assessment, there were no reclassifications or estimated credit losses and therefore the adoption of IFRS 9 did 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.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, and related interpretations. It applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all relevant facts and circumstances when applying each step of the model to contracts with their customers. Where deemed appropriate, the Group will utilise the practical expedient within IFRS15, allowing revenue to be recognised at the amount which the Group has the right to invoice, where that amount corresponds directly with the value to the customer of the Group's performance completed to date.

The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group is principally engaged in construction, integrated facilities management, and supply chain services in demanding and remote areas.

For contracts with customers in which the sale of goods is generally the only performance obligation, adoption of IFRS 15 does not have any significant impact on the Group's revenue and profit or loss. The Group's revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

With respect to services income, services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, under IFRS 15 the Group continues to recognise revenue for these service contracts and the service components of hybrid contracts over time rather than at a point of time.

(a) Construction revenue

Before the adoption of IFRS 15, all construction revenue was recognised using the percentage of completion method. When performing a review of contracts in connection with the implementation of IFRS 15, the Group assessed that certain contracts contained specific performance obligations that were required to be met before revenue could be recognised in accordance with the requirements of the new standard. As a result, revenue reported in 2017 decreased by USD 2,188,000. There was a corresponding increase in customer advances of USD 780,000, a decrease in accrued revenue of USD 1,367,000 and a decrease in retention receivables of USD 41,000. A decrease in direct costs of USD 939,000 was also recognised, together with the corresponding increase in prepayments.

There was no impact to balances reported in relation to any accounting periods beginning prior to 1 January 2017.

(b) Reclassification of other income

Other income has been reclassified to be included in revenue and direct costs. The Group assessed the nature of other income balances and concluded it partly reflects: (i) the continuing trade of the business to be classified as revenue under IFRS 15; and (ii) reimbursement of non-contracted costs recognised as expenses in prior periods to be recognised in the same expense category as where the cost was originally recorded.

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Impact on statement of profit or loss (increase/(decrease) in profit)

	Adjustments	2017 USD'000
Revenue	(a),(b)	(2,045)
Direct costs	(a),(b)	1,948
Gross profit		(97)
Other income	(b)	(1,152)
Administrative expenses		-
Underlying profit from operations		(1,249)
Acquisition costs		-
Holding company expenses		-
Operating profit		(1,249)
Basic and diluted earnings per share (cents)		(0.9)
Normalised basic and diluted earnings per share (cents)		(0.9)

Impact on the consolidated statement of financial position (increase/(decrease))

	Adjustments	2017 USD'000
Current assets		
Trade and other receivables	(a)	(469)
Total assets		(469)
Equity and liabilities		
Equity		
Retained earnings	(a)	(1,249)
Total equity		(1,249)
Current liabilities		
Trade and other payables	(a)	780
Total liabilities		780
Total equity and liabilities		(469)

The impact on the statement of cash flows for the year ended 31 December 2017 only relates to the changes in profit before tax from continuing operations, certain adjustments to reconcile profit before tax to net cash flows from operating activities and working capital adjustments. There was no impact on the net cash flows from operating, investing or financing activities.

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, revenues, 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**

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 considers items which are material and outside its normal operating practice to be suitable for separate presentation. Further details are in note 18.

B) ESTIMATES AND ASSUMPTIONS**Percentage of completion**

The Group 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 2018, USD 1,676,000 of accrued revenue had been calculated using the percentage-of-completion method (2017: USD 1,486,000).

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

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:

	2018 USD'000	2017 USD'000
Construction	29,479	22,821
Integrated facilities management	23,145	25,414
Supply chain services	2,181	2,980
	54,805	51,215

The Group allocates a contract to a specific service channel based on the nature of the primary deliverable to the customer. The Group does not allocate revenue to multiple service channels from a contract. If the Group were to allocate revenue to multiple service channels from its contracts, a significant value of construction revenue would be reclassified to the other service channels; additionally, a significant value of integrated facilities management revenue would be reclassified to supply chain services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

GEOGRAPHIC SEGMENTS

The Group solely operates in Africa and the Middle East and the CODM considers this 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 of project implementation:

	2018 USD'000	2017 USD'000
Africa	48,003	51,045
Other	6,802	170
	54,805	51,215

Non-current assets by geographic area:

	2018 USD'000	2017 USD'000
Africa	14,378	8,935
Other	2,017	235
	16,395	9,170

8 GROUP REORGANISATION

SHARE FOR SHARE EXCHANGE

On 12 April 2018, RAI acquired 100% ownership of RA through a share for share exchange transaction (the "Exchange"). The cost of RA was established and accounted for with reference to IAS 27 which states that when a parent reorganises the structure of its group by establishing a new entity as its parent, and meets specific criteria, the new parent measures cost at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganisation. In the case of the Exchange, RA was the former parent of the Group and all relevant criteria were met, as a result the cost of RA was determined to be USD 29,278,000, being the carrying amount of the equity of RA at the date of the Exchange.

