

CAVERTON OFFSHORE SUPPORT GROUP PLC
Lagos, Nigeria

REPORT OF THE DIRECTORS

CONSOLIDATED

AND

SEPARATE INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2013

CAVERTON OFFSHORE SUPPORT GROUP PLC

REPORT OF THE DIRECTORS, CONSOLIDATED AUDITED AND SEPARATE INTERIM
FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2013

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CAVERTON OFFSHORE SUPPORT GROUP PLC
DIRECTORS AND OTHER CORPORATE INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2013

DIRECTORS: Mr. Aderemi Makanjuola - Chairman
Mr. Olabode Makanjuola - Managing Director
HRM King Edmund Daukoru
Mr. Adeniyi Makanjuola
Mr. Sola Falola
Mallam Bello Gwandu
Mr. Bashiru Bakare
Mr. Akin Kekere-Ekun

REGISTRATION NUMBER: RC 750603

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

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

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

BANKERS: Mainstreet Bank Limited
Zenith Bank Plc
Access Bank Plc
Keystone Bank Limited

CAVERTON OFFSHORE SUPPORT GROUP PLC

REPORT OF THE DIRECTORS

FOR THE PERIOD ENDED 30 JUNE 2013

The Directors have pleasure in presenting their report on the affairs of Caverton Offshore Support Group Plc (“the Company”) together with its subsidiaries (“the Group”) and the consolidated audited and separate interim financial statements of the Group and Company for period ended 30 June 2013.

LEGAL FORM

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

PRINCIPAL ACTIVITY

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

CHANGE IN REPORTING FRAMEWORK

Following the directives of the Regulator, Financial Reporting Council of Nigeria the Company changed its accounting policy from Nigerian Statements of Accounting Standard (SAS) to International Financial Reporting Standards (IFRS) in 2013.

STATE OF AFFAIRS

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

RESULT OF OPERATION

	The Group		The company	
	June 2013	June 2012	June 2013	June 2012
	₦'000	₦'000	₦'000	₦'000
Turnover	10,315,473	7,619,648	-	-
	=====	=====	=====	=====
Profit before income tax expense		3,815,048		967,409
415,235	247,282			
Income tax expense		(2,021,998)		
(440,972)	(139,488)	(86,179)		
	-----	-----	-----	-----
Profit for the period	1,793,050	526,437	275,747	161,103
	=====	=====	=====	=====

CAVERTON OFFSHORE SUPPORT GROUP PLC

REPORT OF THE DIRECTORS - Continued

FOR THE PERIOD ENDED 30 JUNE 2013

DIVIDEND

The directors do not recommend the payment of any dividends in respect of the period ended 30 June 2013 (2012: Nil).

FIXED ASSETS

Information relating to changes in fixed assets is shown in Note 12 to the financial statements. In the opinion of the Directors, the market value of the Company's fixed assets is not less than the carrying value shown in the financial statements.

ACQUISITION OF OWN SHARES

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

DIRECTORS' INTERESTS IN SHARES

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

Number of ordinary shares of 50k each held as at 30 June 2013

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

CAVERTON OFFSHORE SUPPORT GROUP PLC

REPORT OF THE DIRECTORS - Continued

FOR THE PERIOD ENDED 30 JUNE 2013

RETIREMENT OF DIRECTORS

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

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company for the purpose of section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any discloseable interest in contracts with which the Company is involved as at 30 June 2013.

SHAREHOLDING STRUCTURE

The issued and fully paid share capital of the Company as at 30 June 2013 was beneficially owned as follows:

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

EMPLOYMENT OF DISABLED PERSONS

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

EMPLOYEES INVOLVEMENT AND TRAINING

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

HEALTH, SAFETY AT WORK AND WELFARE OF EMPLOYEES

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

CAVERTON OFFSHORE SUPPORT GROUP PLC
REPORT OF THE DIRECTORS - Continued
FOR THE PERIOD ENDED 30 JUNE 2013

CHARITABLE CONTRIBUTION AND DONATION

The company made a donation of ₦18,500,000 to charitable organizations during the period (2012: ₦25,258,000).

FINANCIAL COMMITMENTS

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

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

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

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

BY ORDER OF THE BOARD

Modupe Omojafor

Company Secretary

FRC/2013/MBA/00000002397

19 February 2014

CAVERTON OFFSHORE SUPPORT GROUP PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE PERIOD ENDED 30 JUNE 2013

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 company at the end of the period and of its profit or loss. The responsibilities include ensuring that the company:

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

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

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit for the period ended 30 June 2013. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Director

Director

19 February 2014

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CAVERTON OFFSHORE SUPPORT GROUP PLC**

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Caverton Offshore Support Group Plc and its subsidiaries, which comprise the consolidated financial position as at 30 June 2013, consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated statement of cash flows for the period then ended, and the notes comprising a summary of significant accounting policies and other explanatory information in pages 16-64.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and 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 for such internal control as the directors determines necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 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 financial statements give a true and fair view of the financial position of Caverton Offshore Support Group Plc and its subsidiaries as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act no 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

**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 Company, so far as appears from our examination of those books.
- iii) the Company's consolidated statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account;
- iv) in our opinion, the consolidated financial statements have been properly prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 so as to give true and fair view of the state of affairs and profit of the company and its subsidiaries.

Lagos, Nigeria.

19 February 2014
FRC/2012/ICAN/00000000138

Lagos, Nigeria.

19 February 2014
FRC/2012/ICAN/000000001886