

CAVERTON OFFSHORE SUPPORT GROUP PLC  
Lagos, Nigeria

REPORT OF THE DIRECTORS  
AND  
CONSOLIDATED AND SEPARATE AUDITED FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

CAVERTON OFFSHORE SUPPORT GROUP PLC

REPORT OF THE DIRECTORS, CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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**CAVERTON OFFSHORE SUPPORT GROUP PLC**

**CORPORATE INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>DIRECTORS:</b>	Mr. Aderemi Makanjuola Mr. Olabode Makanjuola HRM King Edmund Daukoru Mr. Sola Falola Mallam Bello Gwandu Mr. Bashiru Bakare Mr. Akin Kekere-Ekun Mr. Raymond Ihyembe Mrs. Titi Adigun Capt. Josiah Choms	- -         	Chairman Managing
<b>REGISTRATION NUMBER:</b>	RC 750603		
<b>CORPORATE OFFICE:</b>	1, Prince Kayode Akingbade Close Off Muri Okunola Street Victoria Island Lagos, Nigeria		
<b>SOLICITORS:</b>	Probitas Partners & Co (Barrister and Solicitor) 70, Queens Road Off Herbert Macaulay Way Yaba, Lagos, Nigeria		
<b>AUDITORS:</b>	Messrs Ernst & Young (Chartered Accountants) 10 <sup>th</sup> &13 <sup>th</sup> Floors UBA House 57, Marina, Lagos Nigeria		
<b>BANKERS:</b>	Skye Bank Plc Zenith Bank Plc Access Bank Plc Heritage Bank Plc		

## CAVERTON OFFSHORE SUPPORT GROUP PLC

### REPORT OF THE DIRECTORS

#### FOR THE YEAR ENDED 31 DECEMBER 2016

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 and separate audited financial statements of the Group and Company for year ended 31 December 2016.

#### LEGAL FORM

Caverton Offshore Support Group Plc was incorporated in Nigeria as a private limited liability company on 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 Group 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 Group's and Company's affairs is satisfactory and there has been no material change since the reporting date.

#### RESULT OF OPERATION

	The Group		The company	
	Dec 2016 N'000	Dec 2015 N'000	Dec 2016 N'000	Dec 2015 N'000
Revenue	19,310,514 =====	23,219,777 =====	301,950 =====	- =====
Profit/(loss) before tax	1,104,654	1,767,129	94,042	(384,591)
Taxation	(492,370) -----	(779,049) -----	(42,238) -----	(4,172) -----
Profit/(loss) for the year	612,284 =====	988,080 =====	51,804 =====	(388,763) =====



# CAVERTON OFFSHORE SUPPORT GROUP PLC

## REPORT OF THE DIRECTORS - Continued

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### DIVIDEND

The Directors do not recommend the payment of dividend in respect of the year ended 31 December 2016 (2015: Nil).

#### PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is shown in Note 15 to the consolidated and separate financial statements. In the opinion of the Directors, the market value of the Group's property, plant and equipment is not less than the carrying value shown in the consolidated and separate financial statements.

#### ACQUISITION OF OWN SHARES

The Company has not purchased any of its own shares during the year under review.

#### DIRECTORS' INTERESTS IN SHARES

The interests of the Directors are stated in the Memorandum and Articles of Association of the Company. The following Directors of the Company held office during the year and had interest in the shares of the Company as follows:

Number of ordinary shares of 50k each held as at 31 December 2016

	2016	2015
Mr. Aderemi Makanjuola	510,710,462	510,710,462
Mr. Bashir Bakare	20,000,000	20,000,000
Mr. Sola Falola	20,000,000	20,000,000
Mr. Olabode Makanjuola	50,005,000	50,005,000
HRM King Edmund Daukoru	15,000,000	15,000,000
Mallam Bello Gwandu	10,000,000	10,000,000
Mr. Akin Kekere-Ekun	30,000,000	28,498,440
Titilola Adigun	10,005,000	Nil
Josiah Choms	2,000,000	Nil
Mr. Raymond Ihyembe	Nil	Nil

Year	Authorised	Increase ₦'000	Cumulative	Paid up Increase ₦'000	Cumulative ₦'000	Cumulative Units	Consideration
1/1/2016	-	-	2,500,000	-	1,675,255	3,350,510	Cash and share

# CAVERTON OFFSHORE SUPPORT GROUP PLC

## REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2016

### 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 Group 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 Group is involved as at 31 December 2016.

### SHAREHOLDING STRUCTURE

The issued and fully paid share capital of the Group as at 31 December 2016 was beneficially owned as follows:

	Number of Holders	Holdings	% Holdings
Individuals	1369	904,323,085	26.99
Foreign	3	5,045,000	0.15
Estates	2	101,320	0.00
Nominees	8	5,428,843	0.16
Trusts	6	673,600	0.02
Enterprise	5	110,200	0.00
Pension Fund	1	60,000,000	1.79
Mutual Fund	1	1,050,000	0.03
Associations	9	1,043,392	0.03
Corporate	59	2,372,734,310	70.82
	-----	-----	-----
	1,463	3,350,509,750	100.00
	=====	=====	=====

The issued and fully paid share capital of the Group as at 31 December 2015 was beneficially owned as follows:

	Number of Holders	Holdings	% Holdings
Cooperatives	1	125,000	0.0
Corporate	69	2,325,775,722	69.42
Foreign	11	610,056	0.02
Directors	7	664,231,902	19.23
Est. of Disease Person	1	100,700	0.00
Individuals	1,269	331,826,974	9.90
Insurance Companies	3	8,450,000	0.25
Joint Accounts	12	3,201,398	0.10
Mutual Funds	5	33,251,640	0.99
Pension Funds	1	819,491	0.02
Schools/Institutions	1	75,000	0.00
Stockbroking Firms	3	2,059,867	0.06
	-----	-----	-----
	1,383	3,350,509,750	100.00
	=====	=====	=====

# CAVERTON OFFSHORE SUPPORT GROUP PLC

## REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2016

### SHAREHOLDING STRUCTURE - Continued

	No of Shares	%age
Foreign	5,045,000	0.15
Corporate	2,372,734,310	70.82
Various Individuals	972,730,440	29.03
	-----	-----
	3,350,509,750	100.00
	=====	=====
Substantial interest in shares:		
Tasmania Investments Limited	1,810,199,025	
Makanjuola Aderemi M.	500,710,462	
Molar Vessels	302,950,000	

### SHAREHOLDERS REGISTER RANGE ANALYSIS

	Number of Shareholders	% of shareholders	Number of Holdings	% Shareholding
1 to 10000	953	65.14	2,558,592	0.08
10001 to 50000	222	15.17	5,754,406	0.17
50001 to 100000	74	5.06	5,630,406	0.17
100001 to 500000	125	8.54	25,703,511	0.77
500001 to 1000000	20	1.37	17,751,301	0.53
1000001 to 5000000	35	2.39	65,473,596	1.95
5000001 to 10000000	13	0.89	110,634,695	3.30
10000001 to 50000000	15	1.03	343,133,756	10.24
50000001 to 100000000	3	0.21	160,010,000	4.78
100000001 to 1000000000	2	0.14	803,660,462	23.99
1000000000 above	1	0.07	1,810,199,025	54.03
	-----	-----	-----	-----
	1,463	100.00	3,350,509,750	100.00
	=====	=====	=====	=====

### EMPLOYMENT OF DISABLED PERSONS

The Group 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 Group'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.

## CAVERTON OFFSHORE SUPPORT GROUP PLC

### REPORT OF THE DIRECTORS - Continued

#### FOR THE YEAR ENDED 31 DECEMBER 2016

#### EMPLOYEES INVOLVEMENT AND TRAINING

The Group 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 Group.

#### 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 Group made a donation of ₦2,500,000 to charitable organizations during the period (2015: ₦28,634,000).

	Dec 2016
	₦'000
Special Olympics of Nigeria	1,000
Institute of Directors	2,500
	<hr/>
	2,500

	Dec 2015
	₦'000
Sickle Cell Foundation	10,000
Special Olympics of Nigeria	2,500
Nigeria Stock Exchange	3,000
Muritala Mohammed International Airport School	100
Publication for Sickle Cell Foundation	280
Grange School PTA Support	400
EOM Communications Ltd Television Support	200
Committee of Wives of Lagos State Officials (COWLSO) Annual conference	10,000
Ansar-Ud-deen Society	1,000
Ogunu Community Elders and Chiefs	1,154
	<hr/>
	28,634

#### 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.

CAVERTON OFFSHORE SUPPORT GROUP PLC

REPORT OF THE DIRECTORS – Continued

FOR THE YEAR ENDED 31 DECEMBER 2016

EVENTS AFTER THE REPORTING DATE

As stated in Note 32, there are no events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

FORMAT OF FINANCIAL STATEMENTS

The financial statements of Caverton Offshore Support Group Plc have been prepared in accordance with the reporting and presentation requirement of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

AUDITORS

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

A resolution will be proposed at the Annual General Meeting empowering the Directors to fix their remuneration.

BY ORDER OF THE BOARD

*pobiora*

Company Secretary  
Amaka Pamela Obiora  
FRC/2016/NBA/00000011302

30 March 2017

## **CAVERTON OFFSHORE SUPPORT GROUP PLC**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

### **CORPORATE GOVERNANCE REPORT**

Caverton Offshore Support Group Plc is committed to the highest standards of Corporate Governance to ensure proper oversight of the group operations and to create long term sustainable value for all shareholders and stakeholders. In line with best practices, there is a separation of power between the Chairman and the Group CEO, as well as a unique blend of Executive and Non-Executive Directors. The individual and collective academic qualifications and wealth of diverse skills and experience of the Board ensure independent thought and exceptional decision making.

The Board of Directors in driving the strategic direction of the Company ensures continual building of strong and stable relationships with shareholders, stakeholders and the community at large. The Company is now publicly quoted on the Nigerian Stock Exchange and affirms its commitment to increasing shareholder value through open and transparent Corporate Governance Practices.

### **THE BOARD**

The Board is committed to best practices of Corporate Governance in carrying out its responsibility of determining the strategic objectives and policies of the Company. The Board is accountable to the shareholders and is responsible for creating and delivering sustainable value through proper management of the Company's affairs. The Board also provides oversight of senior management of the Company.

### **COMPOSITION OF THE BOARD**

The Board comprises of the Chairman, three Executive Directors, five Non-Executive Directors and one Independent Director. The Board carries out its oversight functions using its various Board Committees. This ensures efficiency and allows for deeper attention to targeted matters for the Board. The Committees are set up in line with best practices and have well defined terms of reference defining their scope and responsibilities. The Committees meet quarterly and additional meetings are convened as required.

### **BOARD COMMITTEES**

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

#### **SAFETY COMMITTEE**

The Committee which comprises of 3 members is charged with oversight of the safety and quality policies, initiatives and performance of the Company from a macro perspective.

#### **MEMBERSHIP OF THE COMMITTEE**

Mr. Bashiru Bakare (Chairman)  
Mr. Akinsola Falola  
Mr. Akin Kekere-Ekun

## **CAVERTON OFFSHORE SUPPORT GROUP PLC**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

### **CORPORATE GOVERNANCE REPORT - Continued**

#### **RISK & FINANCE COMMITTEE**

The Committee is made up of 2 members. The mandate of the committee is to identify, outline and implement the Company's key risks and internal controls and design a bespoke enterprise risk management framework.

#### **MEMBERSHIP OF THE COMMITTEE**

Mr. Akin Kekere-Ekun (Chairman)  
Mr. Bashiru Bakare

#### **GOVERNANCE AND IMPLEMENTATION COMMITTEE**

The Committee comprises of 5 members. The committee is tasked with overseeing the Corporate Governance policies and procedures of the Company.

