**Nature Group PLC**
**("Nature Group" or the "Company" or the "Group")**

**Final Results for the year to 31 December 2014**

Nature Group, (AIM:NGR), the provider of port reception facilities and waste treatment solutions for the oil, marine and process industries, presents its results for the year to 31 December 2014.

# 2014 Highlights

**Financial**

- Revenues: £17.69m (2013: £ 21.78m)
- Underlying EBITDA: £0.31m (2013: £ 2.92m)
- Underlying Operating Loss: -£1.20m (2013: £ 1.29m)
- Underlying Loss Before Tax: -£1.32m (2013: £ 1.28m)
- Underlying Earnings per Share: -1.74p (2013: 1.10p)
- Free Cash Flow: -£1.22m (2013: £1.02m)
- Year-end cash balances of £1.12m (2013: £ 3.63m)

**Operational**

- *Maritime:*
  - Established a new maritime base in Houston servicing the Texas Gulf ports following the establishment of Nature Environmental & Maritime Services, 65% owned by Nature Group and 35% by Global Environmental & Marine Services, Inc.
  - With the settlement of the insurance claim following the Gibraltar accident in 2011 and new planning consent granted, the site has been cleared in preparation for rebuilding the storage tanks.
  - After a weak start to 2014, the Rotterdam port operations saw a significant improvement in market conditions towards the end of 2014.
  - Contract to operate port reception facilities in Sohar, Oman underway.
- *Oil & Gas*
  - Built and commissioned a further 6 Compact Treatment Units ("CTUs") and Sludge Treatment Units ("STUs").
  - Continuing take up by the Oil and Gas industry of the Group's treatment solution.
  - The geographic footprint has seen the Group's units operating in Brazil, Tanzania, Canada, Russian Arctic waters and the original North Sea locations.
- *Engineering*
  - Successfully completed the design and build of a maritime waste treatment plant in an overseas location for Interserve Defence Ltd.
  - Currently working on the design of a modular treatment plant for maritime liquid waste as a standardised design for existing and new port operations.

**Commenting Nigel Sandy, Chairman, said:**

***"Volatile market conditions and the ongoing investment in our infrastructure have meant that the financial outcome has not reflected the considerable operational progress which we expect to benefit the Group in the future."***

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## Chairman's Statement

Despite the significant effort and commitment shown by the executive team, 2014 was a disappointing year for Nature Group. However, the Company achieved a number of key operational milestones during the period and, whilst these are not reflected in the financial results, I believe we will benefit from them in the future. The results also reflect the impact of our consistently prudent and conservative accounting policies, ensuring that the Group's balance sheet is a solid and accurate reflection of the business.

It is clear now that we did not appreciate the prolonged impact that the Gibraltar accident, which occurred nearly four years ago, would have on the Group's business. Having resolved the insurance and planning issues in 2014, we can now begin to look to the future of our business in Gibraltar with real optimism. To maintain our service commitment in the area we acquired the M/T Crystalwater, which was an expensive but necessary vessel to own, offering both transportation and storage capability after the loss of our onshore facility. As we recently announced, this vessel has now been sold at close to book value as part of our reorganisation plan for Gibraltar. With more than 8,700 ships calling at Gibraltar each year, maintaining our presence in the area was a key strategic commitment. Whilst it did place a great burden on management time and result in added costs, the scheduled return later this year to our previous mode of operation, having cleared a large number of hurdles in terms of reports, investigations planning procedures and other requirements, will be a huge step forward.

One of the highlights of the year was establishing our presence with a port reception facility in the Houston / Corpus Christi area of the Gulf Coast following the acquisition of a 65% share in Nature Environmental & Maritime Services ("NEMS") alongside Timothy Curl, who started the business as Global Environmental & Marine Services, Inc in 2005. To help introduce the Nature culture within NEMS, Koen Zuyderwijk, formerly based in Rotterdam as Business Development Manager, has relocated to Houston. We are currently investing £0.35m in new waste processing equipment for the NEMS business. The acquisition of NEMS, located in a major centre of marine and oil related activity, fits perfectly within our strategy to develop an international network of port reception facilities.

