



THINK
CAVERTON

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of **CAVERTON OFFSHORE SUPPORT GROUP PLC** will be held at the Southern Sun Hotel, Ikoyi, Lagos, Nigeria on 23rd May, 2013 at 11a.m to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December 2012 together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To re-elect the Joint Auditors
4. To authorize the Directors to fix the remuneration of the Auditors
5. To approve Directors remuneration

NOTES:

A. PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. Proxies need not be members of the Company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrars, United Securities Limited, 10 Amodu Ojikutu Street, Victoria Island, Lagos not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

B. DIVIDEND

If approved, dividend will be payable by direct payment (via e-dividend) to the respective bank accounts of the shareholders on 24th May, 2013 and the dividend warrant to the shareholders who have not completed the e-dividend Mandate Form shall be posted by 27th May, 2013 to the members whose names appear in the Register of Members. In line with the foregoing, shareholders are encouraged to complete the Mandate Form for the payment of the e-dividend and send same to the Registrars.

DATED THIS 3rd DAY OF MAY 2013

BY ORDER OF THE BOARD



Modupe Omojafor
Company Secretary

Directors, Professional Advisers, Etc.

Directors

Mr. Aderemi Makanjuola - Chairman
Mr. Olabode Makanjuola
HRM King Edmund Daukoru
Mr. Adeniyi Makanjuola
Mr. Sola Falola
Mr. David Vickers - British
Mallam Bello Gwandu
Mr. Bashiru Bakare
Mr. Akin Kekere-Ekun

Registration Number

RC 750603

Corporate Office

1, Prince Kayode Akingbade Close
Off Muri Okunola Street
Victoria Island
Lagos, Nigeria

Solicitors

Messrs. G. Elias & Co. (Barrister and Solicitor) NCR Building (6th Floor) 6, Broad Street Lagos, Nigeria	Probitas Partners & Co (Barrister and Solicitors) 70 Queens Road Off Herbert Macaulay Way Yaba, Lagos, Nigeria
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Joint Auditors

Messrs Ernst & Young 2A Bayo Kuku Road Ikoyi, Lagos Nigeria	ECN + CO (Chartered Accountants) 65, Oshodi road Dolphin Estate, Ikoyi Nigeria
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Bankers

Mainstreet Bank Limited
Zenith Bank Plc
Access Bank Plc
Keystone Bank Limited

Financial Highlights

For The Year Ended 31 December 2012

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Turnover	16,132,083	10,928,865	495,000	410,075
Profit before exceptional item and taxation	1,447,027	309,156	427,750	379,277
Exceptional item	391,362	-	-	-
Taxation	(802,971)	(248,783)	(144,737)	(121,523)
Profit after exceptional item and taxation	1,035,418	60,373	283,013	257,754
At year end				
Fixed assets	12,227,046	6,119,255	2,057	4,452
Net current assets	12,929,982	9,622,004	4,601,427	83,471
Paid-up share capital	1,675,255	1,675,255	1,675,255	1,675,255
Share premium	6,616,991	6,616,991	6,616,991	6,616,991
Revenue reserve	1,511,274	360,967	324,597	309,625
Shareholders' funds	9,886,539	8,725,878	8,616,843	8,601,871
Per Share Data				
Earnings per share	31k	0.02k	0.08k	0.08k
Fixed assets per share	365k	183k	-	-
Net assets per share	295k	260k	257k	257k
Employees				
Number of employees	610	506	-	-

Chairman's Statement Directors Report





Aderemi M. Mekanjuola
Chairman Caverton Offshore Support Group

Chairman's Statement

Fellow Shareholders, Distinguished Ladies and Gentlemen; Gentlemen of the Press,

It gives me great pleasure to welcome you to the Fourth Annual General Meeting (AGM) of our Company - The Caverton Offshore Support Group. Kindly permit me to present to you our Annual Report and Financial Statements for the financial year ended 31st December 2012 and our outlook for the new financial year 2013.

Overview and Business Environment

Global, Sub Saharan and Domestic Economy barely two years of uneven recovery following from the global financial crisis, the world economy teetered on the brink of another major downturn this time brought on by the severe weakening / near collapse of the major European economies of Greece, Spain, Italy and France.

The resulting slow growth in these economies in addition to the Eurozone's attempt at stabilizing these economies through various forms of debt further heightened concerns of solvency within the affected countries and its knock on implication for global business.

In Sub-Saharan Africa, headwinds from the slowing global markets impacted the region through slower trades, reduced tourism and weaker capital flows. However, an increase in intra-African investment from countries like

Nigeria, South Africa and Kenya did well to keep the economic activity in the region at reasonable levels.

The near term outlook for the region therefore remains broadly positive as most low income countries are projected to continue to grow, supported by domestic demand partly fuelled by investments. The exception though being the middle-income economies such as South Africa, which are more closely integrated with the European economies and thus will experience a greater degree of drag from mishaps in their financial markets.

In Nigeria, 2012 GDP growth estimate of 6.77% was a 0.9% reduction, compared to the 7.67% of 2011. Despite these figures, we believe it represents a strong finish to a year that witnessed numerous challenges ranging from tight monetary policies and insignificant progress on anticipated reforms, to floods during the year and the civil unrest in January occasioned by the fuel subsidy removal.

In other areas, power supply, despite the Government's ebullient assessment of the situation, reports prove that the situation actually worsened in 2012 in most parts of the country. And finally, menace of Boko-Haram and its summary threat to security in Nigeria and the African continent.

In Nigeria, 2012 GDP growth estimate of 6.77% was a 0.9% reduction, compared to the 7.67% of 2011.

Chairman's Statement contd

For 2013, a stronger GDP growth is expected and significantly so, as it will be driven primarily by growth in the non-oil sector (agriculture, telecoms, manufacturing, construction, retail etc), the conclusion of reforms, privatization efforts in the Petroleum industry ("PIB"), and the transfer of assets in the Power sector privatization efforts

Company Performance

I would like to present to you the company's performance from the financial perspective.

Our Company's 2012 financial year performance was indeed inspiring and was achievable with the support of our growing customer base and stakeholders in spite of the tough operating environment and financial crisis plaguing the aviation sector. Your company recorded an appreciable Turnover growth of 47.6% from ₦10.928Billion in 2011 to ₦16.132Billion in 2012. The company's Profit Before Tax at the 2012-year end stood at ₦1.035Billion as against ₦60.373Million in 2011 representing an exponential growth of 1.625%.

The recorded increase in both Turnover and PBT was due to the positive impact of the revenues generated on our new fleet of aircraft deployed into our existing contracts.

Operating cost increased by only 12.1% from ₦6.201Billion in 2011 to ₦6.952Billion in 2012.

This was achieved by our Group's cost containment policies adopted in the reported financial year.

Shareholders funds employed also increased by 13.2% in balance sheet size from ₦8.653Billion in 2011 to ₦9.803Billion in 2012.

Dividend

We remain committed to our policy of consistently achieving increased returns and the growing shareholder value which is evidenced by the results for the year ended December 2012. The Board of Directors of your company is pleased to recommend a dividend of 9.5 Kobo for every ₦1.00 ordinary share held for your consideration and kind approval. This is however subject to appropriate withholding tax.

If the shareholders approve this recommendation at this Annual General Meeting, the payment is equivalent to cash sum of ₦318.3Million (gross). The adoption of this cautious approach of low dividend payout by your Board of Directors is in view of our belief to conserve funds for future growth and expansion, which will translate to greater advantages for our company in the not so distant future.

Our Company's 2012 financial year performance was indeed inspiring and was achievable with the support of our growing customer base.

Chairman's Statement contd

Directorate

The Board of Directors of your company comprises nine (9) members. The Board determines the purpose and values of the Group and ensures that the strategy to achieve the purpose and values are implemented. The Board also ensures that procedures and practices are in place to safeguard the Groups assets and reputation.

Members of your Board of Directors have in the last couple of years benefitted from the training value and corporate exposure of the annual CHC Helicopter Safety Summit that holds in Vancouver, Canada in the month of March. The summit is non-profit event dedicated entirely to flight safety that attracts aviation companies ranging from international airlines to small helicopter operators. In addition, Caverton Helicopters has also for the past couple of years, had one of its Directors serve as one of the speakers at the summit.

The Board Members will continue to provide invaluable support and encouragement in the future for the overall benefit of our company.

Future Business Outlook

2013 promises to be an eventful year. With our contract for additional three AW139 aircraft from AgustaWestland in December 2012 to support our clientele in the West African sub-region, we

expect to take delivery of 2 new AW139 helicopters in 2013. The first will be deployed to servicing our newly won Total Upstream contract while the second will be deployed as an additional aircraft into the existing Shell contract. We have also taken delivery of a DHC6-400 aircraft for Shell which operation will commence in Q2 2013.

Caverton Marine in conjunction with RK Offshore Management PTE Ltd, a leading owner, supplier and operator of marine equipment based in Singapore have joined forces and now operate as CavertonRK. The new venture is well positioned to convert opportunities for full participation in the provision of logistics to both National and International Oil Companies within sub-Saharan Africa.

Entirely new initiatives will also be taken in 2013 in preparation of the signing into law of the Petroleum Industry Bill (PIB). We understand the need to keep an eye on the long game and definitely have a sense that now is the time to position ourselves. Our focus will be on enhancing our understanding of our customer needs and improving our relationships with them through provision of adaptive solutions.

Staff Development

Our people remain our major source of value and their skills, professionalism and expertise play an

The Board Members will continue to provide invaluable support and encouragement in the future for the overall benefit of our company.

Chairman's Statement contd

integral part in achieving our vision to be a one-stop aviation service provider in the area of aircraft and marine transportation services.

