2015 Annual Report & Accounts

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CAVERTON OFFSHORE SUPPORT GROUP PLC

Lagos, Nigeria

REPORT OF THE DIRECTORS

AND

CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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NOTICE OF AGM

NOTICE IS HEREBY GIVEN that the 7thAnnual General Meeting of CAVERTON OFFSHORE SUPPORT GROUP PLC (COSG)will be held at the Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos, Nigeria on Wednesday the 11th of May, 2016 at 10 a.m to transact the following business:

ORDINARY BUSINESS:

- 1. To receive the Audited Financial Statements for the year ended 31st December 2015 together with the Reports of the Directors, Auditors and Audit Committee thereon.
- 2. To elect/re-elect retiring Directors.
- 3. To elect Mrs. Titi Adigun, who was appointed as an Executive Director by the Board since the last Annual General Meeting.
- 4. To elect Captain Josiah Choms, who was appointed as an Executive Director by the Board since the last Annual General Meeting.
- 5. To authorize the Directors to fix the remuneration of Auditors for the ensuring year.
- 6. To elect/re-elect members of the Statutory Audit Committee.

SPECIAL BUSINESS:

- 1. To approve the remuneration of the Directors for the year ending December 31, 2016
- 2. To consider and if thought fit, to pass the following as Ordinary resolution:
 To amend the Memorandum and Articles of Association (MEMART) of COSG to read as follows
 "Twenty Five members either in person or proxy who must hold at least 25% of the Issued
 Share Capital of COSG can constitute a quorum of members at meetings.

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. A blank proxy form is attached to the Annual Report .To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, United Securities Limited, 10 Amodu Ojikutu Street, Victoria Island, Lagos not less than 48 hours before the time fixed for the meeting.

B. CLOSURE OF REGISTER OF MEMBERS

The Register of Members and Transfer books of the Company will be closed on the 27 April, 2016 to enable the Registrar prepare the register of shareholders eligible to attend and vote at the meeting.

C. STATUTORY AUDIT COMMITTEE

In accordance with section 359(5) of the Companies and Allied Matters Act, 1990, any shareholder may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 days before the Annual General Meeting.

D. SHAREHOLDERS' RIGHT TO ASK QUESTION

Shareholders of the company's securities reserve the right to ask questions not only at the meeting but also in writing on any matter, subject or issue contained in the Annual Report and

NOTICE OF AGM CONT

Accounts. Such questions must be submitted to the Company Secretariat Department, COSG PLC, 1 Prince Kayode Akingbade Close, Victoria Island, Lagos on or before 4 May 2016.

E. BIOGRAPHICAL DETAILS OF DIRECTORS FOR ELECTION OR RE-ELECTION

Biographical details of Directors standing for election or re-election are provided in the Annual Report.

E. WEBSITE

A copy of this Notice and other information relating to the meeting can be found at www.caverton-offshore.com

DATED THIS DAY OF 13th April, 2016 BY ORDER OF THE BOARD

AMAKA OBIORA

3 blore

Company Secretary

FRC/2015/NBA/00000011302

1 Prince Kayode Akingbade Close, Victoria Island

CORPORATE INFORMATION

Chairman

Managing

DIRECTORS: Mr. Aderemi Makanjuola

Mr. Olabode Makanjuola

HRM King Edmund Daukoru

Mr. Sola Falola

Mallam Bello Gwandu Mr. Bashiru Bakare Mr. Akin Kekere-Ekun

Mr. Bertrand Bril (Belgian) Mr. Samuel Ileoma

Mr. Raymond Ihyembe

Mrs. Titi Adigun Capt. Josiah Choms Resigned 14 August 2015 Resigned 30 June 2015

Appointed 2 July 2015

Appointed 30 Sept. 2015

REGISTRATION

NUMBER: RC 750603

CORPORATE 1, Prince Kayode Akingbade Close

OFFICE: Off Muri Okunola Street

> Victoria Island Lagos, Nigeria

SOLICITORS: Messrs. G. Elias & Co.

> (Barrister and Solicitors) NCR Building (6th Floor)

6, Broad Street Lagos, Nigeria

Probitas Partners & Co

(Barrister and Solicitor)

70, Queens Road

Off Herbert Macaulay Way

Yaba, Lagos, Nigeria

AUDITORS: Messrs Ernst & Young

> (Chartered Accountants) 10th & 13th Floor UBA House

57, Marina, Lagos

Nigeria

BANKERS: Skye Bank Plc

> Zenith Bank Plc Access Bank Plc Heritage Bank Plc

COMPANY PROFILE

Caverton Offshore Support Group Plc. (COSG) is a foremost indigenous offshore logistics services provider in Nigeria. The Group, which was incorporated as a limited liability company in 2008, operates two subsidiaries namely Caverton Helicopters Limited and Caverton Marine Limited. Both companies have positively responded to the Nigerian Government's 'Local Content Act', which is aimed at substantially increasing indigenous participation in the local oil and gas industry. With this, COSG has positioned itself as one of the leading indigenous oilfield services companies in Nigeria.

In 2014, the Board of Directors and Shareholders took a strategic decision to list the company on the Nigerian Stock Exchange (NSE) as part of a wider vision to take the company to the next level. The listing by introduction was successful and on the 20th May 2014, COSG became the only listed offshore support logistics services company on the Nigerian Stock Exchange.

The Groups' commitment to the development of the local aviation and maritime industry and increase participation of indigenes is evidenced in its growth over the years. It has made immense investments across Nigeria, growing its operational bases and fleet of aircraft.

COSG takes pride in putting safety and quality at the core of its business and has been rewarded for this by its growing customer base. In September 2014, Shell Petroleum Development Company (SPDC) awarded the company the Shell 'Safety Conscious Award' recognizing its safety conscious culture.

Over the years, the Group has positively impacted the socio-economic development of the country through various stakeholders; clients, employees and communities alike. Its global workforce has grown remarkably; now with just below 700 employees in West Africa.

With its rapidly expanding fleet of aircraft and vessels coupled with its acquisition of key offshore assets and strategic partners, the Group is able to provide a diverse range of services to its clients ensuring their objectives are completely fulfilled, offshore to land.

Vision, Mission and Corporate Philosophy

The Group's corporate philosophy is driven by the necessity to create a company that will attain pioneer status in the ownership and operation of premium offshore oilfield assets and provision of support services for the oil and gas industry. This goal is aptly captured in the Group's vision, mission and corporate philosophy statements below:

Vision

"To provide a safe and most efficient integrated oil and gas logistics support services in Sub Saharan Africa".

Mission

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

Corporate Philosophy

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

RESULTS AT A GLANCE

	Group			Company		
	2015 N'000	2014 N'000	% Change	2015 N'000	2014 N'000	% Change
Revenue Operating Profit Profit before taxation Profit after Taxation	23,219,777 3,561,897 1,767,129 988,080	24,900,083 4,080,395 2,729,896 979,302	-7% 13% -35% 1%	- (384,591) (388,763)	886,050 527,540 527,540 357,169	-100% -100% -173% -209%
Key Ratios						
Operating Margin	15%	16%				
Net profit Margin	4%	4%				
At year end						
Property, Plant and Equipment	20,290,461	18,651,130	9%	-	55	-100%
Borrowings	15,112,153	16,204,656	7%			
Paid-up share capital	1,675,255	1,675,255	0%	1,675,255	1,675,255	0%
Share premium	6,616,991	6,616,991	0%	6,616,991	6,616,991	0%
Revenue reserve	4,220,681	3,581,423	18%	(390, 235)	333,579	-217%
Shareholders' funds	12,584,625	11,931,598	5%	7,902,011	8,625,825	-8%
Per Share Data						
Earnings per share (Kobo)	29	29		(12)	11	
Fixed assets per share (Kobo)	606	557		-	-	
Net assets per share (Kobo) Dividend per share (Kobo)	376 -	356 10		236	257	

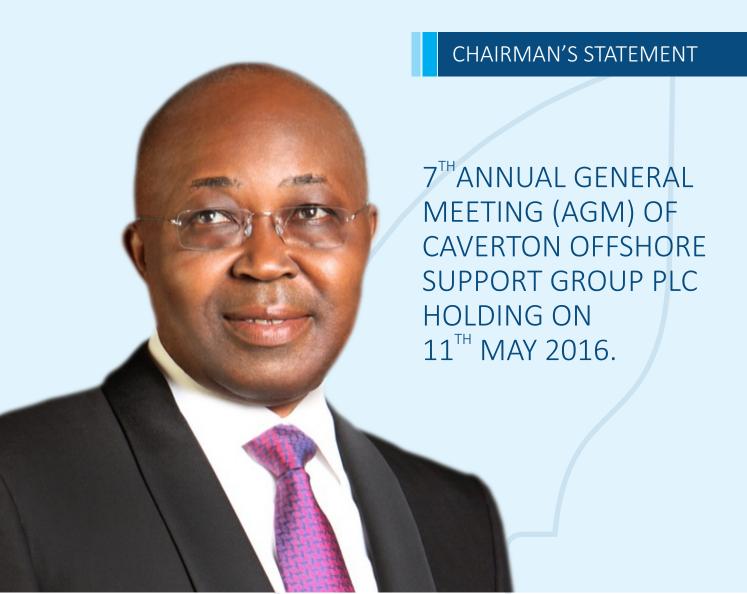
CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT AT

7[™]ANNUAL GENERAL MEETING OF

CAVERTON OFFSHORE SUPPORT GROUP PLC

HOLDING ON 11[™] MAY 2016.



ear Shareholders, as always, it gives me great pleasure to welcome you all to the 7thAnnual General Meeting (AGM) of your Company – The Caverton Offshore Support Group Plc.

I now present to you our performance in 2015 whilst also providing our expectations for 2016 and beyond.

OVERVIEW AND BUSINESS ENVIRONMENT

Macro-Economic Environment.

On the global front, uncertainties on global growth and geopolitical tensions in the Middle East remained for the most part of 2015. Of more concern is the downward trend in oil prices across the globe as new suppliers such as the US put further pressure on the supply side leading industry analysts to believe that the oil prices at these levels are the new norm and will persist much longer than previously anticipated. More so, the slowdown in growth in China and other key global economies are also having an adverse impact on oil prices with reduced demand exacerbating supply side issues. In emerging markets, growth slowed to an average of 4%, lowest levels seen since 2009. Overall, these uncertainties had a significant impact on our domestic economy in 2015; as we are all aware, our economy is highly dependent on the oil sector.

In Nigeria, 2015 was a year of change on so many fronts. The peaceful and successful handover to the new President and Government in May 2015 brought about positive and promising sentiments for the socio-political landscape. However this was soon marred by the decline in global oil prices and its adverse impact on economic activities. The depleted foreign reserves and persistent depreciation of the Naira meant that prices fell well below the budgeted oil price level for the 2015 national budget. These events have prompted the government and the Central Bank of Nigeria to developing policies to boost local production and economic diversification.

Whilst the long run impact of these policies are expected to be beneficial to the economy, the immediate impact has been a significant slowdown in economic activities largely due to inability to access foreign exchange to buy raw materials and intermediate goods to provide finished products to the masses. As at Q4 2015, average GDP growth for the year stood at 2.8% much lower than the 6% average in 2014 based on official statistics from the NBS. It is expected that GDP growth for the year 2016 will come in significantly lower than the preceding year based on the persistent challenges faced.

In view of this expectation, we maintain a cautious optimistic outlook in 2016 as we expect a lag between implementation of progressive policies and materializations in the economy. Furthermore, despite renewed pipeline vandalism in the Niger Delta region which poses a threat to local production, there appears to be some stability in oil prices which provides comfort for investment decisions to be made by stakeholders in the industry.

COMPANY PERFORMANCE

I would like to present your company's operational and financial performance in the year 2015.

Due to the challenges faced in 2015, we had a slowdown in activities in both our marine and aircraft to operations, which led to a slight reduction in our group revenue to N23.2 Billion from N24.9Billion in 2014.