	USD'000
<i>Equity balances of RA at date of Exchange</i>	
Share capital	272
Additional contributed capital	1,809
Retained earnings	27,700
Total equity balances of RA at date of Exchange	29,781

The consideration paid to the Shareholders of RA was 139,999,998 ordinary shares of GBP 0.10 each.

The difference between the total equity balances of RA and the nominal value of shares issued by RAI at the date of the Exchange is recorded as a merger reserve. Upon consolidation, all intra-group transactions, balances, income and expense are eliminated, and the merger reserve is equal to the difference between the nominal value of the shares issued by RAI and the total share capital and additional contributed capital of RA at the date of the Exchange.

INITIAL PUBLIC OFFERING

On 29 June 2018, RAI undertook an initial public offering (IPO) and was admitted to trade on the Alternative Investment Market (AIM), a sub-market of the London Stock Exchange. New Ordinary Shares of 33,575,741 were issued on the date of the IPO bringing the total number of shares outstanding to 173,575,741. These shares have a par value of GBP 0.10 and were sold by RAI at GBP 0.56 per share.

During the IPO process, the Group incurred USD 2,059,000 of expenses which were incremental and directly attributed to the equity raise. As per IAS 32, these costs are to be accounted for as a deduction from equity raised and as a result the net proceeds of the IPO were USD 22,672,000.

	USD'000
<i>Reconciliation of IPO proceeds</i>	
Proceeds from issue of share capital	24,731
Costs incurred and attributable to issue of share capital	(2,059)
Net proceeds from issue of share capital	22,672

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

9 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		Principal activities
		2018	2017	
RA Africa Holdings Limited	British Virgin Islands	100%	100%	Holding of residual shareholdings in Company subsidiaries.
RA International Limited	Cameroon	100%	100%	Construction, integrated facilities management, and supply chain services.
RA International RCA	Central African Republic	100%	100%	Construction, integrated facilities management, and supply chain services.
RA International Chad	Chad	100%	-	Construction, integrated facilities management, and supply chain services.
RA International DRC SARL	Democratic Republic of Congo	100%	100%	Construction, integrated facilities management, and supply chain services.
Raints Ghana Limited	Ghana	100%	100%	Construction, integrated facilities management, and supply chain services.
Windward Insurance PCC Limited – Berkshire Cell	Guernsey	100%	100%	Providing intra-group insurance services.
Raints Kenya Limited	Kenya	100%	100%	Construction, integrated facilities management, and supply chain services.
RA International Limited	Malawi	100%	100%	Construction, integrated facilities management, and supply chain services.
Raints Mali	Mali	100%	-	Construction, integrated facilities management, and supply chain services.
RA International Limitada	Mozambique	100%	100%	Construction, integrated facilities management, and supply chain services.
RA International Niger	Niger	100%	-	Construction, integrated facilities management, and supply chain services.
RA International*	Somalia	100%	100%	Construction, integrated facilities management, and supply chain services.
RA International FZCO	South Sudan	100%	100%	Construction, integrated facilities management, and supply chain services.
Reconstruction and Assistance Company Ltd	Sudan	100%	-	Construction, integrated facilities management, and supply chain services.
RA International Limited	Tanzania	100%	100%	Construction, integrated facilities management, and supply chain services.
RA International FZCO	UAE	100%	100%	Providing intra-group administrative services.
RA International General Trading LLC	UAE	100%	100%	Providing intra-group administrative services.
RA SB Ltd.	UAE	100%	-	Holding of residual shareholdings in Company subsidiaries.
RA International Limited	Uganda	100%	100%	Construction, integrated facilities management, and supply chain services.
REMSCO Uganda (SMC) Limited	Uganda	100%	-	Construction, integrated facilities management, and supply chain services.