As the Chief Executive's Report highlights, after a period of lacklustre trading in Rotterdam, there was an improving business trend that started towards the end of 2014 and has continued into 2015. This trend can be linked to growth in port activity, service requirements and a general improvement in the EU economy.

There continues to be a high level of activity in the Oil & Gas Division, although our results were adversely affected by the scheduling and completion of deliveries of new contracts. It has been widely reported that the dramatic fall in the price of oil has had a negative effect on the global oil and gas industry and, whilst this could potentially have resulted in a significant reduction in activity and awarding of support contracts, it has had no discernible impact on our business model at the current time. The Group's CTU and STU solutions offer our clients a real saving in costs by facilitating rig based treatment of drilling and other fluids, compared with the alternative approach of shipping to shore for treatment. That cost saving is independently estimated at approximately 80% over onshore treatment, in addition to the proven, and increasingly important, benefits for the protection of the maritime environment. This offering gives Nature Group a number of unique selling points compared to the alternatives for rig operators and we are focusing on strengthening the sales side of this business to allow us to capitalise on the opportunities.

The Engineering Division, based around a small team of specialised engineers in Cornwall, continues to provide valuable support for the Maritime Division. The successful building of a treatment plant for Interserve Defence Ltd, in a location without the usual infrastructure resources, was an excellent achievement. The team has a proven ability to work in unsocial and difficult conditions, as the recent contracts have demonstrated. The current development of a modular treatment plant to support the growth of port reception facilities has great potential to expedite site developments.

*Personnel*

We are announcing today a number of important management changes. Our CEO, Andreas Drenthen, indicated his desire to step down from his current role and, after careful consideration, we are pleased to announce that we have chosen to promote our COO, Jan Vesseur, to this post with effect from the conclusion of the Company's Annual General Meeting to be held on 17 June 2015. I am pleased to report that Andreas will remain on the Board as a non-executive director and the Group will continue to benefit from his extensive knowledge of the maritime support services sector. Andreas will continue his career as CEO of Burando Maritime Services, which owns 24% of Nature Group through its subsidiary, Port Invest B.V., of which Andreas is also a shareholder. It is very pleasing that Jan's appointment as CEO and Andreas' continued presence will ensure a smooth and orderly transition. We are immensely grateful to Andreas for all his hard work and his contribution to the transformation of our business in recent years.

Jan joined Nature Group as Chief Operating Officer last summer and is now well acquainted with all of the opportunities and challenges that Nature Group faces. He has extensive international experience in finance and general management and will continue to work to strengthen our senior executive team to ensure that we have the resources to deliver future profitable growth.

In addition, we have previously highlighted the need to strengthen the Board, particularly with relevant experience in the Oil & Gas industry, and we are pleased to be able to announce the appointments of Bill McCall (51) and Berend van Straten (55) to the Board of the Company as non-executive directors with immediate effect. Bill is currently a Principal of McCall & Partners, a strategic corporate finance advisory business and has extensive experience as chairman and director of public and private-equity backed companies in the oil and gas sector. He is a Fellow of the Chartered Banker Institute, a Chartered Banker, and Chartered Fellow of the Chartered Institute of

Securities and Investment. Berend is a senior international executive who specialises in the oil and gas industry. He has high-level exploration, production and commercial experience in the North Sea, Middle East and Africa. He joined Royal Dutch Shell plc ("Shell") in 1988, working in Aberdeen and Oman, before joining Wintershall as Drilling and Production Manager in Libya. In 2002, he rejoined Shell to lead a commercial team for Shell's re-entry into Libya. He subsequently assumed responsibility for Shell's Egyptian operations and, in 2008, was appointed as a General Manager of Dana Gas, a leading natural gas company with operations in Egypt and the Kurdistan Region of Iraq. Berend now works as an independent consultant in the oil and gas industry.

With our balance sheet underpinned by solid assets, we are able to finance our growth by internally generated cash alongside external debt funding, a position which we expect to continue. We are active in sectors where environmental and maritime legislation will progressively reinforce the need for our customers to seek our services and we have an executive team that is able to deliver. The Board and the executives have faced numerous recent challenges but delivering a profitable business plan for Nature Group is a very clear commitment.

