



CONTENTS

CAVERTON OFFSHORE SUPPORT GROUP PLC YEAR ENDED 31ST DECEMBER, 2010.

	Pages
NOTICE OF ANNUAL GENERAL MEETING	1 - 2
CORPORATE INFORMATION	3 - 4
REPORT OF THE DIRECTORS	5 - 8
CHAIRMAN’S STATEMENT	9 - 12
REPORT OF THE AUDITORS	14
ACCOUNTING POLICIES	15
SHAREHOLDERS INFORMATION	16
GROUP FINANCIAL HIGHLIGHTS	17
CONSOLIDATED FINANCIAL HIGHLIGHTS	18
BALANCE SHEET	19
PROFIT AND LOSS ACCOUNT	20
CASHFLOW STATEMENT	21
STATEMENT OF VALUE-ADDED	22
NOTES TO THE FINANCIAL STATEMENTS	23 - 25
PROXY FORM	27 & 29

PROXY FORM.



I/We.....
of being a member of
Caverton Offshore Support Group Plc hereby appoint of failing him to act as my
proxy, to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Friday 20th May,
2011at FourPoints by Sheraton Hotels, Block 2 Oniru Chieftaincy Estate, Victoria Island, Lagos State at 11:00am
and at every adjournment thereof.

As witness under my hand thisday of2011.

.....

Signed

ORDINARY BUSSINESS

FOR

AGAINST

Address of Shareholders



CAVERTON OFFSHORE SUPPORT GROUP PLC. RC750603

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **SECOND ANNUAL GENERAL MEETING** of Caverton Offshore Support Group Plc will be held at FourPoints by Sheraton Hotel, Block 2 Oniru Chieftaincy Estate, Victoria Island, Lagos, Nigeria on 20th May, 2011 at 11a.m to transact the following business:

ORDINARY BUSINESS

1. To receive and approve the Audited Financial Statements for the year ended 31st December 2010 together with the Reports of the Directors and Auditors
2. To declare dividend
3. To reappoint directors
4. To approve the directors' remuneration
5. To authorize the Directors to fix the remuneration of the Auditors

SPECIAL BUSINESS

Consideration and if thought fit the following shall be passed as ordinary resolution:

1. To appoint joint auditors
2. To give the Company discretion to register and list on the Nigerian Stock Exchange (NSE) when it deems fit.

NOTES:

A. PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. Proxies need not be members of the Company. To be valid, the proxy form attached to this notice must be duly signed by the shareholder and stamped at the Stamp Duties Office and returned to the Registrars, Meristem Registrars Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos, Nigeria not less than 48 hours prior to the time of the meeting.

B. AUDIT COMMITTEE

In accordance with Section 359 (5) of the Companies and Allied Matters Act, 1990 any share holder may nominate another shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 14 (fourteen days) before the Annual General Meeting.

C. CLOSURE OF REGISTER OF MEMBERS

The Register of Members and Transfer books of the Company will be closed from 11th May, 2011 to 13th May, 2011 (both dates inclusive) for the purpose of payment of dividend.

NOTICE OF ANNUAL GENERAL MEETING

D. DIVIDEND

If the dividend of 7.5 Kobo is approved at the Annual General Meeting, direct payment (via e-dividend) to the respective bank accounts of the shareholders shall be effected on 20th May, 2011. The dividend warrant of shareholders who have not completed the e-dividend Mandate Form shall be posted on 20th May, 2011 to the members whose names appear in the Register of Members. In line with the foregoing, shareholders are encouraged to complete the Mandate Form for the payment of the e-dividend and send same to the Registrars.

**DATED THIS 20TH DAY OF APRIL 2011
BY ORDER OF THE BOARD**



Modupe Omojafor.
Company Secretary

SUMMARY OF AUDITED RESULT FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010 N'000	2009 N'000	%INCREASE/(DECREASE)
TURNOVER	7, 028,724. 00	5,357,727.00	31%
PROFIT BEFORE TAXATION	1, 046,949. 00	589,551.00	77%
TAXATION	(190,961.00)	(133,495.00)	43%
PROFIT AFTER TAXATION	855,988. 00	456,092. 00	87%



PROXY FORM.

I/We.....
of being a member of
Caverton Offshore Support Group Plc hereby appoint of failing him to act as my
proxy, to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Friday 20th May,
2011 at FourPoints by Sheraton Hotels, Block 2 Oniru Chieftaincy Estate, Victoria Island, Lagos State at 11:00am
and at every adjournment thereof.

As witness under my hand thisday of 2011.

.....
Signed

ORDINARY BUSINESS	FOR	AGAINST
1. To receive and approve the Audited Financial Statements for the year ended 31 st December 2010 together with the Reports of Directors and Auditors		
2. To declare Dividend		
3. To reappoint Directors		
4. To approve the remuneration of Directors		
5. To authorize the Directors to fix the remuneration of the Auditors		

Please indicate with an 'X' in the appropriate square how to wish your voters to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain voting at his or her discretion.

ADMISSION CARD

Please admit the Shareholder's name on this card or his duly appointed Proxy to the Annual General Meeting of Caverton Offshore Support Group Plc to be held on Friday 20th May, 2011 at FourPoints by Sheraton Hotels, Block 2 Oniru Chieftaincy Estate, Victoria Island, Lagos State at 11:00 am. This admission card must be produced by the shareholder in other to obtain entrance to the Annual General Meeting.

