Nature Group PLC
Report and accounts
for the year ended 31 December 2015

Wastewater reception and environmental treatment solutions for the shipping and oil industries

Our Mission.

Nature's mission is to be the world's leading maritime and offshore waste service provider.

We have a proud tradition of collecting and treating maritime and offshore waste in a safe, environmentally sound and socially responsible manner, and we aim to keep building on that tradition, offering sustainable, innovative treatment methods and solutions to our customers worldwide.

As the world's population continues to expand, waste will remain an important part of the overall value and supply chain. Today's focus on climate change is driving an ever-increasing demand for renewable, sustainable and environmentally friendly working methods and industry standards.

At Nature, we put safety, sustainability and environmental protection at the core of our business strategy. Our mission is to maintain the clean, pollution-free seas required not only for regulatory compliance, but also for the overall health of our natural environment.

Clean seas. Your choice. Our mission.

Nature Group Corporate Strategy

NATURE GROUP PLC

REPORT AND ACCOUNTS

For the year ended
31 December 2015

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DIRECTORS, SECRETARY AND ADVISERS

DIRECTORS

B van Straten (Chairman)
J Vesseur (Chief Executive Officer)
M Smits (Chief Financial Officer)
N D A Sandy (Non-Executive Director)
A Drenthen (Non-Executive Director)
W McCall (Non-Executive Director)

SECRETARY

J Shalders

REGISTERED OFFICE

Ordnance House
31 Pier Road
St. Helier
Jersey JE4 8PW

REGISTRARS

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St. Helier
Jersey JE4 9XY

AUDITOR

Deloitte Limited
PO Box 758
Merchant House
22/24 John Mackintosh Square
Gibraltar

NOMINATED ADVISER & BROKER

Cenkos Securities Plc
66 Hanover Street
Edinburgh EH2 1EL
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London EC2R 7AS

WEBSITE

www.ngrp.com

Nature Group plc is listed on the AIM market of the London Stock Exchange with a TIDM of NGR

CHAIRMAN'S STATEMENT

Following my recent appointment as Chairman of the Group, I am pleased to announce the 2015 results for Nature Group PLC. Since joining Nature Group 12 months ago, I have worked closely with the executive team to evaluate the opportunities of the Group, to outline our short and medium term strategy and to determine where to refocus our ongoing activities. Whilst there is still work to be done, we believe that 2015 was a year in which we have started to transform the Group both organisationally and commercially and we are now well positioned to seize the opportunities to grow the business and develop our service offering in 2016 and beyond.

2015 Financial Performance From Continuing Operations

Excludes revenue and cost from discontinued operations in Gibraltar as NPRF Gibraltar is classified as held for sale.

- Revenues increased by 14% to £16.27m (2014: £14.33m)
- Underlying EBITDA (excluding incidentals) decreased to -£ 0.33m loss (2014: £0.16m)
- Underlying operating loss declined by 9% to -£1.13m (2014: -£1.04m)
- Underlying loss before tax declined by 4% to -£1.21m (2014: -£1.17m)
- Underlying earnings per share ("EPS") of -3.17p (2014: -1.50p)
- Free cash flow decreased by 72% to -£ 2.47m (2014: £-1.43m)
- Year-end cash balances of £0.28m (2014: £0.91m)

2015 Operational Performance

Maritime

- Healthy growth in waste collecting activities in the US, now including fixed waste treatment at Corpus Christi site
- Rotterdam volumes positively impacted by several large one-off jobs
- HydroVac 12 vessel purchased to further optimise fleet composition in Rotterdam
- Operations in South-Western region (Gibraltar, Portugal and Malta) generated revenues of £2.84m compared to £4.32m in 2014. Closure of Gibraltar site announced in December 2015, sale discussions remain ongoing.