2014 was a difficult year, but we nevertheless feel that the current share price significantly undervalues the business and your Board will continue to actively seek to ensure that the increase of shareholder value is a priority.

I travel regularly to our business operations and without fail I am always impressed by the motivation I hear and see, and the 'can do' and optimistic attitude of all of our staff. On behalf of the Board, I would like to express our appreciation to all of our employees for what is being achieved in the field.

*Outlook*

Our strategy in our Maritime Division remains focused on building an international Maritime Port Reception Organisation that will support ship owners and operators in their increasing demand for responsible waste management and disposal services. Within the Oil & Gas Division, the clear objective is to build on their sphere of influence internationally, both with rig owners and operators. Supported by our first class Engineering Division we feel confident that the foundations we have established will be translated into profits in future periods.

The Company confirms that in relation to the appointment of Bill McCall and Berend van Straten, there is no further information to be disclosed under paragraph (g) of Schedule 2 of the AIM Rules for Companies save as disclosed below:

| | |
|---|---|
| *Full Name:* | William McCall |
| *Age:* | 51 |
| *Current Directorships / Partnerships in the last 5 years:* | Aptomar AS<br>Darcy Technologies Limited<br>Darcy Technologies Holdings Limited<br>Guardian Global Technologies Limited<br>Guardian Global Technology Group Ltd<br>Guardian Holdings Limited<br>Iona Energy Inc.<br>Lambert Contracts Holdings Limited<br>Lambert Contracts Limited<br>McCall & Partners Limited |
| *Previous Directorships / Partnerships in the last 5 years:* | Acics Limited<br>Adare Group |

Bridge Energy ASA
I-Tec AS
Keenan (Recycling) Limited
McCall, Aitken, McKenzie & Co Limited
Mull Topco Limited
Mavisbank Limited
Nimbus Partners Ltd
PTH AS
Ramsdens Financial Limited
Resman AS
Verdante Technology AS

| | |
|---|---|
| *Full Name:* | Berend van Straten |
| *Age:* | 55 |
| *Current Directorships / Partnerships in the last 5 years:* | None |
| *Previous Directorships / Partnerships in the last 5 years:* | Orca Exploration Group Inc. |

## Chief Executive's Statement

2014 was unquestionably a difficult and disappointing year for Nature Group in terms of its financial outcome. However, the Board believes that the benefits from the steps that have been taken, in conjunction with our continued and expanded programme of investment across all aspects of our business, will benefit Nature Group in the current and future years.

*Maritime Division*

In the Maritime Division, our operations in Rotterdam continued to be impacted during the first half of the year by the general slowdown in port activity, and further affected by losing volumes to competitors who were trying to buy business at unrealistic prices to secure high oil content oily waste from ships. This has turned into our benefit in the second half of the year following the sharp drop in the oil price with only a modest recovery to current levels. Accordingly, many customers returned to Nature and this supported the growth in volumes. There was generally a significant improvement in demand for our services in the second half of the year that has continued into 2015, with four months of record collected volumes in a row. As a market leader in Rotterdam, collecting over 60% of the volume within the port, Nature is well positioned to secure further growth in the region.

In Gibraltar, it was another disappointing year as we struggled to achieve a profitable level of service utilising the M/T Crystalwater in order to balance the combination of collection and storage with the transportation of oil-based wastes for treatment and recovery. Having sold the Crystalwater and by using a smaller vessel, we have now moved nearer to that goal. Following the fire in 2011, our strategy has been to maintain our presence in the region and deter competitors from encroaching on our market. At the same time we continue to work closely with the Gibraltar Government to restore our operational capability to its original state. We reached a significant milestone in 2014 in securing the approval for planning to rebuild the storage tanks. As with other ports within the EU, Gibraltar has a legal obligation to provide port reception facilities for dealing with maritime waste to prevent pollution at sea. Nature Group intends to be a key participant in the provision of those services in the region.