#### **MEMBERSHIP OF THE COMMITTEE**

Chief Raymond Ihyembe (Chairman)  
Mr. Akinsola Falola  
HRM Dr. Edmund Daukoru  
Mallam Bello Gwandu  
Mr. Akin Kekere-Ekun

#### **AUDIT COMMITTEE**

The Audit Committee in line with Section 359(5) of the Companies and Allied Matters Act is mandated to examine the auditor's report and make recommendations thereon to the General Meeting. The Committee consists of 4 members.

#### **MEMBERSHIP OF THE AUDIT COMMITTEE**

Mr. Tunji Ajayi (Chairman)  
Mr. Jide Sanwo-Olu  
Mr. Akin Kekere-Ekun  
Mr. Bashiru Bakare

#### **TRADING POLICY**

The company has complied with the provisions of the Section 14 of the Amended Listing Rules of the Nigerian Stock Exchange by adopting a code of conduct regarding securities transactions by its Directors and all Staff. All Directors and all Staff have complied with Listing rules and the Issuer's code of conduct regarding securities transactions.

CAVERTON OFFSHORE SUPPORT GROUP PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

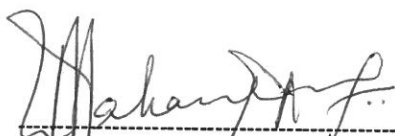
The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss. The responsibilities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

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group 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 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 consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards issued by the International Accounting Standard Board, the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Financial Reporting Council of Nigeria Act, No 6 2011.

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and Company of their profit for the year ended 31 December 2016. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated and separate financial statements, as well as adequate systems of internal financial control.

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



Mr. Aderemi Makanjuola (Chairman)  
FRC/2013/IODN/00000002400



Mr. Olabode Makanjuola (Managing Director)  
FRC/2013/IODN/00000002456

30 March 2017



## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF CAVERTON OFFSHORE SUPPORT GROUP PLC**

#### **Report on the Audit of the Consolidated and Separate Financial Statements**

##### **Opinion**

We have audited the consolidated and separate financial statements of Caverton Offshore Support Group Plc (the Company) and its subsidiaries (together, the Group) set out on pages 20 to 77 which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Caverton Offshore Support Group Plc as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board, and the relevant provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

##### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing the audit of Caverton Offshore Support Group Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Caverton Offshore Support Group Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CAVERTON OFFSHORE SUPPORT GROUP PLC

#### Report on the Audit of the Consolidated and Separate Financial Statements - Continued

Key Audit Matters	How the matter was addressed in the audit
<p><b>Goodwill valuation and impairment:</b></p> <p>The Group has a material goodwill balance with a carrying value of ₦6.0 billion representing 15% of the Group's total assets as of 31 December 2016. The goodwill resulted from past business acquisitions in respect of two cash generating units ("CGU") - Helicopter and Marine services. On an annual basis the Directors assess the valuation and impairment of goodwill which relies on key assumptions and judgements made by them concerning the estimated value of future cash flows, associated discount rates, and growth rates based on their view of future business prospects.</p> <p>Caverton Marine incurred losses for the year ended 31 December 2016, which increased the risk that the carrying value of goodwill may be impaired.</p> <p>The annual impairment test is significant to our audit because the balance involved is significant and the assessment process is complex and requires significant judgment.</p> <p>The significant inputs have been appropriately disclosed in Note 17.2 to the consolidated and separate financial statements.</p>	<p>We reviewed management's key assumptions used in the impairment model for goodwill focusing on those CGUs that made loss in the current financial year and operating in challenging markets by, but not limited to:</p> <ul style="list-style-type: none"> <li>▸ considering the cash flow projections through assessing the accuracy of historical budgeting process by comparing them with historically achieved results and benchmarking the consistency of the cash flow projections with industry data and trends;</li> <li>▸ benchmarking the perpetuity rates against industry and GDP growth rates; and</li> <li>▸ reviewing their adopted sensitivities to assess whether it reflects a reasonable possible change.</li> <li>▸ Assessing the valuation methodology;</li> <li>▸ Considering the reasonableness of key assumptions based on our knowledge of the business and industry; and</li> <li>▸ Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets.</li> </ul>



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CAVERTON OFFSHORE SUPPORT GROUP PLC

#### Report on the Audit of the Consolidated and Separate Financial Statements - Continued

Key Audit Matters	How the matter was addressed in the audit
<p><b>Recoverability of trade receivables:</b></p> <p>The Group has gross trade receivables of N5.67 billion and allowance for impairment of N191.2 million, and other receivables of N4.85 billion, as of 31 December 2016 as disclosed in Note 19 to the consolidated and separate financial statements.</p> <p>The airline industry continues to be impacted by certain macroeconomic challenges and therefore the Group experienced uncertainty over the recoverability of its trade receivables from specific customers.</p> <p>The determination as to whether a trade receivable is collectible involves management judgement. Management considers factors such as the age of the balance, location of customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether an allowance for impairment is required either for a specific transaction or for a customer's balance overall.</p> <p>We focused on this area because of the materiality of the amount and the involvement of management judgment.</p>	<p>We tested aged balances where no allowance for impairment was recognised to determine that there were no indicators of impairment. This included verifying if payments had been received since the year-end, and reviewing historical payment patterns and any correspondence with customers on expected settlement dates.</p> <p>In order to evaluate the appropriateness of these judgements we verified whether balances were overdue, the customer's historical payment patterns and whether any post year-end payments had been received up to the date of completing our audit procedures.</p> <p>In assessing the appropriateness of the overall provision for impairment we considered the consistency of management's application of policy for recognizing allowance with prior year. Specifically we considered:</p> <ul style="list-style-type: none"> <li>i) how much of prior years' allowance had been utilised for bad debt write offs during the year; and</li> <li>ii) prior year allowance amounts released where a customer had paid.</li> </ul> <p>Releases of the allowance for impairment during the year included some infrequent payments of overdue amounts from customers where an allowance continues to be recognized. Despite these payments, management continues to provide for such customers on the basis there still remains ongoing uncertainty over their underlying financial condition as indicated by the ad hoc timing of payments beyond dates due.</p>

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CAVERTON OFFSHORE SUPPORT GROUP PLC

#### Report on the Audit of the Consolidated and Separate Financial Statements - Continued

Key Audit Matters	How the matter was addressed in the audit
<b>Capitalization and asset lives:</b> There are a number of areas where management judgement impacts the carrying value of property, plant and equipment especially the Aircrafts and their respective depreciation profiles. During the year, the Group re-assesses the useful life of some components of Aircraft in line with IAS16. The annual review of asset life including the impact of changes in the Group's strategy, are very significant to the audit. Refer to Note 3 on significant accounting judgements, key sources of estimation uncertainty and assumptions.	We evaluated the appropriateness of capitalization policies, performed tests of details on costs capitalised and assessed the timeliness of the transfer of assets in the capital work in progress. In performing these procedures, we reviewed the judgements made by management including: <ul style="list-style-type: none"> <li>- the underlined factors in the useful life of the re-assessed aircrafts.</li> <li>- the nature of underlying costs capitalised as part of the cost of the aircrafts;</li> <li>- the appropriateness of asset lives and residual value applied in the calculation of depreciation.</li> </ul>

#### Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee Report and Corporate Governance Report as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. The other information does not include the financial statements and our auditors' report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CAVERTON OFFSHORE SUPPORT GROUP PLC

#### Report on the Audit of the Consolidated and Separate Financial Statements – Continued

##### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated and separate financial statements.

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

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

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF CAVERTON OFFSHORE SUPPORT GROUP PLC**

#### **Report on the Audit of the Consolidated and Separate Financial Statements - Continued**

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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 purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Group so far as appears from our examination of those books; and
- iii) the Group's consolidated and separate statement of financial position and consolidated and separate statement of profit or loss and other comprehensive income are in agreement with the books of account.



Yusuf Aliu, FCA, FRC/2012/ICAN/00000000138

For: Ernst & Young Chartered Accountants

31 March 2017

Lagos, Nigeria.



CAVERTON OFFSHORE SUPPORT GROUP PLC

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER, 2016

In compliance with Section 359(6) of the Companies and Allied Matters Acts 2004, the members of the Audit Committee of Caverton Offshore Support Group PLC hereby report as follows:

1. We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act 2004, and states that the scope and planning of the audit were adequate in our opinion.
2. We are of the opinion that the accounting and reporting policies of the Group conformed to the statutory requirements.
3. The Internal Control and Internal Audit functions of the Group were operated effectively
4. The External Auditors findings are being dealt with satisfactorily by the Management; and
5. We acknowledge the cooperation of management and staff in the conduct of our responsibilities.

Dated 27 March 2017



Mr. Tunji Ajayi  
Chairman, Audit Committee  
FRC/2014/ICAN/00000010432

MEMBERS OF THE COMMITTEE

Mr. Tunji Ajayi - Chairman  
Mr. Bashiru Bakare  
Mr. Akin Kekere-Ekun  
Mr. Jide Sanwo-Olu

**CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

		The Group		The Company	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
	Notes	₦'000	₦'000	₦'000	₦'000
Revenue	6	19,310,514	23,219,777	301,950	-
Cost of sales	7	(11,642,435)	(14,605,040)	-	-
Gross Profit		7,668,079	8,614,737	301,950	-
Administrative Expenses	8	(3,231,000)	(5,113,766)	(237,838)	(386,564)
Net foreign exchange difference	9	(2,205,197)	(817,182)	29,930	-
Other Income	10	424,584	764,938	-	-
Operating profit		2,656,466	3,448,727	94,042	(386,564)
Finance Income	11	36,503	113,170	-	1,973
Finance Cost	12	(1,588,315)	(1,794,768)	-	-
Profit/(loss) Before Tax		1,104,654	1,767,129	94,042	(384,591)
Income Tax	13	(492,370)	(779,049)	(42,238)	(4,172)
Profit/(loss) for the year		612,284	988,080	51,804	(388,763)
Other Comprehensive income		-	-	-	-
Total Comprehensive income for the year, net of tax		612,284	988,080	51,804	(388,763)
Profit/(loss) attributable to:					
Owners of the Company		603,660	974,311	-	-
Non-controlling interest		8,624	13,769	-	-
Basic/diluted earnings per share (N)	14.1	0.18	0.29	0.02	(0.12)

See notes to the consolidated and separate financial statements.