Oil & Gas

- Improved performance, year-on-year supported by the sale of one complete set
- A further 5 units (2 CTUs and 3 STUs commissioned, two of which (1 CTU and 1 STU) were sold to a third party
- Two sets (CTU/STU) successfully operating in challenging conditions in Brazil and Canadian Arctic Circle and one unit (OTU) in Tanzania
- At this moment we have 4 sets available (4 CTUs / 4 STUs) for further deployment and 2 individual STUs (due to long lead-time)
- Now targeting North Sea International Oil Companies (IOCs) and have secured first contract

Engineering

- Engineering department in Cornwall closed in April 2016
- Group's engineering services concentrated in Stavanger, Norway.

My colleagues and I have worked hard throughout the year to evaluate all aspects of the Group's operations and organisation. It was evident that there was solid performance from our maritime locations in Rotterdam and Houston and promising performance from the Oil & Gas Division. However, profits generated were offset by losses from activities in Gibraltar and Portugal, maintaining the Engineering Division in the UK and excessive overhead costs. The management team was geographically dispersed with a CEO located in the Netherlands, the finance team in Gibraltar and Corporate Secretary in the UK.

Nigel Sandy, the former Chairman, commenced an extensive restructuring programme at the beginning of 2015, resulting in a largely new board and a new executive team. This initiative has, since mid-2015 to date, resulted in a number of changes being implemented with the aim of making the Company's future more robust, focused and profitable.

Jan Vesseur was appointed as CEO with the challenging task to restructure the Group. He has built an executive team who are all based in the Netherlands, with Maarten Smits as CFO and Gert-Jan Davidzon leading the Oil & Gas Division and the recent appointment of a Corporate Secretary.

The Gibraltar operation has consistently underperformed since the fire in 2011, as the approval to rebuild the original treatment facility was delayed and the decision was taken during 2015 to shut down our operations in that location and enter into negotiations to sell the facility. As announced on 2 December 2015, we entered into a letter of intent relating to the sale and negotiations with that party remain ongoing, although the period of exclusivity has expired. We have also recently been approached by another interested party. We will provide further updates as appropriate, however, there can be no certainty that the proposed sale will be concluded.

Our Engineering Division in Cornwall, having in the past delivered high quality water treatment facilities in Oman and a UK Overseas Territory, had seen a reduction in the volume of work and therefore we have made, following the year end, the difficult decision to close this office. Similarly, we are currently restructuring the operating model of our Portugal Joint Venture and are reviewing our interest in Sohar.

Our focus going forward will be our maritime operations in Rotterdam and Houston and our global oil & gas activities. The maritime operations in Rotterdam and Houston form the core of our Group's activities and the plan is to expand our activities in these areas – both in volume, product offering and in adjacent locations. With more stringent environmental regulation and increased operations in remote and ecologically sensitive areas, we believe we are well placed to secure and grow our position in the oil & gas sector.

We have been encouraged by the progress made in our Oil & Gas Division both from an organisational perspective and sales strategy resulting in generating new opportunities and targeting new markets but remain cautious considering the continuing downturn in the global oil field services industry.

I am confident that the changes that are implemented and those that we envisage to implement in 2016 will result in a more focused company which now has a more efficient platform on which to grow. I have confidence in the newly appointed executive team and look forward to supporting them, along with my non-executive colleagues Andreas Drenthen and Bill McCall.

Finally, I would like to thank Nigel Sandy for his role as Chairman in the last three years. In a period of adversity for the Group, Nigel has consistently supported executive management in finding ways to improve the Group and I believe this helped in preparing the Group to deliver value for its shareholders in the near future.

Berend van Straten
Chairman

1 June 2016

EXECUTIVE DIRECTORS' STATEMENT

Looking back at 2015, two distinctly different sentiments remain. On the one hand, we were forced to take considerable measures to improve and simplify our organisational structure, with the objective to better grasp business opportunities and quickly return to profitability. On the other hand, we have seen several opportunities, for which we have the required technical expertise, in each of our Maritime, Oil & Gas and Engineering sectors. We are satisfied with the improvements we have seen in 2015 and early 2016 in each location but remain cautious in respect of the outlook for 2016 and beyond and the potential for a continued low oil price to have an adverse effect on offshore activities. Additionally, besides looking at growth opportunities, we will continue to examine the operational changes needed to improve our overall performance.