The strategic goal of our Maritime Division is to build a network of port reception facilities for collecting and treating maritime waste around the world, and this came closer during 2014, with the establishment of Nature Houston in April 2014 through the acquisition of the assets of Global Environmental & Marine Services, Inc. This new maritime base in the Gulf of Mexico has great potential for the future. The first nine months of the new operation were close to break-even, with a substantial investment programme now in progress to secure the expected growth. I am confident that Houston will be a profitable operation in 2015 with a unique location to also support the roll-out of our Oil & Gas services in the region.

In Oman, the building of the new port reception facility was actively progressed and the first waste is expected to be collected in the port by the end of 2015 or early 2016. This new location received the full support of the Sohar port authorities who, at the same time as we start collecting, will implement an indirect fee-system that will encourage vessels to discharge their waste and ensure our local operation receives guaranteed revenues.

In the South West operation, the purchase of the M/T Crystalwater in 2011 gave Nature the opportunity to form a joint venture in Portugal in order to continue receiving value for our collected oily waste in Gibraltar after the 2011 accident. Volumes have been disappointing in the past years from Gibraltar, partly because, with high oil prices, it was difficult to secure oily waste from other ports in the western Mediterranean in order to augment its local business.

Following the collapse of oil prices in the second half of 2014, two large operators in north-west Europe who collected and treated oily waste both ceased operations, resulting in increased volumes now being offered at competitive prices. In Portugal, Nature can treat and recycle oily waste and give it a second life as a substitute fuel. The Company is currently securing the registration of licenses in order to enable it to ship oily waste from one country to another, and in 2015 we hope to see the financial benefits from these opportunities.

Overall, with the improving trend in Rotterdam, normal operations returning in Gibraltar during the course of this year, Houston looking very promising and Sohar coming on stream later this year or in early 2016, we see our future within an internationally regulated environment as very encouraging, notwithstanding the disappointing outturn for 2014.

*Oil & Gas Division*

The Oil & Gas Division continued to show steady growth through 2014 in the rental of our Compact Treatment Units ("CTUs") and Sludge Treatment Units ("STUs") as we gained support from our international client base looking to improve their operational efficiency and reduce costs in the current low oil price environment and, in the longer term, protecting the marine environment and strongly supporting their corporate and social responsibility policies.

At the end of 2014 the Oil & Gas Division had a total of 12 CTUs and STUs available for rent demonstrating the progress made as we had only three units at the end of 2011. As highlighted in our Finance Director's report, it was unfortunate that, contrary to our expectations, the bulk of the revenues for one major contract were not received until 2015. However, to the significant credit of our team, all of our contracts were operated successfully and without incident. This is an excellent track record given we were operating our mobile treatment solutions in many diverse locations varying from the Arctic, Tanzania, Brazil, Norway, UK, UAE and Canada. Nature's solutions are a proven technology and are being seen as the market leader in the field of offshore treatment. Currently our operations are led from Norway, but for our international growth we are looking to expand in other locations and aiming for greater sales input on the ground. Supported by our two new non-executive directors, both with strong oil and gas backgrounds, I am confident that 2015 will see continuing growth. Alongside the development of our STU, we are investing in the development of the next generation CTU and new chemicals, which should be ready to enter the market by the end of the current year. In 2014, we were also certified as an approved supplier to ship yards in the Far East who specialise in the construction of oil rigs. If and when our units and technology are installed on to new builds, securing contracts from our clients to treat the waste gives us a definite competitive advantage.

The impact of the current low oil price environment on our Oil & Gas Division is mixed. Although not unexpected, there has been a cut in active rigs and the commissioning of new rigs and as such, our addressable market has declined. However, with our cost saving technology offering additional and compelling environmental benefits, we see continued industry interest and we are optimistic that we will be able to benefit despite this period of uncertainty across the sector.

*Engineering Division*

The Engineering Division continued to demonstrate its design and build capability with the successful completion of the contract awarded in 2013 for the waste treatment installation on one of the UK's overseas territories to support the MoD's operation in the region.