.....
Name of shareholder

.....
Name of Proxy

.....
Signature

.....
Address of shareholder



LEAR 60-3

CORPORATE INFORMATION

Directors:	Mr. Aderemi Makanjuola – Chairman HRM Edmund Daukoru Mr. Olabode Makanjuola Mr. Adeniyi Makanjuola Mr. Sola Falola Mr. David Vickers Mallam Bello Gwandu Mr. Bashiru Bakare Mr. Akin Kekere-Ekun
Corporate office:	1, Prince Kayode Akingbade Close Off Muri Okunola Street Victoria Island Lagos, Nigeria. Tel: 01-2705656 Tel/Fax: 01-4618745 E-mail: caverton.group@gmail.com Website: http:// www.caverton.com
Overseas offices:	7, Fountain Drive Carshalton Beeches Surrey SM5 4AE United Kingdom. Tel: 44-208-661-6151 Te/Fax: 44-208-643-9865 43, Elizabeth Avenue Nassau, Bahamas.
Solicitors:	G. Elias & Co (Barrister and Solicitors) NCR Buildings (6th Floor) 6, Broad Street Lagos, Nigeria. Tel: 01-2646578
Auditors:	ECN+CO (Chartered Accountants) 65, Oshodi Road End of Corporation Drive Dolphin Estate, Ikoyi Lagos, Nigeria. Tel: +234709 803 4146 E-mail: ecn_auditors@yahoo.com Website: www.ecngroup.com.ng

CORPORATE INFORMATION

CORPORATE INFORMATION

Bankers:	Barclays Bank Plc
	AfriBank Plc
	Access Bank Plc
	Standard Chartered Bank Plc
	United Bank for Africa Plc
	Zenith Bank Plc
	GTBank Plc
	Bank PHB Plc
	Sterling Bank Plc
	First Bank of Nigeria Plc

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
14. Sundry income				
<i>These comprise dividend income, interest income and other non-direct income earned by the companies</i>	<u>356,237</u>	<u>224,465</u>	<u>361,350</u>	<u>180,743</u>
15. Operating expenses				
<i>These are the non-direct expenses incurred in the conduct of the businesses of the companies</i>	<u>1,811,353</u>	<u>802,830</u>	<u>10,934</u>	<u>5,000</u>
16. Interest and similar charges				
<i>These are interests and charges arising from the funds obtained from banks and other financial institutions for the financing of the businesses of the companies</i>	<u>1,552,856</u>	<u>1,262,699</u>	<u>18</u>	<u>854</u>
17. Depreciation				
<i>These are provisions for the depreciation of the assets during the year</i>	<u>596,629</u>	<u>579,295</u>	<u>2,395</u>	<u>2,395</u>
18. Provision for tax				
<i>Provisions for taxes by subsidiary companies and the withholding tax paid by COSG</i>	<u>190,961</u>	<u>133,459</u>	<u>36,135</u>	<u>-</u>
19. Amortization				
<i>This is the portion of preliminary expenses written off during the year</i>	<u>37,978</u>	<u>19,693</u>	<u>37,978</u>	<u>-</u>
20. Proposed dividend				
<i>This is sum total of dividend proposed by the companies</i>	<u>616,288</u>	<u>350,035</u>	<u>251,288</u>	<u>167,525</u>
21. Non - controlling interest - share of profit				
<i>This is the non- controlling interest's share of the profits of the subsidiary companies</i>	<u>1,791</u>	<u>814</u>	<u>-</u>	<u>-</u>
22. Retained earnings brought forward as restated				
Retained earnings brought forward as stated	136,558	53,848	7,015	2,046
Prior year adjustments	(90,979)	(2,850)	500	-
<i>Retained earnings brought forward as restated</i>	<u>45,579</u>	<u>50,998</u>	<u>7,515</u>	<u>2,046</u>
23. Approval of financial statements				
<i>These financial statements were approved by the board of directors on the 12th of April, 2011</i>				

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

DIRECTORS

	Group		Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
6. Net current assets				
Current assets:				
Inventory	146,483	65,241	-	-
Debtors and prepayments	3,874,697	2,826,529	-	-
Other debit balances	343,289	180,815	343,289	180,815
Intercompany balances	4,528,553	2,623,472	4,587,982	3,704,676
Bank and cash	388,346	191,408	1,025	2,526
Total current assets	9,281,368	5,887,465	4,932,296	3,888,017
Current liabilities:				
Bank overdraft	7,541,960	6,046,509	4,815,719	3,926,301
Creditors and accruals	3,976,412	1,876,448	315,062	223,676
Total current liabilities	11,518,372	7,922,957	5,130,781	4,149,977
Net current liabilities	(2,237,004)	(2,035,492)	(198,485)	(261,960)
7. Goodwill				
<i>This represents the difference between the cost of the investment in the subsidiary companies and their acquired net assets</i>	6,026,909	6,026,909	-	-
8. Long term loans				
<i>These comprise balances of loans secured from financial institutions within and outside the country</i>	1,958,764	2,616,859	-	-
9. Share capital				
Authorised:				
ordinary shares of 50k each	2,500,000	2,500,000	2,500,000	2,500,000
Issued and called up:				
ordinary shares of 50k each	1,675,255	1,675,255	1,675,255	1,675,255
10. Share premium				
<i>This is the excess of the total value of called up shares over the nominal value</i>	6,768,901	6,768,901	6,768,901	6,768,901
11. Non-controlling interest - share of net assets				
<i>This is the non- controlling interest's share of the net assets of the subsidiary companies</i>	28,250	26,459	-	-
12. Turnover				
<i>This is the invoice value of sales and services to third parties</i>	7,028,724	5,357,727	-	-
13. Direct costs				
<i>These are the costs incurred directly in the course of the businesses of the companies</i>	2,377,174	2,347,817	-	-