The company's Profit After Tax at the 2015-year end stood at N988.08Million as against N979.30Million in 2014; with EPS at 29 kobo, remaining relatively flat over the previous year.

The slowdown in revenue was largely due to reduced activities in our ad-hoc charter services segment across both our subsidiaries. This was a direct consequence of the overall economic downturn being experienced across all sectors in the economy. However, we are pleased to have been able to maintain revenue levels in our fixed contracts segment which provides a more sustainable business model for our company.

DIRECTORATE

Since the last Annual General Meeting, there have been some changes in the composition of your Board.

Mrs Titilola Adigun, the erstwhile Deputy Chief Financial Officer was elevated to the position of CFO and replaced Mr Samuel Ileoma who resigned his appointment as Director of the company with effect from 1st July 2015.

Likewise, Capt. Josiah Choms, the Managing Director of Caverton Helicopters was appointed as Director of your Company with effect from September 2015.

We warmly welcome both Mrs. Titi Adigun and Capt. Josiah Choms to the Board and trust that their wide array of skill sets and experience garnered over the years will strengthen the effectiveness and functionality of the Company.

Finally, Bertrand Bril resigned his appointment from the Board with effect from August 2015. We thank him for

making himself available in the service and transformation of your Company as his initiatives as Technical Director will remain a guide to the Management going forward. We wish him tremendous success in his future endeavors.

DIVIDEND

Given the current economic climate, the Board of Directors of your company highlighted the need to conserve and employ capital generated from the businesses in funding capital investments for our company. Based on this, it was suggested that we recommend to the shareholders that no dividend be paid for the year 2015. This emphasizes our commitment to putting the company first and ensuring that we make the necessary sacrifices to ensure improved shareholder value in future.

If the shareholders approve this recommendation at this Annual General Meeting, there will be no dividend payment for the year in review.

CURRENT AND FUTURE BUSINESS OUTLOOK

Rising costs and the sharp decline in the oil prices in 2015 eroded returns for the International Oil Companies (IOCs) causing them to review and put some of their planned exploration and production projects on hold. This culminated in downward review of contractual rates as demanded by our clients.

By virtue of our position in the Nigerian offshore industry, your company is not immune to the business cycles and market headwinds. Whilst it does seem as the oil price has recovered, we are yet to see it fully stabilize.

In spite of the onerous challenges, your company signed on four new clients in the helicopter subsidiary in 2015, which is a direct reflection of our business standards and offerings.

Things have however been much tougher in the maritime sector due to the reduced exploration activities and its adverse impact on the Offshore Supply Vessel (OSV) market.

In light of the pressure on oil prices and global offshore market, the need for diversification of revenue streams has never been more imminent. As such, we are fortunate to have put in the necessary ground works and investments in place to give us an edge and further improve the sustainability of our company as we ensure that we stay relevant in the market.

I am pleased to inform you that we successfully commenced the construction of the proposed commercial Maintenance Repair & Overhaul centre (MRO) and the Aviation Training School, which will be the first of its kind in Sub Saharan Africa. Consequently, construction kicked off in the year and we are on track to delivering on our promise by having the MRO fully operational by 2018. Our plan for geographical diversification is also ongoing as we pursue tenders for offshore support logistics services in the West African region.

As the domestic industry shapes up with new opportunities, we continue to make efforts to build our asset base to position ourselves to pick up the slack from our competitors and expand our client base without compromising our quality of work and our core values. With the imminent completion of a new NAF base hangar, our position in the industry will be strengthened availing us an advantage in operating key contracts in the oil rich delta regions.

STAFF DEVELOPMENT

During the year, your Company continued with its substantial investment in training and development of its workforce as we doubled the number of ground trainers. This move boosted our capacity to support our robust training schedule of more than 160 classes scheduled to start from this year onwards. Furthermore, 14 cadets were successfully trained and have already begun flying in 2016.

In addition, we concluded the Line Operations Safety Audit Training and Consulting (LOSA) for 18 personnel. Besides this, we continue to make our contributions to the development of the wider industry by training new pilots as part of our ongoing cooperative agreement with the Petroleum Technology Development Fund (PTDF).

In recognition of the quality of our staff, thirty of our members of staff in Ikeja and Port Harcourt received recognition/awards from Shell Nigeria Exploration and Production Company (SNEPCO).

CORPORATE SOCIAL RESPONSIBILITY

I am pleased to inform you that we continued to operate, partner and empower our local communities across the health and education sectors. In the year in review, our cash giving was targeted primarily at the Sickle Cell Foundation of Nigeria to which we donated the sum of N10Milllion. In addition, your company also sponsored special athletes to the Special Olympics World Games, which held in July 2015, and they returned with medals for good performance. Furthermore, we participated at the Nigerian Stock Exchange (NSE) Corporate Challenge event designed to raise awareness on the early prevention of cancer.

Your company will continue to be supportive of identified initiatives beneficial to the communities we operate in furtherance of our corporate social responsibility and improvement of social welfare impacting positively on lives of Nigerians.

SAFETY

Safety as always remains a core value that influences decisions at every level in Caverton and as such Health & Safety and the protection of our Environment continue to remain top priority for us.

The safety of operations in our industry was brought to fore in the year 2015 due to an unfortunate incident which led to loss of lives. However, I am happy to report to you that your company remained accident – free. We will continue to strengthen and develop our safety infrastructure and practices to global industry standards to ensure that we maintain our zero- accident track record.

Our Board Safety Committee will continue to lead efforts in entrenching a strong safety culture in the Group.

APPRECIATION

In conclusion, despite the tough challenges we faced in the year 2015, I believe we have laid a solid foundation for the sustainability of our business and are on track to becoming the foremost offshore support logistics provider in Sub Saharan Africa. Our company faced strong macroeconomic headwinds beyond our control but through the commitment, hard work and understanding of all of our staff we were able to ride the tide and stay focused.

I will also like to thank all our valued customers, business associates, regulators, vendors, and suppliers for their continuing support.

Special appreciation goes to our dedicated and loyal employees who are our most important assets.

I also acknowledge the support of our shareholders, valuable inputs of our able Board of Directors and our many partners and stakeholders for their unwavering support.

I assure you that we will continue to meet challenges head on and seize new opportunities to grow Caverton Group as a strong and best in class organization.

Thank you.

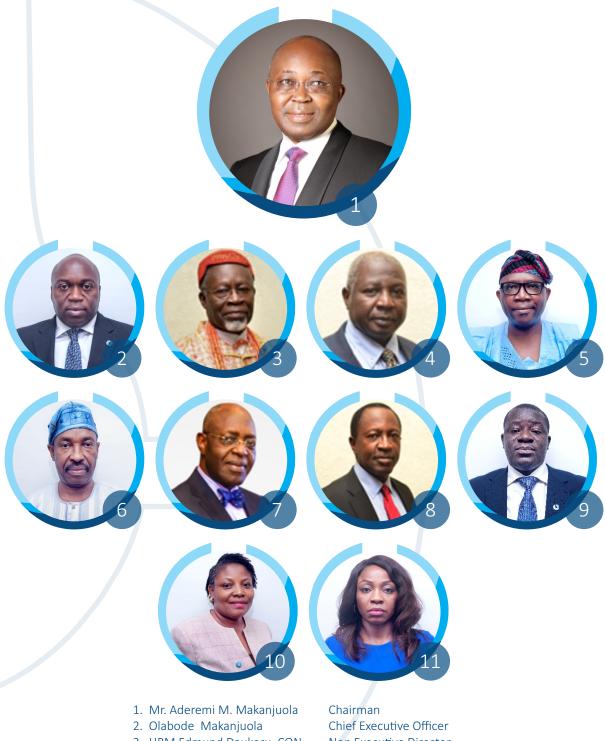
Aderemi M. Makanjuola

Chairman COSG.





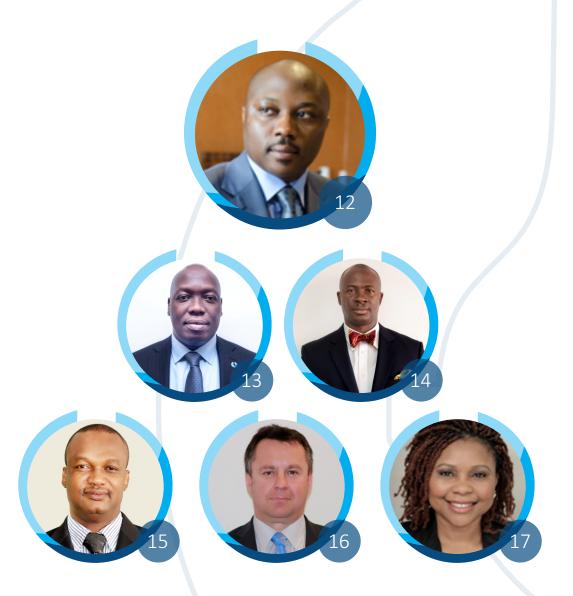
BOARD OF DIRECTORS



- 3. HRM Edmund Daukoru, CON
- 4. Mallam Bello Gwandu
- 5. Mr. Akin Kekere-Ekun
- 6. Mr. Bashiru Bakare
- 7. Chief Raymond Ihyembe
- 8. Mr. Akinsola Falola
- 9. Capt. Josiah Choms
- 10. Mrs. Titilola Adigun
- 11. Ms. Amaka Obiora

Chairman
Chief Executive Officer
Non Executive Director
Non Executive Director
Non Executive Director
Non Executive Director
Independence Director
Non Executive Director
Executive Director
Chief Financial Officer
Company Secretary

MANAGEMENT TEAM



- 12. Mr. Adeniyi Makanjuola
- 13. Mr. Tolu Osunsanya
- 14. Mr. Kingsley Uwagbale
- 15. Capt Ibrahim Bello
- 16. Eng. Sean Ward
- 17. Mrs. Joy Okebalama

Chief Operating Officer Ag. MD Caverton Marine Director, Strategy & Planning Director, Operations Technical Director

GM, External Relations





FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015.

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

RESOLI OI OF ERATION				
	The G	iroup	The Co	ompany
	Dec 2015 ₩'000	Dec 2014 ₦'000	Dec 2015 ₩'000	Dec 2014 ₦'000
Revenue	23,219,777	24,900,083 =====		886,050 =====
Profit/(loss) Before Tax	1,767,129	2,729,896	(384,591)	527,540
Taxation	(779,049)	(1,750,594)	(4,172)	(170,371)
Profit/(loss) for the year	988,080	979,302	(388,763)	357,169

DIVIDEND

The Directors do not recommend the payment of dividend in respect of the year ended 31 December 2015 (2014: 10kobo).

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is shown in Note 13 to the consolidated and separate 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 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:

REPORT OF THE DIRECTORS CONT

FOR THE YEAR ENDED 31 DECEMBER 2015

Number of ordinary shares of 50k each held as at 31 December 2015

	2015	2014
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	28,498,440	28,498,440
Titilola Adigun	10,005,000	Nil
Josiah Choms	2,000,000	Nil
Mr. Raymond Ihyembe	Nil	Nil
Mr. Samuel Ileoma	Nil	Nil

SHAREHOLDERS REGISTER RANGE ANALYSIS

Share Range	Number of Shareholders	% of Shareholders	Number of Holdings	% Shareholding
1 and 1,000	416.00	30.08	169,659.00	-
1,001 and 5,000	342.00	24.73	1,300,336.00	0.04
5,001 and 10,000	128.00	9.26	1,056,787.00	0.03
10,001 and 50,000	207.00	14.97	5,293,836.00	0.16
50,001 and 100,000	75.00	5.42	5,607,329.00	0.17
100,001 and 500,000	124.00	8.97	25,369,113.00	0.76
500,001 and 1,000,000	18.00	1.30	15,671,304.00	0.47
1,000,001 and 5,000,000	38.00	2.75	72,111,630.00	2.15
5,000,001 and 10,000,000	14.00	1.01	125,660,592.00	3.75
10,000,001 and 100,000,000	18.00	1.30	484,409,677.00	14.46
100,000,001 and 1,000,000,000	2.00	0.14	803,660,462.00	23.98
1,000,000,001 and 10,000,000,000	1.00	0.07	1,810,199,025.00	54.03
	1,383.00	100.00	3,350,509,750.00	100.00

SUBSTANTIAL INTEREST IN SHARES

According to the register of members at 31 December 2015, the following shareholders held more than 5% of the issued and paid up share of the company

Tasmania Investment Limited	1,810,199,025	54.03%
Makanjuola Aderemi M.	500,710,462	14.94%
Molar Vessels Supplies Ltd	302,950,000	9.04%

CAPITALISATION HISTORY

	Authorised		Paid up			
Year	Increase N	Cumulative N	Increase N	Cumulative N	Cumulative N	Consideration
01/01/2015	0	2,500,000,000	0	1,675,254,875	, , , , , , , , , , , , , , , , , , ,	Cash and COSG

shares in exchange for Caverton Helicopters and Caverton Marine shares

REPORT OF THE DIRECTORS CONT

FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015.