Our continuing promotion of local content is yielding desired results in our Employment and Training Plan which would gradually see the 75% minimum local content target realized without compromise to the safety and quality of service provided to clients. This is in full compliance to the National Content Development (NCD) Act signed into law in 2010 which was designed primarily to encourage the core development of technical expertise amongst Nigerian Nationals.

We remain strategically positioned in the Nigerian oil and gas support industry to encourage the realisation of the act. To this end, we presently run cadet-training programs for both trainee pilots and trainee licensed aircraft engineers. To date during the 2-3 year period of our full involvement in the oil and gas support industry, we have completed the training of approximately 12 pilots, with several more at different stages of their training programme. In addition, we presently have 6 trainee aircraft engineers carrying out their basic licensed aircraft engineers course at the Nigerian College of Aviation Technology, Zaria with the next set billed to commence training later on in this year.

Our staff strength continues to increase with the employment of both technical and non-technical

professionals in their respective fields from all over the world to add value to our businesses and we make bold to mention that our staff include highly skilled Nigerians who can work anywhere in the world as our investment in their training and development locally and internationally ensures they remain among the best in the industry.

Corporate Social Responsibility

Your company reiterates its commitment to the unwavering effort in making positive contributions towards the improvement of quality of life by affecting people, the environment and supporting growing government efforts at improving the well being of the citizenry.

Our Corporate Social Responsibility (CSR) projects in 2012 included support to "Seeing is Believing" Initiative by Standard Chartered Bank towards building capacity to combat blindness in local areas, support to the American Foundation for AIDs Research (AMFAR), Nigerian Association of Master Mariner (NAMM), the Women's Guild Auxiliary of Cathedral Church of Christ and the Ile Aanu Olu Pre School for Physically Challenged Children.

The construction of a 500-seater Lecture Hall at the School of Agriculture and Agric Technology at the Federal University of Minna in Niger State should be completed and commissioned in the 2013 financial year.

Our continuing promotion of local content is yielding desired results in our Employment and Training Plan which would gradually see the 75% minimum local content target realized.

Chairman's Statement contd

Your company also stands committed to partaking in novel initiatives that will improve social welfare and have a positive impact on the lives of Nigerians.

Appreciation

Distinguished shareholders, permit me to use this opportunity to express our sincere appreciation to all our indispensable partners in the business, our customers, our regulators, counterparties and business partners whose contribution and patronage is the main reason for our existence and whose confidence in our company spurs us to deliver innovative solutions and excellent service.

Safety in our workplace cannot be over-emphasized, as it is our core business value that continues to guarantee our existence, customer patronage and value to our shareholders. Our investment in safety is continuous and our initiative in this area has endeared us to our prime clientele base.

May I also express my gratitude to you, our Shareholders. The individual and collective strength of our brands gives impetus to our identity in our areas of businesses while your support and understanding propel our daily engagements.

I extend my thanks to the Board, Management and Staff of our company who despite the intemperate operating environment, were able to, once again engender an encouraging financial performance. I must however remind them that much as there are tasks ahead laden with huge prospects, they will prove challenging and require a lot of perseverance and focus. They must therefore continue to render safe and quality value added service in keeping with our tradition of promoting growth for our shareholders at all times

Thank you.



Aderemi M. Mekanjuola

Chairman, Caverton Offshore Support Group

Distinguished shareholders, permit me to use this opportunity to express our sincere appreciation to all our indispensable partners in the business

Directors



L - R

1. Mr. Akinsola Falola, 2. Mr. Adeniyi Makanjuola, 3. Mallam Bello Gwandu, 4. Mr. Dave Vickers
5. Mr. Aderemi Makanjuola, 6. HRM King Edmund Daukoru, 7. Mr. Akin Kekere Ekun,
8. Mr. Bashiru Bakare, 9. Mr. Olabode Makanjuola

Directors' Report



Report of The Directors

For The Year Ended 31 December 2012

The Directors have pleasure in presenting their report on the affairs of Caverton Offshore Support Group Plc ("the Company") together with its subsidiaries ("the Group") and the consolidated audited financial statements of the Group and Company for year ended 31 December 2012.

Legal Form

Caverton Offshore Support Group Plc was incorporated in Nigeria as a private limited liability company on the 2 June 2008 and became a public limited liability company on 4 July 2008. The certificate of incorporation number of the company is RC 750603.

Principal Activity

The principal activity of the Company is the provision of offshore services to the oil and gas industry. It commenced business on 1 July 2008.

State of Affairs

In the opinion of the Directors, the state of the Company's affairs is satisfactory and there has been no material change since the date of the balance sheet.

	Group 2012 N'000	Company 2012 N'000
Turnover	16,132,083	495,000
Profit before exceptional item and taxation	1,447,027	427,750
Exceptional item	<u>391,362</u>	<u>-</u>
Profit after exceptional item and before taxation	1,838,389	427,750
Taxation	<u>(802,971)</u>	<u>(144,737)</u>
Profit after exceptional item and taxation	1,035,418	283,013
Non-controlling interest	<u>(10,354)</u>	<u>-</u>
Attributable to members	<u>1,025,064</u>	<u>283,013</u>

The Directors recommend the payment of dividend of 9.5 kobo per share for the year ended 31 December 2012 (2011: 8 kobo per share).

Report of The Directors contd

Directors' Interests In Shares

The interests of the directors are stated in the Memorandum and Articles of the company. The following directors of the company held office during the period and had interest in the shares of the company as follows:

Number of ordinary shares of 50k each held as at 31 December 2012

Aderemi Makanjuola - Chairman	354,555,975
Olabode Makanjuola	50,005,000
Adeniyi Makanjuola	50,005,000
Sola Falola	20,000,000
HRM King Edmund Daukoru	15,000,000
David Vickers	45,000
Mallam Bello Gwandu	10,000,000
Bashiru Bakare	20,000,000
Akin Kekere-Ekun	30,000,000

Retirement of Directors

All the directors retire by rotation and being eligible, offer themselves for re-election.

Directors' Interest In Contracts

None of the Directors has notified the Company for the purpose of section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any discloseable interest in contracts with which the Company is involved as at 31 December 2012.

Shareholding Structure

The issued and fully paid share capital of the Company as at 31 December 2012 was beneficially owned as follows:

	Number of Holders	Holdings	%
Foreign	7	4,140,000	0.12
Corporate Body	26	2,658,509,025	79.35
Individuals	288	687,860,725	20.53
	321	3,350,509,750	100.00

Report of The Directors contd

Employment of Disabled Persons

The company has a non-discriminatory policy on the consideration of applications for employment, including those received from disabled persons. All employees are given equal opportunities to develop themselves. The company's policy is that the highest qualified and most experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

Employees Involvement And Training

The company places a high premium on the development of its manpower and consults with employees on matters affecting their well being. Formal and informal channels of communication are employed in keeping staff abreast of various factors affecting the performance of the company.

Health, Safety At Work And Welfare Of Employees

Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations.

Charitable contribution and donation

The company made a donation of N25,258,000 to charitable organizations during the year (2011: N9,402,000).

Financial Commitments

The Directors are of the opinion that all known liabilities and commitments have been taken into account. These liabilities are relevant in assessing the company's state of affairs.

Post Balance Sheet Events

As stated in Note 29, no events or transactions have occurred since the balance sheet date which would have a material effect on the consolidated financial statements as presented.

Format of The Financial Statements

The consolidated financial statements are presented in accordance with the reporting and presentation requirements of the Companies and Allied Matters Act, CAP C20 laws of the Federation of Nigeria 2004. The Directors consider that the format adopted is the most suitable for the Company.

Report of The Directors contd

Auditors

Messrs Ernst & Young and ECN + CO have jointly expressed their willingness to continue in office as the Company's auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

BY ORDER OF THE BOARD



Modupe Omojafor

Company Secretary

FRC/2013/NBA/00000002397

2 May, 2013

Statement of Directors' Responsibilities

For The Year Ended 31 December 2012

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the directors to prepare consolidated financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Statements of Accounting Standards issued by Financial Reporting Council of Nigeria and the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

The directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 31 December 2012. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.



Chairman



Managing Director

2 May, 2013

Independent Auditors' Report

To The Members of Caverton Offshore Support Group Plc



Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Caverton Offshore Support Group Plc and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2012, consolidated profit and loss account, consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the relevant standards issued by Financial Reporting Council of Nigeria and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

Independent Auditors' Report Contd

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


Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Caverton Offshore Support Group Plc and its subsidiaries as at 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the relevant standards issued by Financial Reporting Council of Nigeria and provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

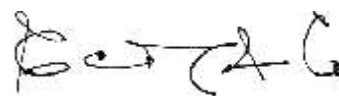
- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii) the Company's consolidated balance sheet and consolidated profit and loss account are in agreement with the books of account;
- iv) in our opinion, the consolidated financial statements have been properly prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 so as to give true and fair view of the state of affairs and profit of the company and its subsidiaries.



Lagos, Nigeria.

2 May, 2013

FRC/2012/ICAN/00000000138



Lagos, Nigeria.

2 May, 2013

FRC/2013/ICAN/000000001886





Statement of Significant Accounting Policies

For The Year Ended 31 December 2012

The following is a summary of the significant accounting policies applied in the preparation of the consolidated financial statements.

1. Basis of Accounting

The consolidated financial statements are prepared under the historical cost convention as modified by the revaluation of tangible assets.

2. Turnover

Turnover represents the net value of services rendered to third parties. Income and all related expenses are recognized on an accrual basis.

3. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

4. Fixed Assets

Fixed assets are stated at cost/valuation less accumulated depreciation. Depreciation is calculated to write-off the cost of fixed assets on the straight line basis over the estimated useful life of the asset at the following annual rates:

	%
Building and structures	5
Aircraft	10
Vessels	5
Plants and machinery	20
Aircraft equipment	20
Motor vehicles	33.3
Furniture, fittings and office equipment	25

5. Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the official rates of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at year end rate of exchange. The resulting exchange gains and losses are included in the profit and loss account.