Mr. Aderemi Makanjuola
- Chairman

HRM Edmund Dakoru



Mr. Olabode Makanjuola



Mr. Adeniyi Makanjuola



Mr. Sola Falola



Mr. David Vickers



Mallam Bello Gwandu



Mr. Bashiru Bakare



Mr. Akin Kekere - Ekun

REPORT OF DIRECTORS

1. The report

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 audited financial statements of the Group and Company for the year ended 31st December, 2010.

2. Legal form

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

3. Principal activity

The principal activity of the company is the provision of offshore services to the Oil and Gas industry. It commenced business on 1st July, 2008.

4. Operating results

The results of operations for the year ended 31st December, 2010 were as follows:

	Group		Company	
	Year ended	Period ended	Year ended	Period ended
	2010	2009	2010	2009
	₦'000	₦'000	₦'000	₦'000
Turnover	7,028,724	5,357,727	-	-
Sundry income	356,237	224,465	361,350	180,743
Total income (excluding direct costs)	7,384,961	5,582,192	361,350	180,743
Profit before tax	1,046,950	589,551	348,003	172,494
Provision for tax	(190,961)	(133,459)	(36,135)	-
Profit after tax	855,989	456,092	311,868	172,494

5. Dividends

The Directors recommend the payment of dividend of 7.5kobo per share for the year.

6. Directors and other interests

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

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

1. The company

Caverton Offshore Support Group Plc was incorporated in Nigeria on 2nd June, 2008 as a private limited liability company commenced operations on 1st July, 2008 and became a public limited liability company on 4th July 2008. The Certificate of Incorporation number of the company is RC 750603. The principal business of the company is the provision of offshore services to the Oil and Gas Industry

	Group		Company	
	2010	2009	2010	2009
	₦'000	₦'000	₦'000	₦'000
2. Fixed assets				
Cost:				
Building and structures	3,096,473	3,096,473	-	-
Vessels	3,421,450	3,421,450	-	-
Aircrafts	2,309,149	2,309,149	-	-
Plant and machinery	48,285	48,285	2,840	2,840
Aircraft equipment	49,974	48,923	-	-
Motor vehicles	262,231	112,955	8,720	8,720
Office equipment	21,123	20,988	435	435
Furniture and fittings	207,112	83,923	180	180
Total costs of fixed assets	9,415,797	9,142,146	12,175	12,175
Accumulated depreciation:				
Building and structures	617,058	477,964	-	-
Vessels	1,062,042	890,969	-	-
Aircrafts	741,046	510,131	-	-
Plant and machinery	39,609	35,145	1,278	710
Aircraft equipment	20,800	12,455	-	-
Motor vehicle	113,240	90,294	3,840	2,096
Office equipment	15,787	12,628	163	98
Furniture and fittings	85,197	69,831	45	27
Total accumulated depreciation	2,694,779	2,099,418	5,326	2,931
Net book values	6,721,018	7,042,728	6,849	9,244
3. Capital work in progress				
<i>This is cost of capital projects under construction</i>	13,848	-	-	-
4. Other assets				
<i>These are costs incurred before commencement of business which would be written off against future profit</i>	151,909	189,887	151,909	189,887
5. Investments				
<i>This is the cost of COSG's investment in Caverton Marine Ltd and Caverton Helicopters Ltd</i>	-	-	8,514,000	8,514,000

CONSOLIDATED STATEMENT OF VALUE - ADDED

	Group				Company			
	2010 N'000	%	2009 N'000	%	2010 N'000	%	2009 N'000	%
Turnover	7,028,724		5,357,727		-		-	
Bought in goods and services	(4,832,020)		(3,792,427)		(44,815)		(5,854)	
Direct value - added	2,196,704		1,565,300		(44,815)		(5,854)	
Sundry income	356,237		224,465		361,350		180,743	
Total value-added	2,552,941	100	1,789,765	100	316,535	100	174,889	100

Applied as follows:

Employees' emoluments:

Staff emoluments	909,362	35	620,919	35	4,115	-	-	-
------------------	---------	----	---------	----	-------	---	---	---

Assets maintenance and replacement:

Depreciation and amortization	634,607	33	598,988	33	2,395	1	2,395	1
-------------------------------	---------	----	---------	----	-------	---	-------	---

Government:

Provision for tax	190,961	7	133,459	7	36,135	-	-	-
-------------------	---------	---	---------	---	--------	---	---	---

Shareholders:

Proposed dividend	616,288	20	350,025	20	251,288	96	167,525	96
-------------------	---------	----	---------	----	---------	----	---------	----

Future growth:

Retained earnings	201,723	5	86,374	5	22,602	3	4,969	3
-------------------	---------	---	--------	---	--------	---	-------	---

Total application	2,552,941	100	1,789,765	100	316,535	100	174,889	100
--------------------------	------------------	------------	------------------	------------	----------------	------------	----------------	------------

The notes on pages 19 to 21 form part of these financial statements

REPORT OF DIRECTORS

Number of ordinary shares of 50k each held as at:

31st December, 2010

Mr. Aderemi Makanjuola – Chairman	1,000,000,000
Mr. Olabode Makanjuola	600,050,000
Mr. Adeniyi Makanjuola	600,000,000
Mr. Sola Falola	20,000,000
HRM Edmund Daukoru	15,000,000
Mr. David Vickers	45,000
Mallam Bello Gwandu	10,000,000
Mr. Bashiru Bakare	20,000,000
Mr. Akin Kekere-Ekun	30,000,000

7. Retirement of directors

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

8. Statement of directors' responsibilities

This statement, which should be read in conjunction with the Auditor's report, is made with a view to setting out for shareholders, the responsibilities of the directors of the company with respect to the financial statements.

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act of Nigeria, the directors are responsible for the preparation of the annual financial statements which give a true and fair view of the state of affairs of the company and the profit for the year under review.

The responsibilities include ensuring that:

- appropriate internal controls are established both to safeguard the assets of the company and to prevent and detect fraud and other irregularities;
- the company keeps accounting records that disclose with reasonable accuracy the financial position of the company, and which have been prepared using suitable accounting policies that have been consistently applied and ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act of Nigeria;
- the company has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and all applicable accounting standards have been followed; and
- it is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the company will not continue in business.

9. Fixed assets

Fixed assets were acquired in the year under review and are stated in Note 2 to the financial statements.

REPORT OF DIRECTORS

10. Employment of disabled persons

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

11. Employee involvement and training

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

12. Health and safety

Adequate provisions are made for the safety and welfare of employees.

13. Financial commitments

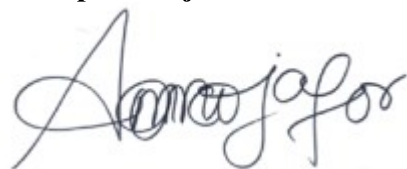
The Directors are of the opinion that all known liabilities and commitments have been taken into account. These liabilities are relevant in assessing the company's state of affairs.

14. Auditors

The auditors, **Messrs. ECN+CO (Chartered Accountants)** continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act, 1990.

By order of the Board

Modupe Omojafor



Secretary
Lagos, Nigeria.

CONSOLIDATED CASH FLOW STATEMENT

	Group 2010 N'000	2009 N'000	Company 2010 N'000	2009 N'000
Cash flow from operating activities:				
Profit on ordinary activities before taxation	1,046,949	589,551	348,003	172,494
Adjustments for items not involving the movement of cash and cash equivalents:				
Depreciation of fixed assets	596,629	579,295	2,395	2,395
Loss on asset disposal	4,433	(615)	-	-
Cash inflow before working capital changes	1,648,011	1,168,231	350,398	174,889
Working capital changes:				
(Increase)/decrease in stocks	(81,242)	(10,229)	-	-
(Increase)/decrease in debtors and prepayments	(198,172)	(852,546)	-	-
(Increase)/decrease in other debit balances	(162,474)	-	(162,474)	152,109
(Increase)/decrease in intercompany balances	(883,306)	(797,139)	(883,306)	(797,139)
Increase/(decrease) in creditors and accruals	(287,398)	89,071	8,117	776
Cash flow from operating activities	35,419	(402,612)	(687,265)	(469,365)
Tax paid	(52,511)	-	(36,135)	-
Cash flow before investing activities	(17,092)	(402,612)	(723,400)	(469,365)
Cash flow from investing activities:				
Purchase of fixed assets	(279,351)	(58,346)	-	(5,200)
Increase in capital work in progress	(13,848)	-	-	-
Other assets	-	4,544	-	4,544
Proceeds on asset disposal	-	615	-	-
Net cash flow before financing activities	(310,291)	(455,799)	(723,400)	(470,021)
Cash flow from financing activities:				
Long - term debts	(658,095)	(1,071,182)	-	-
Dividend paid	(330,127)	-	(167,519)	-
Increase/(decrease) in cash and cash equivalents during the year	(1,298,513)	(1,526,981)	(890,919)	(470,021)
Cash and cash equivalents as at the beginning of the year	5,855,101	(4,328,120)	(3,923,775)	(3,453,754)
Cash and cash equivalents at the end of the year	(7,153,614)	(5,855,101)	(4,814,694)	(3,923,775)
Represented by:				
Bank and cash balances	388,346	191,408	1,025	2,526
Bank overdraft	(7,541,960)	(6,046,509)	(4,815,719)	(3,926,301)
Cash and cash equivalents at the end of the year	(7,153,614)	(5,855,101)	(4,814,694)	(3,923,775)