Caverton Offshore Support Group Plc  
Consolidated and Separate Audited Financial Statements

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016

	Notes	The Group		The Company	
		31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
<b>Assets</b>					
Non-current assets					
Property, plant and equipment	15	20,589,051	20,290,460	-	-
Intangible assets	16	21,860	33,342	-	-
Goodwill	17.2	6,026,909	6,026,909	-	-
Investment in subsidiaries		-	-	8,514,000	8,514,000
Deferred tax assets	13.3	17,315	201,216	-	-
		26,655,135	26,551,927	8,514,000	8,514,000
Current assets					
Inventories	18	1,850,177	1,457,188	-	-
Trade and other receivables	19	10,334,619	8,637,071	1,002,632	1,141,776
Prepayments	21	22,895	98,388	-	-
Cash and bank	22	2,486,780	2,763,217	2,858	1,777
		14,694,470	12,955,864	1,005,490	1,143,553
<b>Total assets</b>		<b>41,349,606</b>	<b>39,507,791</b>	<b>9,519,490</b>	<b>9,657,553</b>
		=====	=====	=====	=====
<b>Equity and liabilities</b>					
Equity					
Ordinary share capital	23	1,675,255	1,675,255	1,675,255	1,675,255
Share premium	23	6,616,991	6,616,991	6,616,991	6,616,991
Retained earnings		4,824,341	4,220,681	(338,431)	(390,235)
Non-Controlling Interest		77,272	71,698	-	-
<b>Total equity</b>		<b>13,193,859</b>	<b>12,584,625</b>	<b>7,953,815</b>	<b>7,902,011</b>
Interest-bearing loans and borrowings	24.2	11,854,109	8,405,640	-	-
Deferred revenue	25	1,798,778	2,274,528	-	-
<b>Total non-current liabilities</b>		<b>13,652,887</b>	<b>10,680,168</b>	<b>-</b>	<b>-</b>
Current liabilities					
Trade and other payables	26	10,662,974	8,396,317	1,199,864	1,227,811
Interest-bearing loans and borrowings	24.2	2,446,338	4,431,985	-	-
Deferred revenue	25	652,989	863,435	-	-
Income tax payable	13.2	740,559	2,551,261	365,811	527,731
		14,502,860	16,242,998	1,565,675	1,755,542
<b>Total liabilities</b>		<b>28,155,747</b>	<b>26,923,166</b>	<b>1,565,675</b>	<b>1,755,542</b>
<b>Total equity and liabilities</b>		<b>41,349,606</b>	<b>39,507,791</b>	<b>9,519,490</b>	<b>9,657,553</b>
		=====	=====	=====	=====

Approved by the Board of Directors on 30 March 2017 and signed on its behalf by:

  
Olabode Makanjuola - Chief Executive Officer  
FRC/2013/IODN/00000002456

  
Titi Adigun - Group Chief Finance Officer  
FRC/2013/ICAN/00000002398

See notes to the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

	The Group				The Company					
	Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Non-controlling Interest Total N'000	Total equity N'000	Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total N'000	
As at 1 January 2015	1,675,255	6,616,991	3,581,421	11,873,669	57,929	11,931,598	1,675,255	6,616,991	333,579	8,625,825
Dividend paid	-	-	(335,051)	(335,051)	-	(335,051)	-	-	(335,051)	(335,051)
Profit for the year	-	-	974,311	974,311	13,769	988,080	-	-	(388,763)	(388,763)
As at 31 December 2015	1,675,255	6,616,991	4,220,681	12,512,927	71,698	12,584,625	1,675,255	6,616,991	(390,235)	7,902,011
As at 1 January 2016	1,675,255	6,616,991	4,220,681	12,512,927	71,698	12,584,625	1,675,255	6,616,991	(390,235)	7,902,011
Dividend paid	-	-	-	-	(3,050)	(3,050)	-	-	-	-
Dividend to NCI from CHL	-	-	603,660	603,660	8,624	612,284	-	-	51,804	51,804
Profit for the year	-	-	4,821,291	13,113,537	77,272	13,193,859	1,675,255	6,616,991	(338,431)	7,953,815
As at 31 December 2016	1,675,255	6,616,991	4,821,291	13,113,537	77,272	13,193,859	1,675,255	6,616,991	(338,431)	7,953,815

See notes to the consolidated and separate financial statements.

Caverton Offshore Support Group Plc  
Consolidated and Separate Audited Financial Statements

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	The Group		The Company	
		31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
<b>Operating activities</b>					
Profit/(loss) before tax		1,104,654	1,767,129	94,042	(384,591)
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>					
Depreciation of property, plant and equipment	14	974,697	1,894,108	-	55
Amortisation of Intangible asset	15	11,482	9,629	-	-
Amount of government grant and other deferred revenue released to profit or loss		(709,726)	(1,482,022)	-	-
Effect of foreign exchange differences		2,006,769	104,354	-	-
Gain on sale of scrapped assets		(2,316)			
Gain on sale of property, plant and equipment		-	(597,235)	-	-
Impairment loss	19	4,481	-	-	-
Finance costs	11	1,588,315	1,794,768	-	-
Interest income	10	(36,503)	(113,170)	-	(1,973)
<b>Working capital adjustments:</b>					
(Increase)/(decrease) in trade and other receivables		(963,585)	(143,941)	124,810	114,603
Decrease/(increase) in prepayments		75,493	(23,187)	5,893	-
(Increase) in inventories		(392,989)	(245,470)	(33,840)	-
Increase in trade and other payables		2,616,641	2,430,882	-	379,076
		-----	-----	-----	-----
Tax paid during the year	12.2	6,279,729	5,395,848	190,905	109,143
Cash received-deferred income		(759,927)	(97,139)	(189,824)	(35,000)
		-----	-----	-----	-----
<b>Net cash flow from operating activities</b>		<b>5,543,332</b>	<b>6,278,060</b>	<b>1,081</b>	<b>74,143</b>
		=====	=====	=====	=====
<b>Investing activities</b>					
Purchase of property, plant and equipment	14	(1,273,288)	(5,762,045)	-	-
Proceeds from scrapped sales		2,316	-	-	-
Proceeds from disposal of property, plant and equipment		-	2,825,839	-	-
Purchase of Intangible assets	15		(22,004)	-	-
Finance income		36,503	113,170	-	1,973
		-----	-----	-----	-----
<b>Net cash flow used in investing activities</b>		<b>(1,234,469)</b>	<b>(2,845,040)</b>	<b>-</b>	<b>1,973</b>
		=====	=====	=====	=====

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016 - Continued

	Notes	The Group		The Company	
		31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016	31 Dec 2015
<b>Financing activities</b>					
Proceeds from borrowings		500,000	3,268,667	-	-
Repayment from borrowings		(3,466,789)	(3,585,300)	-	-
Dividend paid		-	(335,051)	-	(335,051)
Dividend paid to NCI		(3,050)			
Interest paid	11	(1,588,315)	(1,794,768)	-	-
		-----	-----	-----	-----
<b>Net cash flows used in financing activities</b>		(4,558,154)	(2,446,452)	-	(335,051)
		=====	=====	=====	=====
Net increase/(decrease) in cash and cash equivalents		(249,291)	986,568	1,081	(260,908)
Effect of foreign exchange differences on cash		53	(64,190)	-	-
Cash and cash equivalents at 1 January		2,736,018	1,813,640	1,777	262,685
		-----	-----	-----	-----
Cash and cash equivalents at 31 December	21.1	2,486,780	2,736,018	2,858	1,777
		=====	=====	=====	=====

See notes to the consolidated and separate financial statements.

## Notes to the Financial Statements

### 1. Corporate Information

Caverton Offshore Support Group Plc (the Company or the parent) is a limited liabilities company incorporated and domiciled in Nigeria. The registered office is located at 1, Prince Kayode Akingbade Close, Off Muri Okunola Street, Victoria Island, Lagos, Nigeria.

The Group is principally engaged in the provision of offshore services to the oil and gas industry, harbour and general marine operations; and the provision of charter, shuttle and maintenance services of helicopters and airplanes to third parties. Information on the Group's structure and other related party relationships of the Group is provided in Note 25.

The consolidated and separate financial statements of Caverton Offshore Support Group Plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2016 were authorized for issue in accordance with a resolution of the directors on 30 March 2017.

### 2.1 Basis of preparation

The Group prepared its consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated and separate financial statements also comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Financial Reporting Council of Nigeria Act No. 6, 2011. The consolidated and separate financial statements have been prepared on a going concern basis.

The consolidated and separate financial statements of the Group have been prepared in compliance with IFRS. The Group has consistently applied the accounting policies used in the preparation of its financial statements throughout all the periods presented. The consolidated and separate financial statements have been prepared on historical cost basis.

The consolidated and separate financial statements are presented in Naira and all values are rounded to the nearest thousand (₦'000), except when otherwise indicated.

### 2.2 Basis of consolidation

The consolidated and separate financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2016. 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

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
- ▶ The Group's voting rights and potential voting rights

## Notes to the Financial Statements

The Group re-assesses 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 Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries 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 loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- ▶ Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ▶ Derecognises the carrying amount of any non-controlling interests
- ▶ Derecognises the cumulative translation differences recorded in equity
- ▶ Recognises the fair value of the consideration received
- ▶ Recognises the fair value of any investment retained
- ▶ Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

### Subsidiaries

Subsidiaries are companies in which the Group directly or indirectly holds the majority of the voting rights and where it determines their financial and business policies and is able to exercise control over them in order to benefit from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. The results of the subsidiaries acquired or disposed of during the year are included in the consolidated and separate income statement from the effective acquisition date or up to the effective date on which control ceases, as appropriate. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, the investments in subsidiaries are carried at cost.



## Notes to the Financial Statements

### 2.3 Summary of significant accounting policies

The following are the significant accounting policies applied by the Group in preparing its consolidated and separate financial statements:

#### 2.3.1 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for NCI over the fair value of the identifiable net assets acquired and liabilities assumed. If this consideration is lower than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

#### 2.3.2 Foreign currencies

The consolidated and separate financial statements are presented in Naira, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

##### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

#### 2.3.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

## Notes to the Financial Statements

### Rendering of services

Revenue from the rendering of aviation and marine services is recognised by reference to the stage of completion based on the underlying contract. Stage of completion is measured by reference to service hours incurred to date as a percentage of total estimated service hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

### Interest income

For all financial instruments measured at amortized cost, interest income is recognised using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'other operating income' in the profit or loss.

### Deferred Revenue

Deferred revenue is a liability as at reporting date related to revenue producing activity for which revenue has not yet been recognized. The deferred revenue represents revenue received in advance in respect of long term service contract. Deferred revenue is subsequently recognised in the period that the service is delivered.

## 2.3.4 Corporate taxes

### 2.3.4.1 Current Income Tax

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The group is subject to education tax and CITA. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the profit or loss.

### 2.3.4.2 Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss



## Notes to the Financial Statements

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### Value Added tax

Expenses and assets are recognised net of the amount of Value Added tax, except:

- When the Value Added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the Value Added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of Value Added tax included  
The net amount of Value Added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### 2.3.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

The straight-line method is used to depreciate the cost less any estimated residual value of the assets over their expected useful lives.

The Group estimates the useful lives of assets in line with their beneficial periods. Where a part of an item of property, plant and equipment has different useful live and is significant to the total cost, the cost of that item is allocated on a component basis among the parts and each part is depreciated separately. The useful lives of the Group's property, plant and equipment for the purpose of depreciation are as follows:

## Notes to the Financial Statements

Property, Plant and Equipment	Years
Leasehold Land	87
Building and structures	15 - 40
Aircraft	8 -10
Vessels	5 -15
Plants and machinery	3 -10
Aircraft equipment	15-20
Motor vehicles	3
Furniture, fittings and office equipment	4

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 2.3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Group as a lessee

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

### 2.3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in

accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

## Notes to the Financial Statements

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

### 2.3.7 Financial Instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are recognised initially at fair value plus directly attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss.

#### Subsequent measurement

##### i) Financial assets

The subsequent measurement of financial assets depends on their classification.

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, if any.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include trade and other receivables, due from related parties, cash and short term deposits. These are all classified as loans and receivables.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment.

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 in other operating income in profit or loss. The losses arising from impairment are recognised in finance costs in profit or loss in administrative expenses.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 17.

#### Derecognition

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 have expired
- ▶ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## Notes to the Financial Statements

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Group's continuing involvement in it.

### Derecognition - Continued

In such case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of other operating income in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in the profit or loss.

ii) **Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

**Subsequent measurement**

The measurement of financial liabilities depends on their classifications.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade payables, other payables and loans and borrowings. These are classified as loans and borrowings.

**Loans and borrowings**

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method (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 in finance costs in the profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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. The difference in the respective carrying amounts is recognised in profit or loss.

iv) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset with the net amount reported in the consolidated and separate statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**2.3.8 Inventories**

Inventories are defined as assets held for sale in the ordinary course of business or in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. The Group's inventories primarily consist of spare parts and tools (consumables within one accounting period). Cost of inventory represents purchase cost including freight and other incidental expenses.

Inventories are measured at the lower of cost (determined on a first in first out ('FIFO') basis) and net realizable value. Inventory costs include purchase price, freight inwards and transit insurance charges and other directly attributable costs incurred in bringing inventories to present location and condition. Where appropriate, allowance is made for slow moving, obsolete and defective stock based on management's estimates on the usability of those stocks.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.



## Notes to the Financial Statements - Continued

### 2.3.9 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 units (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries 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 CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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 of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset. For assets excluding goodwill, 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 profit or loss.