SHAREHOLDING STRUCTURE

	No of Shares	%age
Foreign	610,056	0.02%
Corporate	2,325,775,722	69.42%
Various Individual Shareholders	1,024,123,972	30.57%
	3.350.509.750	100%

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.

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 N28,634,000 to charitable organizations during the period (2014: N22,089,000).

Details	Amount
Sickle Cell Foundation of Nigeria	10,000,000.00
Donation to Special Olympics of Nigeria	2,500,000.00
Donation to Nigeria Stock Exchange (NSE)	3,000,000.00
Donation to Muritala Mohammed International Airport School	100,000.00
Donation & Publication for Sickle Cell Foundation	280,000.00
Donation to Grange School PTA Support	400,000.00
EOM Communications Ltd Television Support	200,000.00
Sponsorship of Committee of Wives of Lagos State Officials	
(COWLSO) Annual Conference	10,000,000.00
Donation to Ansar-Ud-Deen Society	1,000,000.00
Donation to Ogunu Community Elders and Chiefs	1,154,000.00
TOTAL	28,634,000.00

REPORT OF THE DIRECTORS CONT

FOR THE YEAR ENDED 31 DECEMBER 2015

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.

COMPLAINTS HANDLING

Caverton Offshore Support Group Plc has in place a Complaints Management Policy Framework in compliance with the Securities & Exchange Commission rule which became effective in February 2015. The Policy provides details on how we resolve complaints arising from issues covered under the Investments and Securities Act, 2007 (ISA), details of the Policy are available on our website.

EVENTS AFTER THE REPORTING DATE

As stated in Note 30, 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

2 blone

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

Amaka Pamela Obiora

Company Secretary FRC/2015/NBA/0000011302

29 March 2016



FOR THE YEAR ENDED 31 DECEMBER 2015

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, and six Non-Executive Directors.

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

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.

CORPORATE GOVERNANCE REPORT 2015 CONT

FOR THE YEAR ENDED 31 DECEMBER 2015

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. Jide Sanwo-Olu (Chairman)

Mr. Baba Ikazaboh Mr. Akin Kekere-Ekun Mr. Bashiru Bakare

S/N	NAME	POSITION	27TH MARCH, 15	2ND JULY, 15	30TH SEPT, 15	7TH DEC, 15
1	Mr. Aderemi Makanjuola	Chairman (Non- Executive Director)	Р	Р	Р	Р
2	Mr. Olabode Makanjuola	Executive Director	Р	Р	Р	Р
3	Chief Raymond Ihyembe	Non- Executive Director	Р	Р	Р	Р
4	Mr. Akin Kekere-Ekun	Non- Executive Director	Р	Р	Р	Р
5	Mr Bashiru Bakare	Non- Executive Director	Р	Р	Р	Р
6	Mallam Gwandu Bello	Non- Executive Director	Р	Р	Р	Р
7	Mr. Akinsola Falola	Non- Executive Director	Р	Р	Р	Р
8	HRM Dr.Edmund Daukoru	Non- Executive Director	Р	Р	Р	AWA
9	Mr. Bertrand Bril	Executive Director	Р	Р	Р	Р
10	Mr. Samuel Ileoma	Executive Director	Р	Р	Р	Р
11	Mrs. Titilola Adigun	Executive Director		Р	Р	Р
12	Mr. Josiah Choms	Executive Director			Р	Р

Mrs. Titilola Adigun was appointed to the Board of Caverton Offshore Support Group on 2^{nd} of July, 2015 while Capt Josiah Choms was appointed on 30^{th} September, 2015. Following the Resignation of Mr. Samuel Ileoma who resigned on the 30^{th} of June, 2015 and Mr. Bertrand Bril who resigned on the 14th of August, 2015.

STATUTORY AUDIT COMMITTEE

S/N	NAME	DESIGNATION	24TH MARCH, 15	1ST JUNE, 15	7TH AUG, 15	17TH NOV, 15
1	Mr. Jide Sanwo-olu	(Chairman) Minority	Р	Р	Р	Р
2	Mr. Baba Ikazoboh	Minority Shareholder	Р	Р	Р	Р
3	Mr. Akin Kekere-Ekun	Non- Executive	Р	Р	Р	Р
4	Mr. Bashiru Bakare	Non- Executive	Р	Р	Р	Р

SAFETY COMMITTEE

S/N	NAME	2ND MARCH, 15	26Th JUNE, 15	13TH AUG, 15	1ST DEC, 15
1	Mr. Bashiru Bakare (Chairman)	Р	Р	Р	Р
2	Mr. Akin Kekere-Ekun	Р	Р	Р	Р

RISK & FINANCE COMMITTEE

S/N	NAME	13TH MARCH, 15	10TH JUNE, 15	17TH SEP, 15	27ST NOV, 15
1	Mr. Bashiru Bakare (Chairman)	Р	Р	Р	Р
2	Mr. Akin Kekere-Ekun	Р	Р	Р	Р

GOVERNANCE & IMPLEMENTATION COMMITTEE

S/N	NAME	10TH MARCH, 15	3RD JUNE, 15	6TH AUG, 15	16ST NOV, 15
1	Chief Raymond Ihyembe (Chairman)	Р	Р	Р	Р
2	Mr. Akin Kekere-Ekun	Р	Р	Р	Р
3	HRM Edmund Daukoru	AWA	Р	Р	Р
4	Mr. Akinsola Falola	Р	Р	Р	Р
5	Mr. Bashiru Bakare	Р	Р	Р	Р
6	Mallam Gwandu Bello	Р	Р	Р	Р

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.

STATEMENT OF DIRECTOR RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 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 2015. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated and separate 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

29 March 2016

REPORT OF THE AUDIT COMMITTE

FOR THE YEAR ENDED 31 DECEMBER 2015

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 29 March, 2016

Family

Mr. Jide Sanwo-Olu Chairman, Audit Committee FRC/2016/CIPMN/0000014201

MEMBERS OF THE COMMITTEE

Mr. Jide Sanwo-Olu Mr. Bashiru Bakare Mr. Akin Kekere-Ekun Mr. Baba Ikazoboh



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CAVERTON OFFSHORE SUPPORT GROUP PLC

Report on the financial statements

We have audited the accompanying financial statements of Caverton Offshore Support Group Plc and its subsidiaries (the Group), which comprise the consolidated and separate statements of financial position as at 31 December 2015, and consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Group's directors are responsible for the preparation and fair presentation of these 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 the Financial Reporting Council of Nigeria Act No. 6, 2011 and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Caverton Offshore Support Group Plc and its subsidiaries as at 31 December 2015 and of their financial performance and cash flows for the year then ended 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 the Financial Reporting Council of Nigeria Act No. 6, 2011.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CAVERTON OFFSHORE SUPPORT GROUP PLC - (Continued)

Report on Other Legal and Regulatory Requirements

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account have been kept by the Group, so far as it appears from our examination of those books;
- iii) the consolidated and separate statements of financial position and consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.

X.

Yusuf Aliu, FCA FRC/2012/ICAN/0000000138 For: Ernst & Young Chartered Accountants Lagos, Nigeria. ACCOUNTANTS OF SIGNATURE OF SIG

31 March 2016



STATEMENT OF PROFIT OR LOSS OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

		The C	Group	The Co	mpany
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Notes	₩'000	₩'000	₩ '000	N '000
Revenue	6	23,219,777	24,900,083	-	886,050
Direct Operating Expenses	7	(14,605,040)	(13,968,291)	-	-
Gross Profit		8,614,737	10,931,792	-	886,050
Indirect Operating (Admin) Expenses	8	(6,092,902)	(7,217,932)	(386,564)	(358,510)
Other Income	9	1,040,062	366,535	1,973	-
Earnings Before Interest and Taxes	d	3,561,897	4,080,395	(384,591)	527,540
Finance Cost	10	(1,794,768)	(1,350,499)	-	-
Profit/(loss)Before Tax		1,767,129	2,729,896	(384,591)	527,540
Income Tax	11	(779,049)	(1,750,594)	(4,172)	(170,371)
Profit/(loss)After Tax Profit/(loss) attributable to:		988,080	979,302	(388,763)	357,169
Owners of the Company		974,311	969,509	-	_
Non-controlling interest		13,769	9,793	-	
Profit/(loss) for the year		988,080	979,302	(388,763)	357,169
Other Comprehensive incom	e	-	-		-
Total Comprehensive income for the year, net of tax	2	988,080	979,302 	(388,763)	357,169
Basic/diluted earnings per share (N)	12.1	0.29	0.29	(0.12)	0.11

See notes to the consolidated and separate and separate financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		The C	Group	The Co	mpany
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Assets	Notes	₩'000	₩'000	₩'000	₩'000
Non-current assets					
Property, plant and equipmer	nt 13	20,290,460	18,651,130	-	55
Intangible assets	14	33,342	20,967	-	-
Goodwill	15.2	6,026,909	6,026,909	-	-
Investment in subsidiaries		-	-	8,514,000	8,514,000
Deferred tax assets	11.3	201,216			
		26,551,927	24,699,006	8,514,000	8,514,055
Current assets					7
Inventories	16	1,457,187	1,211,717	-	-
Trade and other receivables	17	8,632,289	6,985,401	88,605	88,605
Due from related parties	18	4,782	1,507,729	1,053,171	1,167,774
Prepayments	19	98,388	75,201	-	-
Cash and bank	20	2,763,217	2,146,545	1,777	262,685
		12,955,864	11,926,591	1,143,553	1,519,064
Total asserts		39,507,791	36,625,597	9,657,553	10,033,119
Equity and liabilities Equity					
Ordinary share capital	21	1,675,255	1,675,255	1,675,255	1,675,255
Share premium	21	6,616,991	6,616,991	6,616,991	6,616,991
Retained earnings		4,220,681	3,581,421	(390,235)	333,579
Non-Controlling Interest		71,698	57,929		-
Total equity		12,584,625	11,931,596	7,902,011	8,625,825
Interest-bearing loans and borrowings	22.2	8,405,640	8,282,628	-	-
Other non-financial liabilities	22.4	2,274,528	3,627,641	-	-
Deferred tax liabilities	11.3	-	472,917	-	16
Current liabilities		10,680,168	12,383,186		16
Trade and other payables	23	8,384,178	5,965,435	44,772	89,676
Due to related parties	18	12,139	-	1,183,039	759,059
Interest-bearing loans and borrowings	22.2	4,431,985	4,294,387	-	-
Deferred revenue	24	863,435 2,551,261	12,993 2,038,000	- E27 721	558,543
Income tax payable	11.2	16,242,998	12,310,815	527,731 1,755,542	1,407,278
Total liabilities		26,923,166	24,694,001	1,755,542	1,407,294
Total equity and liabilities		39,507,791	36,625,597	9,657,553	10,033,119

Approved by the Board of Directors on 29 March 2016 and signed on its behalf by:

STATEMENT OF FINANCIAL POSITION CONT

AS AT 31 DECEMBER 2015

Olabode Makanjuola Chief Executive Officer

FRC/2013/IODN/00000002456

Mynym

Mrs. Titilola Adigun Chief Finance Officer FRC/2013/ICAN/00000002398

See notes to the consolidated and separate financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