The notes on pages 19 to 21 form part of these financial statements

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Notes	Group 2010 N'000	2009 N'000	Company 2010 N'000	2009 N'000
Turnover	12.	7,028,724	5,357,727	-	-
Direct costs	13.	(2,377,174)	(2,347,817)	-	-
Gross profit		4,651,550	3,009,910	-	-
Sundry income	14.	356,237	224,465	361,350	180,743
Total income		5,007,787	3,234,375	361,350	180,743
Operating expenses	15.	(1,811,353)	(802,830)	(10,934)	(5,000)
Operating profit		3,196,434	2,431,545	350,416	175,743
Interest and similar charges	16.	(1,552,856)	(1,262,699)	(18)	(854)
Earnings before interest and tax		1,643,578	1,168,846	350,398	174,889
Depreciation	17.	(596,629)	(579,295)	(2,395)	(2,395)
Profit before tax		1,046,949	589,551	348,003	172,494
Provision for tax	18.	(190,961)	(133,459)	(36,135)	-
Profit after tax		855,988	456,092	311,868	172,494
Amortization	19.	(37,978)	(19,693)	(37,978)	-
Profit after tax and amortization		818,010	436,399	273,890	172,494
Proposed dividend	20.	(616,288)	(350,025)	(251,288)	(167,525)
Profit after tax but before minority interest		201,722	86,374	22,602	4,969
Non-controlling interest	21.	(1,791)	(814)	-	-
Retained earnings for the year		199,931	85,560	22,602	4,969
Retained earnings brought forward as restated	22.	45,579	50,998	7,515	2,046
Retained earnings carried forward		245,510	136,558	30,117	7,015

The notes on pages 19 to 21 form part of these financial statements



CHAIRMAN'S STATEMENT

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

It gives me great pleasure to preside over the Second Annual General Meeting (AGM) of Our Company -The Caverton Offshore Support Group and to welcome you all to this important occasion. It is also my privilege to present to you the Annual Report and Financial Statements for the year ended 31st December 2010 and our outlook for the new financial year 2011.

OVERVIEW AND BUSINESS ENVIRONMENT

Global and Domestic Economy Global economy in 2010 ended with a rally in markets and a recovery in the world economy. At the beginning of the year, it looked like the global economy was in for a decent recovery and people began to anticipate interest rate rises and the central banks initiating exit strategies from their loose monetary policies. But in the second quarter of 2010, the euro crisis erupted; the world economy showed signs of slowing down. As we approached the end of the year, with more quantitative easing coming through, we began to see the recovery pick up again and markets revived.

In sub-Saharan Africa, the recovery in the economy was as result of more expansionary macroeconomic policy adopted by these countries and the relative quicker recovery of the global economy. The main risks to this outlook and domestic performance however are uncertainties in the developed economies with lower demand which could result in highly volatile financial markets.

Locally, the Year 2010 witnessed growth in GDP from the 7.4% recorded in Q1 2010 to 8.2% in Q4. The upward review in GDP forecasts rode on the back of improved crude oil and natural gas production, and the relative stability in crude oil prices.

Oil production remained relatively stable around the 1.9–2.1mbpd range, following the return of stability to the Niger-Delta in the previous year and the success of the on-going amnesty programme.

The Naira, which remained fairly stable in the first two quarters of the year experienced a creeping devaluation which is not unconnected with the huge surge in dollar demand, particularly at the tail-end of the year.

With the return of stability in the country's leadership, President Jonathan took a number of steps, seemingly in the right direction, aimed at boosting economic performance. Top on the list was the unveiling of a very articulate strategy designed to put an end to Nigeria's chronic power shortages through the privatization of the country's inefficient power generation and distribution facilities.

CHAIRMAN'S STATEMENT

The recent sanitization of the Nigerian Stock Exchange (NSE) (which should help rebuild investor confidence) and the incorporation of the Asset Management Company of Nigeria (AMCON), were further indications that the President had sought to create the desired enabling environment for economic growth and development.

The offshore logistics sector of the Nigerian oil and gas industry in which our company is a growing player achieved giant strides particularly in the areas of local content when in May 2010, Caverton Helicopters signed a N93.73 billion (\$630 million) contract with Shell Petroleum Development Company (SPDC) for the provision of helicopters and associated services, both in the offshore and onshore operational areas. The contract, which tenure is for five years renewable for another two years, is the biggest aviation contract between an international oil company and a National company.

CH also won in July 2010 a 6 month contract from Total Exploration and Production Nigeria Limited (TEPNG) which has now translated in March 2011 into a 5-year contract value N267.8m (\$180m) for the provision of aviation logistics services.

On the Marine side, Caverton Marine won a one year call off contract from Pipelines & Products Marketing Company Limited (PPMC) in September 2010 for product lifting/carriage of Liquefied Petroleum Gas.

Your Board will continue to take proactive steps to reposition your company for long term sustainability by reinventing our businesses to take advantage of opportunities in the sector and position your company for future growth in its line of business.

We are also putting in place arrangement to list the shares of the company by introduction on the Nigerian Stock Exchange (NSE) in the near future subject to market performance and your approval.

COMPANY PERFORMANCE

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

Our Company's 2010 financial year performance is an indication of our strength in terms of our resilience and malleability in the face of tough operating environment despite recordable recovery in local and global economies. Your company recorded an appreciable Turnover increase of 31.18% growing from N5.357Billion in 2009 to N7.028Billion in 2010. The increase is attributable to the positive resultant effect of the Shell contract as from Q3 2010.