The following criteria are also applied in assessing impairment of specific assets:

#### **Goodwill**

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **Intangible assets**

Intangible assets with indefinite useful life are tested for impairment annually as at 31 December either individually or at the CGU level, as appropriate. All intangible assets are tested for impairment when circumstances indicate that the carrying value may be impaired

### 2.3.10 Cash and Short-term deposit

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated and separate statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

## Notes to the Financial Statements - Continued

### 2.3.11 Dividend Distribution

The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and is no longer at the discretion of the Group.

### 2.3.12 Provisions

#### General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Contingencies

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

### 2.3.13 Pension benefits

The Group operates a defined contribution plan in line with the provisions of the Pension Reform Act 2015. This plan is in proportion to the services rendered to the Group by the employees with no further obligation on the part of the Group.

The Group and its employees each contribute a minimum of 10% and 8% respectively of employee's total emoluments. Staff contributions to the scheme are funded through payroll deductions while the group's contribution is recorded as personnel expenses in the profit or loss.

### 2.3.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalized as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available for a short term out of money borrowed specifically to finance a project, the income generated from the temporary investment is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## Notes to the Financial Statements - Continued

### 2.3.15 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset. All loans obtained at below the market rate as a result of government intervention are recognised as grant, measured as the difference between the initial carrying amount of the loan determined in accordance with IAS 39 and the proceeds received

### 2.3.16 Key management personnel

For the purpose of related party disclosures, key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of Group. For Caverton Offshore Support Group key management personnel are considered to be designations from Director Level at the Group.

## 3. Significant accounting judgments, estimates and assumptions

The preparation of the consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgments, estimates and assumptions are required, and where if actual results were to differ, may materially affect the financial position or financial results reported in future periods. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the financial statements.

### Property, Plant and Equipment

The Group carries its property, plant and equipment at cost in the statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Group reviewed and estimated the useful lives and residual values of its property, plant and equipment, and account for such changes prospectively.



## Notes to the Financial Statements - Continued

### Impairment of good will

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. For assumptions and estimates relating to the impairment of goodwill refer to Note 15.

### Income taxes

Given uncertainties exist with respect to the interpretation of complex tax regulations coupled with the amount and timing of future taxable income as well as the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible tax implications that may result in tax liabilities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the prevailing circumstances.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The Group is able to satisfy the continuing ownership test. The Group believes that there would be sufficient future taxable profits.

### Impairment losses on trade and other receivables

The Group reviews its trade receivables individually at each reporting date to assess whether an impairment loss should be recorded in the profit or loss. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

#### 4. Standards issued but not yet effective and Amendments

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group has not assess the impact that these standards will have on the financial position and performance.

The Group intends to adopt these standards, if applicable, when they become effective.

### IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

## Notes to the Financial Statements - Continued

Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The impact of this standard have not been assessed by the Group but it is expected that this standard will affect the impairment of trade receivables. This will change the model from incurred loss model to expected loss model and it would possibly lead to more impairment being recognized at the end of the year.

### **IFRS 15 - Revenue from Contracts with Customers.**

IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IFRS 16 Leases. The standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets, such as property or equipment. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. Standard is effective for annual period beginning on 1 January 2018. The Group has not assessed the impact of this standard.

### **Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.**

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group has not assessed the impact of this standard.

### **IAS 7 Disclosure Initiative - Amendments to IAS 7**

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. These amendments are not expected to have any impact on the Group.

## Notes to the Financial Statements - Continued

### 4. Standards issued but not yet effective and Amendments - Continued

#### **IAS 12 Recognition of Deferred Tax Assets for Un-realized Losses - Amendments to IAS 12**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Group.

#### **IFRS 2 Classification and Measurement of Share-based Payment Transactions**

Amendments to IFRS 2 The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. This amendment will not have any effect on the Group

#### **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-statement of financial position 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 re-measure 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 re-measurement of the lease liability as an adjustment to the right-of-use asset.

**Notes to the Financial Statements - Continued**

**4. Standards issued but not yet effective and Amendments - Continued**

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2017, the Group plans to assess the potential effect of IFRS 16 on its financial statements.

**New standards and amendments effective**

**IFRS 14 Regulatory Deferral Accounts**

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risk associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

**Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively and do not have any impact on the Group, given that it has not used a revenue-based method to depreciate its non-current assets.

**Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants**

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 Agriculture. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are applied retrospectively and do not have any impact on the Group as it does not have any bearer plants.

## Notes to the Financial Statements - Continued

### Amendments to existing standards but not yet effective

#### Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint

ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively.

These amendments do not have any impact on the Group's consolidated financial statements.

### Annual improvements 2012 - 2014 Cycle

These improvements include:

#### IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment is applied prospectively.

#### IFRS 7 Financial Instruments: Disclosures

##### (i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.

##### (ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

#### IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

#### IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively. These amendments do not have any impact on the Group.



**Notes to the Financial Statements - Continued**

**Amendments to existing standards but not yet effective - Continued**

**Annual improvements 2012 - 2014 Cycle**

**Amendments to IAS 1 Disclosure Initiative**

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- ▶ The materiality requirements in IAS 1
- ▶ That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- ▶ That entities have flexibility as to the order in which they present the notes to financial statements
- ▶ That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments do not have any impact on the Group.

**5. Segment information**

For management purposes, the Group is organized into business units based on its services and two reportable segments, as follows:

The Helicopters and Marine segments provide helicopter and marine services respectively to operators in the Oil and Gas industry and other sundry customers. The company management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated and separate financial statements.

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below. The sources of revenue from all other segment relate to dividend income from its investment.

December 2016	Helicopter Charter	Marine	All Other Segment	Total	Adjustments and eliminations	Consolidated and separate
	services N 000	services N 000	N 000	segments N 000	N 000	N 000
<b>Revenue</b>	19,152,643	157,871	-	19,310,514	-	19,310,514
External customers	-	-	-	-	-	-
Inter-segment	-	-	-	-	-	-
<b>Total revenue</b>	19,152,643	157,871	-	19,310,514	-	19,310,514
Depreciation and amortisation	934,442	51,757	-	986,179	-	986,179
Finance cost	1,492,490	95,825	-	1,588,315	-	1,588,315
Interest income	36,503	-	-	36,503	-	36,503
<b>Profit (loss)before income tax expense</b>	1,635,598	(323,036)	94,042	1,406,604	(301,950)	1,104,654
Income tax expense	(526,053)	75,921	(42,238)	(492,370)	-	(492,370)
<b>Segment Profit</b>	1,109,545	(247,115)	51,804	914,234	(301,950)	612,284
<b>Total assets</b>	32,553,995	4,983,399	9,519,490	47,056,884	(5,707,278)	41,349,606
<b>Total liabilities</b>	27,008,993	2,801,263	1,565,675	31,375,931	(3,220,187)	28,155,744
<b>Other disclosures</b>						
Capital expenditure	1,273,288	-	-	-	-	-



## Notes to the Financial Statements - Continued

## 5. Segment information - Continued

December 2015	Helicopter Charter	Marine	All Other Segment	Total	Adjustments and eliminations	Consolidated and separate
	services N 000	services N 000	N 000	segments N 000	N 000	N 000
Revenue	21,017,318	2,202,459	-	23,219,777	-	23,219,777
External customers	-	-	-	-	-	-
Inter-segment	-	-	-	-	-	-
<b>Total revenue</b>	<b>21,017,318</b>	<b>2,202,459</b>	<b>-</b>	<b>23,219,777</b>	<b>-</b>	<b>23,219,777</b>
Depreciation and amortisation	1,851,353	52,329	-	1,903,682	-	1,903,682
Finance cost	1,654,419	140,349	-	1,794,768	-	1,794,768
Interest income	113,170	-	-	113,170	-	113,170
<b>Profit before income tax expense</b>	<b>1,599,936</b>	<b>551,784</b>	<b>(384,591)</b>	<b>1,767,129</b>	<b>-</b>	<b>1,767,129</b>
Income tax expense	(587,568)	(187,309)	(4,172)	(779,049)	-	(779,049)
<b>Segment Profit</b>	<b>1,012,368</b>	<b>364,475</b>	<b>(388,763)</b>	<b>988,080</b>	<b>-</b>	<b>988,080</b>
<b>Total assets</b>	<b>30,211,921</b>	<b>5,003,024</b>	<b>9,657,553</b>	<b>44,872,498</b>	<b>(5,364,707)</b>	<b>39,507,791</b>
<b>Total liabilities</b>	<b>25,471,465</b>	<b>2,573,775</b>	<b>1,755,542</b>	<b>29,800,782</b>	<b>(2,877,617)</b>	<b>26,923,165</b>
Other disclosures						
Capital expenditure	5,762,045	813	-	-	-	-

## Adjustments and eliminations

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries. Inter-segment revenues are eliminated on consolidation.

	31 Dec. 2016 N 000	31 Dec. 2015 N 000
Reconciliation of profit		
Segment profit	914,234	988,080
Inter-segment sales (elimination)	(301,950)	-
Operating expenses elimination	-	-
<b>Profit After tax</b>	<b>612,284</b>	<b>988,080</b>
Reconciliation of assets		
Segment operating assets	47,056,884	44,872,498
Goodwill	6,026,909	6,026,909
Investment in subsidiaries	(8,514,000)	(8,514,000)
Receivables from related party	(3,220,187)	(2,877,617)
<b>Total Asset</b>	<b>41,349,606</b>	<b>39,507,790</b>
Reconciliation of liabilities		
Segment operating liabilities	31,375,931	29,800,782
Payables from related party	(3,220,187)	(2,877,617)
<b>Total liabilities</b>	<b>28,155,744</b>	<b>26,923,165</b>

## Notes to the Financial Statements - Continued

6. Revenue	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Helicopter Charter	972,888	586,075	-	-
Helicopter maintenance	1,080,349	399,128	-	-
Helicopter/Airplane contract	17,099,406	20,032,115	-	-
Charter income	24,875	2,143,292	-	-
Dividend income	-	-	301,950	-
Agency service income	132,996	59,167	-	-
	-----	-----	-----	-----
	19,310,514	23,219,777	301,950	-
	=====	=====	=====	=====

All revenue generating activity are from rendering of services

The Company is a holding company that generates revenue in form of dividend from its subsidiaries and do not have any direct operating cost.

7. Cost of sales	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Aircraft rental	4,151,762	4,787,443	-	-
Crew Salaries	4,216,091	5,589,583	-	-
Charter hire	2,441	1,307,352	-	-
Aircraft insurance premium	460,767	364,173	-	-
Consumables	2,811,374	2,556,489	-	-
	-----	-----	-----	-----
	11,642,435	14,605,040	-	-
	=====	=====	=====	=====

- i. Aircraft rental relates to charges on aircraft hired, airport charges, other incidental cost to the aircraft services and interest on the operating lease of an aircraft. See Note 27 for additional disclosure on the leases.
- ii. Consumables consists of aircraft spare parts, aviation fuels, freight and courier services protocol and immigrations etc.

8. Administrative Expenses	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Audit fee	30,000	30,000	7,000	7,000
Employee benefit expense(8.1)	888,980	1,247,157	181,337	281,728
Business development	3,604	10,770	-	-
Depreciation	974,697	1,894,108	-	55
Amortisation	11,482	9,629	-	-
Communication	44,477	73,076	-	-
Donation	2,500	28,634	2,500	15,499
Fuel and diesel	66,372	74,697	-	-
Insurance	205,456	44,864	-	-
Legal and professional fees	55,987	69,570	8,849	18,282
Licence and levy	86,152	111,148	-	-
Printing	13,187	16,642	-	-
Repairs and maintenance	95,874	89,860	1,261	209
Transport and travels	359,551	521,303	-	68
Impairment loss	4,481	216,611	-	-
Rent	200,050	194,957	-	-
Security	45,625	46,382	-	-
Entertainment	20,191	24,344	-	-
Other expenses	122,334	410,014	36,891	42,723
	-----	-----	-----	-----
	3,231,000	5,113,766	237,838	386,564
	=====	=====	=====	=====

**Notes to the Financial Statements - Continued**

Other administrative expenses consist of fueling, licenses and renewal permit, freight and courier; and other admin related costs incurred by the Group during the year.