As at 1 January 2014 Dividend paid Dividend to NCI from CHL	Issued Share Capital ₩'000 1,675,255	Share Premium **1000	Retained Earnings #\000 2,980,625 (418,814)	Total ₩'000 11,272,873 (418,814)	Non- controlling Interest ₩'000 107,187	Total equity ₩'000 11,380,060 (418,814) (8,950)	Issued Share Capital #'000	The Company Share Premium #'000 6,616,991	Retained Earnings #\000 395,224 (418,814)	Total #\000 8,687,470 (418,814)
Reclassification* Profit for the year			50,101	50,101	(50,101) 9,793	979,302		' '	357,169	357,169
As at 31 December 2014	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
As at 1 January 2015 Dividend paid Profit for the year	1,675,255	6,616,991	3,581,241 (335,051) 974,311	11,873,669 (335,051) 974,311	57,929	11,931,598 1,675,255 (335,051) - 988,080	1,675,255	6,616,991	333,579 (335,051) (388,763)	8,625,825 (335,051) (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

See notes to the consolidated and separate financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

		The C	Group	The Company		
		31 December 2015	31 December 2014	31 December 2015	31 December 2014	
	Notes	₩'000	₩'000	₩'000	₩'000	
Operating activities						
Profit before tax Non-cash adjustment to reconcile profit before tax to net cash flows		1,767,129	2,729,896	(384,591)	527,540	
Depreciation of property, plant and equipment	13	1,894,108	2,007,999	55	504	
Amortisation of Intangible asset	14	9,629	1,816	-	-	
Amortisation of government grant		(117,047)	\-	-	-	
Effect of foreign exchange differences on cash		104,354	15,894	-	-	
(Gain)/loss on sale of propert plant and equipment	Σ y ,	(597,235)	127	-	-	
Finance costs	10	1,794,768	1,350,499	-	-	
Finance income		(113,170)	-	(1,973)	-	
Working capital adjustment: (Increase)/decreasein trade and other receivables	s:	(1,646,888)	3,754,810	-	(88,605)	
Decrease/(Increase) in due fr related parties	rom	1,502,948	-	114,602	(150,546)	
(Increase)/decreasein prepay	ments	(23,187)	51,865		-	
Increase in inventories		(245,470)	(144,128)		-	
Increase/(decrease) in trade and other payables		2,418,745	1,242,601	(44,904)	50,614	
Increase/(decrease) in due to related parties)	12,139	(776,882)	423,980	362,237	
Increase/(decrease) in deferr	ed	850,442	(23,462)		-	
	44.5	7,611,265	10,211,035	109,143	701,744	
Tax paid during the year	11.2	(97,139)	(33,250)	(35,000)	(22,750)	
Net cash flow from operating activities	g	7,514,126	10,177,785	74,143	678,994	
Investing activities						
Purchase of property, plant	13	(5,762,045)	(2,463,727)	-	-	
and equipment		2.025.026				
Proceeds from disposal of property, plant and equipmer		2,825,839	150	-	-	
Purchase of Intangible assets	14	(22,004)	(19,449)	1,973	-	
Financial Income		113,170				
Net cash flow used in investi activities	ing	(2,845,040)	(2,483,026)	1,973		

STATEMENT OF CASH FLOWS CONT

FOR THE YEAR ENDED 31 DECEMBER 2015

	The C	Group	The Company		
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	
Notes	₩'000	₩'000	₩'000	₩'000	
Financing activities					
Proceeds from borrowings Dividend paid	3,256,805 (335,051)	3,576,849 (418,814)	- (335,051)	- (418,814)	
Finance costs	(1,794,768)	(1,350,499)	-	-	
Repayment from borrowings	(4,890,504)	(8,874,128)	-	-	
Net cash flows (used in)/from financing activities	(3,682,518)	(7,066,592)	(335,051)	(418,814)	
Net increase (decrease) in cash and cash equivalents	986,568	628,167	(260,908)	260,180	
Effect of foreign exchange differences on cash	(64,190)	(15,894)		-	
Cash and cash equivalents at 1 January	1,813,640	1,201,367	262,685	2,505	
Cash and cash equivalents 20.1 at 31December	2,736,018	1,813,640	1,777	262,685	

See notes to the consolidated and separate 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 and separate financial statements of Caverton Offshore Support Group Plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2015 were authorized for issue in accordance with a resolution of the directors on 29 March 2016.

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, except where stated otherwise.

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 2015. 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

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 and separate from the date on which control is transferred to the Group. They are de-consolidated and separate 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 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-controllinginterest 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.

2.3 Summary of significant accounting policies

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

2.3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (NCI) in the acquiree. For each business combination, the Group elects to measure the components of NCI that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date (being the date the Group gains control) through profit or loss.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 - Financial Instruments: Recognition and measurement either in profit or loss or , for acquisitions taking place prior to 1 July 2015as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured. Subsequent settlement is accounted for within equity. In instances, where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

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 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. Non-monetary items measured at fair value in a foreign

currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item in which case the translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss, respectively.

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.

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.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.3.4 Corporate taxes

2.3.4.1 Current Income Tax

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. 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.

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
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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.

Property, Plant and Equipment transferred from customers is initially measured at the fair value at the date on which control is obtained. 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:

Property, Plant and Equipment	Years
Lease hold 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

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. 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.

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 finance costs.

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.

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.

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 finance costs 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 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.

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, orwhen 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, including impairment on inventories, 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 and separate statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

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. Where the Group makes contributions into a separately administered fund for restoration, environmental or other obligations, which it does not control, and the Group's right to the assets in the fund is restricted, the obligation to contribute to the fund is recognized as a liability where it is probable that such additional contributions will be made.

2.3.13 Pension benefits

The Group operates a defined contribution plan in line with the provisions of the Pension Reform Act 2014. 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.

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 or IFRS 9 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.

Impairment of non-current assets

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.

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

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 is currently assessing 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 that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: 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. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The company is in the process of assessing the impact adoption of IFRS 9 will have on the classification, measurement and impairment of the Group's financial assets: however, there would be no impact on the classification.

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 other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

IFRS 14 is effective for annual periods beginning on or after 1 January 2016. This standard is not expected to affect the company.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 - Leases

Effective for annual periods beginning on or after 1January 2019. Early application is permitted, but not before an entity applies IFRS 15. The key features of the amendment are:

- The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under IAS 17.
- Lessees recognise a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately.
- The new standard includes two recognition exemptions for lessees leases of 'low-value' assets (e.g., personal computer) and short-term leases (i.e., leases with a lease term of 12 months or less).
- Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events.

• Lessor accounting is substantially the same as today's lessor accounting, using IAS 17's dual classification approach.

The Group is still assessing the impact of this amendment.

Amendments issued but not yet effective

These amendments to some standards have been issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective.

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

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is 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 effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Annual Improvements 2012 – 2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They 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 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 must be applied prospectively.

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 must be 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 would not need to 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 must be applied retrospectively.

Amendments to IAS 1-IAS 1Disclosures Initiative

Effective for annual periods beginning on or after 1January 2016. Early application is permitted and entities do not need to disclose that fact because the Board considers these amendments to be clarification that do not

affect an entity's accounting policies or accounting estimates.

The amendments to IAS 1 Presentation of Financial Statements 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 OCU 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 associated and Joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between these 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 other comprehensive income.

These amendments will impact the Company's financial statements presentation and disclosure requirements in IFRS, and do not affect recognition and measurements.

IAS 12 – Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The amendment clarifies the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments clarify:

- The requirements relating to recovery of an asset for more than its carrying amount in a way that enhances understanding and reduces the risk of an arbitrary estimate of probable future taxable profit was revised
- The standard clarify that taxable profit excluding tax deductions used for assessing the utilization of deductible temporary differences is different from taxable profit on which income taxes are payable

The amendment is effective for annual periods beginning on or after 1 January 2017.

The Group is still assessing the impact of this amendment.

IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28

Effective for annual periods beginning on or after 1January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed

The amendments address three issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption in paragraph 4 of IFRS 10 from presenting consolidated and separate and separate financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated and separate. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity

associate or joint venture to its interests in subsidiaries.

These amendments will not impact the Group's financial statements presentation.

IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27

Effective for annual periods beginning on or after 1 January 2016 and it must be applied retrospectively, early application is permitted and must be disclosed.

The amendments to IAS 27 Separate Financial Statements allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IFRS 9 (or IAS 39) Or
- Using the equity method

The entity must apply the same accounting for each category of investment.

A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

Standards (new or amended) which became effective during the year

Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

These standard became effective in July 2014 but did not affect the company

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The clarifications are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods. In addition, the Group had not granted any awards during the second half of 2014 and 2015. Thus, these amendments did not impact the Group's financial statements or accounting policies.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value

through profit or loss whether or not they fall within the scope of IAS 39. This is consistent with the Group's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments

are 'similar'

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The Group has not applied the aggregation criteria in IFRS 8.12. The Group has presented the econciliation of segment assets to total assets in previous periods and continues to disclose the same in Note 5 in this period's financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of her decision making.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact to the revaluation adjustments recorded by the Group during the current period.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Group does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied Property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment did not impact the accounting policy of 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 and separate financial statements.

December 2015	Helicopter Charter Services	Marine Services	All Other Segment	Total	Adjustments and Eliminations	Consolidated and Separate
	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000
Revenue	21,017,318	2,202,459	-	23,219,777	-	23,219,777
External customers Inter-segment	1	-	-	-	-	-
Total Revenue	21,017,318	2,202,459	-	23,219,777		23,219,777
Depreciation and amortization	1,851,353	52,385	-	1,903,682	-	1,903,738
Finance cost	1,654,419	140,349	-	1,794,768	-	1,794,768
Interest income	113,170	-	-	113,170	-	113,170
Profit before income tax expense	1,599,936	551,784	(384,591)	1,767,129	-	1,767,129
Income tax expense	(587,568)	(187,309)	(4,172)	(779,049)		(779,049)
Segment Profit	1,012,368	364,475	(388,763)	988,080		988,080
Total asserts	30,211,921	5,003,024	9,657,553	44,872,498	(5,364,708)	39,507,790
Total liabilities	25,471,465	2,573,775	1,755,542	29,800,782	(2,877,617)	26,923,165
Other disclosures Capital expenditure	5,783,236	813				

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 2015	Helicopter Charter Services	Marine Services	All Other Segment	Total	Adjustments and Eliminations	Consolidated and Separate
	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000
Revenue	22,316,840	2,583,243	-	24,900,083	-	24,900,083
External customers Inter-segment	-	-	- 886,050	- 886,050	- (886,050)	-
Total Revenue	22,316,840	2,583,243		25,786,133	(886,050)	24,900,083
Depreciation and amortization	(1,956,963)	(52,348)	(504)	(2,009,815)	-	(2,009,815)
Finance cost Interest income			-		- -	(1,350,499) 20,384
Profit before income tax expense				3,615,980	(886,084)	2,729,896
Income tax expense	(1,612,339)	32,116	(170,371)	(1,750,594)	-	(1,750,594)
Segment Profit	641,012	867,205	357,169	1,865,386	(886,084)	979,302
Total asserts	27,073,016 	4,875,172	10,033,119	41,981,307	(5,355,708)	36,625,599
Total liabilities	23,344,928	2,810,398	1,407,294	27,562,620	(2,868,619)	24,694,001
Other disclosures Capital expenditure	2,481,981	1,195				

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. 2015	31 Dec. 2014
Reconciliation of profit	₩'000	₩'000
Segment profit	988,080	1,865,386
Inter-segment sales (elimination)	-	(886,050)
Operating expenses elimination	-	(34)
Profit After tax	988,080	979,302
Tront files tun	===========	=======================================
	2015	2014
Reconciliation of assets	₩'000	₩'000
Segment operating assets	44,872,498	41,981,307
Goodwill	6,026,909	6,026,909
Investment in subsidiaries	(8,514,000)	(8,514,000)
Receivables from related party	(2,877,617)	(2,868,617)
Total Asset	39,507,790	36,625,599
	=======================================	=======================================
	2015	2014
Reconciliation of liabilities	₩'000	₩'000
Segment operating liabilities	29,800,782	27,562,618
Payables from related party	(2,877,617)	(2,868,617)
Total liabilities	26,923,165	24,694,001
	=======================================	=======================================

6. Revenue	The	The Group		The Company	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	
	₩'000	₩'000	₩'000	₩'000	
Helicopter Charter	586,075	4,622,353	-	-	
Helicopter maintenance	399,128	356,710	-	-	
Helicopter/Airplane contract	20,032,115	17,337,777	-	-	
Charter income	2,143,292	2,544,066	-	-	
Dividend income		-	-	886,050	
Others	59,167	39,177			
	23,219,777	24,900,083	-	886,050	
		=======================================	==========	===========	

Revenue relates to amount generated from ordinary activities of the Group from Helicopter and Marine services. Other revenues represent income generated from shipping and berthing of vessels for third party agents.