The company's profit after tax at the 2010 year end stood at N855Million as against N456Million in 2009 representing a growth of 87.67% (N399.8Million).

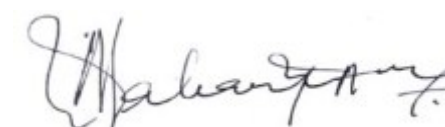
On the other hand, the shareholders funds employed increased marginally by 1.28% in balance sheet size from N8.607 Billion in 2009 to N8.717Billion in 2010.

DIVIDEND

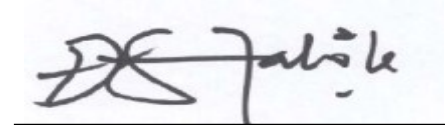
In 2009, we pursued the policy of growing shareholder value and returns with the declaration of 5 Kobo as dividend. In keeping with this policy and in view of the overall result, the Board of Directors of your company has for Y2010 graciously recommended a dividend of 7.5 Kobo for every N1.00 share held for your consideration and kind approval. If the shareholders approve this recommendation at this Annual General Meeting, the payment is equivalent to cash sum of N251.288Million (gross).

CONSOLIDATED BALANCE SHEET

	Notes	Group 2010 N'000	2009 N'000	Company 2010 N'000	2009 N'000
Assets employed					
Fixed assets	2.	6,721,018	7,042,728	6,849	9,244
Capital work in progress	3.	13,848	-	-	-
Other assets	4.	151,909	189,887	151,909	189,887
Investments	5.	-	-	8,514,000	8,514,000
Net current liabilities	6.	(2,237,004)	(2,035,492)	(198,485)	(261,960)
Goodwill	7.	6,026,909	6,026,909	-	-
Total assets less current assets		10,676,680	11,224,032	8,474,273	8,451,171
Long - term liabilities	8.	(1,958,764)	(2,616,859)	-	-
Net assets employed		8,717,916	8,607,173	8,474,273	8,451,171
Shareholders' funds					
Share capital	9.	1,675,255	1,675,255	1,675,255	1,675,255
Share premium	10.	6,768,901	6,768,901	6,768,901	6,768,901
Retained earnings		245,510	136,558	30,117	7,015
Non- controlling interest	11.	28,250	26,459	-	-
Shareholders' funds		8,717,916	8,607,173	8,474,273	8,451,171



Directors



The notes on pages 19 to 21 form part of these financial statements

CONSOLIDATED FINANCIAL HIGHLIGHTS

	Group		Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
Financial strength items:				
Fixed assets	6,721,018	7,042,728	6,849	9,244
Net current liabilities	(2,237,004)	(2,035,492)	(198,485)	(261,960)
Net assets employed	8,717,916	8,607,173	8,474,273	8,451,171
Share capital (50k per share)	1,675,255	1,675,255	1,675,255	1,675,255
Profitability items:				
Total income (turnover and sundry income)	7,384,961	5,582,192	361,350	180,743
Profit after tax	818,010	436,399	273,890	172,494
Capacity analysis:				
Fixed assets per share	2.01	2.10	0.00	0.00
Net assets per share	2.60	2.57	2.53	2.52
Earnings per share	0.24	0.13	0.08	0.05
Profitability analysis:				
Profit after tax ratio	% 11.08	% 7.82	% 75.80	% 95.44
Return on capital employed	9.38	5.07	3.23	2.04

CHAIRMAN'S STATEMENT

DIRECTORATE

As this is second AGM, let me use this opportunity to again introduce to you shareholders the Directors of your company. These Directors are with solid credentials, diverse skills and varied experiences spanning several years.

Our board will remain a forum for the provision of the broad policy framework for our company under an atmosphere of mutual respect and value, adding knowledge exchange for the overall benefit of our company.

BUSINESS OUTLOOK

There is further hope for the growth of our company as Caverton Helicopters in partnership with Dancopter AS will continue with the execution of the Shell contract. We expect to take delivery of new aircrafts in Q4 of the current financial year to service this contract.

Caverton Helicopters has also secured a 3 year contract from TOTALFINAELF for provision of helicopter transportation services while we are still in discussion with the same company in securing another contract for provision of a Lear jet for the transportation of their top executives.

Caverton Offshore Support Group is making inroads in the provision of services to the International Oil Companies (IOC's) such as Mobil, Total, Addax and SPDC/SNEPCO. To this end, we have executed a Memorandum of Understanding (MOU) with RK Offshore Management PTE Ltd, a leading owner, supplier and operator of marine equipment based in Singapore to form a Joint Venture Company (JVC) to be known as Caverton-RK to enable us fully participate in the preparation of specific oil major prequalification, tenders and collaboration in the pursuit of projects in Nigeria.

With the resounding success in the execution of a largely credible, transparent and free election by President Goodluck Jonathan into both the executive and legislative seats of government, it is expected that there would be a rancour free transition on May 29, 2011. It is also opined that with this scenario, there would be a calming of the markets and foreign investors and that the assault on the Naira would abate. The investment atmosphere would also improve as there would be stability in policy as there is no change in the Presidency.

STAFF DEVELOPMENT

Our people remain the greatest asset of the Company; we recognize the value of our human resources not just to compete well but to take advantage of emerging opportunities as they unfold. Certainly, it is with a great team that we can leverage opportunities in a fast changing operating environment.