8.1 Employees benefit expenses includes :	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Salaries and wages	688,046	1,014,250	202,937	302,728
Pension fund	66,931	75,806		
Allowance	14,339	377		
Staff welfare	119,664	156,724		
	-----	-----	-----	-----
	888,980	1,247,157	202,937	302,728
	=====	=====	=====	=====

**9. Net (loss)/gain on foreign exchange difference**

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Exchange gain	29,930	161,954	29,930	-
Exchange loss	(2,235,127)	(979,136)	-	-
	-----	-----	-----	-----
	(2,205,197)	(817,182)	29,930	-
	=====	=====	=====	=====

**10. Other Income**

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Profit on disposal of PPE	-	597,233	-	-
Reversal of impairments on receivables.	29,945	-	-	-
Scrapped sales	2,316	-	-	-
Sundry income	158,347	38,796	-	-
Grant Income	233,976	128,909	-	-
	-----	-----	-----	-----
	424,584	764,938	-	-
	=====	=====	=====	=====

Sundry income represents refund for Nigeria Civil Aviation Authority (NCAA) inspection from SAIPEM.

**11. Finance Income**

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Interest Income	36,503	113,170	-	1,973
	=====	=====	=====	=====

**Notes to the Financial Statements - Continued**

**Re-classification disclosure-Interest income**

- a. Interest income was previously classified as part of other income, this has now been reclassified and presented as a line item in finance income. This reclassification did not affect the bottom line. It is just a movement in two accounts.
- b. The amount of the re-classification is N113,170(2015)

**12. Finance Cost**

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Interest on debts and borrowings	1,588,315	1,794,768	-	-
	=====	=====	=====	=====

**13. Income Tax**

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
<b>Current income tax:</b>				
Current income tax charge	213,035	1,181,855	-	-
Education tax	44,349	88,654	1,881	-
Minimum tax	51,085	4,188	40,357	4,188
Under provision of prior years	-	178,484	-	-
	-----	-----	-----	-----
	308,469	1,453,181	42,238	4,188
Deferred tax charge				
Relating to origination and reversal of temporary differences	183,901	(674,132)	-	(16)
	-----	-----	-----	-----
<b>Income tax expense reported in profit or loss</b>	<b>492,370</b>	<b>779,049</b>	<b>42,238</b>	<b>4,172</b>
	=====	=====	=====	=====

The under provision of prior year is the tax liability raised during the tax audit and investigation by the Tax Authority. The findings of this review resulted in additional charges arising on years of assessment from 2009-2014.

Reconciliation between tax expense and the product of accounting profit multiplied by Caverton's domestic tax rate for the year ended 31 December 2016 is as follows:

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
<b>Accounting profit/(loss) before tax</b>	1,104,654 =====	1,767,129 =====	94,042 =====	(384,591) =====
At Caverton's statutory income tax rate of 30%	331,396	530,139	28,213	(115,377)
Non-deductible expenses	65,540	102,367	25,360	115,361
Unutilised capital allowance	-	(124,783)	-	119,549
Education tax	44,349	88,654	1,881	-
Under provision of prior year	-	178,484	-	-
Impact of minimum tax	51,085 -----	4,188 -----	51,085 -----	4,188 -----
<b>At the effective income tax rate of 45% (2015: 64%)</b>	492,370 =====	779,049 =====	106,539 =====	4,172 =====

Notes to the Financial Statements - Continued

13.2 Tax payable per statement of financial position

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Balance at the beginning of year	2,551,261	2,038,000	527,731	558,543
<b>Charge for the year:</b>				
Tax charge for the year	308,469	1,453,181	42,238	4,188
Payments during the year	(759,927)	(97,139)	(189,824)	(35,000)
			(14,334)	
WHT credit utilized	(1,359,244)	(842,781)		-
<b>Balance at the end of year</b>	<b>740,559</b>	<b>2,551,261</b>	<b>365,811</b>	<b>527,731</b>
	=====	=====	=====	=====

13.3 Deferred tax relates to the following:

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Properties plant and equipment	(17,315)	(201,216)	-	-
Net deferred tax (assets )/liabilities	(17,315)	(201,216)	-	-
	=====	=====	==	==
<b>Reconciliation of deferred tax liabilities net</b>				
<b>Deferred tax (asset) and liabilities</b>				
Balance at the beginning of the year	(201,216)	472,916	-	-
Write/(charged) back for the year	183,901	(674,132)	-	-
<b>Balance at the end of year</b>	<b>(17,315)</b>	<b>(201,216)</b>	<b>-</b>	<b>-</b>
	=====	=====	===	===

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

14. Earnings Per Share

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
<b>Authorised shares:</b>				
5,000,000,000 ordinary shares of 50k each	2,500,000	2,500,000	2,500,000	2,500,000
	=====	=====	=====	=====
<b>Issued and fully paid</b>				
3,350,509,750 ordinary shares of 50k each	1,675,255	1,675,255	1,675,255	1,675,255
	=====	=====	=====	=====

Notes to the Financial Statements - Continued

14.1. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Group and Company by the weighted average number of ordinary shares in issue during the year.

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Average number of shares outstanding('000)	3,350,510	3,350,510	3,350,510	3,350,510
Profit/(loss) attributable to equity holders (N'000)	603,660	974,311	51,804	(388,763)
Basic earnings/(loss) per share (N)	0.18	0.29	0.02	(0.12)

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

15. Property, Plant and Equipment  
(The Company)

	Furniture N000	Plant and Machinery N000	Motor vehicles N000	Office equipment N000	Total N000
<b>Cost</b>					
At 1 January 2015	180	2,840	8,720	435	12,175
	-----	-----	-----	-----	-----
At 31 December 2015	180	2,840	8,720	435	12,175
	-----	-----	-----	-----	-----
At 31 December 2016	180	2,840	8,720	435	12,175
	===	=====	=====	===	=====
<b>Depreciation</b>					
At 1 January 2015	161	2,804	8,720	435	12,120
Depreciation charge for the year	19	36			55
	-----	-----	-----	-----	-----
At 31 December 2015	180	2,840	8,720	435	12,175
	===	=====	=====	===	=====
At 1 January 2016	180	2,840	8,720	435	12,175
Depreciation charge for the year	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31 December 2016	180	2,840	8,720	435	12,175
	===	=====	=====	===	=====
<b>Net book value</b>					
31 December 2016	-	-	-	-	-
	===	===	===	===	=====
31 December 2015	19	35	-	1	55
	===	===	===	===	=====



## Notes to the Financial Statements - Continued

## 15. Property, Plant and Equipment (The Group)

	Land sN'000	Building structures N'000	Aircraft N'000	Plant and Machinery N'000	Aircraft Equipment N'000	Motor vehicles N'000	Furniture and fittings office Equipment N'000	Construction WIP N'000	Total N'000
<b>Cost:</b>									
1-Jan-15	5,470,965	3,563,528	14,312,404	51,369	85,986	155,038	351,216	60,000	24,050,506
Additions	-	-	-	4,381	1,284	8,428	13,015	5,734,937	5,762,045
Disposals	-	-	(2,879,974)	-	-	(10,395)	-	-	(2,890,369)
Transfer	-	60,000	-	-	-	-	-	(60,000)	-
31-Dec-15	5,470,965	3,623,528	11,432,430	55,750	87,270	153,071	364,231	5,734,937	26,922,182
1-Jan-16	5,470,965	3,623,528	11,432,430	55,750	87,270	153,071	364,231	5,734,937	26,922,182
Additions	-	-	-	-	363	-	3,601	1,269,324	1,273,288
Disposals	-	-	-	-	-	(1,645)	-	-	(1,645)
31-Dec-16	5,470,965	3,623,528	11,432,430	55,750	87,633	151,426	367,832	7,004,261	28,193,825
<b>Depreciation :</b>									
1-Jan-15	73,687	1,183,721	3,750,017	29,519	35,598	83,502	243,335	-	5,399,379
Charge for the year	62,753	163,441	1,547,997	8,652	15,835	34,413	61,017	-	1,894,108
Depreciation on disposals	-	-	(657,434)	-	-	(4,331)	-	-	(661,765)
31-Dec-15	136,440	1,347,162	4,640,580	38,171	51,433	113,584	304,352	-	6,631,722
1-Jan-16	136,440	1,347,162	4,640,580	38,171	51,433	113,584	304,352	-	6,631,722
Charge for the year	62,752	166,597	662,051	7,426	12,457	24,994	38,420	-	974,697
Depreciation on disposals	-	-	-	-	-	(1,645)	-	-	(1,645)
31-Dec-16	199,192	1,513,759	5,302,631	45,597	63,890	136,933	342,772	-	7,604,774
<b>Net book value:</b>									
31-Dec-16	5,271,773	2,109,769	6,129,799	10,153	23,743	14,493	25,063	7,004,261	20,589,051
31-Dec-15	5,334,525	2,276,366	6,791,850	17,579	35,837	39,487	59,879	5,734,937	20,290,460

Some Aircrafts is used as a collateral for borrowing.

**Notes to the Financial Statements - Continued**

**15. Property, Plant and Equipment - Continued**

**Capitalised borrowing costs**

The Group started the construction of a new training facility. This project is expected to be completed in 2017. The carrying amount of the training facility at 31 December 2016 was N 7,004,261 (2015: N 5,734,937). The training facility is financed with a bank loan. The amount of borrowing costs capitalized during the year ended 31 December 2016 was N265, 739,663 (2015:N262, 146,886). The rate used to determine the amount of borrowing costs eligible for capitalization was 18%, which is the EIR of the specific borrowing

**16. Intangible Assets (The Group)**

	N'000
<b>Cost:</b>	
1 January 2015	23,895
Additions	22,004
	-----
31 December 2015	45,899
	=====
1 January 2016	45,899
Additions	-
	-----
31 December 2016	45,899
	=====
<b>Amortisation:</b>	
1 January 2015	2,928
Charge for the year	9,629
	-----
31 December 2015	12,557
	=====
1 January 2016	12,557
Charge for the year	11,482
	-----
31 December 2016	24,039
	=====
<b>Net book value</b>	
31 December 2016	21,860
	=====
31 December 2015	33,342
	=====

**Interest cost**

No interest cost was capitalized during the year

Intangible asset relates to acquired accounting software and it is amortised over the useful life

**Notes to the Financial Statements - Continued**

**17. Business Combination**

**17.1. Group information**

**Information about subsidiaries**

The consolidated financial statements of the Group include:

Name	Principal activities	Year of Incorporation	Country of incorporation	% equity interest	
				2016	2015
Caverton helicopters	Provision of charter, shuttle and maintenance services of helicopters and airplanes to third parties.	12 September 2002	Nigeria	99%	99%
Caverton marine	Harboring and general marine operations.	28 July 1999	Nigeria	99%	99%

**Material partly-owned subsidiaries**

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

	2016	2015
Caverton Helicopters	1%	1%
Caverton Marine	1%	1%

	2016 N000	2015 N000
Accumulated balances of material non-controlling interest:		
Caverton Helicopters	55,450	47,405
Caverton Marine	21,821	24,292

Profit/(loss) allocated to material non-controlling interest:

The Summarised financial information of the subsidiary are provided below. This information is based on amounts before inter-company eliminations.