The Company is a holding company that generates revenue in form of dividend from its subsidiaries and do not have any direct operating cost. Dividend was not declared in 2015 by the subsidiaries as a result of a strategic decision to retain the profit for reinvestment in the business .This does not affect the going concern of the company since the financial strategy is not on an ongoing basis.

7. Direct Operating Expenses

	The	Group	The Co	ompany
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
	₩'000	₩'000	₩'000	₩'000
Aircraft rental	4,787,443	3,851,498	-	-
Crew Salaries	5,589,583	5,932,734	-	-
Charter hire	1,307,352	1,512,048	-	-
Aircraft insurance premium	364,173	273,700	-	-
Consumables	2,556,489	2,398,311	-	-
	14,605,040	13,968,291	-	-
		==========	==========	==========

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., The interest amount on the finance lease is 2015(Nil) 2014 \$\frac{1}{2}\$518,254. See Note 26 for additional disclosure on the leases.

8. Indirect Operating (Admin) Expenses

	The Group		The	The Company	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	
	₩'000	₩'000	₩'000	₩'000	
Audit fee	30,000	30,000	7,000	7,000	
Employee benefit expense	824,145	520,721	281,728	-	
Business development	10,770	85,145	-	-	
Depreciation	1,894,109	2,007,999	56	504	
Amortisation	9,629	1,816	-	-	
Communication	73,076	63,033	-	-	
Exchange loss	979,136	2,473,085	-	40,851	
Donation	28,634	22,089	15,499	5,000	
Key management expenses	423,012	401,200	21,000	139,125	
Fuel and diesel	74,697	72,595	-	-	
Insurance	44,864	67,192	-	-	
Legal and professional fees	69,570	190,916	18,282	66,599	
Licence and levy	111,148	4,837	-	-	
Printing	16,642	23,691	-	-	
Repairs and maintenance	89,860	95,932	209	579	
Transport and travels	521,302	603,780	68	-	
Impairment loss	216,611		-	-	
Loss on disposal of PPE	-	127	-	-	
Rent	194,957	193,704	-	-	
Security	46,382	59,125	-	-	
Entertainment	24,344	29,347	-	-	
Other expenses	410,014	271,598	42,722	98,852	
	6,092,902	7,217,932	386,564	358,510	

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

Included in the legal and professional fee is the tax consulting services fee of N3,675,000, (2014:N3,765,000) and this service was carried out with the consent of the audit engagement Partner who have ensured that the non-audit service is not prohibited and pose no threat to the firm's independence and objectivity.

9. Other Income

	The C	Group	The Co	mpany
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
	₩'000	N '000	₩'000	₩'000
Profit on disposal of PPE	597,233	150	-	-
Interest Income	113,170	-	1,973	-
Exchange gain	161,954	345,955	-	-
Sundry income	50,658	20,430	-	-
Grant Income	117,047	-	-	-
	1,040,062	366,535	1,973	-
	==========	=======================================	==========	==========

Sundry income represents proceeds from sale of fully depreciated furniture & fittings to staff and income from one-off repairs of EC-155 for client.

10. Finance Cost

	The Group		The Company	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Interest on debts and borrowings	₩'000	₩'000	₩'000	₩'000
	1,794,768	1,350,499	-	

11. Income Tax

11. IIICOIIIC IAX					
	The	Group	The Company		
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	
Current income tax:	₩'000	₩'000	₩'000	₩'000	
Current income tax charge	1,186,043	876,369	-	159,913	
Education tax	88,654	153,945	_	10,661	
Minimum tax	-	-	4,188	-	
Under provision of previous years	178,484	803,182	-	-	
previous years	1,453,181	1,833,496	4,188	170,574	
Deferred tax charge Relating to origination and reversal of temporary					
differences	(674,132)	(82,902)	(16)	(203)	
Income tax expense reporte in profit or loss	779,049	1,750,594	4,172	170,371	

The under provision of previous years 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.

11.1 Reconciliation of effective tax rate

Reconciliation between tax expense and the product of accounting profit multiplied by Caverton's domestic tax rate for the year ended 31 December 2015 is as follows:

	The	Group	The Company				
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2	015 31 Dec. 2014			
	₩'000	₩'000	₩'	000'₩ 000			
Accounting profit/(loss) before tax	1,767,129	2,729,896	(384,5	591) 527,540 			
At Caverton's statutory income tax rate of 30%	530,139	818,969	(115,3	377) 158,262			
Non-deductible expenses Unutilised capital	-	6,627	4,	650 1,448			
allowance	(124,783)	(31,728)	119,	549 _			
Investment allowance	-	(401)					
Education tax Under provision of	88,654	153,945		- 10,661			
previous year	178,484	803,182		-			
Impact of minimum tax At the effective income tax	106,555	-	106, At the effective income tax	555 -			
rate of 64% (2014: 40%)	779,049	1,750,594	rate of 32%4, (2014: 32%)4	172 170,371 			

11.2. Tax payable per statement of	The (The Co	The Company		
financial position	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	
	₩'000	₩'000	₩'000	₩'000	
Balance at the beginning of year	2,038,000	1,599,810	558,543	410,719	
Charge for the year					
Tax charge for the year	1,453,181	1,833,496	4,188	170,574	
Payments during the year	(97,139)	(33,250)	(35,000)	(22,750)	
WHT credit utilized	(842,781)	(1,362,056)		-	
Balance at the end of year	2,551,261	2,038,000	527,731	558,543	

11.3. Deferred tax relate	s					
to the following:	The	Group	The C	Company		
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014		
	₩'000	₩'000	₩'000	₩'000		
Properties plant and equipment	472,916	416,662	16	16		
Temporary difference	(674,132)	-	-	-		
Unrealised foreign exchange on borrowings	-	56,255	(16)	-		
Net deferred tax assets	(2,916)	472,917	-	16		
Reconciliation of deferred tax liabilities net						
Deferred tax (asset) and lia	bilities					
Balance at the beginning of the year	472,916	555,819	16	219		
(Charged)/write back for the year	(674,132)	(82,902)	(16)	(203)		
Balance at the end of year	201,216	472,917 ========	-	16 ===========		

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

12. Earnings Per Share

	The	Group	The C	The Company			
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014			
Authorised shares:	₩'000	₩'000	₩'000	₩'000			
5,000,000,000 ordinary shares of 50k each	2,500,000	2,500,000	2,500,000	2,500,000			
Issued and fully paid	₩'000	₩'000	₩'000	₩'000			
3,350,509,750 ordinary shares of 50k each	1,675,255	1,675,255	1,675,255	1,675,255			

12.1. 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 C	Group	The Company			
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014		
Average number of shares outstanding('000)	N '000 3,350,510	N '000 3,350,510	₩'000 3,350,510	₩'000 3,350,510		
Profit attributable to equity holders (₦'000)	988,080	979,302	(388,763)	357,169		
Basic earnings per share (₦)	0.29	0.29	(0.12)	0.11		

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.

13. Property, Plant and Equipment (The Company)

	Furniture	Plant and Machinery	Motor vehicles	Office equipment	Total
Cost	₩'000	₩'000	₩'000	₩'000	₩'000
At 1 January 2014	180	2,840	8,720	435	12,175
At 31 December 2014	180	2,840	8,720	435	12,175
At 31 December 2015	180	2,840	8,720	435	12,175
Depreciation					
At 1 January 2014	101	2,521	8,636	358	11,616
Depreciation charge for the year	60	284	84	76	504
At 31 December 2014	161	2,805	8,720	434	12,120
At 1 January 2015	161	2,804	8,720	435	12,120
Depreciation charge for the year	19 180	36 2,840	8,720	435	55 12,175
Net book value					
31 December 2015			<u>-</u>		
31 December 2014	19	35	-	1	55

13. Property, Plant and Equipment (The Group)

Furniture

 0	31 27	(6	60)6 45 9)	` ' 23		52	66	2)	52	62	8(5)	52		0 17 !!	
Total ₩'000	21,935,231 2,463,727	(348,449)	24,050,509	24,050,506 5,762,045 (2,890,369)	26,922,182		3,739,552	2,007,999	(348,172)	5,402,379	5,399,379	1,894,108	(661,765)	6,631,722		20,290,460 18,651,127 	
	21,487 21 60,000 2						1	- 2	1		ı	,	1				
Construction WIP ₩'000	21,,	(21,487)	60,000	60,000 5,734,937 -	(60,000)											5,734,937	
	2 2	(1	M	9 2 -	'!∀!!		7	6	(1	! L O !!	2	7	1	12 !!		の!ਜ਼!!	
fittings and office Equipment	427,982 26,992	(104,121	350,853	351,216 13,015	364,231		270,997	76,459	(101,121)	246,335	243,335	61,017		304,352		59,879	
ш									_								
Motor vehicles ₩'000	274,434 52,303	(171,333)	155,404	155,038 8,428 (10,395)	153,071		228,617	25,941	(171,056)	83,502	83,502	34,413	(4,331)	113,584		39,487	
											∞	5	1				
Aircraft Equipment	117,508	(39,157)	85,986	85,986 1,284	87,270		60,244	14,511	(39,157)	35,598	35,598	15,835		51,433		35,837 50,388	
Eq																	
Plant and Machinery ₩'000	79,465 5,742	(33,838)	51,369	51,369 4,381	55,750		53,390	296'6	(33,838)	29,519	29,519	8,652	1	38,171		17,579	
Plan		(3	5'	2,	- '		Ξ,		(3	`				``'		`` ``	
Aircraft **1000	2,001,349	1 1	2,404	2,404	432,430		2,422	7,595	1	3,750,017	0,017	1,997	(657,434)	640,580		6,791,850 .0,562,387 	
	12,001,349 2,311,055		14,312,	14,312,404			2,082,	1,667,		3,75(3,750,	1,547,	(657	4,640,		6,791,850 10,562,387	
Building structures ₩'000	3,542,041	-21,487	3,563,528	3,563,528	60,000		1,022,069	161,652	1	1,183,721	1,183,721	163,441		1,347,162		2,276,366	
Bi	3,5		3,5	3,5	3,6		1,0	\vdash		1,1	1,1	\vdash		1,3		2,2	
Land ₩'000	5,470,965	1 1	5,470,965	5,470,965	5,470,965		21,813	51,874	1	73,687	73,687	62,753	1	136,440		5,334,525	
	5,47		5,47	5,47	5,47		7				7			13		5,33 5,39 	
						: uo		the yea				the yea	uo uc		alue:		
نڼ	1-Jan-14 Additions	Disposals Transfer	31-Dec-14	1-Jan-15 Additions Disposals	Transfer 31-Dec-15	Depreciation:	1-Jan-14	Charge for the year	disposals	31-Dec-14	1-Jan-15	Charge for the year	Depreciation on disposals	31-Dec-15	Net book value:	31-Dec-15 31-Dec-14	
Cost:	1-Ja Add	Dis _t Trai	31-	1-Ja Add Disp	Tral	De	1-18	Chi	disk	31-	1-18	Châ	Dep disp	31-	Net	31-	

13. Property, Plant and Equipment - Continued Finance leases

The carrying value of property, plant and equipment held under finance leases at 31 December 2015 was Nil (2014: 2,759,976). Leased assets are pledged as security for the related finance lease liabilities and no interest cost was capitalized during the year.