Statement of Significant Accounting Policies contd

6. Stocks

Stocks are valued at the lower of cost and net realizable value on the First in First out (FIFO) basis.

7. Debtors

Debtors are stated after deduction of specific provision for any debt considered to be doubtful of collection.

8. Deferred Taxation

Deferred income tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax. The principal temporary differences arise from depreciation of fixed assets.

9. Provisions

A provision is recognized only if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

10. Pension

The Company operates a pension scheme in line with the Pension Reform Act 2004. The employees and Company each contribute 7.5%. The benefits under the scheme are generally related to employees' length of service and remuneration. The Company's contributions are accrued and charged to the profit and loss account while that of the employees is deducted through the payroll. The fund is being managed by IBTC Pensions Limited, Leadway Pensions Limited and ARM Pension Limited.

11. Taxation

Income tax expense is the aggregate of the charge to the profit and loss in respect of current income tax, education and deferred tax.

Income tax is the amount of tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA). Education tax is assessed at 2% of the chargeable profits

Statement of Significant Accounting Policies contd

12. Consolidation

Subsidiaries are defined as those entities in which the company holds more than 50% of the voting rights and or has effective and unrestricted control of the day to day operations of the entity. Associates are defined as those entities in which the company holds at least 20% of the voting rights and exercises significant influence over the day to day operations of the company.

The results of the entities defined as subsidiaries are consolidated into the results of the company using the acquisition method.

The results of entities defined as associates are accounted for using the equity method in which the company recognizes its share of the net assets and profits of the entity as the value of the associate. The recognition of profits is defined as the share of profit before taxation less its share of taxation and including its share of any extraordinary profits or losses.

Balances arising as a result of transactions between the subsidiary and the company are treated under current assets and or liabilities as appropriate and are eliminated on consolidation of the results of the subsidiary.

13. Investment

Investment in subsidiary company as stated at cost. Short-term investments are stated at the lower of cost net realizable value.

14. Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Statement of Significant Accounting Policies contd

15. Interest Income

Interest received on current account balances with banks is recognized in the profit and loss account in the period in which they are earned. Interest income from investments is accrued on a time basis.

History and Business Corporate Governance Report



History and Business

Of Caverton Offshore Support Group

Incorporated on 02 June, 2008, The Caverton Offshore Support Group, is a whollyowned Nigerian Company operating in the Marine and Aviation Logistics segments of the Nigerian Oil and Gas industry.

The Group was formed to acquire Caverton Marine Limited and Caverton Helicopters Limited thereby creating a formidable platform for capturing the enormous opportunities present in the off-shore support services sector of the oil and gas industry. The group was also formed with the intention to become the first fully integrated offshore support company in Africa, which is able to provide “END-TO-END” services to its clients and other major players within the industry.

In response to the Nigerian Government's policy to substantially increase the participation of Nigerians in the provision of services to, and therefore involvement in, the Nigerian oil and gas industry (the “Local Content Policy”) the key objective of the Group is to create an indigenous company that will attain premier status in the ownership and operation of premium offshore oilfield assets.

The Group plans to achieve its strategic objectives by drawing from both global offshore experience acquired from its strategic partners as well as the service delivery competence of its member companies.

Caverton Group's commitment to the local content drive of the Nigerian Government is reflected in its well-articulated manpower development plan which is currently being implemented. In addition, the Group plans to substantially utilize local resources and facilities in its service delivery platform. The Group will continue to trade on the Cabotage register as well as continue to empower Nigerians by aiding indigenous capacity development through exposure to global standards and practices in the aviation and maritime sectors of the Nigerian economy.

Vision , Mission And Corporate Philosophy

The Group's Vision, Mission and Corporate Philosophy are driven by the necessity to create a company that will attain pioneer status in the ownership and operation of premium offshore oilfield assets. This goal is aptly captured in its Vision, Mission and Corporate Philosophy statements below:

Vision

“To provide the safest and most efficient integrated Oil and Gas Logistics Support services in Sub Saharan Africa”.

History and Business contd

Mission

“To provide reliable and efficient customer-tailored products and services for our clientele through the use of highly trained personnel aided by advanced technology and sound technical expertise, while continuously striving to maintain the highest sense of ethical standards”.

Corporate Philosophy

The Caverton Group is committed to providing the highest quality of bespoke services to its clientele. Its goal is to raise and sustain standards in providing the services it offers, while meeting the demands of stakeholders with the society by contributing meaningfully to the environment in which it operates.

Caverton Helicopters Background and Tapped Opportunities

Caverton Helicopters was established in September 2002 as a charter, shuttle, sales and maintenance company and is a part of the Caverton Offshore Support Group which provides a variety of services in the aviation sector of the Oil & Gas industry.

Caverton Helicopters and Caverton Marine, which make up the group, together have provided services to clients working within the Nigerian oil and gas industry for a combination of 15 years and currently have a global workforce of over 500 employees.

Caverton Helicopters (CH) was initially set up to bridge the gap in the on-shore helicopter services. Since then, the company has ventured into the offshore aviation support service industry and has become a key player in the provision of various services to the major oil and gas companies. Caverton currently operates out of a 10,000 square metre flight facility at the Murtala Muhammed Airport in Lagos, a 9,000 square metre facility in Port Harcourt, Shell Facilities in Ogonu and Port Harcourt and also operates the only heliport in the Lagos Metropolis (Victoria Island). CH's focus and primary business is to provide logistics and environmental support services to Oil and Gas fields with broader plans to support energy operations as well as other ancillary support services along the West African shelf.

In 2005, following a strategy session with definition of the possible future roles for the company, CH decided to extend invitations to all the oil majors for yearly audit of the company with a view to highlighting gaps in quality, safety, processes and resources against benchmarks in the very high oil and gas standards. Shell, Mobil, Total, Chevron, Addax, Agip and other oil sector players have progressively audited the company and by 2009, CH passed the Shell audit. This was a defining moment for Caverton as Shell is the benchmark in aviation safety and quality standards. The refrain in the industry usually is, “if it is good for Shell, it is good for any other player”.

History and Business contd

In a strategic move and in order to enhance its capabilities and competencies, CH signed in 2009, two technical agreements with Heli Union of France and Dancopter of Denmark. This step was critical to assure the oil and gas majors of the determination of CH to make a distinctive impact in aviation logistics service provision as well as to provide a refreshing and positive alternative to the duopoly in the sector.

The massive break for Caverton was to come in May 2010 when Caverton in association with Dancopter was awarded a 5-year contract by Shell for provision of 6 x AW139 helicopters with a 2-year renewable option. The tender process was competitive and went through technical and commercial evaluation before Caverton was selected on the basis of her more attractive commercial proposition. This contract is the largest ever given to any national company in Nigeria by Shell. Given Shell's global reputation for very high safety and quality standards, it is safe to say that CH's strong attention to safety, quality and continuous improvement contributed in no small measure to the award and has made CH the largest fleet manager of the AW139 helicopter in sub Saharan Africa.

This has proved to be turning point for Caverton as it catapulted CH into the league of big players like Bristow and Aero. Caverton had to ramp up acquisition of scarce and capital-intensive material and human resources as Shell gave a 2-month notice to start the contract in July 2010. With this contract, Caverton has been able to raise the bars of helicopter availability, service integrity and quality to Shell and has positively impacted on Shell's delivery and productivity capabilities. As a fully indigenous player in the hitherto foreign interest dominated sector, CH has confirmed the mantra that given the opportunity, Nigerians can excel and do Nigeria proud in all facets of the economy. Caverton is fast-tracking the national content policy by ensuring that Nigerians are trained and given the pride of place in recruitment into high technical management positions

In March 2011, Caverton won a 3-year contract with a 2-year renewable option from Total Exploration and Production Nigeria Limited (TEPNG). The contract which started in April 2011 involved the deployment and operations of 3 helicopters in the Delta region. This goes further to confirm that the Shell contract award in 2010 was no fluke and that CH is set to be a dominant player in oil and gas aviation logistics.

In June 2012, AgustaWestland, appointed Caverton Helicopters as an AgustaWestland Authorized Service Centre for the AW139 intermediate twin helicopter in Nigeria and West Africa. Caverton's Service Centre based at its Lagos facility, provides maintenance and repair services and an extensive spare parts inventory for the AW139, offering an even greater level of service to AW139 operators across the region. With this development, Caverton becomes the first company to be so appointed by a major aircraft manufacturer in the West African sub-region.

History and Business contd

Caverton's vision is to be a leading provider of premium aviation services in sub-Saharan Africa. In consolidation of this vision, early in 2012, Caverton tendered and won in a highly competitive process, a contract from Cameroon Oil Transportation Company (COTCO, a subsidiary of ExxonMobil), Cameroon, for the provision of aviation logistics service in Cameroon. This contract is for 5 years with a 2 x 2 year (total of 9 years) renewable option. The contract commenced on March 1, 2012. This step serves to actualize Caverton's vision and to also put the Nigerian rotor aviation sector like its fixed wing component in the economic diplomacy advocacy of the Federal Government of Nigeria.

In December 2012, Caverton Helicopters signed a contract with AgustaWestland, a Finmeccanica company, for an additional three AW139 helicopters to support new clients in the West African sub-region. Caverton currently operates six AW139's offshore transport missions in support of the oil and gas industry in Nigeria and is the largest operator of the aircraft type in the region.

The Managing Director Business of AgustaWestland, Geoff Hoon, said at the signing ceremony "I am delighted Caverton Helicopters has ordered the AW139 to meet their requirements for a long range helicopter to serve deepwater oil and gas rigs.