**Summarized statement of profit or loss**

	<b>Caverton Helicopters Limited</b>		<b>Caverton Marine Limited</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Revenue	19,152,643	21,017,318	157,871	2,202,459
Operating expenses	(1,1639,994)	(13,106,245)	(2,441)	(1,498,795)
Administrative expenses	(2,838,879)	(4,553,717)	(154,283)	(173,485)
Net exchange difference	(2,006,769)	(979,136)	(228,358)	-
Other operating income	461,087	876,135	-	161,954
Finance cost	(1,492,490)	(1,654,419)	(95,825)	(140,349)
	-----	-----	-----	-----
<b>Profit before tax</b>	<b>1,635,598</b>	<b>1,599,936</b>	<b>(323,036)</b>	<b>551,784</b>
Income tax expense	(526,053)	(587,568)	75,921	(187,309)
	-----	-----	-----	-----
<b>Profit for the year</b>	<b>1,109,545</b>	<b>1,012,368</b>	<b>(247,115)</b>	<b>364,475</b>
	-----	-----	-----	-----
<b>Total comprehensive income</b>	<b>1,109,545</b>	<b>1,012,368</b>	<b>(247,115)</b>	<b>364,475</b>
	=====	=====	=====	=====
Attributable to:				
Equity holders of parent	1,098,450	1,002,244	(244,644)	360,830
Non-controlling interests	11,095	10,124	(2,471)	3,645
	-----	-----	-----	-----
	<b>1,109,545</b>	<b>1,012,368</b>	<b>(247,115)</b>	<b>364,475</b>
	=====	=====	=====	=====

## Notes to the Financial Statements - Continued

## Summarized statement of financial position

	Caverton Helicopters Limited		Caverton Marine Limited	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	₦'000	₦'000	₦'000	₦'000
Inventories and cash and bank balances (current)	4,307,952	4,138,644	26,146	79,983
Trade and other receivables, Due from related parties and Prepayments	10,880,445	8,872,106	1,598,514	1,599,194
Property, plant and equipment and other non-current	17,365,598	17,201,171	3,358,740	3,323,847
Trade and other payables (current)	(10,726,393)	(8,542,120)	(1,860,791)	(1,504,003)
Deferred revenue	(652,989)	(863,435)	-	-
Income tax payable	(325,190)	(1,643,644)	(49,558)	(379,885)
Interest-bearing loans and borrowing (Current)	(1,555,424)	(3,742,098)	(890,914)	(689,887)
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	(13,748,997)	(10,680,168)	-	-
	5,545,002	4,740,456	2,182,137	2,429,249
<b>Total equity</b>	5,545,002	4,740,456	2,182,137	2,429,249
Attributable to:				
Equity holders of parent	5,489,552	4,693,051	2,160,315	2,404,957
Non-controlling interests	55,450	47,405	21,822	24,292
Dividend paid to non-controlling interest	3,050	-	-	-

Notes to the Financial Statements - Continued

Summarised cash flow information for year ending 31 December 2016:

	Caverton Helicopters Limited		Caverton Marine Limited	
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Operating	6,870,654	6,547,907	69,187	84,567
Investing	(1,000,493)	(2,957,397)		(813)
financing	(6,093,895)	(2,316,728)	(95,825)	(110,060)
	-----	-----	-----	-----
<b>Net increase/(decrease) in cash and cash equivalents</b>	(223,734)	1,273,782	(26,638)	(26,306)
<b>Net foreign exchange differences</b>	53	(98,755)		34,565
<b>Cash and cash equivalents at 1 January</b>	2,681,457	1,506,430	52,784	44,525
	-----	-----	-----	-----
<b>Cash and cash equivalents at 31 December</b>	2,457,776	2,681,457	26,146	52,784
	=====	=====	=====	=====

17.2. Goodwill

Goodwill acquired through business combinations has been allocated to two CGUs for impairment testing as follows:

Carrying amount of goodwill allocated to each of the CGUs:

	31 December	31 December
	2016	2015
	N'000	N'000
Helicopter Services	3,885,972	3,885,972
Marine service	2,140,937	2,140,937
	-----	-----
	6,026,909	6,026,909
	=====	=====

**Helicopter CGU**

The recoverable amount of this Cash Generating Unit was based on its value in use and was determined by discounting the future cash flow projections from the financial budgets approved by senior management covering a 5 year period. The projected cash flows have been updated to reflect the marginal increase in revenue. Unless indicated, the value in use in December 2015 was determined in similar way as 31 December 2016. And cash flows beyond the five-year period are extrapolated using a 10.0% growth rate (2015: 10.0%) that is the same as the long-term average growth rate for the aviation industry.

The calculation of value in use was based on the following key assumptions:

Cash flow was projected based on past experience, actual operating results and a 5-year operating cash flow.

**Revenue growth rate**

The revenue growth rate was **15%** for all the projected years, the anticipated annual revenue growth included in the cash flow projections for the years 2016-2020 has been based on growth rate of five years.

## Notes to the Financial Statements - Continued

### Pre-tax discount rate

The pre-tax discount rate of 18% (2014 18%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the incremental borrowing rate in the absence of weighted average cost of capital

### Gross margin

The Gross margin was projected as 33% (2017), 37% (2018), 45% in 2019, 49% in 2020 and 52% in 2021

As a result of this analysis, there was no impairment charged for Helicopter CGU as at 31 December 2016 and 31 December 2015.

### Marine CGU

The recoverable amount of this Cash Generating Unit was based on its value in use and was determined by discounting the future cash flow projections from the financial budgets approved by senior management covering a 5 year period. Unless indicated the value in use in December 2015 was determined in similar way as 31 December 2016. The calculation of value in use was based on the following key assumptions:

Cash flow was projected based on past experience, actual operating results and a 5- year operating cash flow.

### Revenue growth rate

The revenue growth rate was based on 3% for all the projected years. The anticipated annual revenue growth included in the cash flow projections for the years 2017-2021 has been based on growth rate of five years.

### Pre-tax discount rate

The pre-tax discount rate of 18% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the incremental borrowing rate in the absence of weighted average cost of capital

### Gross Margins

The Gross margin 47% (2017), 47% (2018), 46% in 2019, 46% in 2020 and 45% in 2021

As a result of this analysis, there was no impairment charged for Marine CGU as at 31 December 2016

### Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for both Helicopters and Marine is most sensitive to the following assumptions:

- ▶ Revenue growth rates
- ▶ Discount rates
- ▶ Growth rates used to extrapolate cash flows beyond the forecast period

*Revenue growth rate:* Revenue growth rate are based on average values achieved in the two years preceding the beginning of the budget period.

These are increased over the budget period for anticipated efficiency improvements. An increase of 15% per annum was applied for the Helicopters unit and 3% per annum for the Marine unit.

A decrease in the gross in revenue growth rate of 3.0% would not result in impairment in the Helicopters unit. A decrease in the revenue growth to 1.0% would not result in impairment in the marine unit.



**Notes to the Financial Statements - Continued**

*Discount rates* Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

The discount rate calculation is based on the incremental borrowing rate in the absence of weighted average cost of capital

A rise in the pre-tax discount rate to 19.0% (i.e. +1%) in the Helicopters unit would not result in impairment. A rise in the pre-tax discount rate to 19.0% (i.e. +1%) marine unit would not result in impairment.

*Growth rate estimates* Rates are based on published industry research

A reduction to 8.55% in the long-term growth rate in the Helicopters unit would not result in impairment. For the Marine unit, a reduction to 7.55% in the long-term growth rate would not result in impairment.

18. Inventories	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Inventory Shell Project-Consumables	913,423	1,006,444	-	-
Inventory- Spare parts	68,043	407,765	-	-
Jet A1 Aviation fuel Lagos	868,711	42,979	-	-
	-----	-----	----	-----
	1,850,177	1,457,188	-	-
	=====	=====	===	===

During 2016, ₦1,307,505,470 (2015: ₦1,043,916,005) was recognised as an expense for inventories carried at net realisable value. This is recognized in direct operating expenses. There is no write down on inventory in 2015 and 2016.

19. Trade and Other Receivables	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Trade receivables	5,671,283	4,944,709	-	-
Impairment loss on trade receivables (Note 19.1)	(191,147)	(216,611)	-	-
	-----	-----	-----	-----
	5,480,136	4,728,098	-	-
Withholding tax receivable	2,121,054	2,293,519	104,466	88,605
VAT receivables	255,008	7,308	-	-
Staff advances	4,437	6,462	-	-
Due from related parties	-	4,782	898,166	1,053,171
Advance payments	2,473,984	1,596,902	-	-
	-----	-----	-----	-----
	10,334,619	8,637,071	1,002,632	1,141,776
	=====	=====	=====	=====

Trade receivables are non-interest bearing and are generally on terms of 30-60 days credit collection period.

Advance payments represent reimbursable expenses incurred in respect of Shell Contract. Shell Petroleum Development Company of Nigeria Ltd. is meant to pay back these expenses in line with the provisions of the contract.

**Notes to the Financial Statements - Continued**

**Re-classification disclosure-Due from related parties**

c. Due from related party was previously presented as a line item in the prior year, this has now been reclassified to trade and other receivables.

d. The amount of the re-classification is N4,782(2015)

**19.1 Impairment loss on trade receivables**

As at 31 December 2016, trade receivables of an initial value of N4,480,000 (31 Dec 2015:216,611) was fully impaired and provided for. See below for the movement in the impairment of receivables.

	Individually impaired N000	Total N000
<b>1 January 2015</b>	-	-
Charge for the year	216,611	216,611
Utilised	-	-
<b>At 31 December 2015</b>	216,611	216,611
<b>At 31 January 2016</b>	216,611	216,611
Charge for the year	4,481	4,481
Utilised	(29,945)	(29,945)
<b>At 31 December 2016</b>	191,147	191,147

As at 31 December, the ageing analysis of trade receivables is as follows:

		Neither Past due nor impaired N'000	Less than 30 days N'000	30 - 60 days N'000	Past due but not impaired 60 - 90 days N'000	Above 90 Days N'000	Impaired
	Total N'000						
2016	5,671,283	292,272	1,042,754	1,371,369	1,051,014	1,722,727	191,147
2015	4,944,709	2,578,967	1,055,475	357,606	173,035	563,015	216,611

20	Related Companies	Nature of Relationship	The Group 31 Dec 2016 N'000	31 Dec 2015 N'000	The Company 31 Dec 2016 N'000	31 Dec 2015 N'000
	Chairman's account	Director	-	4,782	-	-
	Caverton Helicopters	Subsidiary	-	-	898,166	1,053,171
	<b>Due from Related Companies:</b>		-	4,782	898,166	1,053,171
	Chairman's account	Director	100,411	12,139	-	-
	Caverton Marine	Subsidiary	-	-	1,149,199	1,183,039
	Caverton Helicopters		-	-	-	-
	<b>Due to Related Companies:</b>		100,411	12,139	1,149,199	1,183,039

For more disclosures on related parties refer to **Note 26**.

Notes to the Financial Statements - Continued

21 Prepayments	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Rent prepaid	16,538	85,853	-	-
Insurance prepaid	6,357	12,535	-	-
	-----	-----	-----	-----
	22,895	98,388	-	-
	=====	=====	=====	=====

This rent prepaid relates to an operating lease in respect of a staff apartment. Rentals are paid annually in advance if the company elects to renew the lease. During 2016, N200,049,098.78 (2015: N194,957,434.99) was recognised as lease expense.

**22. Cash and Bank Balance**

Cash and bank balances in the statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less.

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Cash and bank balances	2,486,780	2,763,217	2,858	1,777
	=====	=====	=====	=====

Cash at banks earns interest at floating rates based on daily bank deposit rates.

**22.1 Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts as at 31 December:

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Cash and bank balance (Note 21)	2,486,780	2,763,217	2,858	1,777
Bank overdraft (Note 23)	-	(27,199)	-	-
	-----	-----	-----	-----
	2,486,780	2,736,018	2,858	1,777
	=====	=====	=====	=====

Notes to the Financial Statements - Continued

23 Ordinary Share Capital

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
<b>Authorised shares</b>				
5,000,000,000 ordinary shares of 50k each	2,500,000	2,500,000	2,500,000	2,500,000
	=====	=====	=====	=====
<b>Issued and fully paid</b>				
3,350,509,750 ordinary Shares of 50k each	1,675,255	1,675,255	1,675,255	1,675,255
	=====	=====	=====	=====
<b>Share premium</b>	6,616,991	6,616,991	6,616,991	6,616,991
	=====	=====	=====	=====

**Nature and Purpose of Share premium**

Share premium represent amount at which subscription for ordinary share capital exceed the nominal value.