The Division has also supported the development of our new maritime operations and its research and development experience has been applied to enhanced new treatment plants for the future. The experience from the MoD project, amongst others, has resulted in the design of a standardised modular treatment plan and mobile port reception facility, for which we anticipate considerable interest. Already interest has been strong in "greenfield" development locations and we receive regular enquiries from ports in West Africa where this is anticipated to be an effective and appropriate solution. This could be a significant commercial advantage for Nature, offering a standardised facility with a capacity of 60,000$m^3$ per year, at an economic rate. It is anticipated that the effectiveness of this solution will be demonstrated when we commission the first unit for the new development at the Port of Sohar, Oman.

*Outlook*

We are confident that the implementation of our growth and investment plans, in conjunction with a targeted business improvement plan and the strengthening of the board with experienced industry executives with proven Oil and Gas experience, will ensure that the business can recover from a particularly disappointing year and we can look forward to an encouraging future. As the Chairman has reported, I have decided to step down after four years as Chief Executive Officer ("CEO") but will remain actively involved in the Company as both a significant shareholder and non-executive director of Nature, thereby ensuring continuity and, alongside my fellow non-executives, providing support to the new executive management team. It has been a both challenging and rewarding position, and, with a number of difficult issues behind us I believe that Nature is back on track for a profitable future. With my colleague, Jan Vesseur, taking over as CEO and with the board further strengthened through the appointments of Bill and Berend, I know that the leadership of Nature is in good hands and the Company can continue to identify new profitable opportunities and ensure continuing growth.

# Finance Director's Statement

2014 was a year in which all Divisions continued to progress their growth in the face of difficult economic conditions. As communicated in our trading update on 19 December 2014, deferment of income which we had expected in the second half of the year into the current financial year was coupled with a slower than anticipated turnaround in trading.

The Maritime Division faced difficult trading conditions in 2014. Our Rotterdam operations saw a slowdown in volumes as well as margin pressure due to increased competition for oily waste. Our South West operations, which include Gibraltar, Portugal and Malta, saw the burden of the costs of operating the M/T Crystalwater come to the fore in 2014. As outlined in the Chief Executive's Statement, we did see a recovery in Rotterdam in the second half of the year and, with the sale of the M/T Crystalwater post the period-end and the implementation of several changes in our pricing structure, we believe we have made substantial progress. In addition, with the planned replacement of the storage facilities in Gibraltar later this year we anticipate a return to a profitable trend in the region towards the end of 2015.

We are particularly pleased to confirm that we have reached a settlement on the contract carried out for the Government of Gibraltar for the disposal of contaminated soils completed in Q1 2014. We will continue in discussions and negotiations with the Government of Gibraltar on various other matters. We are also pleased to note that our 3rd party insurers have reached an out of court settlement with the family of the deceased following the accident in Gibraltar in May 2011.

We are encouraged by the first nine months of operations of our Maritime Division's operations in Houston. Whilst this delivered a small loss for 2014, this was ahead of our expectations and, after the investments we have initiated in the current financial year come into operation, we are confident that this subsidiary will deliver a profitable outturn in 2015.

The Oil & Gas Division had mixed successes in 2014. Whilst we were unable to fully account for the sale of a combination CTU / STU as expected, these revenues have crystallised in Q1 of 2015. The Engineering Division received the remaining revenues from its highly successful project for the Ministry of Defence in 2014, and the team is now principally engaged on internal Nature projects in both Houston and Sohar, alongside the design of our new modular treatment plant and mobile reception facility, which we plan to use on these and future projects.

Given the above, our underlying EBITDA for 2014 was £0.31m, and our underlying loss before tax was £1.32m prior to one-off costs and adjustments of £1.65m, with the loss post one-off costs and adjustments coming in at £2.97m. These adjustments are explained further below.

Total trading revenues for the year were £17.69m compared to £20.88m in 2013 and our free cash flow was negative at £1.22m compared to positive £1.02m in 2013, with bank balances at the year-end standing at £1.12m compared to £3.63m in 2013. The decline in our cash reserves was partly due to the continued investment in our Maritime Division's operations in Houston and in our Oil & Gas Division without any external financing increase in 2014. In 2015, as announced, we have started to work with Nordea Bank in Norway for the financing of the build of new CTUs and STUs which will mean less reliance on internal working capital. The sale of the M/T Crystalwater has also brought our current cash reserves to £2.79m on 8 May 2015.