Overview of Financial Performance 2015 – Continuing Operations

Our consolidated financial performance in 2015 was disappointing compared to what we set out to achieve. However, we have made significant progress in reducing cost, and improving the organisational efficiency of the Group such that, when we consider the ongoing activities of the Group in the absence of such costs and discontinued operations, the performance is more encouraging and allows for greater optimism for the future.

As the Board is committed to a plan to sell NPRF Gibraltar, as required by IFRS 5 "Non-current assets held for sale and discontinued operations", all asset and liabilities, revenue and cost relating to NPRF Gibraltar have been accounted for as held for sale and/or from discontinued operations.

The Group generated sales from continuing operations of £16.27m and a related Loss Before Tax (LBT) of £2.41m. This loss includes £1.74m of both trading and non-trading incidentals related to the restructuring of the Group, of which £1.00m are non-cash items. Of those incidentals £0.69m relates to assets and liabilities that originated in prior years. The trading LBT of the Group is £1.21m and includes trading incidental items of £0.54m so that the Group has a "clean" trading LBT of £0.67m.

Furthermore, after deducting losses from other discontinued operations (principally the Engineering Division in Cornwall) and start-up cost incurred in relation to our Oil & Gas Division in the UK, the pro-forma normalised Profit Before Tax (PBT) is £0.13m. We believe this more accurately represents the financial performance in 2015 of the activities of the Group that will continue to contribute to the bottom line in 2016.

Further detail on the Group's underlying financial performance of continuing operations and incidental cost incurred is set out later in this statement.

Overview of Financial Performance 2015 – Discontinued Operations

Our Gibraltar operations, where we ceased all activities in January 2016, had a difficult year caused by the low oil price, the lack of treatment capabilities and the operational impact of the sale of the loss-making M/V Crystalwater in March 2015. NPRF Gibraltar generated sales of £2.06m with a related LBT of £1.51m. Included in Gibraltar LBT are redundancies of £0.56m and write-off of assets (Goodwill, tanks, cost incurred for design of facility rebuild, loss on sale of vessels and write-off of receivables) of £1.00m.

Overview of Divisional Performance 2015 Continuing Operations

Maritime

Overall, the Maritime Division generated sales from continuing operations of £11.03m (2014 £8.73m) and LBT of £0.36m. Adjusting for incidental items of £0.13m the LBT becomes £0.23m.

Our Portuguese Joint Venture operation, which was originally established to treat the waste from Gibraltar and make use of Portugal's ability to sell recovered waste oil as a product, also had a difficult year caused by the lack of volumes from Gibraltar, limited additional waste from other locations and challenges in the European waste oil pricing. We are in the process of changing the operating model for this operation and expect this to be finalised by Q3 2016.

Rotterdam is the largest of our port services operations and generated revenue of £7.63m in 2015. We collected record high volumes of 185,000m3 waste in a very turbulent market supported by several large one-off projects in the first 6 months of 2015. However, since July 2015, these large volumes have not been offered in the Port of Rotterdam and the business gradually moved back to normal volumes.

The waste oil market in North-West Europe changed significantly due to the low oil price and as a result of the switch of several large customers in Germany from waste oil to coal. This led to a significant oversupply of waste oil, which resulted in a higher discharge cost. On several occasions Nature needed to temporarily store collected waste in rented barge capacity as our partner taking the waste oil had no storage capacity, resulting in significant additional direct cost and lower average gross margins. Such oversupply of waste oil in North-West Europe continues to put pressure on storage capacity and we have engaged in discussions with port authorities, our partners and other stakeholders to find a solution for this concern.

More positively for us, and also due to the oil price decline, several competitors reduced their activity in Rotterdam. We have been able to take advantage of this and have gained market share by winning several important new agency contracts and adding new shipping companies to our customer base.

Our operations in the Houston / Corpus Christi region performed better than in 2014. Sales were 25% higher than in 2014 with the PBT close to break-even point, compared to an operational loss in 2014. The biggest improvement materialised at the end of the year due to the mobilisation of our autoclave. The autoclave works as a pressure cooker for United States Department of Agriculture (USDA) Regulated Waste (garbage) coming from vessels that visited foreign ports. This process is designed to eradicate any harmful organisms and thus eliminate the risk of any foreign contamination from waste coming from vessels travelling internationally. This operation substantially improved margins as the cost of treating waste externally was removed.