This contract highlights the continued success of the AW139 in West Africa and grows our successful partnership with Caverton Helicopters, who are not only the largest operator of the type in the region but are also our authorised service centre."

The signing represented another major milestone for his company as it broadens its client base and will continue to increase its capacity in Africa.

In January 2013, Caverton Helicopters was awarded a contract by Total Upstream Nigeria Limited for the provision of helicopter transportation services using one AgustaWestland (AW) 139 aircraft. Cumulative operational period is for 36 months.

In February 2013, Shell again exercised the option to increase the number of AW139 helicopters on its contract to 7 by requesting for the provision of an additional AW139 helicopter.

Caverton Marine Background and Tapped Opportunities

Incorporated in July, 1999, Caverton Marine was established to provide maritime operation business and obtained required permits from the Nigerian Department of Petroleum Resources to operate in the oil industry as a service company specializing in "Marine/Special Transportation Services Provision of

History and Business contd

Tankers, Vessels, Boats, Barges and Allied Equipment". The permit allows Caverton to engage in the shipment of petroleum products.

Since inception, Caverton Marine Limited has rendered services to many organizations by providing supplies of hyster equipment and spare parts to the Nigerian Ports Authority, supply of petroleum products to Oando Plc, Total Fina Elf, African Petroleum, vessel charter services to Shell Trading and Shipping Company and Shell Petroleum Development Company via the use of its petroleum/LPG tankers: MV Awero, MT Ashabi and MT Lolade.

In response to the prevailing imbalance in the Petroleum Shipping Industry, the Federal Government encouraged the involvement of Nigerian shipping companies in the trade which culminated in the passage of a Cabotage Bill which took effect as from May 2004, thereby restricting the operations of marine vessels and the transportation of Petroleum products in the region to Nigerian owned Vessels. The passage of the Cabotage Bill continues to present significant opportunities to indigenous operators in the Nigerian maritime sector.

In 2006 following the Federal Government's mandate to the Nigeria LNG to devote a percentage of its gas exports for domestic market consumption to help the economy in ensuring sustainable supply of Liquefied Petroleum Gas (LPG) and solve the twin problems of high prices and scarcity, Caverton Marine was invited to contractually partner with NLNG in 2007 to provide a mother vessel to transport and store LPG from its Bonny Export Facility to coastal LPG depots in the country. The contract was executed in conjunction with BW Gas ASA of Norway, a company with proven track record for the provision of safe and reliable shipping services worldwide. The contract was for a 3 year tenor.

In 2010, Caverton Marine also entered into contractual agreement with the Pipelines and Products Marketing Company Limited (PPMC) to transport LPG produced at its Warri refinery to its depot at Apapa, Lagos.

As market innovator, Caverton Marine continues to expand and improve the services provided both within and beyond its core businesses. It is accomplished at partnering with other companies and customers around the world to achieve client objectives. The company's diversified commercial organization, financial flexibility and operational expertise provides international reach and resources for organizations choosing to broaden their business horizons.

History and Business contd

CML's plan is to aggressively pursue opportunities to partner with the International Oil Companies (IOC's) in (Anchor Handling Tugs) AHTS and offshore business as well as the Federal Governments plan to comprehensively reform the Oil & Gas sector via the execution of the (Petroleum Industry Bill) PIB.

To ensure that CML is well prepared to participate in the emerging opportunities, CML has formed a Joint Venture Company (JVC) with RK Offshore Ltd (a Singapore based shipping Company). This partnership draws on Caverton's strengths as a well established indigenous shipping company and RK's technical expertise and experience in the offshore service sector. The newly formed company CavertonRK aims to pursue an aggressive growth plan acquiring vessels to be engaged in the Gulf of Guinea and enable CML to participate fully in the upstream Oil & Gas/ marine business.

Caverton Marine primarily seeks to obtain and maintain a chartering profile with emphasis on the long-term contract markets with) operation in Nigeria. Our strategy is to profitably increase revenues and enhance shareholder value by:

- Developing and maintaining a large, diversified, technologically sophisticated fleet.
- Focusing on attractive international markets.
- Managing our risk profile through balance of short- and long-term charters.

Corporate Governance Report

COSG is committed to the best practices of Corporate Governance in all its operations and relationships with Shareholders and all other stakeholders in the strictest compliance to our core values of safety, quality, integrity, professionalism and value adding service delivery.

The Board of Directors who possesses the requisite qualifications and experience for their role as Directors of the Company drives the Corporate Governance structure of COSG.

The Board

The Board has the overall responsibility for approving and overseeing the implementation of the Company's strategic objectives, safety policies, corporate governance as well as providing oversight of senior management.

Composition of The Board

The Board comprises of the Chairman, four Executive Directors and four Non-Executive Directors.

Role of The Board

The Board executes its oversight functions by:

- Driving the strategic direction of the Company and approving corporate strategies and policies;
- Acting in the best interest of the Company, Employees, Shareholders and other Stakeholders;
- Ensuring that financial records and reports of the Company are prepared in accordance with statutory and accounting requirements
- Approving annual budgets and monitoring performance
- Approving major capital expenditure acquisitions
- Monitoring management performance
- Making effective use of Board Committees to ensure greater involvement of Directors in the affairs of the Company.
- Ensuring best practices of Corporate Governance.
- Creating and delivering sustainable Shareholder value .

Board Committees

The Board carries out its oversight functions through the under-listed committees:

Board Safety Committee

The Committee is made up 7 members. 3 Executive Directors, 2 Non-Executive Directors and 2 members of senior staff. The committee is charged with oversight of the safety and quality policies, initiatives and performance of the Company from a macro perspective.



Corporate Governance Report contd

Membership of The Committee:

- Mr. Bahiru Bakare (Chairman)
- Mr. Akinsola Falola
- Mr. Olabode Makanjuola
- Mr. Akin Kekere-Ekun
- Mr. Adeniyi Makanjuola
- Mr. Kofo Macaulay
- Capt. George Santos

Board Transformation & Implementation Committee

The Committee is made up of 7 members. The mandate of the committee is to outline and implement the Company's enterprise wide transformation project with the end to ensure the company's processes and procedures attain the ultimate level of productivity and efficiency.

Membership of The Committee:

- Mr. Bashiru Bakare (Chairman)
- Mr. Akin Kekere-Ekun
- HRM Dr. Edmund Daukoru
- Mr. Olabode Makanjuola
- Mr. Akinsola Falola
- Mr. Adeniyi Makanjuola
- Mr. Tolu Osunsanya

Board Operations Committee:

The Committee comprises of 6 members. The committee is tasked with overseeing the flight operations, technical procedures and training needs of the Company's operations.

Membership of The Committee:

- Mr. Adeniyi Makanjuola (Chairman)
- Mr. Akin Kekere-Ekun
- Mr. Akinsola Falola
- Mr. Charles De Mannoury
- Mr. Bertrand Brill
- Capt. George Santos

Relationship With Shareholders

COSG strives to maintain an effective and candid communication with its Shareholders on a regular and established basis. The Board therefore ensures that it is available to maintain satisfactory dialogue with the Shareholders and that notices of meetings and other information are duly communicated to the Shareholders.

The Caverton Helicopters Programme

for Compliance [2012]

Précis

Caverton Helicopters operates a fleet of over 21 Aircraft of various types of both helicopters and aeroplanes. The core business being, that of providing services to the oil and gas industry. Caverton Helicopters has since its inception, worked hard at developing and enacting an Employment and Training Plan which would gradually see the 75% minimum local content target realized without compromise to the safety and quality of services provided to its clients.

Employment and Training Needs

Pilots

Training as a pilot, qualified to operate commercially in the Oil and Gas industry is a highly capital and time intensive process. The result of this is an undersupply in the market of readily available and suitable employees.

It is evident from both the staffing levels and the achieved local content percentage of the Caverton pilot workforce that there is a need to train and hire more Nigerian pilots with less emphasis on new hires of non-nationals.

In order to address this shortfall, Caverton Helicopters commenced an active ab-initio pilot cadet training programme in January 2012 which trains selected and suitable Nigerians as pilots.

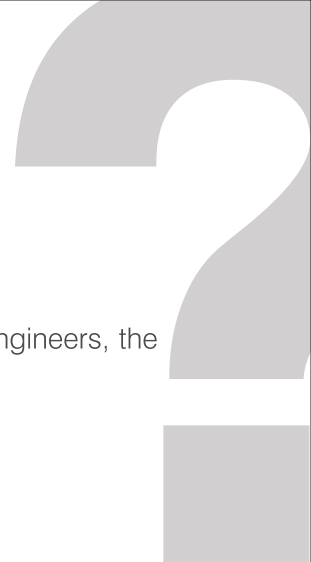
Also, in order to achieve the government target of 75%, there is a need to train up and/or hire a net minimum of 40 National Pilots (taking the natural attrition of present National Pilots into consideration) by the target date of Q2 of 2017. Thereafter, the company Employment and Training Plan has been reviewed so as to ensure full compliance with Clause 31(1) of the NCD Act.

To achieve these goals, Caverton Helicopters plans to train an average of 8 pilots annually.

- 2 Aeroplane Trainees
- 2 - 3 Female Trainees
- 2 Indigenous Trainees from areas the company operates in, out of the numbers above [In line with NCD Clause 28(2)]

Engineers

At the moment, Caverton Helicopters employs a training program which would see young candidates being trained anywhere from hangar hand level to becoming Licensed Aircraft Engineers.



The Caverton Helicopters Programme contd

Caverton Helicopters plans to train an average of 8 engineers annually. Of the 8 engineers, the annual group would be made up of approximately:

- 4 Airframe and Engine Trainees
- 2 Avionic Trainees
- 2 Indigenous Trainees from areas of company operations, out of the numbers above [In line with NCD Clause 28(2)]

Present Ab-Initio Training Status

Since Q1 2012, Caverton Helicopters has achieved the following status with NCD

Trainee Engineers

6 candidates are currently being trained at the Nigerian College of Aviation Technology (NCAT) Zaria. On completion of their training in September 2013 they will be awarded an LWTR (License without Type Rating).