*Financial Adjustments*

During the new design process of the replacement tank storage plant at Gibraltar, we identified which parts of the remaining structure, following the fire in 2011, could be reused. However, given the new, more stringent requirements specified for the tank design, we decided to write off £1.4m of assets against which we had provided £0.75m back in 2011, the net effect thus being an additional write-off of £0.65m. This adjustment is included in 'Other Expenses' in the Income Statement together with the £0.12m penalty as a result of the Factories Inspector's hearing on the accident in 2011 in Gibraltar and the loss on disposal of fixed assets as described below.

Exceptional one-off expenses, totalled £1.65m, including £0.86m on fixed asset write offs (£ 0.65m as above for the Gibraltar storage plant and £0.21m on the disposal of the M/T Humber Mist and M/T Crystalwater).

*Financial Analysis*

| Revenue By Division | 2014 | 2013 |
|---|---|---|
| Maritime | £ 12.16m | £ 13.40m |
| Oil & Gas | £ 4.06m | £ 4.62m |
| Engineering | £ 1.47m | £ 3.76m |

*Maritime*

Our operations in Rotterdam saw waste volumes for the first half of 2014 average around 9,300 tonnes per month, rising to 13,000 tonnes average per month in the second half. We are pleased to see that this trend has continued into Q1 of 2015, where the collected volumes over the quarter exceed those of any prior quarter. We have confidence in an ongoing improvement in Rotterdam in 2015.

For the South West region of our Maritime Division, the continued use of the M/T Crystalwater for collection and storage purposes in Gibraltar proved costly without associated onshore storage facilities in Gibraltar. The M/T Crystalwater did not undertake as many cargoes as we had forecast for the year, which contributed to the overall loss for the region. Accordingly, the Board decided to sell the M/T Crystalwater in March 2015. The future set-up, which it is anticipated will be in place by the end of the current year, will see new storage tanks with a smaller, more economical vessel, and a return to a healthy business for the South West region.

Overall, our Maritime Division suffered a 9% drop in revenue when compared to 2013, due to decreases in volumes collected of 30% in Gibraltar and of 17.5% in Rotterdam.

Our operations in Portugal, which depend almost entirely on the supply of waste oil from Gibraltar, performed below expectations owing to lower volumes with a lower percentage of oil content. The decline in the oil price in the second half of the year also put substantial pressure on our oil resale values in Portugal, which has further affected the profitability of our operations in the region.

Our team in Houston has been busy cementing good working relationships with both current and potential clients whilst investing in trucks and plant equipment, and this has already led to improvements in maintenance costs and efficiencies. These investments are now contributing to the profitability of our Houston operations even before the larger investment in our own solid waste treatment equipment. Once in operation this will see our direct cost base reduced by being able to treat our own solid wastes whilst also eliminating third party and logistical costs.

*Oil & Gas*

The Oil & Gas Division saw a 12% revenue decline over 2013. It took more time to secure contracts than was previously anticipated: this delayed the expected sale of a combination CTU / STU in the second half of the year, where we could only recognise 10% of the revenue in 2014, with the rest flowing through in 2015.

The Division's performance was also adversely impacted by a six month delay in gaining Brazilian work permits for our operators, and by the temporary cessation in September 2014 of operations in Tanzania which are expected to resume in May 2015.

Whilst the Division's overall revenues were 12% lower than 2013 and PBT fell to £0.05m from £0.70m in 2013, CTU and STU rental revenues grew by 15% year on year.

*Engineering*

In 2014 our Engineering Division finalised the contract with Interserve Defence Ltd, on behalf of the Ministry Of Defence. This delivered revenues of £1.24m, down from £3.76m in 2013, and PBT of £0.55m versus £1.30m for 2013. The contract progressed as planned and maintained the budgeted profit margin. Both the main project regarding treatment plant construction and the civil engineering elements related to the project are now complete with only the training of operators and some minor incidentals remaining.