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

10 ACQUISITION OF SUBSIDIARY

RA SB LTD.

On 1 January 2018, the Group acquired 100% ownership of RA SB Ltd. and its subsidiary (together "RASB"), from one of its Shareholders, who is also a member of key management. The purchase consideration of USD 594,000 represents the net book value of RASB as at 1 January 2018. RA SB Ltd. is registered in Ras Al Khaimah, UAE and operates in the Republic of Sudan through its subsidiary which provides remote site services to the mining industry. The acquisition is consistent with the Group's strategy of operating across Africa.

The fair values of the identifiable assets and liabilities of RASB as at the date of acquisition were:

	USD'000
Assets	
Property, plant, and equipment	69
Inventories	16
Accounts receivable, deposits, and other receivables	688
Bank balances and cash	29
Liabilities	
Accounts payable and accruals	(208)
Net assets	594
Net cash outflow on acquisition	
	USD'000
Consideration paid	594
Less:	
Bank balances and cash acquired	(29)
	565

Acquisition costs of USD 6,000 relating to the acquisition of RASB are included in acquisition costs within the current accounting period.

For the year ended 31 December 2018, RASB contributed USD 1,754,000 revenue and USD 350,000 profit before finance costs to the Group results.

11 PROFIT FOR THE PERIOD

Profit for the period is stated after charging:

	2018 USD'000	2017 USD'000
Staff costs	20,518	18,732
Materials	10,688	9,966
Depreciation	1,310	935

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018 USD'000	2017 USD'000
Fees for the audit of the interim accounts	25	-
Fees for the audit of the Company annual accounts	116	-
Fees for the audit of the subsidiary annual accounts	60	60
Total audit fees	201	60
Audit related assurance services	-	-
Non-audit related services	75	-
Fees in relation to the IPO	457	-
Total non-audit fees	532	-

The non-audit fees incurred in the current year represent services undertaken by a separate EY team as part of the Group's IPO process and as part of a corporate acquisition that was completed in 2019 (see note 32). No members of the audit team were involved in undertaking these non-audit procedures and strict independence processes were in place. All non-audit services, post IPO, have been assessed and approved by the Audit Committee.

12 EMPLOYEE EXPENSES

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

	2018	2017
Directors	4	-
Executive management	5	5
Staff	2,016	1,856
	2,025	1,861

The aggregate remuneration of the above employees was:

	2018 USD'000	2017 USD'000
Wages and salaries	15,836	13,765
Social security costs	34	2
	15,870	13,767

The remuneration of the Directors and other key management personnel of the Group are detailed in note 30.

13 EXCEPTIONAL ITEMS

	2018 USD'000	2017 USD'000
Share listing costs*	1,332	-
Stock-based compensation and related costs (note 16)	1,602	-
	2,934	-

*Share listing costs represent advisory, legal, and other costs incurred in connection with the IPO which have not been accounted for as a deduction from equity raised.

14 TAXATION

The tax charge on the profit for the year is as follows:

	2018 USD'000	2017 USD'000
Current tax:		
UK corporation tax on profit for the year	-	-
Non-UK corporation tax	-	-
Tax charge for the year	-	-

Factors affecting the tax charge

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

	2018 USD'000	2017 USD'000
Profit before tax	9,954	12,425
Expected tax charge based on the standard average rate of corporation tax in the UK of 19% (2017: 19%)	1,891	2,361
Effects of:		
Expenses not deductible*	257	-
Deferred tax asset not recognised	39	-
Exemptions and foreign tax rate difference	(2,187)	(2,361)
Tax charge for the year	-	-

*Expenses not deductible represent the costs incurred relating to the share for share exchange and IPO.

Based on an evaluation performed by management on its operations, management has assessed that the Group is not exposed to any corporate tax liabilities. This is primarily a result of the Group benefitting from tax exemptions granted to its customers who are predominantly governments and large supranational organisations, as well as zero corporate tax rates in certain countries of operation.

15 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

Normalised earnings per share is calculated by dividing the profit before exceptional items and unrealised differences on translation of foreign balances attributable to ordinary Shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Since a new parent entity was established by means of a share for share exchange and the Group's financial statements have been presented as a continuation of the existing Group, the number of shares taken as being in issue for both the current and preceding periods are the number of shares issued by the new parent entity. As a result, the historical weighted average number of shares presented in the comparative EPS calculation is 139,999,998, being the number of ordinary shares exchanged for the entire share capital of RA.