The next step would be for the candidates to then proceed on a Type Rating Course outside Nigeria. The next set of trainees would be scheduled to commence their training once dates are advised by NCAT.

Trainee Pilots

- Selection Stage: 5 potential Trainee Pilots have been selected. They are awaiting the commencement of their various training courses.
- Processing Stage: 2 potential Trainee Pilots are undergoing the administrative/visa process for the training courses
- Training Stage: 1 pilot is currently undergoing PPL (A) training in the U.S.A.
- Type Rating Stage: 2 pilots have concluded their flying training and have just commenced the final part of their aircraft type rating
- Hours Building Stage: There are 2 Pilots undergoing the hours building training at the company's approved training facility at Gulf Helicopters Limited in Doha, Qatar. An additional 4 will be completing their training by the 1st week in April.

Within the last year, 29 Nigerian Helicopter pilots have completed their training at the Gulf Helicopters facility and 1 Nigerian Aeroplane pilot at the Flight Safety International Facility in Toronto, Canada.



Article from Daily Publication

The following article was written by Ejiofor Alike and was published in Thisday Newspaper of 14th August 2012. It gives credence to the genuine efforts being put in by the company towards the development of Local Content Capacity in Nigeria:

Shell, Caverton Helicopters Focus on Nigerian Content

Shell Petroleum Development Company (SPDC) Nigeria Limited and Caverton Helicopters target to achieve 75 per cent Nigerian Content in their aviation partnership in accordance with the Nigerian Content Act of 2010.

The Managing Director of SPDC and Chairman of Shell Companies in Nigeria, Mr. Mutiu Sunmonu, said the target was part of Shell's continued commitment to support local companies.

Sunmonu said the partnership was signed by his company and Caverton Helicopters in association with DanCopter in June 2010 for provision of logistics support for Shell.

He noted that his company had saved about \$20million in the cost of operations since the partnership was signed while the staff strength of

Caverton Helicopters jumped from 120 to over 500, with more efficient operations.

He said Shell's partnership with a local company was part of his company's support to the Federal Government's programme of developing local capacity.

"So, this partnership, for me, is a great initiative in the sense that it is like helping a small company to grow. This partnership is not about Caverton making short term money. It is about Shell helping Caverton to grow a business and to build a business. That, to me is very significant. They had grown from staff strength of 120 to over 500 since they started to work with Shell. They had increased their fleet size from two machines to about eight machines," he said.

Sunmonu also stated that the partnership also facilitated the nomination of Caverton Helicopters as a service centre for AgustaWestland.

He said his company would continue to support indigenous contractors that have demonstrable commitment to the Nigerian Content Act, adding that his company has also offered financial support to Caverton.

Awards & Gallery



Chairman's Awardee as Safety Champion for 2012



Oscar Nicolas Abesamis Jnr

Oscar Nicolas Abesamis Jnr served as a Major in the Philippines Air Force before joining Caverton Helicopters in August 2005 as a line Captain on the 350 and the Agusta 109. Arising from his keen interest in Safety & Quality issues, Oscar was appointed a Safety & Quality Flight Officer in October 2006, a job he took on with passion.

On 27th April, 2009, Oscar introduced to Caverton, an idea that has since become the distinct hallmark of Caverton's Safety Circuit - Safety Moment. It started as a discussion on safety issues but has now become a must on Monday afternoons at all Caverton bases. The Safety Moment Forum is a 15-60 minute forum where all issues bordering on the safety, health, environment and security affecting staff, our clients and operations are discussed and addressed. The forum has helped in no small way in raising the level of safety awareness and education in all staff in Caverton as well as assisting in helping staff to take the respective safety messages into their social spaces beyond the office confines.

Oscar epitomizes Caverton's commitment to Safety and Quality; he is also a loyal, diligent and highly industrious staff.

In recognition of his industry, he was in 2012 promoted to the position of Safety Manager, Flight Operations.

Ladies and Gentlemen, please join us in honouring Captain Oscar Nicolas Abesamis Jnr as the Chairman's Awardee for the position of Safety Champion for 2012.



AUTHORIZED SERVICE CENTER FOR AGUSTAWESTLAND PRODUCTS

CERTIFICATION

RELEASED TO

CAVERTON HELICOPTERS LIMITED

WITH TECHNICAL BASE AT

Murtala Muhammed International Airport, Ikeja, Lagos

NIGERIA

Having satisfactorily met all the necessary requirements as an AgustaWestland approved Service Center for the maintenance of the following AgustaWestland Helicopters model:

AW139

Ref.: SCA-12-10



June 27th 2012

Michele Sorice
AgustaWestland
Senior Vice President
Customer Support & Sales Italy

A large, stylized handwritten signature in blue ink, overlapping the printed name and title.

AgustaWestland
A Finmeccanica Company



Financials



Group Balance Sheets

For The Year Ended 31 December 2012

	Notes	Group 31 Dec. 12 N'000	Group 31 Dec. 11 N'000	Company 31 Dec. 12 N'000	Company 31 Dec. 11 N'000
GOODWILL	2	6,026,909	6,026,909	-	-
FIXED ASSETS	3	12,227,046	6,119,255	2,057	4,452
Investments in subsidiaries	5	-	-	8,514,000	8,514,000
		<u>18,253,955</u>	<u>12,146,164</u>	<u>8,516,057</u>	<u>8,518,452</u>
CURRENT ASSETS					
Cash and bank		773,795	1,875,177	45,609	1,026
Inventories	6	542,088	295,887	-	-
Debtors and prepayments	7	18,510,102	19,924,147	5,167,258	6,104,838
		<u>19,825,985</u>	<u>22,095,211</u>	<u>5,212,867</u>	<u>6,105,864</u>
CURRENT LIABILITIES					
Creditors and accruals	8	(4,362,346)	(3,578,391)	(395,321)	(195,788)
Short term loan	9	(1,535,679)	(8,374,177)	-	(5,705,134)
Taxation	10	(997,978)	(520,639)	(216,119)	(121,471)
NET CURRENT ASSETS		12,929,982	9,622,004	4,601,427	83,471
Deferred taxation	11	(277,808)	(52)	(641)	(52)
Long term loan	12	21,019,590	13,042,238	(4,500,000)	-
		<u>9,886,539</u>	<u>8,725,878</u>	<u>8,616,843</u>	<u>8,601,871</u>
FINANCED BY:					
Share capital	13	1,675,255	1,675,255	1,675,255	1,675,255
Share premium	14	6,616,991	6,616,991	6,616,991	6,616,991
Revenue reserve	15	1,511,274	360,967	324,597	309,625
Shareholders' fund		9,803,520	8,653,213	8,616,843	8,601,871
Non-controlling interest	16	83,019	72,665	-	-
		<u>9,886,539</u>	<u>8,725,878</u>	<u>8,616,843</u>	<u>8,601,871</u>



Aderemi Makanjuola
Chairman
FRC/2013/IODN/000000002400



Sola Falola
Managing Director
FRC/2013/NIM/000000002457



Titi Adigun
Chief Financial Officer
FRC/2013/ICAN/000000002398

See notes to the financial statements.

Group Profit and Loss Accounts

For The Year Ended 31 December 2012

	Notes	Group 31 Dec. 12 N'000	Group 31 Dec. 11 N'000	Company 31 Dec. 12 N'000	Company 31 Dec. 11 N'000
Turnover	17	16,132,083	10,928,865	495,000	410,075
OPERATING COST		(6,952,174)	(6,201,055)	-	-
OPERATING PROFIT		9,179,909	4,727,810	495,000	410,075
Administrative expenses		(6,409,386)	(3,940,244)	(67,250)	(30,798)
		2,770,523	787,566	427,750	379,277
Interest and similar charges	18	(1,405,714)	(500,564)	-	-
Other income	19	82,218	22,154	-	-
PROFIT BEFORE EXCEPTIONAL ITEM AND TAXATION	20	1,447,027	309,156	427,750	379,277
Exceptional item	21	391,362	-	-	-
PROFIT AFTER EXCEPTIONAL ITEM AND BEFORE TAXATION		1,838,389	309,156	427,750	379,277
Taxation	10b	(802,971)	(248,783)	(144,737)	(121,523)
PROFIT AFTER TAXATION		1,035,418	60,373	283,013	257,754
Non-controlling interest	16	(10,354)	(6,037)	-	-
Revenue Reserve	15	1,025,064	54,336	283,013	257,754
Basic earnings per share	22	0.31k	0.02k	0.08k	0.08k

See notes to the financial statements.

Consolidated Statement of Cash Flows

For The Year Ended 31 December 2012

	Notes	Group 31 Dec. 12 N'000	Group 31 Dec. 11 N'000	Company 31 Dec. 12 N'000	Company 31 Dec. 11 N'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipt from customers		18,019,710	576,061	1,567,258	-
Cash paid to suppliers and employees		(10,001,058)	(9,445,868)	-	(889,415)
VAT output		(365,128)	(192,630)	-	-
VAT input		20,055	-	-	-
Tax paid	10a	(20,034)	-	(49,500)	-
WHT credit note utilized		(210,678)	-	-	-
Net cash provided (utilized) by operating activities	23	7,442,867	(9,062,437)	1,517,758	(889,415)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets	3	(7,019,769)	(389,707)	-	-
Proceeds from sale of fixed assets		2,011	-	-	-
Net cash utilized by investing activities		(7,017,758)	(389,707)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	15	(268,041)	-	(268,041)	-
Long term debt		7,977,350	11,083,474	4,500,000	-
Interest paid	18	(1,405,714)	(500,564)	-	-
Net cash provided by financing activities		6,303,595	10,582,910	4,231,959	-
Net increase/ (decrease) in cash and cash equivalents		6,728,704	1,130,766	5,749,717	(889,415)
Cash and cash equivalents at the beginning of the year		(6,022,847)	(7,153,613)	(5,704,108)	(4,814,693)
Cash and cash equivalents at the end of the year	24	705,857	(6,022,847)	45,609	(5,704,108)

See notes to the financial statements.