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 2015 was N 5,734,937 (2014: Nil). The training facility is financed with a bank loan. The amount of borrowing costs capitalized during the year ended 31 December 2015 was N262,146,886 (2014:Nil). The rate used to determine the amount of borrowing costs eligible for capitalization was 18%, which is the EIR of the specific borrowing.

14. Intangible Assets (The Group)

	₩'000
Cost: 1 January 2014 Additions	4,446 19,449
31 December 2014	23,895
1 January 2015 Additions	23,895 22,004
31 December 2015	45,899
Amortisation:	=====
1 January 2014	1,112
Charge for the year	1,816
31 December 2014	2,928 =====
1 January 2015	2,928
Charge for the year	9,629
31 December 2015	12,557
	====
Net book value	
31 December 2015	33,342
31 December 2014	20.067
51 December 2014	20,967

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

15. Business Combination

15.1 Interest in subsidiaries

The summarised financial information of Caverton Helicopters Limited (CHL) and Caverton Marine Limited (CML) are provided below. This information is based on amounts before inter-company eliminations.

Summarized statement of profit or loss

	Caverton Helio	copters Limited	Caverton Marine Limited		
	31 December	31 December	31 December	31 December	
	2015	2014	2015	2014	
Revenue	₩'000 21,017,318	\ 1000 22,316,840	N '000 2,202,459	\ 1000 2,583,243	
Operating expenses Administrative expenses Other operating income		(12,455,705) (6,567,696) 203,922	(173,485)	(291,726)	
Finance cost	(1,654,419)		(140,349)	(106,489)	
Profit before tax	1,599,936	2,253,351	551,784	835,089	
Income tax expense	(587,568)	(1,612,339)	(187,309)	32,116	
Profit before tax	1,599,936	2,253,351	551,784	835,089	
Income tax expense	(587,568)	(1,612,339)	(187,309)	32,116	
Total comprehensive income	1,012,368	641,012	364,475	867,205	
Attributable to:					
Equity holders of parent	1,002,244	634,602	360,830	858,533	
Non-controlling interests	10,124	6,410	3,645	8,672	
	1,012,368	641,012	364,475	867,205	

Summarized statement of financial position

	Caverton Helio	opters Limited	Caverton N	Marine Limited
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	₩'000	₩'000	₩'000	₩'000
Inventories and cash and bank balances (curren	t) 4,138,644	3,051,052	79,983	44,525
Trade and other receivables, Due from related parties and Prepayments	8,872,106	8,698,510	1,599,194	1,482,059
Property, plant and equipment and other non-current	17,201,171	15,323,454	3,323,847	3,472,675
Trade and other payables (current)	(8,542,120)	(6,387,130)	(1,504,003)	(1,598,189)
Deferred revenue	(863,435)	(12,993)	-	-
Income tax payable	(1,643,644)	(970,501)	(379,885)	(508,956)
Interest-bearing loans and borrowing (Current)	(3,742,098)	(3,889,979)	(689,887)	(404,408)
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	(10,680,168)	(12,084,323)	-	(422,932)
Total equity	4,740,456	3,728,088	2,429,249	2,064,774
Attributable to: Equity holders of parent Non-controlling interests Summarised cash flow information for year	4,693,051 47,405 4,740,456	3,690,807 37,281 3,728,088	2,404,957 24,292 2,429,249	2,044,126 20,648 2,064,774
Summarised cash now information for year	_			
	31 December	copters Limited 31 December		Marine Limited
	2015	2014	2015	31 December 2014
	₩'000	₩'000	₩'000	₩'000
Operating	6,547,907	9,331,710	84,567	(308,927)
Investing	(2,957,397)	(2,481,827)	(813)	(1,195)
financing		(6,538,502)	, ,	
Net increase/(decrease) in cash and	1,273,782	311,381	(26,306)	56,606
cash equivalents	. ,		. ,1	,
Net foreign exchange differences	(98,755)	(23,285)	34,565	7,391
Cash and cash equivalents at 1 January	1,506,430	1,218,334	44,525	(19,471)
Cash and cash equivalents at 31 Decembe	r 2,681,457	1,506,430	52,784	44,525

15.2. 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:

	At December	At December
	2015	2014
	₩'000	₩'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. Unless indicated, the value in use in December 2014 was determined in similar way as 31 December 2015. 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 8% (2016), 8% (2017) and 8% (2018),8% (2019),8% (2020), 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.

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 past experience and industry weighted average cost of capital which was based on the incremental borrowing rate.

Gross margin

The Gross margin was projected as 64% (2016), 65% (2017), 66% in 2018, 68% in 2019 and 69% in 2020.

As a result of this analysis, there was no impairment charged for Helicopter CGU as at 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 2014 was determined in similar way as 31 December 2015. 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%(2016), 3% (2017),3%(2018), 3% (2019), 3% (2020), The anticipated annual revenue growth included in the cash flow projections for the years 2015-2019 has been based on growth rate of five years.

Pre-tax discount rate

The pre-tax discount rate of 16% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on past experience and industry weighted average cost of capital which was based on the incremental borrowing rate.

Gross Margins

The Gross margin was projected as 46% in 2016, 46% in 2017, 45% in 2018, 45% (2019), 45% (2020).

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

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 8% 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

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% 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.

Inventories are carried at the lower of cost and net realizable value

16. Inventories	The Group		The Company		
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
	₩'000	₩'000	₩'000	₩'000	
Inventory Shell Project	1,006,444	1,184,352	-	-	
Inventory- Spare parts	407,765		-	-	
Jet A1 Aviation fuel Lagos	42,979	27,363			
	1,457,188	1,211,715			
	=======================================				

During 2015, ₩1,043,916,005.79 (2014: ₩1,264,534,657) was recognised as an expense for inventories carried at net realisable value. This is recognised in direct operating expenses. There is no write down on inventory in 2014 and 2015

17. Trade and Other Receivables	The Group		The Company	
Trade receivables	31 Dec 2015 N→'000 4,944,709	31 Dec 2014 ₩'000 5,241,849	31 Dec 2015 ₩'000	31 Dec 2014 ₩'000
Impairment loss on trade receivables (Note 17.1)	(216,611) 4,728,098	5,241,849		-
Withholding tax receivable VAT receivables Staff advances Deferred charges Advance payments Other receivables	2,204,914 7,308 6,462 - 1,596,902 88,605 	1,227,274 - 3,420 4,456 419,797 88,605 	- - - - 88,605 88,605	- - - - 88,605
	۵,032,289 	0,985,401	88,605	88,605

Trade receivables are non-interest bearing and are generally on terms of 30-60 days credit collection period. None of the receivables are considered to be impaired.

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.

17.1 Impairment loss on trade receivables

As at 31 December 2015, trade receivables of an initial value of ₩216,611 (31 Dec 2014--0) was fully impaired and provided for. See below for the movement in the impairment of receivables.

	Individually	
	impaired	Total
	₩'000	₩'000
31 December 2014	-	-
Charge for the year	216,611	216,611
Utilised		-
At 31 December 2015	216,611	216,611

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

Past due but not impaired

	Above 90 days	60 – 90 days	30 – 60 days	Less than 30 days	Neither Past due nor impaired	Total	
	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000	
563,015	216,611	173,035	357,606	1,055,475	2,578,967	563,015	2015
	-	364,367	1,127,654	1,575,134	2,174,694	5,241,849	2014

Related Companies	The Group		The Company		
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
	₩'000	₩'000	₩'000	₩'000	
l Oilfield Services					
party	-	1,507,729	-	-	
n's account	4,782				
n Helicopters (subsidiary)	-	-	1,053,171	1,167,774	
n Related Companies	4,782	1,507,729	1,053,171	1,167,774	
n's account	12,139	-	-	-	
n Marine (Subsidiary)	-	-	1,183,039	759,059	
Related Companies	12,139	-	1,183,039	759,059	
	I Oilfield Services party n's account n Helicopters (subsidiary) n Related Companies n's account n Marine (Subsidiary)	31 Dec 2015 N'000 I Oilfield Services party n's account Helicopters (subsidiary) n Related Companies 4,782 12,139 n Marine (Subsidiary)	31 Dec 2015 N'000 N'S account N'S account	31 Dec 2015 N+'000 N+'0	

19. Prepayments	Th	The Group		The Company		
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014		
	₩'000	₩'000	₩'000	₩'000		
Rent prepaid	85,853	69,776	-	-		
Insurance prepaid	12,535	5,425				
	98,388 	75,201 		-		

This rent prepaid relates to an operating lease in respect of a staff apartment. Rentals are paid annually in advance if the Group elects to renew the lease. During 2015, ₩194,957,434.99 (2014:₩193,728,586.7) was recognised as lease expense.

20. 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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	₩'000	₩'000	₩'000	₩'000
Cash and bank balances	2,763,217	2,146,545	1,777	262,685

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

20.1 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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	₩'000	₩'000	₩'000	₩'000
Cash and bank balance (Note 20)	2,763,217	2,146,545	1,777	262,685
Bank overdraft (Note 22.1)	(27,199)	(332,905)		-
	2,736,018	1,813,640	1,777	262,685

21.	Ordinary Share Capital	The Group		The Co	mpany
Author	rised shares	31 Dec 2015 N '000	31 Dec 2014 ₩'000	31 Dec 2015 ₩'000	31 Dec 2014 ₦'000
	5,000,000,000 ordinary shares of 50k each	2,500,000	2,500,000	2,500,000	2,500,000
3,350,5	and fully paid 509,750 ordinary of 50k each	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

Nature and Purpose of Share premium.

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

22.1. Interest Bearing Loans			The Group		The Company	
	& Borrowings		31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
			₩'000	₩'000	₩'000	₩'000
Bank ove	erdraft		27,199	332,905	-	-
Term Loa	an- Nexim USD3.5million	1	376,442	422,932	-	-
_	Bank Limited	ii	286,246	404,408	-	-
	an-Heritage Bank Limited			66,151	-	-
•	ion Access Bank Plc Ioan	iii	2,169,645	2,283,401	-	-
	ank Plc term loan(NGN)		640.070	210,000	-	-
	inancial Service (Obligation nance lease)	iv	649,278	1,617,858	-	-
	Bank Plc Invoice ting- USD		278,670	260,400	-	-
Term Los N4.135b	an –Mainstreet Bank			3,389,882	-	-
	an- Mainstreet Bank /BOI- 7,390 Ioan)	V	3,013,772	3,589,078	-	-
	Bank- N1.16b	vi	783,963	-	-	-
Access B	Sank- N3.6b	vii	3,283,856	-	_	-
Access B	Bank- N2.17b	viii	1,492,582	-	-	-
Access B	ank N6.93b		312,762	-	-	-
Access B	ank Invoice Discounting-		163,210	-	-	-
Total			12,837,625	12,577,015	-	-
			==========			
22.2.	Total Interest Bearing Loans & Borrowings					
Current and born	interest-bearing loans owings		4,431,985	4,294,387	_	-
	rent interest-bearing		8,405,640	8,282,628	-	-
loans an	d borrowings		12,837,625	12,577,015	-	

22.3 Terms and Conditions

I) Nigerian Export - Import Bank

This is a term loan facility of USD3,500,000 for financing and acquisition of a semi-refrigerated Liquefied Petroleum gas ('LPG') Vessel. The tenor of the loan is 120 months. The interest rate is 1.5% 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 and \$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% and the \$500,000 loan was obtained for the purpose of working capital financing. The loan duration is 12 months with an interest rate of 10%. 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 Bank Plc (\$12,000,000)

This relates to Access term loan of (\$12,000,000) obtained in February 2014 for the purpose of financing contractual operational activities. The loan has a tenor of 44 months with a floating rate of Libor plus 8.5%.

Security of the loan

The loan is secured on 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.