Oil & Gas

Despite extremely challenging market conditions throughout the period, the performance of our Oil & Gas Division improved when compared to 2014, helped by the sale of a combined CTU/STU set in Norway in early 2015. Overall, the Oil & Gas Division had sales of £4.99m (2014 £4.06m) and LBT of £0.25m. Adjusting for incidental items the LBT becomes a PBT of £0.66m. During the year we executed projects in Canada, restarted our project in Tanzania and finally got the Brazil project moving again after a long period of start-up challenges.

Our core team in Stavanger has, over the last few years, developed and built a unique modular and containerised waste treatment facility which can be placed on offshore drilling or production facilities, reducing the need for waste shipments to shore and thus lowering operator costs and environmental exposure. With more stringent environmental rules and increased operations in remote and ecological sensitive areas we continue to see this as a promising proposition for IOCs and rig owners.

We have made significant changes to the Oil & Gas team. In September of last year, we hired a Commercial Director in the Netherlands who has recently taken over the role of Managing Director for the Division. We also changed the sales team in Norway and added a sales role in Aberdeen, which we see as a crucial location in Europe. With the new leads generated and further opportunities identified in this Division in the last few months, we are pleased with the changes made and, more importantly, with the team that we have today.

During the year we built three further STUs and two CTUs and now have six complete sets and four individual units (two STUs, one OTU and one bioreactor), of which in Q2 2016 two complete sets and two individual units are being operated.

We have broadened our sales focus from rig owners only to include IOCs. When we target an IOC the potential rental is for multiple projects as the key decision drivers (cost, environment and safety) are the same for every project. For rig owners each contract is different as it is dependant on local negotiated contracts with IOCs. We organised a successful “yard trial” of our CTU/STU sets for an IOC in Aberdeen, inviting several other operators to witness the test and subsequently executed two successful test runs offshore on rigs located on the UK and Dutch Continental Shelf. Feedback on these tests was positive and we expect this to be translated into several opportunities.

Accordingly, we are confident that our new Oil & Gas team and strategy provides cause for optimism in the longer term. Our services can significantly reduce our customers’ offshore waste treatment cost and support a reduction of their environmental footprint and improvement of safety records, both of which are likely to be key business drivers for our customers on an ongoing basis, and we therefore expect to provide opportunities in the future. We remain more cautious in the short term, however, as currently these factors are being somewhat tempered by more drastic solutions, such as the reduced number of active offshore drilling operations, and this has had an adverse impact on our revenue generation. Such pressure will remain whilst the Oil & Gas industry remains as uncertain as it is now.

Engineering

At the end of March 2016 we closed our engineering operations in Cornwall due to the absence of external projects for our engineers and the distance to our engineers in the Oil & Gas Division in Stavanger. Engineering will get a different focus going forward and as a result cease to exist as a separate division.

Our technical expertise in developing and constructing onshore waste management facilities is now focused in Stavanger where we now have a centralised engineering centre of excellence, with an integrated view on both on- and offshore waste management. Projects will be executed in either the Oil & Gas Division or in the Maritime Division.

Nature was awarded a contract in 2013 to supply a Maritime Port Reception Facility including treatment to the Port of Sohar in Oman. We are at this moment awaiting final environmental approval from local authorities and do not foresee this project to contribute to our results before 2017.

Detailed analysis of Pro forma result 2015 – continuing operations

As stated above, the Group generated sales from continuing operations of £16.27m and a related Loss Before Tax (LBT) of £2.41m, which includes following non-trading incidental items:

Full LBT	**(2.412)**
Non-trading One-offs	*Total cost*
SW restructuring	238
Oil & Gas restructuring	669
Fx loss on intergroup loan	224
Other incidentals	70
Total	**1.201**
LBT excluding non-trading incidentals	**(1.211)**

- South-West restructuring includes loss on the sale of our vessel the M/V Crystalwater and storage tanks held in stock.
- The Oil & Gas restructuring costs relate to redundancies and related legal fees of £0.55m and the write-off of an asset for £0.12m.
- Fx loss on intergroup loans relates mainly to the loan from Group to the Oil & Gas business in Norway where the GBP-NOK exchange rate movement led to a higher NOK amount to be paid by the Norwegian entity than initially accounted for in NOK. The intergroup loan has been largely repaid and new procedures are being implemented to manage foreign exchange risks going forward.