Notes to the Financial Statements

For The Year Ended 31 December 2012

1 THE GROUP

Caverton Offshore Support Group Plc was incorporated on 2 June 2008 to acquire controlling shares in Caverton Helicopters Limited and Caverton Marine Limited. It commenced operations on 1 July 2008 and became a public limited liability company on 4 July 2008. The certificate of incorporation number is RC 750603. The principal business of the company is the provision of offshore support services to the Oil and Gas Industry.

The Group is made up of Caverton Offshore Support Group Plc and its subsidiaries which include:

	Investment N'000	Percentage holding %
Caverton Helicopters Limited	5,791,500	99
Caverton Marine Limited	<u>2,722,500</u>	99
	<u>8,514,000</u>	

All subsidiaries listed above are incorporated in Nigeria with registered offices in Lagos.

2 GOODWILL

	Group 2012 N'000	Group 2011 N'000
Caverton Helicopters Limited	1,905,528	1,905,528
Caverton Marine Limited	<u>581,563</u>	<u>581,563</u>
	2,487,091	2,487,091
Purchase consideration	(8,514,000)	(8,514,000)
	<u>6,026,909</u>	<u>6,026,909</u>

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

3 FIXED ASSETS – GROUP

	BUILDING AND STRUCTURES N'000	AIRCRAFT N'000	VESSELS N'000	PLANTS AND MACHINERY N'000
COST:				
1 January 2012	3,099,709	1,891,142	3,421,450	68,541
Additions	1,377	6,721,858	-	4,140
Disposals	-	-	-	(5,607)
Transfers	18,260	-	-	-
	<u>3,119,346</u>	<u>8,613,000</u>	<u>3,421,450</u>	<u>67,074</u>
31 December 2012	<u>3,119,346</u>	<u>8,613,000</u>	<u>3,421,450</u>	<u>67,074</u>
DEPRECIATION:				
1 January 2012	756,244	673,638	1,233,113	44,683
Charge for the year	139,646	413,176	171,073	7,031
Disposals	-	-	-	(5,607)
	<u>895,890</u>	<u>1,086,816</u>	<u>1,404,186</u>	<u>46,107</u>
31 December 2012	<u>895,890</u>	<u>1,086,816</u>	<u>1,404,186</u>	<u>46,107</u>
NET BOOK VALUE:				
31 December 2012	2,223,456	7,526,186	2,017,264	20,967
31 December 2011	2,343,465	1,217,503	2,188,337	23,858

Land and buildings, office equipments, furniture and fittings had previously been professionally valued by Knight Frank, a professional firm of chartered surveyors on 31 December 2007 on an open market basis. The surplus arising from the valuation has been taken revaluation reserve account. All other fixed assets and subsequent additions to fixed assets are stated at cost. Subsequent valuation will be at the discretion of the Board.

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

AIRCRAFT EQUIPMENT N'000	MOTOR VEHICLES N'000	FURNITURES FITTINGS AND OFFICE EQUIPMENT N'000	CONSTRUCTION WIP N'000	SOFTWARE N'000	TOTAL N'000
71,587	287,417	306,414	36,617	-	9,182,877
18,442	33,580	118,530	28,977	92,865	7,019,769
-	(34,259)	(2,500)	-	-	(42,366)
-	-	25,847	(44,107)	-	-
<u>90,029</u>	<u>286,738</u>	<u>448,291</u>	<u>21,487</u>	<u>92,865</u>	<u>16,160,280</u>
30,408	175,617	149,919	-	-	3,063,622
15,082	71,464	80,475	-	11,608	909,555
-	-(34,180)	(156)	-	-	(39,943)
<u>45,490</u>	<u>212,901</u>	<u>230,238</u>	<u>-</u>	<u>11,608</u>	<u>3,933,234</u>
44,539	73,837	218,053	21,487	81,257	12,227,046
41,179	111,800	156,495	36,617	-	6,119,255

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

3a FIXED ASSETS – COMPANY

	Furniture & fittings N'000	Plant & machinery N'000	Motor vehicles N'000	Office equipment N'000	TOTAL N'000
COSTS					
At 1 January 2012	180	2,840	8,720	435	12,175
At 31 December 2012	<u>180</u>	<u>2,840</u>	<u>8,720</u>	<u>435</u>	<u>12,175</u>
DEPRECIATION					
At 1 January 2012	65	1,846	5,584	228	7,723
Charge for the year	18	568	1,744	65	2,395
At 31 December, 2012	<u>83</u>	<u>2,414</u>	<u>7,328</u>	<u>293</u>	<u>10,118</u>
NET BOOK VALUE:					
At 31 December, 2012	<u>97</u>	<u>426</u>	<u>1,392</u>	<u>142</u>	<u>2,057</u>
At 31 December, 2011	<u>115</u>	<u>994</u>	<u>3,136</u>	<u>207</u>	<u>4,452</u>

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

4 PRELIMINARY EXPENSES

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
At 1 January	-	151,909	-	151,909
Written off to share premium	-	(151,909)	-	(151,909)
At 31 December	-	-	-	-
5 INVESTMENT IN SUBSIDIARIES				
Cost	-	-	8,514,000	8,514,000

This represents the company's investment in the issued share capital of Caverton Helicopters Limited and Caverton Marine Limited as at 31 December 2012.

6 INVENTORIES

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Consumable spares	38,455	135,858	-	-
Rotating spares	134,129	119,515	-	-
Stock - Jet A1 Aviation fuel	11,814	10,809	-	-
Stock – Sahara Aviation fuel	29,484	29,705	-	-
Inventory – Shell Project AW 139	328,206	-	-	-
	542,088	295,887	-	-

7 DEBTORS AND PREPAYMENTS

Trade debtors	1,235,307	935,360	-	-
Staff advances/loans	4,488	754	-	-
Chairman's account	188,327	472,016	-	-
Advance payments	8,242,147	11,975,275	-	-
Due from related companies (Note 7a)	6,890,303	5,315,397	5,167,258	6,104,838
Prepayments	57,037	24,313	-	-
Other debtors (Note 7b)	1,892,493	1,201,032	-	-
	18,510,102	19,924,147	5,167,258	6,104,838

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
7a DUE FROM RELATED PARTIES				
Caverton Marine Limited	-	-	2,194,609	1,756,550
Caverton Helicopters Limited	-	-	2,972,649	4,348,288
Caverton Property Limited	63,439	45,376	-	-
C. Cylinder Limited	33,278	33,148	-	-
Growmore Dev Ventures Limited	387,108	387,038	-	-
Caverton Integrated Services	769	-	-	-
Le - Global Oilfield Services Ltd	3,849,943	2,817,698	8,514,000	8,514,000
Liam Engineering Limited	29,007	340,797	-	-
Reager Energy Limited	1,408,668	1,691,340	-	-
Tasmania Investments Limited	1,116,732	-	-	-
Caverton RK	1,359	-	-	-
	6,890,303	5,315,397	5,167,258	6,104,838
7b Other Debtors				
VAT Input	20,055	6,935	-	-
WHT receivable	1,872,088	1,134,419	-	-
Deferred charges	350	59,678	-	-
	1,892,493	1,201,032	-	-
8 CREDITORS AND ACCRUALS				
Trade creditors	1,687,454	2,195,944	-	-
Accruals and provisions	938,467	437,707	8,000	13,000
Amount due to related Companies (Note 8a)	34,025	12,756	-	-
Deferred income	96,208	38,926	-	-
Chairman's account	674,103	161,205	365,738	161,205
Other creditors (Note 8b)	932,089	731,852	21,583	21,583
	4,362,346	3,578,391	395,321	195,788

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
8a Due To Related Parties				
Le-Global Oilfields Services	27,967	-	-	-
Growmore Dev Ventures Limited	6,058	12,756	-	-
	34,025	12,756	-	-
8b Other Creditors				
VAT payable	365,128	185,694	21,583	21,583
WHT payable	191,254	457,192	-	-
Other creditors	375,707	88,963	-	-
	932,089	731,849	21,583	21,583
9 SHORT TERM LOAN				
Bank overdraft	67,938	7,898,024	-	5,705,134
Current portion of long term loan	1,467,741	476,153	-	-
	1,535,679	1,201,032	-	5,705,134
10. TAXATION				
a.				
At 1 January	520,639	271,908	121,471	-
Charge for the year (Note 10b)	525,215	248,731	144,148	121,471
Charge on exceptional item	182,836	-	-	-
Payment during the year	(20,034)	-	-	-
WHT credit utilized	(210,678)	-	(49,500)	-
At 31 December	997,978	520,639	216,119	121,471

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
b. Profit and loss.				
Income tax	421,158	219,624	135,110	113,731
Education tax	66,248	29,107	9,038	7,740
Under provision for tax	37,809	-	-	-
	525,215	248,731	144,148	121,471
Deferred taxation (Note 11)	277,756	52	589	52
	802,971	248,783	144,737	121,523
11 DEFERRED TAXATION				
At 1 January	52	-	52	-
Additions in the year	277,756	52	589	52
At 31 December	277,808	52	641	52
12 LONG TERM LOAN				
At 1 January	13,518,391	1,958,765	-	-
Additions in the year	11,760,948	11,903,992	4,500,000	-
Payments during the year	(2,792,008)	(344,366)	-	-
Transfer to short-term loan(12a)	22,487,331	13,518,391	4,500,000	-
At 31 December	21,019,590	13,042,238	4,500,000	-
Long term loan is secured as stated in note 12a				