	2018	2017
Profit for the period (USD'000)	9,954	12,425
Basic weighted average number of ordinary shares	157,109,829	139,999,998
Effect of warrants	-	-
Effect of employee share options	-	-
Diluted weighted average number of shares	157,109,829	139,999,998
Basic earnings per share (cents)	6.3	8.9
Diluted earnings per share (cents)	6.3	8.9
Profit for the period before exceptional items and unrealised differences in foreign balances (USD'000)	13,252	12,471
Normalised basic earnings per share (cents)	8.4	8.9
Normalised diluted earnings per share (cents)	8.4	8.9

16 SHARE BASED PAYMENT EXPENSE

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

	2018 USD'000	2017 USD'000
Performance Share Plan	16	-
Other share based payments	1,602	-
	1,618	-

PERFORMANCE SHARE PLAN

During the year, the Company introduced a Performance Share Plan (PSP) whereby options may be granted to eligible employees. Awards vest after a performance period of 3 years subject to continuous employment and the achievement of a hurdle total shareholder return (TSR) as at the end of the performance period.

	Number of options 2018	Weighted average exercise price 2018 GBP'000	Number of options 2017	Weighted average exercise price 2017 GBP'000
Outstanding at 1 January	-	-	-	-
Granted during the year	2,826,085	0.10	-	-
Outstanding at 31 December	2,826,085	0.10	-	-

Options issued under the PSP plan were valued using the Monte Carlo Simulation model which is considered to be the most appropriate for valuing options granted under schemes where there are changes in performance conditions by which the options are measured, such as for TSR based awards.

The fair value of the options at the grant date was USD 96,000 and a charge of USD 16,000 (2017: nil) was recognised in administrative expenses for the fiscal year ended 2018.

OTHER SHARE BASED PAYMENTS

On Admission, in exchange for brokerage services provided to the Company during its IPO, the Company issued a warrant instrument granting its primary broker the right to subscribe for 671,514 Ordinary Shares of the Company. The warrants are exercisable for five years from the date of Admission at a subscription price of GBP 0.728 (USD 0.923) per ordinary share. They are non-transferrable and are subject to typical anti-dilution rights to adjust on a proportional basis for share consolidations, share splits and stock dividends. The Company used the Black-Scholes model to value the warrants at the grant date. The fair value of the warrants is nil.

On Admission, the majority shareholder of RAI gifted 2,142,855 personally owned shares of the Company to certain employees of RA International FZCO as a reward for past employment service. The fair value of the shares on the grant date was GBP 0.56 (USD 0.74) per share. A charge of USD 1,602,000 (2017: nil) was recognised in exceptional items.

The Monte Carlo and Black-Scholes models used the following inputs:

	2018
Weighted average share price	56p (USD 0.74)
Expected volatility	10.10%
Risk free rate	1.24%

17 DIVIDENDS

Before the Group reorganisation, dividends of USD 12,500 per share (10 shares) totalling USD 125,000 were declared and paid in 2018 (2017: USD 77,466 per share (10 shares) totalling USD 774,660). Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December.

18 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.

UNDERLYING OPERATING PROFIT (UOP)

The Group uses UOP as an alternative measure to Operating Profit to better compare the profitability of its operations across financial periods. UOP is calculated as Operating Profit less holding company expenses and acquisition costs.

On 29 June 2018, RAI listed on AIM and began to incur costs associated with being a listed company. No holding company expenses were incurred in 2017 and a full year of these expenses are anticipated to be incurred in 2019. Both holding company expenses and acquisition costs do not relate to the day-to-day operating business of the Group.

Previously, the Group had used earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the underlying performance of the business however so as to better align internal budgeting and forecasting with financial reporting the Group has reclassified depreciation so as to be included in the calculation of UOP and Operating Profit.

Underlying Operating Margin is calculated as UOP divided by revenue.

UNDERLYING PROFIT (UP)

The Group uses UP as an alternative measure to Profit so as to better compare the profitability of the Group across financial periods. To calculate UP exceptional items and unrealised differences on translation of foreign balances are deducted from Profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

Exceptional items are excluded as they are by definition incurred outside of the normal operating practice of the Group. Unrealised differences on translation of foreign balances are temporary gains or losses in the value of foreign denominated cash balances held by the Group at the reporting date. These foreign cash balances are held to settle expenses arising in future periods in the same currencies.