After deducting the non-trading incidental items of £1.20m the Group incurred a trading LBT of £1.21m. Included in this loss are the following incidental trading items:

LBT excluding non-trading incidentals	**(1.211)**
Trading One-offs	*Total cost*
Receivables write-off	240
Capitalised engineering cost	145
Recruitment fees	69
Other items	86
Total	**540**
Clean LBT	**(671)**

- Receivables write-off relates to receivables in various parts of the Group that have been expensed as collection remains uncertain.

- Capitalised engineering cost relates to work done by the engineering team on further developing the port reception facility in Sohar Oman. These capitalised costs have conservatively been written off as it is at this moment in time unclear when the Sohar Joint Venture will generate revenues and if these engineering costs can be recovered.

After deducting the trading incidental items of approximately £0.54m, the Group generated a "clean" LBT of £0.67m. When we exclude operational losses of £0.80m, which are set out in the table below and were incurred in entities in the South-West, Norway and in the engineering outfit or as start-up cost of the UK oil & gas entity in Aberdeen, there is a resulting pro-forma normalised continuing business PBT of £0.13m.

Clean LBT	**(671)**
Start Ups/Discontinued Operations	*Total cost*
Crystalwater Navigation Ltd	155
NOG UK start-up	187
SW Operations	96
NL Headquarters	(145)
Engineering Cornwall	158
NOG Discontinued Salaries	265
NGTL Cargoes	88
Total	**804**
PBT Continuing Operations	**133**

Cash and Capital Expenditure

During 2015 our cash position deteriorated further from £1.08m at 31 December 2014 to £0.53m at 31 December 2015 with a negative EBITDA of £ 2.51m (which includes £ 0.65m cash restructuring costs). We intend to obtain third party financing of assets which were originally funded from the Group's existing cash resources by entering into asset finance agreements with local banks in the Netherlands, Norway and Houston.

During 2015 fixed assets were acquired throughout the Group. In Rotterdam the Group purchased the Hydrovac 12, in Houston we purchased the Autoclave and in Norway commissioned the build of a further 2 CTUs and 3 STUs. Proceeds from divestment of fixed assets totaled £1.93m, this includes £1.89m for the M/V Crystalwater which was sold on 11 March 2015.

Outlook

Taking into account the restructuring work done in 2015 and early 2016 and the adverse market conditions, we are encouraged by the underlying financial performance of the Group. In our Maritime Division, both in Rotterdam and Houston, we see opportunities for new business, both from a geographical as well as a service perspective. In Rotterdam business is consistent and we see several opportunities for operational improvements. Also, we are expecting further growth from the collection of MARPOL Annex V (garbage) waste. On the Gulf Coast we are looking into starting operations in Beaumont and Galveston. We are also now providing barging services operated out of Houston.

We are confident that the repositioning of our Oil & Gas Division to target IOC's primarily from Aberdeen will pay dividends, as suggested by our successful "yard trial". The current uncertainties caused by the low oil price and the effect this will have on offshore activities and on the waste oil market continue, to have a significant effect on the Group's outlook. However, we remain confident that we can also leverage the opportunities which this also provides to reduce our customers' cost and environmental footprint.

Nature Group is going through a major transformation process but the Group's vision of safeguarding the health and cleanliness of our oceans remains unchanged from when we started this journey in 2010. We believe we are turning the corner and are well positioned, and with more focus, for the growth path we clearly see in the environmental services industry. Nature Group has a unique position and the right skillset in the Group to become successful in our Mission:

Clean Seas – Your Choice, our Mission

Delivering environmentally responsible services is a growing market and Nature Group is uniquely positioned to ride this wave. We are excited about our future and believe we have the right team to make it work.