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

12A SHORT TERM LOANS

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Tasmania Investment Limited NGN	178,656	163,800	-	-
Tasmania Investment Limited USD	108,113	312,353	-	-
Current Account- CDL	901,472	-	-	-
Term Loan Afribank/ BOI	20,833	-	-	-
Term Loan Afribank/ BOI	258,667	-	-	-
	1,467,741	476,153	-	-

The balance of N21,019,590,000 represents outstanding amount on various loans obtained by the Company. These loans are repayable within 3 years. The applicable interest rates range between 10% and 20%. The loans are secured as follows:

- Legal Mortgage on property situate at Plot 252B, Victoria Island Annex, Lagos
- Legal Mortgage on property situate at Plot B, BA, C, CA F, FA (Stretch of Water Front Land) Ozumba Mbadiwe, Victoria Island, Lagos
- Legal mortgage on property situate at 2A, Block 11, Units 3, Federal Government Layout, Ikoyi, Lagos (Legal Mortgage being perfected)
- Debenture over assets of the company situate at Airport Hanger at MMIA, Lagos stamped for N30 million.
- Legal Mortgage on Company property located at Iron Bar Street by Lati Lawal Close, Lekki Phase 1, Lekki Lagos.
- Legal mortgage on company property located at Nigeria Airforce Base in Port Harcourt Rivers State.
- Equitable mortgage on property at Lekki Phase 1, Lekki Lagos valued at N1billion
- Second charge on MV Blue Gas Vessel being managed by UBA Trustees Limited with the Lender's interest noted up to the full amount of the facility.
- Legal Mortgage over MV Azero, an LPG Tanker

13 SHARE CAPITAL

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Authorized: 5,000,000,000 ordinary shares of 50k each	2,500,000	2,500,000	2,500,000	2,500,000
Issued and fully paid: 3,350,509,759 ordinary shares of 50k each	1,675,255	1,675,255	1,675,255	1,675,255

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

14. SHARE PREMIUM

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
At January 1	6,616,991	6,768,900	6,616,991	6,768,900
Preliminary expenses written off	-	(151,909)	-	(151,909)
At December 31	6,616,991	6,616,991	6,616,991	6,616,991

15. REVENUE RESERVE

At 1 January	360,967	207,133	309,625	30,117
Prior year adjustment (Note 15a)	393,284	99,498	-	21,754
Profit for the year	1,025,064	54,336	283,013	257,754
Dividend prior year final	(268,041)	-	(268,041)	-
At 31 December	1,511,274	360,967	324,597	309,625

15a. PRIOR YEAR ADJUSTMENT

WHT deducted from turnover	571,361	-	-	-
Less taxation @ 32%	(182,836)	-	-	-
	388,525	-	-	-
Others	4,759	99,498	-	21,754
	393,284	99,498	-	21,754

Prior year adjustment relates to under-statement of with-holding taxes deducted from turnover in prior years.

Long term loan is secured as stated in note 12a

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

16 NON CONTROLLING INTEREST

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
At 1 January	72,665	66,628	-	-
Share of profit	10,354	6,037	-	-
At 31 December	83,019	72,665	-	-

17 TURNOVER

Turnover represents services rendered to third parties.

See note 26 for detail of segment reporting.

16,132,083	10,928,865	495,000	410,075
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18 INTEREST AND SIMILAR CHARGES

Interest on overdraft	32,441	18,974	-	-
Interest on loans	509,763	362,409	-	-
Facility charges	269,918	70,277	-	-
Financial charges	593,592	48,904	-	-
	1,405,714	500,564	-	-

19 OTHER INCOME

Exchange gain	-	11,322	-	-
Interest income	17,745	745	-	-
Profit on sale of fixed assets	701	-	-	-
Sundry income	63,772	10,087	-	-
	82,218	22,154	-	-

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
20. PROFIT BEFORE EXCEPTIONAL SHARE PREMIUM				
ITEM TAXATION				
Profit before exceptional item and taxation is stated after charging:				
Auditors' remuneration	45,000	55,000	8,000	13,000
Depreciation	909,555	667,166	2,395	2,397
Interest	1,405,714	500,564	-	-
Staff cost	3,817,959	1,852,937	-	-
Exchange loss	244,927	157,986	-	-

21. EXCEPTIONAL ITEM

This represents write back of excess interest accrued on Bank PHB loans in prior years no longer required.

22. BASIC EARNINGS PER SHARE

This is based on profit after taxation and on the basis of 3,350,509,750 issued and fully paid ordinary shares as at 31 December 2012.

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

23. RECONCILIATION OF NET PROFIT TO NET CASH PROVIDED/(UTILIZED) BY OPERATING ACTIVITIES

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Profit after taxation	1,035,418	60,373	283,013	257,754
Adjustment to reconcile net income to net cash provided/ (utilized) by operating activities:				
Depreciation	909,555	667,166	2,395	2,397
Interest paid	1,405,714	500,564	-	-
Loss on disposal of fixed assets/transferred	412	286,853	-	-
Prior year adjustments	393,284	99,498	-	21,754
Changes in assets and liabilities:				
Increase in inventory	(246,200)	(149,404)	-	-
Decrease/(increase) in account receivable	1,414,046	(9,999,186)	937,581	(1,173,573)
Increase/ (Decrease) in creditors & accruals	1,775,544	(777,085)	199,532	(119,270)
Increase in taxation	477,339	248,731	94,648	121,471
Increase in deferred taxation	277,756	52	589	52
	6,407,450	(9,122,810)	1,234,745	(1,147,169)
Net cash provided/ (utilized) by operating activities	7,442,867	(9,062,437)	1,517,758	(889,415)

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

24. CASH AND CASH EQUIVALENTS

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Cash at bank and in hand	773,795	1,875,177	45,609	1,026
Bank overdrafts (Note 9)	(67,938)	(7,898,024)	-	(5,705,134)
At 31 December	705,857	(6,022,847)	45,609	(5,704,108)

25. DIRECTORS AND EMPLOYEES

a. Employees

The average number of persons employed by the company during the year was:

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Finance and administration	248	200	-	-
Operations	142	190	-	-
Engineering	220	116	-	-
	610	506	-	-

b. Staff costs for the above persons:

Salaries and wages

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Salaries and wages	3,817,961	1,852,444	-	-

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

c. Directors' remuneration

The remuneration paid to the Directors of the Company was:

	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Fee	19,000	11,322	19,000	10
Remuneration	141,813	118,363	-	-
	160,813	151,218	-	10
d. Fees and other emoluments disclosed above include amounts paid to:				
The Chairman	50,650	51,620	-	-
Other Directors	110,163	99,598	-	-
	160,813	151,218	-	-

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

The number of Directors (including the Chairman) that received fees and other emolument in the following ranges was:

	2012 Number N'000	2011 Number N'000
N1,000,001 - N 2,000,000	5	5
N25,500,001 - N35,200,000	4	4
	<hr/>	<hr/>

26.SEGMENT REPORTING

Business Segments

The Company has seven reportable business segments as described below:

Segment	Description
Helicopter charters	These relates to the provision of helicopter services to clients.
Helicopter maintenance	These relates to management of third party's helicopters.
Landing and Terminal Usage	These relates to use of the company's landing and terminal facilities by other air operators.
Time charters	These relates to the provision of vessels for shipment of Liquefied Petroleum Gas.
Agency service	These relates to provision of agency services to off-takers.
Security service	These relates to lease of tug boats, barges and allied Equipments to clients.
Third party handling	These relates to provision of marine related services to clients.

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

26. SEGMENT INFORMATION CONTINUED

Information regarding each business segment is as shown below:

Revenue

	The Group 2012 N'000	The Group 2011 N'000
Helicopter charters	14,768,898	9,626,452
Helicopter maintenance	352,401	341,816
Landing and Terminal Usage	87,564	134,151
Time charters	890,585	238,842
Agency service	32,635	270
Security service	-	547,741
Third party handling	-	39,593
Total per profit and loss account	16,132,083	10,928,865

Depreciation

Helicopter charters	704,282	467,999
Helicopter maintenance	15,082	9,609
Landing and Terminal Usage	-	-
Time charters	182,583	55,842
Agency service	7,608	-
Security service	-	127,088
Third party handling	-	6,628
Total depreciation (Note 3a)	909,555	667,166

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

26. SEGMENT INFORMATION CONTINUED

Interest expense

	The Group 2012 N'000	The Group 2011 N'000
Helicopter charters	970,920	203,636
Helicopter maintenance	23,167	8,574
Landing and Terminal Usage	5,757	2,144
Time charters	389,635	83,001
Agency service	16,235	-
Security service	-	188,899
Third party handling	-	14,310
Total per profit and loss account	1,405,714	500,564

Profit before exceptional item and taxation

Helicopter charters	1,525,517	241,649
Helicopter maintenance	79,715	(19,695)
Landing and Terminal Usage	(16,587)	32,135
Time charters	(131,659)	15,142
Agency service	(9,959)	270
Security service	-	1,024
Third party handling	-	-
Total per profit and loss account	1,447,027	309,156

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

26. SEGMENT INFORMATION CONTINUED

Total Assets

	The Group 2012 N'000	The Group 2011 N'000
Helicopter charters	30,015,678	20,273,301
Helicopter maintenance	519,514	853,613
Landing and Terminal Usage	259,757	213,403
Time charters	6,993,591	7,796,659
Agency service	291,400	-
Security service	-	359,465
Third party handling	-	4,744,934
Total per balance sheet	38,079,940	34,241,375

Notes to the Financial Statements contd

For The Year Ended 31 December 2012

27. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

In 2010, Keystone Bank Limited (Bank PHB Plc) brought a petition against Caverton Offshore Support Group Plc (COSG). Keystone Bank Limited is claiming that COSG is indebted to it to the tune of N4,218,075,776. However, prior to the presentation of this petition, COSG, its subsidiaries and its Directors had filed an action seeking a declaration that Bank PHB Plc is indebted to the Caverton Group to the tune of N6,886,132,432 as money had and received being the proceeds of the wrongful sale of one of its subsidiaries shares in a quoted company. COSG have since filed a motion to dismiss the petition brought against it. These cases are at different stages of hearing at various courts in Lagos.