Underlying Profit Margin is calculated as UP divided by revenue.

NORMALISED EARNINGS PER SHARE (NORMALISED EPS)

Normalised EPS represents earnings per share calculated as dividing UP by the weighted average number of ordinary shares outstanding during the period. Normalised EPS provides a more comparable figure when analysing profitability on a per share basis across financial periods.

NET CASH

Net cash represents cash less overdraft balances, term loans and notes outstanding.

19 PROPERTY, PLANT, AND EQUIPMENT

	Buildings USD'000	Machinery, motor vehicles, furniture and equipment USD'000	Leasehold improvements USD'000	Total USD'000
Cost:				
At 1 January 2018	6,011	6,010	126	12,147
Additions	3,690	4,668	325	8,683
Acquired on business combination	17	52	-	69
Disposals	(113)	(215)	-	(328)
At 31 December 2018	9,605	10,515	451	20,571
Depreciation:				
At 1 January 2018	560	2,391	26	2,977
Charge for the year	330	951	29	1,310
Relating to disposals	(2)	(109)	-	(111)
At 31 December 2018	888	3,233	55	4,176
Net carrying amount:				
At 31 December 2018	8,717	7,282	396	16,395

	Buildings USD'000	Machinery, motor vehicles, furniture and equipment USD'000	Leasehold improvements USD'000	Total USD'000
Cost:				
At 1 January 2017	3,952	5,057	65	9,074
Additions	2,059	1,285	61	3,405
Disposals	-	(332)	-	(332)
At 31 December 2017	6,011	6,010	126	12,147
Depreciation:				
At 1 January 2017	326	1,846	16	2,188
Charge for the year	234	691	10	935
Relating to disposals	-	(146)	-	(146)
At 31 December 2017	560	2,391	26	2,977
Net carrying amount:				
At 31 December 2017	5,451	3,619	100	9,170

20 INVENTORIES

	2018 USD'000	2017 USD'000
Materials and consumables	3,241	1,786
Goods-in-transit	1,022	874
	4,263	2,660

There was no provision recognised in relation to inventory as at 31 December 2018 (2017: nil).

21 ACCOUNTS RECEIVABLE, DEPOSITS, AND OTHER RECEIVABLES

	2018 USD'000	2017 USD'000 Restated
Trade receivables	9,992	6,214
Accrued revenue	3,393	4,176
Deposits	213	180
Prepayments	584	1,404
Other receivables	1,780	695
	15,962	12,669

Trade receivables are non-interest bearing and are generally on terms of 30 days. As at 31 December 2018 no trade receivables were impaired (2017: nil).

During the year 100% of accrued revenue was subsequently billed and transferred to trade receivables from the opening unbilled balance in the period (2017: 100%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018 USD'000	2017 USD'000
Neither impaired nor past due	5,912	1,270
Not impaired but overdue by less than 30 days	3,249	1,200
Not impaired but overdue by between 30 and 60 days	285	792
Not impaired but overdue by more than 60 days	546	2,952
	9,992	6,214

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.

22 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of financial position comprised of cash at bank of USD 27,804,000 (2017: USD 7,469,000). Of the total balance of cash and cash equivalents, USD 1,719,000 (2017: USD 2,000,000) represents restricted cash.

The balance of restricted cash held by the Group at 31 December 2018 relates to cash held in Group bank accounts which cannot be withdrawn on demand. The balance of restricted cash held by the Group at 31 December 2017 relates to cash margin provided to a commercial bank against the issuance of a guarantee to a subsidiary. Due to the respective terms, restricted cash is considered to be liquid.

23 SHARE CAPITAL

	2018 USD'000	2017 USD'000
<i>Authorised, issued and fully paid</i>		
173,575,741 shares (2017: 10 shares) of GBP 0.10 (2017: AED 100,000) each	24,300	272
Additional contributed capital	-	1,809

Additional contributed capital did not carry interest and was payable to the Shareholders only upon the liquidation of the Group.