Retained earnings represents the percentage of net earnings not paid out as dividends, but retained by the company to be reinvested in its core business, or to pay debt.

24.1 Interest Bearing Loans & Borrowings

		The Group		The Company	
		31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Bank overdraft		-	27,199	-	-
Term Loan - Nexim N358million	I	358,224	376,442	-	-
Heritage Bank Limited	li	-	286,246	-	-
Term Loan-Heritage Bank Limited \$2.5million		532,690	-	-	-
\$12 Million Access Bank Plc loan	lii	3,042,000	2,169,645	-	-
LECON Financial Service (Obligation under finance lease )	lv	1,040,358	649,278	-	-
Access Bank Plc Invoice Discounting - USD		-	278,670	-	-
Fidelity Bank Plc Invoice Discounting		250,000	-	-	-
Term Loan - Access Bank /BOI - (\$18,737,390 loan)	V	3,394,881	3,013,772	-	-
Access Bank - N1.16b	Vi	611,741	783,963	-	-
Access Bank - N3.6b	Vii	2,683,856	3,283,856	-	-
Access Bank - N2.17b	Vi	1,393,809	1,492,582	-	-
Access Bank N6.93b		758,138	312,762	-	-
Access Bank Invoice Discounting - NGN		-	163,210	-	-
White Rock Global		234,750	-	-	-
		-----	-----	-----	-----
Total		14,300,447	12,837,625	-	-
		=====	=====	=====	=====
<b>24.2 Total Interest Bearing Loans and Borrowings</b>					
Current interest-bearing loans and borrowings		2,446,338	4,431,985	-	-
Non-current interest-bearing loans and borrowings		11,854,109	8,405,640	-	-
		-----	-----	-----	-----
		14,300,447	12,837,625	-	-
		=====	=====	=====	=====

**Notes to the Financial Statements - Continued**

**24.3 Terms and Conditions**

**i) Nigerian Export - Import Bank**

This is a term loan facility of N358,000,000 for financing and acquisition of a semi-refrigerated Liquefied Petroleum gas ('LPG') Vessel. The tenor of the loan is 120 months and the maturity date is June 2018. The interest rate is 12% of the loan amount. The loan is secured on Legal mortgage over the company's property, Legal mortgage over the vessel acquired sharing with the co-lenders, Charge over all permitted accounts, Promissory Notes, Deed of ship mortgage and Power of Attorney.

**ii) Heritage Bank Limited (\$2,500,000)**

This relates to a term loan of \$2,500,000 given by Heritage loan to finance the part payment of the cost of one vessel. The tenor of the loan is three (3) years. The interest rate is 10% with a maturity date of June 2017. The loan is secured on Tripartite legal Mortgage on property, Corporate Guarantee of the parent Company-Caverton Offshore support Group for the full facility amount, Tripartite Legal Mortgage on Property and Personal Guarantee of the Chief executive officer for the full facility amount, interest and charges.

**iii) Access Banks UK (\$10,000,000)**

This relates to SBLC backed trade loan of (\$10,000,000) obtained in November 2016 for a single trade the operational expenses. The loan has a tenor of 12 months with an interest rate of 8% p.a.

**Security of the loan**

The loan is secured with legal mortgage on 1, Prince Kayode Akingbade Close, Victoria Island and the personal guarantee of the chairman for the full payment of the amount.

**iv) LECON Financial Services Limited (\$16,252,500)**

A loan of \$16,252,500 was obtained in October 2013 for the purchase of 1 unit of Agusta Westland AW 139 Helicopter. It also includes transaction costs on the issue of the loan. The loan has a tenor 41 months and a maturity date of February 2017.

**Security of the loan**

Title of aircraft during the tenor of this loan is to be held by LECON Financial Services Limited & LECON's interest in the asset as loss payee will be noted in the insurance, which will be undertaken by IDIB as joint brokers.

Irrevocable standing order domiciling all proceeds from the Total Upstream Nigeria Limited contract to a designated collection account in the name of BOI & LECON, at Access bank Plc.

**v) Access Bank BOI Loan (\$18,737,390 loan)**

This relates to the Long term loan of \$18,737,390 restructured (by capitalizing outstanding interest) in October 2016 from the previous \$ 17,391,000 loan obtained for the purpose of procurement of one (1) factory new AW 139 Helicopter for offshore freight service contracts to Shell Petroleum Development Company. The new tenor of the loan is five (5) years with a maturity date of March 2020. The monthly repayments (principal and interest) are now stated at \$312,289.83. The loan attracts a monitoring fee of 0.125% payable every quarter.

The Interest rate on the loan is 7% per annum, payable monthly in arrears.

The loan is secured with the Bank Guarantee/Irrevocable Standing payment order from Access Bank Plc stating that the receivables specific to the additional AW19 Helicopter in both local and foreign currencies, shall be paid into BOI's nominated accounts.



**Notes to the Financial Statements - Continued**

**24.3 Terms and Conditions - Continued**

**vi) Access bank N3.6billion loan**

This relates to the N3.6billion obtained from access bank to re-financing the outstanding balance on an existing loan availed by Mainstreet bank for the purchase of Twin Otter aircraft, development of hanger, terminal building and other facilities at NAF base (Port Harcourt). The loans have an interest rate of 18% and 72 months tenor. The loan is secured on the legal mortgage on landed property Caverton Heliport, Ozumba Mbadiwe, and property measuring 40,009,005M2 at Murital Mohamed Airport, Ikeja, Lagos.

**vii) Access Bank N2.173billion and N1.16billion loan**

These relate to the term loan obtained from Access Bank through CBN intervention to finance the development of new maintenance, repair and overhaul (MRO) facility Ikeja. These loans have 7% interest rate and 18 months moratorium period for both principal and interest from the date of disbursement with 84 months tenor and a maturity date of March 2022. The loans are secured on the chattel mortgage on twin otter, AW 139 helicopters and personal guarantee of the Chairman.

**viii) White Rock Global**

This relates to advance obtained from White Rock Global for operational expenses. The sum of N250million advance was made available on 30 December 2016 without interest. The loan is short term loan to be repaid within 12 month.

**25.1 Deferred Revenue/Government Grant - Long term**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
SHELL Advance Payment	1,798,778	2,274,528	-	-
	=====	=====	=====	=====
At 1 January	2,274,528	3,627,641	-	-
Movement in the year	(475,750)	(1,353,113)	-	-
	-----	-----	-----	-----
At 31 December	1,798,778	2,274,528	-	-
	=====	=====	=====	=====

**SHELL Advance Payment for AW139**

Caverton Helicopters Limited obtained advance from Shell Petroleum Development Company of Nigeria Ltd. in order to purchase an Aircraft (model: Agusta Westland). The repayment of the advance is done by offsetting the equivalent of the amount to be paid by Shell Petroleum when Caverton Helicopters Limited renders aircraft services. No interest is charged on the advance and the tenor is for 60 months ending July 2017, which coincides with the end of the contract. Caverton Helicopters Limited recognizes the Aircraft in its books as part of its property, plant and equipment.

**Notes to the Financial Statements - Continued**

**25.2. Deferred Revenue/Government Grant - Short term**

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
At 1 January	863,435	12,993	-	-
Deferred during the year	23,530	979,351	-	-
Released to the statement of profit or loss	(233,976)	(128,909)	-	-
At 31 December	652,989	863,435	-	-
	=====	=====	=====	=====

The deferred revenue represents advance payments from Total Nig. Plc and other customers for which related services have not been fully delivered by the Group.

Government grants have been received for the loan obtained from BOI at below the market. There are no unfulfilled conditions or contingencies attached to this grant.

**26. Trade and Other Payables**

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Trade payables	8,569,215	6,204,839	50,665	12,375
Other payables	1,808,885	1,308,846	-	32,397
VAT Output	92,289	360,430	-	-
Withholding Tax Payable	92,171	510,063	-	-
Due to Related Companies	100,411	12,139	1,149,119	1,183,039
	10,662,974	8,396,317	1,199,864	1,227,811
	=====	=====	=====	=====

Other payables includes Salary payable

**Terms and conditions of the above financial liabilities:**

- Trade and other payables are non-interest bearing and are normally settled on 90-day terms.
- Other payables are non-interest bearing and have an average term of 3-6months.
- VAT output and Input are offset for tax purposes as permitted by the relevant tax laws.

**Re-classification disclosure-Due to related parties**

- Due from related party was previously presented as a line item in the prior year, this has now been reclassified to trade and other payables.
- The amount of the re-classification is N12,139(2015)

**27. Related Parties**

The financial statements include equity of major shareholders as follow:

	No. of Shares	% of Capital
Foreign	5,045,000	0.15%
Corporate	2,372,734,310	70.82%
Various individual shareholders	972,730,440	29.03%
Total	3,350,509,750	100%
	=====	=====

**Notes to the Financial Statements - Continued**

**27. Related Parties - Continued**

**Subsidiaries:** The Group has a 99% interest in both Caverton Helicopters Limited and Caverton Marine Limited (31 December 2015: 99%).

The Group entered into the following transactions with related parties during the year:

Related party	Nature of relationship	Nature of transaction	Balance receivable	Balance payable	Balance receivable	Balance payable
			31 Dec 2016	31 Dec 2016	31 Dec 2015	31 Dec 2015
			N'000	N'000	N'000	N'000
	Director	Refund of advance the chairman made (from/to )on behalf of the companies	-	(100,411)	4,782	(12,139)
Chairman's account			----	-----	-----	-----
<b>TOTAL:</b>			-	(100,411)	4,782	(12,139)
			===	=====	=====	=====

**Terms and conditions of transactions with related parties**

The transactions from related parties are made on behalf of each other at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured and interest free and it has no set repayment terms. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

The Company entered into the following transactions with related parties during the year:

Related party	Nature of transaction	Balance receivable/ (payable)	Balance receivable/ (payable)
		31 Dec 2016	31 Dec 2015
		N'000	N'000
Caverton Marine - Subsidiary	Payment made by Caverton Marine, on behalf of Caverton Offshore.	(1,149,199)	(1,183,039)
Caverton Helicopters - Subsidiary	Payment made by Caverton Offshore on behalf of Caverton Helicopters.	898,166	1,053,171
<b>TOTAL:</b>		(251,033)	(129,868)
		=====	=====

**Notes to the Financial Statements - Continued**

**27. Related Parties - Continued**

**Terms and conditions of transactions with related parties**

The transactions between related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured and interest free and it has no set repayment terms. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

**Compensation to key management staff: Short term compensation**

	2016 N'000	2015 N'000
Short-term employee benefits	341,123	661,090
Post-employment pension and medical benefits	46,517	-
Termination benefits		-
Total	387,640	661,090

	Group		Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Fees	21,600	21,000	21,600	21,000
Remuneration	366,040	640,090	159,737	243,478
	-----	-----	-----	-----
	387,640	661,090	181,337	264,478
	=====	=====	=====	=====
	31 Dec 2016 N'000	31 Dec 2016 N'000	31 Dec 2016 N'000	31 Dec 2016 N'000
The Chairman	48,000	206,342	48,000	111,779
Other Directors	339,640	454,748	133,337	152,699
	-----	-----	-----	-----
	387,640	661,090	181,337	264,478
	=====	=====	=====	=====

**Long term compensation to key management**

The Group has no long-term compensation for its key management personnel.