Arising from these contracts and in pursuance of our desire to promote local content while remaining a global player, your company has employed 15 trainee pilots while we are sending in Q2, 10 more fresh graduates to flying schools for training as pilots. We also plan to sponsor 10 trainee engineers to Nigerian College of Aviation Training, Zaria (NCAT).

The growth in our staff strength has been geometrical and as we expand our business frontiers, we will continue to invest in their training and development exposing them to both local and offshore training all in bid to ensure they remain among the best in the industry.

The Management of the Company will be continually strengthened by the recruitment and injection of other top breed professionals to complement the existing team.

CHAIRMAN'S STATEMENT

AUDITORS

Our external auditor since inception has been ECN & CO and they have performed creditably to date. However, given the growth of your company and our quest for best practices and global standards, the Board is of the opinion that we need to have an auditor with global appeal and standards while we also recognize the commitment and dedication of ECN over the years. Consequently, the Board recommends for your approval the appointment of Messrs Ernst & Young and ECN & Co as joint auditors to our account from the 2011 audit year.

APPRECIATION

Distinguished shareholders, permit me to use this opportunity to express our sincere gratitude to the Board, Management and Staff of our company who despite the harsh and challenging operating environment, were able to, once again declare an impressive financial performance. I encourage them to seize the enormous opportunities ahead. They all must therefore brace for the challenges ahead, spot potentials, add value and in keeping with our tradition, promote growth.

The critical area that your company will be focusing going forward is **Safety**. This is and will remain core business value that will guarantee our existence, customer patronage and value to our shareholders.

Our sincere appreciation goes out to all our shareholders, customers and suppliers for their continued support.

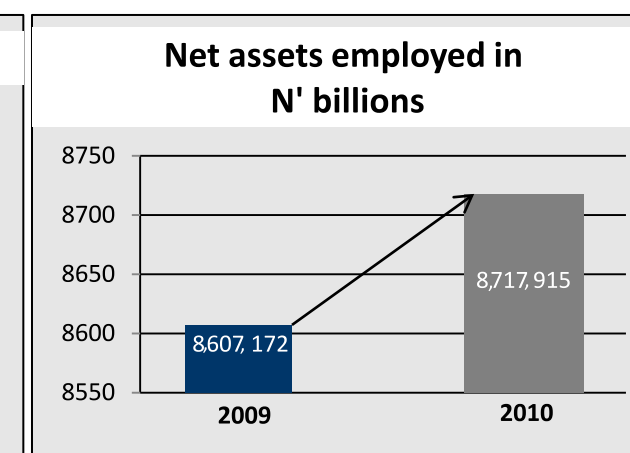
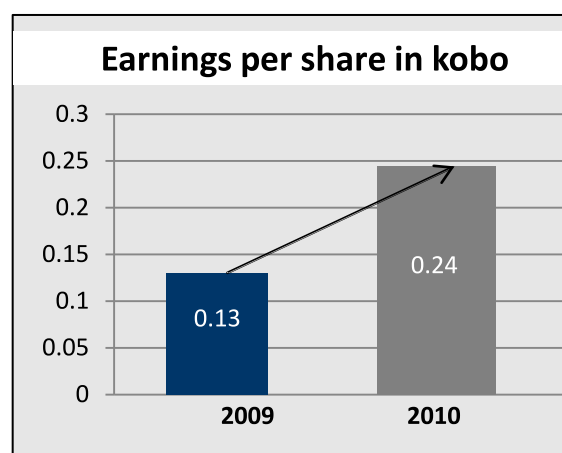
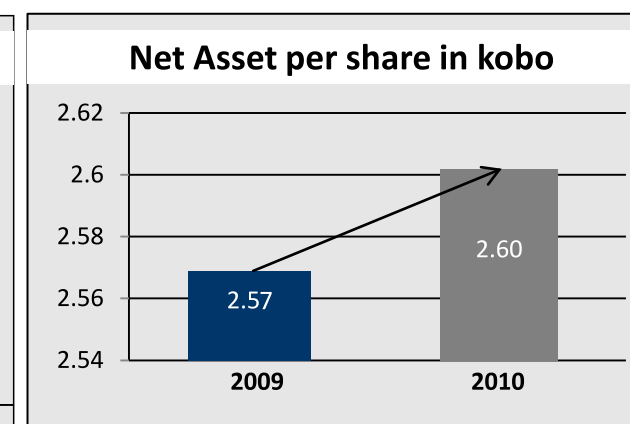
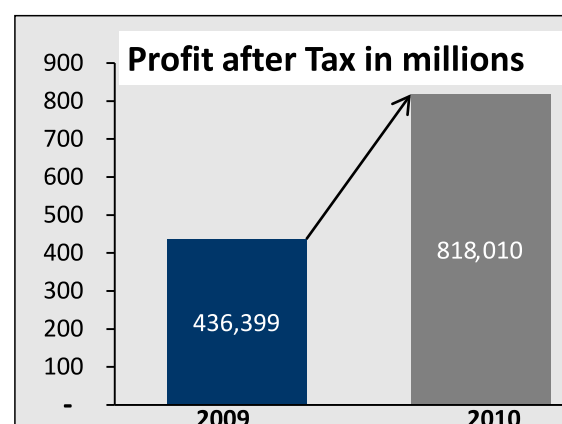
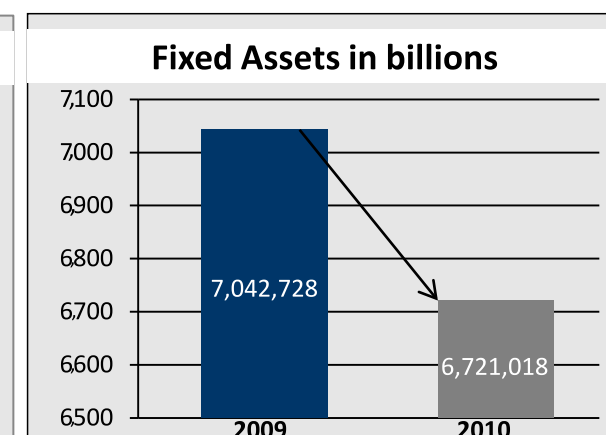
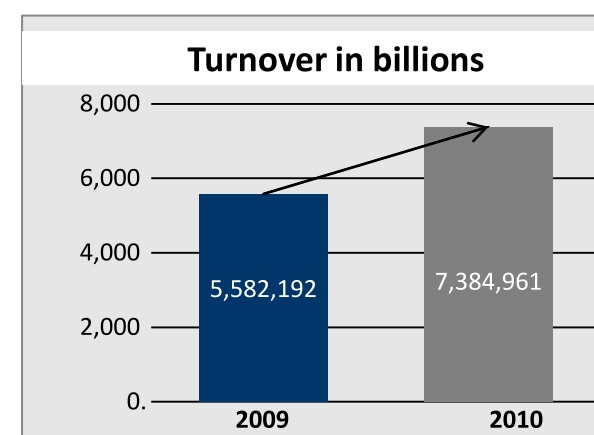
We remain confident that with the support of ALL stakeholders and especially our esteemed Shareholders, we will thrive as we continue to implement industry defining and game changing strategies going forward.