24 TERM LOANS AND NOTES

	1 January 2018 USD'000	Cash flows USD'000	Other USD'000	31 December 2018 USD'000
Current:				
Term loans and notes	1,861	(1,867)	6	-
Non-current:				
Term loans and notes	6	-	(6)	-

	1 January 2017 USD'000	Cash flows USD'000	Other USD'000	31 December 2017 USD'000
Current:				
Term loans and notes	2,011	(728)	578	1,861
Non-current:				
Term loans and notes	584	-	(578)	6

In 2017 the term loans carried interest rates ranging from LIBOR plus 5.50% per annum to LIBOR plus 8.76% per annum. The term loans were fully settled during the prior year.

Notes carried a fixed interest rate ranging from 5.50% (guaranteed notes) to 8.00% (unguaranteed notes) per annum. The terms of the notes were 10 or 18 months and principal was repaid as a bullet payment upon maturity. Interest was paid on a quarterly basis, semi-annual basis, or at maturity, at the option of the investor. The guaranteed notes were 80% principal guaranteed through insurance.

25 EMPLOYEES' END OF SERVICE BENEFITS

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

	2018 USD'000	2017 USD'000
As at 1 January	251	189
Provided during the year	116	283
End of service benefits paid	(17)	(221)
As at 31 December	350	251

26 ACCOUNTS PAYABLE AND ACCRUALS

	2018 USD'000	2017 USD'000 Restated
Accounts payable	3,440	1,635
Accrued expenses	1,412	1,942
Customer advances	28	1,172
	4,880	4,749

All customer advances recorded at 31 December 2017 were subsequently recognised as revenue in 2018 and all customer advances held at 31 December 2018 are expected to be recognised as revenue in the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

27 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 (vehicle loans and notes).

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 2018, the Group held foreign cash and cash equivalents of GBP 4,432,000 (USD 5,624,000). UK pound sterling is primarily held by the Group to settle payment obligations denominated in GBP. As at 31 December 2017, the Group held GBP 319,000 (USD 430,000).

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 banks and with respect to customers by only dealing with credit worthy customers and continuously monitoring outstanding receivables. Its 5 largest customers account for 78% of outstanding accounts receivable at 31 December 2018 (2017: 95%).

Revenue split by customer

	2018 %	2017 %
Customer A	30	59
Customer B	26	12
Customer C	13	11
Other	31	18
	100	100

No material credit risk is deemed to exist due to the nature of the Group's customers.

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.

Liabilities falling due within 12 months are recognised as current on the consolidated statement of financial position. Liabilities falling due after 12 months are recognised as non-current.

The unutilised bank overdraft facilities at 31 December 2018 amounted to USD 2,000,000 (2017: USD 2,000,000) and carry interest of 1.50% per annum (2017: 1.50%). The facilities require a cash margin guarantee to be paid upfront; 100% margin for USD drawdowns and 120% margin for GBP drawdowns.

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 2018.

Capital comprises share capital, share premium, merger reserve, share based payment reserve and retained earnings and is measured at USD 59,541,000 as at 31 December 2018 (2017: USD 25,101,000).

28 OPERATING LEASE COMMITMENTS

Commitments under non-cancellable operating leases at the current rates approximate to the following:

	2018 USD'000	2017 USD'000
<i>Future minimum lease payments:</i>		
Within one year	336	245
After one year but not more than five years	1,298	979
More than five years	1,522	1,714
	3,156	2,938

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.

On 1 January 2018, the Group acquired 100% ownership of RA SB Ltd. from one of its Shareholders, who is also a member of key management. See note 10 for further details.

There were no outstanding balances with related parties included in the consolidated statement of financial position at 31 December 2018 (2017: nil).

30 COMPENSATION

COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	2018 USD'000	2017 USD'000
Short-term benefits	1,367	662
Stock based compensation	1,672	-
	3,039	662

The key management personnel comprise of 5 (2017: 2) individuals. Included in key management personnel are 3 (2017: 2) Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

COMPENSATION OF DIRECTORS

The remuneration of Directors during the year was as follows:

	2018 USD'000	2017 USD'000
Short-term benefits	1,071	662
Stock based compensation	569	-
	1,640	662

HIGHEST PAID DIRECTOR

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

	2018 USD'000	2017 USD'000
Short-term benefits	276	560
Stock based compensation	569	-
	845	560

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.

31 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 16 LEASES

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees — leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Group will continue to assess the potential effect of IFRS 16 on its financial statements and is yet to quantify the anticipated impact of the adoption of IFRS 16. Please refer to note 28 for an indication of the Group's current operating leases.