The company's lawyers are of the opinion that they will not result in unfavourable outcome to COSG. Consequently, no provision has been made in the financial statements (2011: Nil).

There were no other capital commitments or contingent liabilities as at 31 December 2012 (2011: Nil).

28. FINANCIAL COMMITMENTS

The Company has advance payment guarantee to a Nigerian Bank amounting to \$70,275,000 as at 31 December 2012.

The Directors are of the opinion that all known liabilities and commitments have been taken into account. These liabilities are relevant in assessing the company's state of affairs.

29. TRANSACTION WITH RELATED PARTY

The Company carried out transaction with various related parties on commercial basis. The amount receivable and payable is as stated in Notes 7a and 8a.

30. POST BALANCE SHEET EVENTS

No event or transaction has occurred since the balance sheet date which would have a material effect upon these financial statements at that date or which would need to be mentioned in the financial statements in order to make them not misleading.

31. RECLASSIFICATION

Certain reclassifications were made to the reported figure in prior year to conform to current year's presentation.

Statements of Value Added

For The Year Ended 31 December 2012

	Group				Company			
	2012 N'000	%	2011 N'000	%	2012 N'000	%	2011 N'000	%
Turnover	16,132,083		10,928,865		495,000		410,075	
Cost Of Goods & Other Services								
Local Component	(8,253,038)		(7,627,233)		(67,250)		(30,798)	
Non Trading Items	7,879,045 82,218		3,301,632 22,154		378,250 -		379,277 -	
Value Added	7,961,263	100	3,323,786	100	427,750	100	379,277	100
Applied As Follows:								
As Salaries	3,817,959	48	1,852,937	56	-		-	-
As Company Taxes	525,215	7	248,731	7	144,148	34	121,471	32
External Provider Of Capital As Interest	1,405,714	18	500,564	15	-		-	-
For Asset Replacement	909,555	11	667,166	20	-		-	-
Deferred Taxation	277,756	3	52	-	589		52	-
Retained Earnings	1,025,064	13	54,336	2	283,013	66	257,754	68
	7,961,263	100	3,323,786	100	427,750	100	379,277	100

The value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts.

This statement shows the allocation of that wealth between employees, provider of capital, government, shareholders and that retained for future creation of more wealth.

FIVE - YEAR FINANCIAL SUMMARY - GROUP

Year Ended

31 DECEMBER

ASSETS EMPLOYED	2012 N'000	2011 N'000	2010 N'000	2009 N'000	2008 N'000
Goodwill	6,026,909	6,026,909	6,026,909	6,026,909	-
Fixed assets	12,227,046	6,119,255	6,734,868	7,042,728	6,439
Preliminary expenses	-	-	151,909	189,887	194,431
Investment in subsidiaries	-	-	-	-	8,514,000
	18,253,955	12,146,164	12,913,686	13,259,524	8,714,870
Net current assets/(liabilities)	12,929,982	9,622,004	(2,237,004)	(2,035,492)	(268,668)
Deferred taxation	(277,808)	(52)	-	-	-
Long term loan	(21,019,590)	(13,042,238)	(1,958,765)	(2,616,859)	-
	9,886,539	8,725,878	8,717,917	8,607,173	8,446,202
Financed by:					
Share capital	1,675,255	1,675,255	1,675,255	1,675,255	1,675,255
Share premium	6,616,991	6,616,991	6,768,901	6,768,901	6,768,901
Revaluation reserve	-	-	-	-	-
Revenue reserve	1,511,274	360,967	207,133	136,558	2,046
Non-controlling interest	83,019	72,665	66,628	26,459	-
	9,886,539	8,725,878	8,717,917	8,607,173	8,446,202
Profit and loss account					
Turnover	16,132,083	10,928,865	7,028,724	5,357,727	5,295
Profit before exceptional item and taxation	1,447,027	309,156	592,648	589,551	2,046
Exceptional item	391,362	-	-	-	-
Profit after exceptional item and before taxation	1,838,389	309,156	592,648	589,551	2,046
Taxation	(802,971)	(248,783)	(190,961)	-	-
Profit after taxation	1,035,418	60,373	401,687	589,551	2,046
Non-controlling interest	(10,354)	(6,037)	(40,169)	(133,459)	-
Attributable to members	1,025,064	54,336	361,518	456,092	2,046
Basic earnings per share	0.31k	0.02k	0.18k	0.18k	-

FIVE - YEAR FINANCIAL SUMMARY - COMPANY

Year Ended

31 DECEMBER

	2012 N'000	2011 N'000	2010 N'000	2009 N'000	2008 N'000
Fixed assets	2,057	4,452	6,849	9,244	6,439
Investments	8,514,000	8,514,000	8,514,000	8,514,000	8,514,000
Other Assets	-	-	151,909	189,887	194,431
Net current assets/ (liabilities)	4,601,427	83,471	(198,485)	(261,960)	(268,668)
Long term loan	(4,500,000)				
Deferred taxation	(641)	(52)	-	-	-
	8,616,843	8,601,871	8,474,273	8,451,171	8,446,202
FINANCED BY:					
Share capital	1,675,255	1,675,255	1,675,255	1,675,255	1,675,255
Share premium	6,616,991	6,616,991	6,768,901	6,768,901	6,768,901
Revenue reserve	324,597	309,625	30,117	7,015	2,046
	8,616,843	8,601,871	8,474,273	8,451,171	8,446,202
Turnover	495,000	410,075	361,350	180,743	5,295
Profit before taxation	427,750	379,277	310,025	172,494	2,046
Taxation	(144,737)	(121,523)	(36,135)	-	-
Profit after taxation	283,013	257,754	273,890	172,494	2,046
Earnings per share	₦0.08	₦0.08	₦0.08	₦0.05	₦0.0006

SUPPLEMENTARY FINANCIAL INFORMATION

For The Year Ended 31 December 2012

ADMINISTRATIVE EXPENSES - GROUP

	2012 N'000	2011 N'000
Advertising	19,557	6,988
Audit fees	45,000	55,000
Bad debt	12,141	-
Bank charges	7,265	9,144
Business development	12,911	17,301
Commission	14,966	-
Communication /telephone	86,830	36,071
Custom agency	-	3,890
Depreciation	909,555	667,166
Directors remuneration	30,000	41,700
Directors expenses	130,812	119,302
Discount allowed	979	2,049
Donations & Gift	25,258	9,402
Dues and subscriptions	2,077	3,870
Duty and levy	39,791	7,137
Electricity and power	14,628	10,860
Entertainment	28,932	19,997
Exchange loss	244,927	157,986
Fuel and diesel	5,576	3,425
General office	9,408	7,102
Heli Union	-	74,804
Hotel & accommodation	-	445
Insurance & licence	22,434	70,797
IT support accessories	11,165	10,775
Legal & professional	186,827	97,116
Licence & renewal	339	551
Loss on disposal of assets/transferred	1,113	286,853
Medical	-	9
Newspapers and journals	4,108	200
Printing and stationery	2,974	15,669
Protocol & immigration	29,393	13,896
Recruitment costs	14,756	1,727
Rent & rates	91,657	45,123
Repairs & maintenance	133,63	139,883
Salaries	3,817,95	1,852,937
Security & safety admin	38,445	22,221
STS operational	-	5,075
Subscription	382	180
Total E & P contract	37,494	10,427
Transport and travel	270,256	111,504
Water & Gas	5,834	1,662
	6,409,386	3,940,244

SUPPLEMENTARY FINANCIAL INFORMATION

For The Year Ended 31 December 2012

ADMINISTRATIVE EXPENSES - COMPANY

	2012 N'000	2011 N'000
Administrative cost	40	6
Audit fee	8,000	13,000
Bank charges	384	-
Depreciation	2,395	2,397
Directors fees	19,000	9,784
Entertainment	2,217	300
Fuel & diesel	30	45
Gifts and donations	21,758	-
Legal & professional fee	9,132	5,165
Repairs & maintenance	146	101
Travels	4,085	-
Subscriptions and registration	63	-
	67,250	30,798

LIST OF CORPORATE SOCIAL RESPONSIBILITY

The Company identifies with the aspirations of the community and the environment in which it operates - ~~N~~25.2million

S/N	Date	Organisations	N'	Purpose
1	May-12	Seeing is believing (Standard Chartered Bank)	3,972,800.00	Donation towards building capacity to combat blindness in the local areas
2	24/05/2012	AMFAR (American Foundation For Aids Research)	9,534,720.00	Purchase of 6 Grand Philanthropist ticket for research for new prevention, treatment methods and cure for AIDS
3	06/11/2012	Women's Guild Auxiliary (Cathedral Church of Christ)	250,000.00	Donation towards the prosecution of Adult Harvest 2012
4	10/12/2012	Nigerian Association of Master Mariners (NAMM)	2,000,000.00	Donation towards the Association's permanent secretariat
5	13/12/2012	Ile Aanu Olu Pre School Unit for physically challenged children	500,000.00	Donation for the physically challenged



THE

CAVERTON

OFFSHORE SUPPORT GROUP