*Administrative Costs*

For 2014, the increase in overall administrative costs in the Income Statement is mainly a result of the addition of Houston, one-off redundancy and legal costs and the increase in staff in both NOG and NISD. All other overhead costs were kept in line with that reported for the past three years, at around £1.6m. These costs were increased in 2012 as a result of the further roll out of our growth strategy and investment in the resources necessary to build a professional, compliant and improved organisational structure as activities increased. Furthermore, Sage accounting software has been installed in February 2015 throughout the organisation. This is expected to be live across all Divisions by June 2015 and the substantial investment will improve visibility and management control of costs at all levels.

*Cash and Capital Expenditure*

During 2014 our cash position deteriorated due to negative EBITDA of £1.35m. However, we are still confident that the investments which we executed in 2014 will positively contribute to the business in 2015 and help towards the free cash flow of the business.

As at 8 May 2015, we had cash balances of £2.79m putting our free cash flow at positive £0.67m which compares favourably with the free cash flow at 31 December 2014 of negative £1.22m. Furthermore, as announced on 23 February 2015, Nature's subsidiary in Norway entered into a finance agreement with Nordea Bank AS for the financing of the construction of our CTUs and STUs. Three STUs, which in 2014 had been funded from the Group's existing cash resources, will now be financed using this facility and this will have a positive impact on the Group's cash flow in the first quarter of 2015 and beyond, assuming that our Units are profitably employed in the field.

Actual capital expenditure includes £1.29m spent on CTUs, STUs and ancillary equipment, and £0.13m spent on capitalised works carried out on the M/T Crystalwater, Gibraltar and Rotterdam barges.

During the year, we disposed of one of our old barges in Gibraltar at a loss on disposal of £0.14m.

**Looking Ahead**

We are encouraged with the results in the first quarter of 2015. We believe that the benefits of decisions taken in 2014 and early 2015 will bear fruit in the coming months and years.

Kieron Becerra FCCA
CFO

**CONSOLIDATED INCOME STATEMENT**
**FOR THE YEAR TO 31 DECEMBER 2014**

| | ***Unaudited year to 31/12/14*** £ | ***Audited year to 31/12/13*** £ |
|---|---|---|
| **Continuing operations** | | |
| Revenue | 17,693,881 | 20,883,041 |
| Other revenue | - | 893,000 |
| Total revenue | 17,693,881 | 21,776,041 |
| **Cost of sales** | | |
| Continuing operations | (10,951,905) | (14,545,697) |
| **Operating profit** | **6,741,976** | **7,230,344** |
| Interest income | 7,217 | 33,515 |
| Other income | (979,934) | 457,000 |
| Administrative costs | (7,100,904) | (4,744,416) |
| Depreciation and goodwill amortisation | (1,513,315) | (1,625,845) |
| Consolidated goodwill written off | - | (12,901,025) |
| Finance costs | (129,344) | (42,330) |
| Share of profits of associates | - | 42,213 |
| Gain recognised on disposal of interest in former associate | - | 879,710 |
| **Loss before taxation** | **(2,974,304)** | **(10,670,834)** |
| Taxation on (loss)/profit on ordinary activities | 50,998 | (409,614) |
| **Loss after tax** | **(2,923,306)** | **(11,080,448)** |
| Attributed to non-controlling interest | 114,547 | 64,048 |
| Dividends paid | (221,986) | - |
| **Total comprehensive income for the year attributed to owners** | **(3,030,745)** | **(11,016,400)** |
| **Earnings per share (pence)** | | |
| Basic | (3.823) | (13.895) |
| Diluted | (3.822) | (13.823) |

| | | |
|---|---|---|
| **Loss after tax, before share based payments** | **(3,030,744)** | **(11,016,400)** |
| Excluding Share based payments | (3.823) | (13.895) |