## 28. Capital Commitments and Contingent Liabilities

In 2016, the Group entered into operating leases on certain Aircraft with a five years lease terms between three and five years. The Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are, as follow

	2016 N'000
Within one year	
After one year but not more than five years	1,118,655
More than five years	3,213,396
	-----
Total minimum lease payments	4,332,051
	-----

In 2015, the Group entered into operating leases on certain Aircraft with a five years lease terms between three and five years. The Future minimum rentals payable under non-cancellable operating leases as at 31 December 2015 are, as follows:

	2015 N'000
Within one year	1,118,655
After one year but not more than five years	4,332,051
More than five years	-
	-----
Total minimum lease payments	5,450,706
	-----

## 29. Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Finance management committee under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in collaboration with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas. Finance management committee reviews and agrees policies for managing each of these risks, which are summarised below.

### a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits.

**Notes to the Financial Statements - Continued**

**29. Financial Risk Management Objectives and Policies - Continued**

**(i) Foreign exchange risk**

Management has set up a policy requiring the Group to manage their foreign exchange risk against their functional currency. The Group Company is required to manage its entire foreign exchange risk exposure with the Group finance. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, companies in the Group ensure that significant transaction are contracted in the Group's functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. The Company is not exposed to significant foreign exchange risk as most of their transactions are denominated in naira.

**Foreign currency sensitivity for the Group**

The following demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities including cash deposits, trade receivables and borrowings denominated in US dollars). The group net exposure to foreign currency (₦11,307,542)\$37,171) at exchange rate of N304/1\$

		Effect on profit before tax Strengthening ₦'000	Effect on profit before tax Weakening ₦'000
	%		
31 December 2016	5%	565,005	(565,005)
31 December 2015	5%	415,701	(415,701)

**(ii) Price risk**

The Group is not exposed to significant price risk.

**(iii) Interest rate risk**

The Group exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Group does not hedge the floating rate interest exposure.

Most of the group loans are at fixed rate which does not bear any risk of interest rates.

**Interest rate sensitivity for the Group**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in %	Effect on profit before tax Strengthening ₦ '000	Effect on profit before tax Weakening ₦ '000
2016	+/-5%	120,686	(120,686)
2015	+/-5%	11,219	(11,219)



**Notes to the Financial Statements - Continued**

**29. Financial Risk Management Objectives and Policies - Continued**

**(b) Credit risk**

Credit risk is managed on Group basis, except for credit risk relating to accounts receivable balances. Each company is responsible for managing and analysing the credit risk for both existing and new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents, and short term deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored to ensure debts are easily collected. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group places premium on maintaining credit limits to ensure that there is little or no losses from non-performance by those counterparties.

The table below shows the Group and the company's respective maximum exposure to credit risk:

	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Trade receivables	7,958,557	6,336,244	-	-
Cash and bank balances	2,486,780	2,763,217	2,858	1,777

**(c) Liquidity risk**

Cash flow forecasting is performed in the operating companies of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient funds on a regular basis so that the Group does not breach borrowing covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements for example, currency restrictions. Surplus cash held by the operating Companies over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, short term deposits, and other similar security. The entity's cash and cash equivalents and receivables are all redeemable between 0 and 90 days.

Notes to the Financial Statements - Continued

29. Financial Risk Management Objectives and Policies - Continued

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Group

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 year above
	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000
31-Dec-16						
Interest bearing loans and borrowings	14,300,447	14,901,423	890,914	484,750	2,156,399	11,369,360
Trade and other payables	10,478,511	10,478,511	-	1,303,327	9,175,184	-
31-Dec-15						
Interest bearing loans and borrowings	12,837,625	13,405,647	689,887	441,880	2,616,351	9,657,529
Trade and other payables	7,525,824	7,525,824	-	1,313,479	6,212,345	-

Company

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 year above
	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000
31 December 2016						
Trade and other payables	1,199,864	1,199,864	-	341,851	858,013	-
31 December 2015						
Trade and other payables	1,227,811	44,772	-	328,158	899,653	-

Notes to the Financial Statements - Continued

29. Financial Risk Management Objectives and Policies - Continued

(d) Fair values

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements.

	The Group Carrying value		The Group Fair Value	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
<b>Financial assets</b>				
Trade and other receivables	10,334,619	8,637,071	7,958,557	8,637,071
Cash and bank	2,486,780	2,763,217	2,486,780	2,763,217
<b>Total</b>	<b>12,821,399</b>	<b>11,400,288</b>	<b>10,445,337</b>	<b>11,400,288</b>
	=====	=====	=====	=====
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings	14,300,447	12,837,625	15,566,407	13,105,175
Trade and other payables	10,662,971	8,396,317	10,662,971	8,396,317
<b>Total</b>	<b>24,963,418</b>	<b>21,233,942</b>	<b>26,676,324</b>	<b>21,501,492</b>
	=====	=====	=====	=====

Notes to the Financial Statements - Continued

29. Financial Risk Management Objectives and Policies - Continued

	The Company Carrying value		The Company Fair Value	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
<b>Financial assets</b>				
Trade and other receivables	1,002,632	1,141,776	1,002,632	1,141,776
Cash and bank	2,858	1,777	2,858	1,777
<b>Total</b>	<b>1,005,490</b>	<b>1,143,553</b>	<b>1,005,490</b>	<b>1,143,553</b>
	=====	=====	=====	=====
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings				
Trade and other payables	1,199,864	1,227,811	1,199,864	1,227,811
<b>Total</b>	<b>1,199,864</b>	<b>1,227,811</b>	<b>1,199,864</b>	<b>1,227,811</b>
	=====	=====	=====	=====

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities are states at their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. The fair value of the loans and borrowing are determined based on the market related rate at the reporting date.

The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

**Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair valuation of interest bearing loans and borrowing is classified as level 3 fair value hierarchy. The fair value is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risks and remaining maturity.

**Notes to the Financial Statements - Continued**

**30. Capital Management**

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios 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 economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 (2015: Same).

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Group policy is to raise additional debt but keep the gearing ratio below 50%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations if any.

	31 Dec 2016 N'000	31 Dec 2015 N'000
Interest-bearing loans and borrowings	14,300,447	12,837,625
Trade and other payables	10,662,971	8,396,317
Less: cash and bank	(2,486,780)	(2,763,217)
Net debt	22,476,638	18,458,586
Equity	13,193,862	12,584,625
Total Capital	13,193,862	12,584,625
Capital and net debt	35,570,089	31,043,211
Gearing ratio	63%	60%

**31. Information Relating To Employees**

The average number of persons employed by the Group during the financial year was as follows:

	The Group		The Company	
	31 Dec 2016 Number	31 Dec 2015 Number	31 Dec 2016 Number	31 Dec 2015
Finance and administration	170	214	-	-
Operations	189	204	-	-
Engineering	166	184	-	-
	525	602	-	-
	===	===	===	===

**Notes to the Consolidated Financial Statements - Continued**

The number of employees that received fees and other emolument in the following ranges was:

Category	The Group		The Company	
	2016	2015	2016	2015
N300,000 - N2,500,000	279	333	-	-
N2,500,001 - N5,000,000	41	49	-	-
N5,000,001 - N10,000,000	45	44	-	-
N10,000,001 - N20,000,000	37	52	-	-
N20,000,001 - N25,000,000	12	73	-	-
N25,000,001 - N30,000,000	17	39	-	-
N30,000,001 - N50,000,000	85	11	-	-
N50,000,001 - N85,000,000	8	1	-	-
N85,000,000 and above	1	-	-	-
	-----	-----	-----	-----
	525	602	-	-
	===	====	====	====

**32. Events after the reporting period**

No event or transaction has occurred since the reporting 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.



## VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	The Group				The Company			
	2016 N'000		2015 N'000		2016 N'000		2015 N'000	
Revenue	19,310,514		23,219,777		301,950		-	
Cost of services- Local	(11,375,022)		(12,218,522)		(237,838)		(386,508)	
	-----		-----		-----		-----	
	7,935,492		11,001,255		64,112			
Other income	461,087		878,108		29,930		1,973	
	-----		-----		-----		-----	
Value added	8,396,579		11,879,363		94,042		(384,535)	
	=====		=====		=====		=====	
Applied as follows:		%		%		%		%
To employees								
-Wages, salaries and other benefits	4,717,431	56	6,413,728	54	-	-	-	-
To providers of capital								
-Interest	1,588,315	19	1,794,768	15	-	-	-	-
To pay government: as company taxes	308,469	4	1,453,181	12	42,238	45	4,188	(1)
To provide for replacement of assets and expansion of business:								
Depreciation & amortization	986,179	12	1,903,738	16	-	-	56	-
Deferred taxation	183,901	2	(674,132)	(6)	-	-	(16)	-
Retained profit	612,284	7	988,080	8	51,804	55	(388,763)	101
	-----	----	-----	----	-----	----	-----	----
	8,396,579	100	11,879,363	100	94,042	100	(384,535)	100
	=====	==	=====	===	=====	===	=====	===

The value added represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government and that retained for future creation of wealth.

## FIVE -YEAR FINANCIAL SUMMARY - GROUP

	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12
<b>NON-CURRENT ASSETS</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, plant & equipment	20,589,053	20,290,460	18,651,130	18,195,679	12,070,710
Intangible assets	21,860	33,342	20,967	3,334	81,257
Goodwill	6,026,909	6,026,909	6,026,909	6,026,909	6,026,909
Deferred tax assets	17,315	201,216	-	-	-
Net current assets	2,637,948	1,144,851	3,910,163	6,704,699	7,145,468
	29,293,084	27,696,778	28,609,169	30,930,621	25,324,344
Interest bearing loans & borrowings	(14,300,447)	(12,837,625)	(12,577,015)	(10,211,223)	(3,901,856)
					(11,321,620)
Other non-financial liabilities	(1,798,778)	(2,274,528)	(3,627,641)	(8,773,518)	)
Deferred tax liabilities	-	-	(472,917)	(555,819)	(277,525)
	13,193,859	12,584,625	11,931,596	11,380,060	9,823,343
<b>Financed by:</b>					
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	6,616,991	6,616,991	6,616,991
Retained earnings	4,821,291	4,220,681	3,581,421	2,980,627	1,442,660
Non-controlling interest	80,322	71,698	57,929	107,187	88,437
	13,193,859	12,584,625	11,931,596	11,380,060	9,823,343
	=====	=====	=====	=====	=====
Turnover	19,310,514	23,219,777	24,900,083	18,662,906	16,132,083
	=====	=====	=====	=====	=====
Profit before tax	1,104,654	1,767,129	2,729,896	3,158,854	2,162,855
Income tax expense	(492,3700	(779,049)	( 1,750,594)	(1,283,839)	(802,688)
Profit after tax	612,284	988,080	979,302	1,875,015	1,360,167
	-----	-----	-----	-----	-----
Per share					
Earnings per share	N 0.18	N 0.29	N 0.29	N 0.55	N 0.40

## FIVE -YEAR FINANCIAL SUMMARY - COMPANY

	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12
<b>NON-CURRENT ASSETS</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, plant & equipment		-	55	559	2,057
Investments	8,514,000	8,514,000	8,514,000	8,514,000	8,514,000
Net current (liabilities)/asset	(560,185)	(611,989)	111,786	173,130	101,427
	7,953,815	7,902,011	8,625,841	8,687,689	8,617,484
Deferred tax liabilities	-	-	(16)	(219)	(641)
	7,953,815	7,902,011	8,625,825	8,687,470	8,616,843
<b>Financed by:</b>					
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	6,616,991	6,616,991	6,616,991
Retained earnings	(338,431)	(390,235)	333,579	395,224	324,597
	7,953,815	7,902,011	8,625,825	8,687,470	8,616,843
	=====	=====	=====	=====	=====
Turnover	301,950	-	886,050	276,210	495,000
	=====	=====	=====	=====	=====
(Loss )/profit before tax	94,042	(384,591)	527,540	583,048	283,013
Income tax expense	(42,238)	(4,172)	(170,371)	(194,125)	-
Profit after tax	51,804	(388,763)	357,169	388,923	283,013
	-----	-----	-----	-----	-----
Earnings per share	N 0.02	(N 0.12)	N 0.11	N 0.12	N 0.08