Security of the loan

Title of aircraft during the tenor of this loanis 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) Skye Bank BOI Loan (\$18,737,390)

This relates to the Long term loan of \$18,737,390 restructured (by capitalizing outstanding interest) in October 2015 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. 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.

vi) Access Bank N3.6billion loan

This relates to the N3.6billion obtained from Access Bank for the purpose of financing outstanding balance on an existing loan availed by Main street bank for the purchase of Twin Otter aircraft, development of hanger ,terminal building and other facilities at NAF base(Port Harcourt) Ozumba Mbadiwe(Victoria Island and MMA (Ikeja). The loan has an interest rate of 18% and 72 months tenor. The loan is secured on the chattel mortgage of the 4 Helicopters financed and the personal guarantee of the Chairman

vii) Access bank N2.173billion and N1.16billion loan

These relate to the term loan collected 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. The loans are secured on the chattel mortgage of the 4 Helicopters financed and the personal guarantee of the Chairman

22.4	Other Non-Financial	The	Group	The Company		
	Liabilities	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
		₩'000	₩'000	₩'000	₩'000	
SHELL A	dvance Payment	2,274,528	3,627,641	-	-	
			======	======		
Balance,	beginning of the year	3,627,641	8,773,518	-	-	
Moveme	ent in the year	(1,353,112)	(5,145,877)	-	-	
		2 274 520	2.627.644			
Closing	balance	2,274,528 ======	3,627,641 ======	=======	-======	

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

23. Trade and O	ther Payables	The Group		The Company		
		31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
		₩'000	₩'000	₩'000	₩'000	
Trade payables		6,204,839	3,769,685	12,375	-	
Other payables		1,308,846	1,664,415	32,397	89,676	
VAT Output		360,430	255,183	-	-	
Withholding Tax Payabl	e	510,063	276,152	_	-	
		8,384,178	5,965,435	44,772	89,676	

Terms and conditions of the above financial liabilities:

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

24.	Deferred Revenue/	The	Group	The Company	
	Government Grant	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
		₩'000	₩'000	₩'000	₩'000
At 1 Jar		12,993	30,532	-	-
	d during the year	979,351	39,820	-	-
Release profit o	d to the statement of r loss	(128,909)	(57,358)	-	-
Λ+ 31 D	ecember	863,435	12,993	_	
AL DI D	ecember	======	=======	=======	=======

NOTE TO THE FINANCIAL STATEMENTS CONT

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 purchase of certain items of Property, Plant and Equipment. There are no unfulfilled conditions or contingencies attached to this grant.

25. Related Parties

The financial statements include equity of major shareholders as follow:

	No. of Shares	% of Capital
Foreign	610,056	0.02%
Corporate	2,325,775,722	69.42%
Various individual shareholders	1,024,123,972	30.57%
Total	3,350,509,750	100%

Subsidiaries:

The Group has a 99% interest in both Caverton Helicopters Limited and Caverton Marine Limited (31 December 2014: 99%).

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

Related party	Nature of transaction	Balance receivable	Balance payable	Balance receivable	Balance payable
		31 Dec 2015 ₩'000	31 Dec 2015 ₩'000	31 Dec 2014 ₩'000	31 Dec 2014 ₩'000
LE Global Oilfield Services Relationship: Related party	Advance to LE Global Oilfield Services	-	_	1,507,729	-
Chairman's account Relationship: Director	Refund of advance to Chairman	4,782	(12,139)	-	(776,882)
		4,782	(12,139)	1,507,729	(776,882)

Terms and conditions of transactions with related parties

The sales to and purchases from 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 2015, 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:

25. Related Parties- Cont	inued	Balance receivable/	Balance receivable/
Related party	Nature of transaction	(payable)	(payable)
		31 Dec 2015	31 Dec 2014
		₩'000	₩'000
Caverton Marine (subsidiary)	Payment made by Caverton Offshore on behalf of		
	Caverton Marine	1,183,039	759,059
Caverton Helicopters (subsidiary)	Payment made by Caverton Helicopters on behalf of		
	Caverton Offshore,	(1,053,171)	(1,167,774)
		129,868	(408,715)

Terms and conditions of transactions with related parties

The sales to and purchases from 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 2015, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Compensation to key management staff: Short term compensation

		Group		Company
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	₩'000	₩'000	₩'000	₩'000
Fees	21,000	19,000	21,000	19,000
Remuneration	640,090	382,200	243,478	120,125
	661,090	401,200	264,478	139,125
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	₩'000	₩'000	₩'000	₩'000
The Chairman	206,342	116,880	111,779	39,317
Other Directors	454,748	284,320	152,699	99,808
	661,090	401,200	264,478	139,125
	=======================================	=========	=========	=======================================
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	₩'000	₩'000	₩'000	₩'000
Highest paid Director	116,779	116,880	_	-
		==========		

Long term compensation to key management

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

26. Capital Commitments and Contingent Liabilities

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 follow

	2015
	₩'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

In 2014, The Group has a finance leases contracts still running on one of its helicopters. These leases have no terms of renewal, but include a clause to enable upward revision of the rent at the option of the lessor Future minimum lease payments under finance leases contracts are, as follows:

	2014
	₩'000
Within one year	1,235,498
After one year but not more than five years	1,750,290
More than five years	-
Total minimum lease payments	2,985,788
Less amounts representing finance charges	(1,367,930)
Present value of minimum lease payments	1,617,858

27. Financial Risk Management Objectives and Policies

(a) Financial risk

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and price 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, such as foreign exchange risk, interest rate risk, and credit risk and investment of excess liquidity.

(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 Company's exposure to foreign currency changes for all other currencies is not material.

		Effect on profit	Effect on profit
		before tax	before tax
	%	Strengthening	Weakening
		₩'000	₩'000
31 December 2015	5%	415,701	(415,701)
31 December 2014	5%	575,444	(575,444)

(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	3
IIICI CUSC	, accircase	

		Effect on profit	Effect on profit
		before tax	before tax
	in%	Strengthening	Weakening
		₩'000	₩'000
2015	+/-1%	9,763	(9,763)
2014	+/-1%	11,219	(11,219)

(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

NOTE TO THE FINANCIAL STATEMENTS CONT

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 counter parties.

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

		Group		Company
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	₩'000	₩'000	₩'000	₩'000
Trade receivables	4,728,098	5,241,849	-	-
Cash and bank balances	2,763,217	2,146,545	1,777	262,685
Due from related parties	4,782	1,507,729	1,053,171	1,167,774

(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.

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
31-Dec-15 Interest bearing loans	M '000	₩'000	₩'000	₩'000	₩'000	₩'000
and borrowings Trade and other	12,837,625	13,405,647	689,887	441,880	2,616,351 9	9,657,529
payables	7,513,685	7,513,685	-	1,313,479	6,200,206	-
Due to related parties	12,139	12,139	-	-	12,139	-
31-Dec-14 Interest bearing loans						
and borrowings	12,577,015	13,069,437	332,906	2,343,142	1,413,215 8	3,980,174
Trade and other payables	5,434,100	5,434,100	-	1,930,700	3,503,400	-
Due to related parties				-	-	-

Company

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 year above
31-Dec-15 Trade and other	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000
payables	44,772	44,772	-	32,397	12,375	-
Due to related parties	1,183,039	-	-	295,761	887,278	-
31-Dec-14 Trade and other						
payables	89,676	89,676	-	29,892	59,784	-
Due to related parties	759,059	759,059	_	253,020	506,039	_

(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			Group Value
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Financial assets	₩'000	₩'000	₩'000	₩'000
Trade and other receivables	8,632,289	6,985,401	8,632,289	6,985,401
Due from related parties	4,782	1,507,729	4,782	1,507,729
Cash and bank	2,763,217	2,146,545	2,763,217	2,146,545
Total	11,400,288	10,639,675	11,400,288	10,639,675
Financial liabilities				
Interest-bearing loans and				
borrowings	12,837,625	12,577,015	13,105,175	13,687,019
Trade and other payables	8,384,178	5,965,437	8,384,178	5,965,437
Due to related parties	12,139		12,139	-
Total	21,233,942	18,542,452	21,501,492	19,652,456
		Group	The C	Group
		Group g value		Group Value
		· ·		•
Financial assets	Carryin	g value	Fair \	/alue
Financial assets Trade and other receivables	Carryin 31 Dec 2015	g value 31 Dec 2014	Fair \ 31 Dec 2015	Value 31 Dec 2014
	Carryin 31 Dec 2015 ₩'000	g value 31 Dec 2014 ₩'000	Fair \ 31 Dec 2015 ₩'000	/alue 31 Dec 2014 ₩'000
Trade and other receivables	Carryin 31 Dec 2015 №'000 88,605	g value 31 Dec 2014 ₩'000 88,605	Fair \ 31 Dec 2015 ₩'000 88,605	Value 31 Dec 2014 ₩'000 88,605
Trade and other receivables Due from related parties	Carryin 31 Dec 2015 1,053,171	g value 31 Dec 2014 ₩'000 88,605 1,167,774	Fair \ 31 Dec 2015 ₩'000 88,605 1,053,171	31 Dec 2014 ★'000 88,605 1,167,774
Trade and other receivables Due from related parties Cash and bank Total Financial liabilities	Carryin 31 Dec 2015 N'000 88,605 1,053,171 1,777 1,143,553	g value 31 Dec 2014 N 000 88,605 1,167,774 262,685	Fair \ 31 Dec 2015 N→ '000 88,605 1,053,171 1,777	Value 31 Dec 2014 N 000 88,605 1,167,774 262,685
Trade and other receivables Due from related parties Cash and bank Total Financial liabilities Interest-bearing loans and borrow	Carryin 31 Dec 2015 N '000 88,605 1,053,171 1,777 1,143,553 vings	31 Dec 2014 ♣'000 88,605 1,167,774 262,685 1,519,064	Fair N 31 Dec 2015 N '000 88,605 1,053,171 1,777 1,143,553	31 Dec 2014 ★'000 88,605 1,167,774 262,685 1,519,064
Trade and other receivables Due from related parties Cash and bank Total Financial liabilities Interest-bearing loans and borrow Trade and other payables	Carryin 31 Dec 2015 1,000 88,605 1,053,171 1,777 1,143,553 vings 44,772	31 Dec 2014 ₩'000 88,605 1,167,774 262,685 1,519,064 	Fair N 31 Dec 2015	#\footnote{\foo
Trade and other receivables Due from related parties Cash and bank Total Financial liabilities Interest-bearing loans and borrow	Carryin 31 Dec 2015 N '000 88,605 1,053,171 1,777 1,143,553 vings	31 Dec 2014 ♣'000 88,605 1,167,774 262,685 1,519,064	Fair N 31 Dec 2015 N '000 88,605 1,053,171 1,777 1,143,553	31 Dec 2014 ★'000 88,605 1,167,774 262,685 1,519,064

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 2 fair value hierachy.

27.2 Financial Instrument by Measurement Basis

The table below show financial instruments by their measurement bases.