Thank you for your time and God Bless



Aderemi M. Mekanjuola,
Chairman COSG

GROUP FINANCIAL HIGHLIGHTS



SHAREHOLDERS' INFORMATION

SHAREHOLDING STRUCTURE AT 31/12/2010

Type	Number of Holders	Holdings	% Holdings
Foreign	1	45,000	.001
Corporate Body	21	889,285,000	26.542
Individuals	299	2,461,179,750	73.457
	321	3,350,509,750	100%

UNCLAIMED DIVIDEND AS AT 31/12/2010

Dividend Number	1
Dividend Type	Final
Year ended	31/12/2009
Date declared	30/6/2010
Total Dividend Amount	167,525,487.50
Dividend per share	5 kobo
Net Dividend Amount unclaimed	N5,760.00

If you have not received any of your certificates and dividend, kindly contact:

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Road
Yaba Lagos
Tel. No. 0803 324 7996
D/L - + 234-1-8920491 & 2
Fax - + 234-1-2706312

...unwavering commitment to safety



REPORT OF THE AUDITORS

Introduction

We have audited the separate and consolidated financial statements of **Caverton Offshore Support Group Plc** ("the Company") and its subsidiaries (together, "the Group") which comprise the balance sheets as at 31st December, 2010 and the profit and loss accounts and statements of cash flow for the year then ended which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Directors' Responsibility

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, 1990, the directors of the Company and the Group are responsible for the preparation of the financial statements of the Company and the Group.

Auditors' Responsibility

It is our responsibility to express an independent opinion, based on our audit, on the financial statements prepared by the directors and report same to the members of the Company and the Group.

Basis of Opinion

We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also, includes an assessment of the accounting policies used and the significant estimates and judgements made by the directors in the preparation and presentation of the financial statements.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary for the purpose of our audit.

Our Opinion

In our opinion, the Company and the Group kept proper books and returns adequate for the purpose of our audit were received from branches not visited by us. The assets of the Company and the Group have been properly valued and adequate provision made for losses and diminution in the value of such assets.

In our opinion, the financial statements are in agreement with the books and returns, and give in the prescribed manner the information required by the Companies and Allied Matters Act, 1990 and all relevant accounting standards, and give a true and fair view of the state of affairs of the Company and the Group as at 31st December, 2010 and of the financial performance and cash flow for the year then ended.



Lagos, Nigeria.



ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Company and the Group in the preparation of these financial statements:

1. Accounting convention

These financial statements have been prepared under the historical cost convention.

2. Turnover

Turnover is the net invoice value of billings to customers.

3. Investments

Investments are stated at cost. Provisions are however made for permanent diminution in the value of such investments.

4. Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

5. Depreciation

Depreciation of fixed assets is calculated on the straight-line basis to write off the cost of the assets over their estimated useful lives at the following annual rates:

Buildings	2.5%
Vessels	5%
Plant and machinery	12.5%
Motor vehicles	20%
Office equipment	15%
Furniture and fittings	10%

6. Foreign currency transactions

Transactions denominated in currencies other than the Naira are converted at the official rate ruling at the dates of such transactions, while balances are converted at the rate prevailing at the period end. Any gain or loss arising from such conversion is included in the profit and loss account in the year in which the gain or loss occur.