Transition to IFRS 16

The Group plans to adopt IFRS 16 retrospectively to each prior reporting period presented.

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.

32 SUBSEQUENT EVENTS

Subsequent to year end, the Group expanded its operations in Mozambique, through acquiring a parcel of land in Northern Mozambique. Additionally, the Group purchased a 49% shareholding in Royal Food Solutions S.A, a family-owned Mozambique based provider of integrated facilities management services.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 USD'000
Assets		
Non-current assets		
Investments	4	50,047
Current assets		
Trade and other receivables	5	361
Cash and cash equivalents		669
		1,030
Total assets		51,077
Equity and liabilities		
Equity		
Share capital	8	24,300
Share premium		18,254
Merger reserve		9,897
Share based payment reserve		16
Retained earnings		(1,561)
Total equity		50,906
Current liabilities		
Trade and other payables	6	171
Total equity and liabilities		51,077

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 1,561,000.

The financial statements of the Company (registration number 11252957) were approved by the Board of Directors on 10 April 2019 and signed on its behalf by:



Soraya Narfeldt
CEO



Andrew Bolter
CFO

The attached notes 1 to 9 form part of the Financial Statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital USD'000	Share Premium USD'000	Merger Reserve USD'000	Share Based Payment Reserve USD'000	Retained Earnings USD'000	Total USD'000
As at 1 January 2018	-	-	-	-	-	-
Preference shares issued on incorporation	70	-	-	-	-	70
Issue of share capital on reorganisation	19,884	-	-	-	-	19,884
Share exchange	-	-	9,897	-	-	9,897
Issue of share capital on Admission	4,416	18,254	-	-	-	22,670
Share based payments	-	-	-	16	-	16
Redemption of preference shares	(70)	-	-	-	-	(70)
Total comprehensive income for the period	-	-	-	-	(1,561)	(1,561)
As at 31 December 2018	24,300	18,254	9,897	16	(1,561)	50,906

The attached notes 1 to 9 form part of the Financial Statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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), 38(c), 38(d) and 134-136 of IAS 1 Presentation of Financial Statements;
- (d) IAS 7 Statement of Cash Flows;
- (e) 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) 17 of IAS 24 Related Party Disclosures;
- (g) 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
- (h) 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.

3 EMPLOYEE EXPENSES

The average number of employees employed during the period was:

	2018
Directors	4

The aggregate remuneration of the above employees was:

	2018 USD'000
Wages and salaries	203
Social security costs	23
	226

4 INVESTMENTS

	2018 USD'000
<i>Cost and net book value</i>	
On incorporation	-
Acquisition of RA International FZCO	29,781
Additional capital in RA International FZCO	20,266
	50,047

The Company owns 100% of the issued share capital of RA International FZCO, registered and incorporated in the UAE.

The Company's principal activity is that of a holding company.

5 TRADE AND OTHER RECEIVABLES

	2018 USD'000
Prepayments	16
Due from subsidiary	297
VAT recoverable	48
	361

6 TRADE AND OTHER PAYABLES

	2018 USD'000
Trade payables	87
Accruals	84
	171

7 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.

8 SHARE CAPITAL

	2018 Number	2018 USD'000
<i>Authorised, issued and fully paid:</i>		
Ordinary shares of GBP 0.10 each	173,575,741	24,300

9 SUBSEQUENT EVENTS

There were no subsequent events relating to the Company post 31 December 2018.

SHAREHOLDER INFORMATION

CORPORATE INFORMATION:

REGISTERED OFFICE

One Fleet Place
London
EC4M 7WS

WEBSITE

www.raints.com

REGISTERED NUMBER

11252957

LEGAL ENTITY

IDENTIFIER CODE

213800N6RTATELJU6797

LISTING INFORMATION

AIM, London
Symbol: RAI

DATE OF ANNUAL GENERAL MEETING

24 June 2019

ADVISERS:

NOMINATED ADVISER AND BROKER

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COMPANY SECRETARY

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RG6 1PT

SHAREHOLDER QUERIES:

The investors section of our website contains a wide range of information of interest to institutional and private investors, including: latest news and press releases, annual reports, investor presentations and sustainability reports.

For specific Investor queries please email:

rainternational@hudsonsandler.com