Lastly, we want to thank Nigel Sandy, our former Chairman for the last three years, for his relentless support and enthusiasm in this difficult period. Nigel has been a very hands-on Chairman and has helped the executive team with the difficult issues we have now finally tackled.

Jan Vesseur
CEO

Maarten Smits
CFO

1 June 2016

DIRECTORS' REPORT

The directors of Nature Group plc ("the Company" or, together with its subsidiaries, "the Group") present their Report for the year ended 31 December 2015 together with the financial statements of the Group and the independent auditor's report for the year. These will be laid before the shareholders at the Annual General Meeting to be held as set out in the Notice of Annual General Meeting on page 43.

Results

These financial statements are consolidated with the Company's subsidiaries as listed on page 36. The consolidated profit for the year after taxation is set out on page 23 and is transferred to reserves.

Dividends

No dividend in respect of the year ended 31 December 2015 will be declared. However, our stated policy of 25% of distributable net profits remains in place.

Principal activities

The Company's principal activity is that of a holding company for Group companies providing reception and treatment services for oily and polluted wastewaters, the ownership and application of intellectual and proprietary rights related to such treatment, and the provision of reception and treatment plants for oily waste in onshore and offshore locations.

Share capital

Since 31 December 2015 no further options have been exercised. Therefore there remain 79,280,655 Ordinary Shares of 0.2p each in issue as at the date of this report. There are no restrictions on transfer of shares.

Share options

On 24 February 2015 the establishment of a new share option plan was approved, for the issue of 2,165,000 options over ordinary shares in the Company. Under the terms of the plan, the options will vest one year from the date of grant and will be exercisable for a period of four years from the date on which they first vest.

Directors

The directors who served during the year and to date, and their interests in the issued Ordinary Share capital of the Company were as follows:

	At 1 June 2016 Ordinary Shares	*At 31 December 2015 Ordinary Shares*	*At 31 December 2014 Ordinary Shares*
J Vesseur	425,000	425,000	280,000
B McCall	100,000	100,000	–
A Drenthen*	4,900,000	4,900,000	4,750,000
N D Sandy	408,000	408,000	398,000
K Becerra	102,000	102,000	102,000
P Snell**	900,000	900,000	785,000

Note:
*A Drenthen is a 25% shareholder in Port Invest B.V. which owns 19,000,000 shares, in addition Mr Drenthen owns 150,000 shares directly as at 1 June 2016. Accordingly, Mr Drenthen is interested in an aggregate of 19,150,000 Ordinary Shares, representing approximately 24.15% of the issued share capital. His shareholdings above reflect such attributable share of the holding in the Company and his direct holding.
**K Becerra resigned on 16 November 2015.
***P Snell is also interested in 200,000 Ordinary Shares held by a company in which he is a minority shareholder. P Snell resigned on 30 September 2015.

On a fully diluted basis assuming all option instruments were exercised, the percentage of issued Ordinary Share capital held by directors at 1 June 2016 would be as follows:

J Vesseur	0.79%
B McCall	0.13%
Port Invest BV (25% owned by A Drenthen)	24.41%
N D Sandy	0.51%
K Becerra	0.37%
P Snell	1.10%

Other substantial interests as at 1 June 2016

	Ordinary Shares held	*% of issued Share Capital*	*Options Warrants or Derivatives held*	*% holding if all instruments exercised*
Nortrust Nominees Limited	14,318,395	18.06%	Nil	17.58%
Fitel Nominees Limited	10,154,163	12.81%	Nil	12.47%
HSBC Global Custody Nominee (UK) Ltd	3,307,714	4.17%	Nil	4.06%
HSBC Global Custody Nominee (UK) Ltd	3,000,000	3.78%	Nil	3.68%

International Financial Reporting Standards ("IFRS")

These financial statements were prepared under IFRS and interpretations adopted by the International Accounting Standards Board ("IASB").