**CONSOLIDATED BALANCE SHEET**

**AS AT 31 DECEMBER 2014**

| | *Unaudited year to 31/12/14* | *Audited year to 31/12/13* |
|---|---|---|
| | £ | £ |
| **Assets** | | |
| **Non-current assets** | | |
| Plant, vessels and equipment | 7,896,989 | 9,876,509 |
| Goodwill | 1,188,002 | 323,095 |
| Other intangible assets | 34,627 | 29,995 |
| Investment in associated company | 250 | 250 |
| Deferred tax assets | 38,731 | 41,310 |
| **Total non-current assets** | **9,158,599** | **10,271,159** |
| **Current assets** | | |
| Stocks and work in progress | 1,572,657 | 137,207 |
| Trade and other receivables | 6,785,356 | 7,436,824 |
| Cash and cash equivalents | 1,099,375 | 3,634,775 |
| Corporate taxes | 293,600 | 91,822 |
| Insurance recoveries on 3rd party claims | 6,236,915 | 3,631,000 |
| **Total current assets** | **15,987,903** | **14,931,628** |
| **Total assets** | **25,146,502** | **25,202,787** |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade and other payables | (4,255,424) | (3,551,474) |
| Bank loans and overdrafts | (1,411,490) | (1,486,324) |
| Provision for 3rd party claims | (6,236,915) | (3,631,000) |
| **Total current liabilities** | **(11,903,829)** | **(8,668,798)** |
| **Non current liabilities** | | |
| Term loans | **(930,422)** | **(1,119,940)** |
| **Net assets** | **12,312,251** | **15,414,049** |
| **Equity** | | |
| Called up share capital | 158,561 | 158,561 |
| Share premium account | 21,953,617 | 21,953,617 |
| Share option reserve | - | 26,841 |
| Capital reserve | 2,925,520 | 2,925,520 |
| Foreign currency translation reserve | (969,333) | (527,478) |
| Profit and loss account | (12,110,274) | (9,106,370) |
| Equity attributable to owners of the group | 11,958,091 | 15,430,691 |
| Non-controlling interest | 354,160 | (16,642) |
| **Total equity attributable to equity shareholders** | **12,312,251** | **15,414,049** |

**CONSOLIDATED CASH FLOW STATEMENT**
**FOR THE YEAR TO 31 DECEMBER 2014**

| | *Unaudited period to 31/12/14* | *Audited year to 31/12/13* |
|---|---|---|
| **Reconciliation of operating profit of net cash flow from operating activities:** | £ | £ |
| Loss for the year before taxation | (2,974,304) | (10,670,834) |
| **Adjustments for:** | | |
| Depreciation of fixed assets | 1,513,315 | 1,625,845 |
| Increase in stock | (1,435,450) | (40,966) |
| Increase in debtors | (2,072,648) | (3,394,132) |
| Increase in creditors | 3,015,513 | 888,770 |
| Foreign exchange differences | (425,676) | (315,334) |
| Consolidated goodwill write off | - | 12,901,025 |
| **Net cash from operating activities** | 2,379,250 | 994,374 |
| **Investing activities:** | | |
| Net decrease in investments | 469,170 | 573,360 |
| Disposal/(acquisition) of tangible fixed assets | 479,687 | (1,500,562) |
| Acquisition of intangible fixed assets | (883,021) | (3,802) |
| **Financing activities:** | | |
| Dividends paid | (221,986) | - |
| Proceeds from bank borrowings | - | 1,250,000 |
| **(Decrease)/Increase in cash balances** | (2,535,400) | 1,313,370 |
| **Analysis of cash and cash equivalents during the year:** | | |
| Balance at start of period | 3,634,775 | 2,321,405 |
| (Decrease)/Increase in cash and cash equivalents | (2,535,400) | 1,313,370 |
| **Balance at end of period** | 1,099,375 | 3,634,775 |

Notes to the accounts

1. The calculation of earnings per share has been based on the profit for the period and the average 79,280,655 Ordinary Shares in issue throughout the period.
2. These unaudited results have been prepared on the basis of the accounting policies adopted in the accounts to 31 December 2014.
3. The statutory accounts for the year ended 31 December 2014 will be sent to shareholders of the Company on 27 May 2015 and will be delivered to the Registrar of Companies following the Company's Annual General Meeting , which will be held on 17 June 2015. The report and accounts will also be available on the Company's web site: www.ngrp.com