Group			
31 Dec 2015	Available	Amortised	Carrying
Nature of instrument	for sale	cost	value
	₩'000	₩'000	₩'000
Trade & other receivables		8,632,289	8,632,289
Due from related parties		4,782	4,782
Cash & cash equivalents		2,763,217	2,763,217
Total financial assets		11,400,288	11,400,288
		=======================================	=======================================
Interest bearing loans & borrowings		12,837,625	12,837,625
Trade & Other payables		8,384,178	8,384,178
Due to related parties		12,139	12,139
Total financial assets		21,233,942	21,233,942
Crown			
Group 31 Dec 2014	Available	Amortised	Carrying
Nature of instrument	for sale	cost	value
Natare of monument	₩'000	₩'000	₩'000
Trade & other receivables	-	6,985,401	6,985,401
Due from related parties	_	1,507,729	1,507,729
Cash & cash equivalents	-	2,146,545	2,146,545
Total financial assets			
	-	10,639,675	10,639,675
	- 	10,639,675	10,639,675
Interest bearing loans & borrowings	-		
Interest bearing loans & borrowings Trade & Other payables	- -	10,639,675 	10,639,675
_	- 	12,577,015	12,577,015 5,965,435
Trade & Other payables	- - - -	12,577,015	12,577,015

27.2 Financial Instrument by Measurement Basis

Company 31 Dec 2015 Nature of instrument	Available for sale	Amortised cost	Carrying value
- 10 11	₩'000	₩'000	₩'000
Trade & other receivables		88,605	88,605
Due from related parties		1,053,171	1,053,171
Cash & cash equivalents		1,777 	1,777
Total financial assets		1,143,553	1,143,553
Interest bearing loans & borrowings		-	-
Trade & Other payables		44,772	44,772
Due to related parties		1,183,039	1,183,039
Total financial assets	=======================================	1,227,811	1,227,811
Company	A	Amounton	C in
31 Dec 2014 Nature of instrument	Available for sale	Amortised	Carrying value
Nature of instrument	10r sale ₩'000	cost ₩'000	Value ₩'000
Trade & other receivables	14 000	88,605	88,605
Due from related parties	=	1,167,774	1,167,774
Cash & cash equivalents	-	262,685	262,685
Total financial assets	-	1,519,064	1,519,064
Interest bearing loans & borrowings	-	-	-
Trade & Other payables		89,676	89,676
	_	· ·	•
Due to related parties	- -	759,059	759,059
	- 	· ·	•

28. 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 2015 (2014: Same).

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 60% and 70%. 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 2015 ₩'000	31 Dec 2014 ₩'000
Interest-bearing loans and borrowings Trade and other payables Less: cash and bank	12,837,625 8,384,178 (2,763,217)	12,577,015 5,965,435 (2,146,545)
Net debt	18,458,586	16,395,905
Equity	13,173,100	11,931,596
Total Capital	13,173,100	11,931,596
Capital and net debt	31,631,686	28,327,501
Gearing ratio	42% =====	58%

29. Information Relating To Employees

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

	Th	ne Group	The C	The Company		
	31 Dec 2015 Number	31 Dec 2014 Number	31 Dec 2015 Number	31 Dec 2014 Number		
Finance and administration	214	270	_	-		
Operations	204	237	-	-		
Engineering	184	186	-	-		
	602	693		 - =====		

30. 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.

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2015

	The Group			The Company			
	2015 N '000		2014 N '000		2015 N '000		2014 ₩'000
Revenue Cost of services- Local	23,219,777 (12,380,476)		24,900,083 (12,722,953)		(386,508)		886,050 (358,006)
	10,839,301	_	12,177,130		(386,508)		528,044
Other income	1,040,062	_	366,535		1,973		<u>-</u>
Value added	11,879,363	=	12,543,665		(384,535)	==	528,044
Applied as follows:		%		%		%	%
To employees -Wages, salaries and							
other benefits To providers of capital	6,413,728	54	6,453,455	51			
-Interest	1,794,768	15	1,350,499	11			
To pay government: as company taxes	1,453,181	12	1,833,496	15	4,188	(1)	170,574 32
To provide for replacement of assets and expansion of business:							
Depreciation & amortization	1,903,738	16	2,009,815	16	56	_	504 -
Deferred taxation	(674,132)	(6)	(82,902)	(1)	(16)	-	(203) -
Retained profit	988,080	9	979,302	8	(388,763)	101	357,169 68
	11,879,363	100	12,543,665	100	(384,535)	100	528,044 100

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 FINANCE SUMMARY - GROUP

NON-CURRENT ASSETS	31-Dec-15 ₩'000	31-Dec-14 ₩'000	31-Dec-13 ₩'000	31-Dec-12 ₩'000	31-Dec-11 ₩′000
Property, plant & equipment	20,290,460	18,651,130	18,195,679	12,070,710	6,117,799
Intangible assets	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	201,216	-	-	-	-
Net current assets	1,144,851	3,910,163	6,704,699	7,145,468	7,997,342
Interest bearing loons	27,696,778	28,609,169	30,930,621	25,324,344	20,142,050
Interest bearing loans & borrowings	(12,837,625)	(12,577,015)	(10,211,223)	(3,901,856)	(2,927,588)
Other non-financial liabilities	(2,274,528)	(3,627,641)	(8,773,518)	(11,321,620)	(8,483,194)
Deferred tax liabilities	-	(472,917)	(555,819)	(277,525)	(52)
	12,584,625	11,931,596	11,380,060	9,823,343	8,731,216
Financed by:					
Share capital	1,675,255	1,675,255	1,675,255	1,675,255	1,675,255
Share premium	6,616,991	6,616,991	6,616,991	6,616,991	6,616,991
Retained earnings	4,220,681	3,531,320	2,980,627	1,442,660	366,305
Non-controlling interest	71,698	57,929	107,187	88,437	72,665
	12,584,625	11,931,596	11,380,060	9,823,343	8,731216
				N'000	N'000
Turnover	23,219,777	24,900,083	18,662,906	16,132,083	10,928,865
Profit before tax	1,767,129	2,729,896	3,158,854	2,162,855	309,156
Income tax expense	(779,049)	(1,750,594)	(1,283,839)	(802,688)	(248,783)
Profit after tax	988,080	979,302	1,875,015	1,360,167	60,373
Per share					
Earnings per share	N0.29	N 0.29	N 0.55	N 0.40	N 0.02

FIVE-YEAR FINANCE SUMMARY - COMPANY

	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
NON-CURRENT ASSETS	₩'000	₩'000	₩'000	₩'000	₩'000
Property, plant & equipment	_	55	559	2,057	4,452
Investment	8,514,000	8,514,000	8,514,000	8,514,000	8,514,000
Net current asset/(liabilities)	(611,989)	111,786	173,130	101,427	82,447
	7,902,011	8,625,841	8,687,689	8,617,484	8,601,924
Deferred tax liabilities	-	(16)	(219)	(641)	(52)
	7,902,011	8,625,825	8,687,470	8,616,843	8,601,872
Financed by:					
Share capital	1,675,255	1,675,255	1,675,255	1,675,255	1,675,255
Share premium	6,616,991	6,616,991	6,616,991	6,616,991	6,616,991
Retained earnings	(390,235)	333,579	395,224	324,597	309,626
	7,902,011	8,625,825	8,687,470	8,616,843	8,601,872
Turnover	-	886,050	276,210	495,000	410,075
(Loss)/profit before tax	(384,591)	527,540	583,048	283,0133	(121,523)
Income tax expense	(4,172)	(170,371)	(194,125)	-	(248,783)
Profit after tax	(388,763)	357,169	388,923	283,013	257,754
Per share					
Earnings per share	(N 0.12)	N 0.11	N 0.12	N 0.08	N 0.07

UNCLAIMED DIVIDENDS

The company notes that our unclaimed dividend accounts indicate that some dividend warrants have remained unclaimed or are yet to be presented for payment. This may be due to erroneous addresses supplied by shareholders or affected shareholders no longer live in the addresses on our records. In effect, shareholders are advised to please contact the registrars to update their records by providing account and stock broker details for the e-dividend mandate.

The company registrars have advised that the total amount outstanding as of December 31st 2015 is N26,781,238.82

Registrar contact details are as follows:

The Registrar
United Securities
10, Amodu Ojikutu Street,
Victoria Island, Lagos
Tel: 01-2714566
Email:info@unitedsecuritieslimited.com
www.unitedsecuritieslimited.com

The Dividends are set out below:

S/N	Month	Year	Amount Unclaimed
1	June	2009	N334,608.75
2	May	2010	N286,807.50
3	June	2011	N2,844,000.00
4	May	2012	N2,844,000.00
5	June	2013	N5,513,238.56
6	June	2014	N13,615,734.51
			N26,781,238.82

MANDATE FOR E-DIVIDEND PAYMENT

united securities»»

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ш	he	ĸ	egi	IST	ra

United Securities Limited 10, Amodu Ojikutu Street, Victoria Island, Lagos

Date D	D	M	M	Υ	Υ

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Kindly find below my /our bank details for the purpose of electronic payments of dividends due to me / us. I / We confirm that all information supplied is to the best of my / our knowledge correct and hereby indemnify United Securities Limited against any loss that may arise from their adoption of the details as supplied hereunder.

SURN	AME /(COMPA T	<u>ny na</u> T	<u>IVIE:</u>																			
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PLEASE NOTE THAT THE SECTION FOR YOUR BANK ACCOUNT DETAILS HAS TO BE COMPLETED BY YOUR BANK. Kindly return the duly completed form to the Registrar, United Securities Limited at the address stated below

United Securities Limited. RC 126257 / 10, Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island,

.M.B 12753 Lagos, Nigeria. Tel: +234 (1) 271-4566, 271-4567

Website: www.united securities limited.com; Email: info@united securities limited.com

"UNITED SECURITIES LIMITED hereby disclaims liability or responsibility for any errors/omissions/misstatements in any document transmitted electronically"

PROXY FORM

CAVERTON OFFSHORE SUPPORT GROUP PLC

7th ANNUAL GENERAL MEETING TO BE HELD ON THE 11TH MAY, 2016 AT 10 AM, AT THE CIVIL CENTRE, OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS, NIGERIA

I, / Webeing member/members							
of the Caverton Offshore Support Group Plc hereby appoint *							
(Block Capital Please)							
Or failing him/her, the Chairman of the meeting as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company, which will be held at the Civic Center, Ozumba Mbadiwe Street, Victoria Island, Lagos at 10.00 a.m on Wednesday, May 11, 2016 or at any adjournment thereof.							
Dated this Day of							
Shareholder's Signature							
NOTE:							
1) A member (shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy and the above Proxy form has been prepared to enable you exercise your right to vote in case you cannot personally attend the meeting.							
2) Following the normal practice, the Chairman of the meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy, but if you wish, you may insert in the blank space (marked*) the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf.							
3) Please sign and post the proxy form so as to reach "The Registrar, United Securities Limited, 10 Amodu Ojikutu Street, Victoria Island, Lagos, not later than 48 hours before the time appointed for the meeting and ensure that the proxy form is dated, signed and stamped by the Commissioner for Stamp Duties.							
If executed by a corporate body, the proxy form should be sealed with the Common Seal or under the hand of an officer or Attorney duly authorized in that behalf.							

PROXY FORM

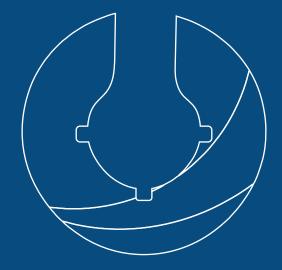
The manner in which the Proxy is to vote should be indicated by inserting	"X" in the appropriate space	
The manner in which the Froxy is to vote should be indicated by hiserting	A in the appropriate space	
NUMBER OF SHARES		
RESOLUTIONS	FOR	AGAINST
To receive the Audited Financial Statements for the year		
ended 31st December 2014 together with the Reports of		
the Directors, Auditors and Audit Committee thereon.		
2. To declare a dividend		
3. To elect/re-elect retiring Directors		
- Mallam Bello Gwandu - Mr Akin Kekere-Ekun - Mr Bashiru Bakare		
4. To authorize the Directors to fix the remuneration of Auditors		
5. To elect/re-elect members of the Audit Committee		
To consider and if thought fit, to pass the following as ordinary resolution	on:	
6. To approve the remuneration of the Directors for the year		
ending December 31, 2016		
Please indicate with an "X" in the appropriate square how you wish you	r votes to be cast on resolution	set
out above. Unless otherwise instructed the proxy will vote or abstain fro	om voting at his discretion.	
OSTING THE ABOVE CARD, TEAR OFF THIS PART AND RETAIN IT.		
SION CARD		
N OFFSHORE SUPPORT GROUP PLC		
L GENERAL MEETING OMIT ONLY THE SHAREHOLDER NAME ON THIS CARD OR HIS DULY APPOINTED		
THE 7TH ANNUAL GENERAL MEETING BEING HELD AT THE CIVIL CENTRE, VICTO	DRIA ISLAND,	

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRARS



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NOTE



www.caverton-offshore.com