Independent auditor

Deloitte Limited have audited the group financial statements of Nature Group plc for the year ended 31 December 2015. A resolution to appoint Mazars Paardekooper Hoffman N.V. as independent auditors of the Group, in place of Deloitte Limited, the retiring auditors, and to authorise the directors to agree their remuneration will be proposed at the Annual General Meeting.

Annual General Meeting

The Notice of the Annual General Meeting to be held on 29 June 2016 is set out on page 43.

By Order of the Board

J Shalders
Company Secretary
Ordnance House
31 Pier Road
St. Helier
Jersey

1 June 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board. The financial statements are required by law to be properly prepared in accordance with the Companies (Jersey) Law 1991.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, the directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

	Remuneration £	*Provision of services, offices and equipment* £	*Total* £
J Vesseur	169,444	–	169,444
Maarten Smits*	17,154	–	17,154
Berend van Straten**	22,935	–	22,935
Bill McCall***	24,000	–	24,000
A Drenthen	–	109,375	109,375
N D A Sandy	50,000	–	50,000
K Becerra****	98,590	–	98,590
P Snell*****	18,317	–	18,317

Note: The executive directors of Nature Group plc are not entitled to any bonuses on Group results as at 31 December 2015.

*M Smits was appointed on 16 November 2015.
**B V Straten was appointed on 11 May 2015.
***B McCall was appointed on 11 May 2015.
****K Becerra resigned on 16 November 2015.
*****P Snell resigned on 30 September 2015.

Both J Vesseur and M Smits receive benefits in the form of pension contributions of 4.8% each.

CORPORATE GOVERNANCE

Nature has appointed a team of directors and senior managers who secure the continuation and monitoring of our daily operations, business assurance and financial stability. The following directors and senior managers either continue, or were appointed to their positions and led by example:

– Jan Vesseur, Chief Executive Officer

– Maarten Smits, Chief Financial Officer (appointed 16 November 2015)

– Rene van der Wolf, Managing Director Maritime Division

– Gert-Jan Davidzon, Managing Director Oil & Gas Division

– Rene-Marcel Knol, QHSE Manager

In order to ensure effective leadership and apply the governance rules related to a public company the executives are led by Jan Vesseur, supported by Berend van Straten, non-executive chairman, who is the interactive link between the non-executives and executive members of the Board of Directors.

The Board recognises its obligation to strive towards the long-term success of the Company through entrepreneurial leadership and the setting of strategic aims, and will ensure that this is achieved through prudent and effective controls combined with the resources to meet its objectives, and the implementation of risk management on projects. With this objective we recognise our obligation to comply with the AIM Rules for companies and the provisions and recommendations laid out under the Quoted Companies Alliance Code 2014 for small and mid-size companies.

As a result of the corporate governance review performed in 2011 the Company continues to have a nominations committee, a remuneration committee and a risk and audit committee, whose members consist of the non-executive board members.

Nature's Board of directors and executive team are committed to operating in an open and transparent manner and will ensure that their obligations to their shareholders are maintained through satisfactory dialogue, announcements and for smaller investors the AGM. The use of shareholder resolutions or other mechanisms for enabling minority shareholders are ruled by our Company's articles of association.

Details of the directors' beneficial interests in Ordinary Shares are set out in the Directors' Report. The directors intend to comply with Rule 21 of the AIM Rules relating to directors' dealings and will take all reasonable steps to ensure compliance by any employees of the Company to whom Rule 21 applies. The Company has, in addition, adopted the Share Dealing Code for dealings in its Ordinary Shares by directors and senior employees. We also commit ourselves to engage with our employees, to communicate our strategy and install appropriate bodies or work councils when needed to ensure their representation within the Company's structure. The Company will continue to monitor its compliance with the latest corporate governance guidelines and welcomes comments.

CORPORATE SOCIAL RESPONSIBILITY

PRINCIPLES & POLICY

The word that best describes the culture we aim for within Nature is “CARE”, to reflect the way we see ourselves fulfilling our responsibilities and protecting the environment.

C
- Compliance with all relevant legislation & requirements
- Consideration for all that can be affected by our actions

A
- Accountability for our actions & to all our stakeholders
- Achievement of objectives & goals, set to improve our performance in all aspects

R
- Respect for colleagues, stakeholders & the company’s assets
- Responsibility to maintain the highest quality, safety, & environmental standards

E
- Ethical standards of conduct & ensuring fulfilment of our duty of care
- Enjoyment of all those who work with & for Nature

Corporate social responsibility (CSR) is a concept firmly embedded in our culture. At Nature, we put quality, safety and environmental protection at the core of our business strategy. We believe in having a positive impact on everything associated with our business: our employees, clients, suppliers, investors, shareholders, local communities and the environment.

Nature’s principles and policies echo our commitment to compliance, our stakeholders and our communities. Our principles and policies are published in a Principles Booklet, which is distributed to all employees and is available through our website:www.ngrp.com.

Established in our principles (binding for all Nature employees) is our commitment to:

- Health and safety
- Quality assurance
- Environmental protection
- Customer satisfaction
- Compliance and transparency
- Innovation and sustainable solutions
- Stakeholder engagement and communication
- Leadership, personal responsibility and development
- Local communities and society at large

Nature is committed to providing healthy workplaces and strives for zero accidents and incidents. Nature also aims to reduce the use of natural resources and minimise environmental pollution in all its forms.

RESPONSIBILITIES

Our responsibilities are focused on the maintenance of the highest standards for quality, health and safety and environmental protection. Nature complies with local and international law plus other applicable legal regulations, customer requirements and recognised guidelines. Where possible we actively support and endorse better regulations and anticipate future regulations, locally and globally to improve our standards, procedures and performance.

Nature ensures continuous and consistent business assurance through its certified Group management system, which is adopted by all operational Nature entities. The system is defined by strong legal compliance, risk management policies and guidelines, which enable a disciplined approach to improving the effectiveness and efficiency of operations and services to achieve and maintain sustainable business growth and deliver optimal performance.

Following successful initial certification to ISO 9001:2008 (quality) and ISO 14001:2004 (environmental) management standards in 2014, Nature has continued to build and implement the management system throughout the Group. Certification was maintained following the external audit completed by DNV GL in February 2015.

Nature Environmental and Marine Services, LLC (NEMS) is not currently certified to our Group management system. We are in the process of introducing elements of the management system in order to certify NEMS.

ALLIANCES

Alliances are made in order to establish partnerships, improve standards and support education and research surrounding our technology.

Euroshore

Euroshore is an international trade association of port reception facility providers. The main objectives of the association are to promote and further the interests of companies that are active in the provision of ship waste management by:

- Promoting the use of its members' port reception facilities
- Promoting the efficient and environmentally sound disposal of ship-generated waste
- Promoting healthy and fair competition
- Promoting relevant international policy, procedures and standards of competence for the collection and processing of ship-generated waste

Through Euroshore membership, members remain appropriately informed and capable of providing the shipping industry with adequate and environmentally sound waste management services.

Achilles

The Achilles Joint Qualification System works to identify, qualify, evaluate, and monitor suppliers on behalf of major organisations worldwide. They build and support buyer-supplier communities in many industry sectors, creating unique and powerful global networks offering sustainable procurement and reduced supply chain risk.

Nature Oil & Gas AS continues to be a registered supplier in the Achilles database, demonstrating the effective implementation of policies and procedures, which create business opportunities and reduce risks in the supply chain.

EBIS

The European Barge Inspection Scheme (EBIS) was developed by oil and chemical companies as part of their commitment to improve the safety of tanker barging operations. The main aim of EBIS is to exchange objective safety and quality data on tank barges, of which an EBIS member company may consider the use or the reception of at its terminal.

Three of the eight barges of Nature International Slop Disposal (NISD) have been inspected and meet the requirements laid down by EBIS. This is the result of periodical internal pre-inspections, along with official and documented annual inspections, executed by independent EBIS inspectors.

Green Award

Green Award certifies ships that are “extra clean and extra safe”. The Green Award procedure is carried out by the Bureau Green Award, the executive body of the independent non-profit Green Award Foundation. In addition to the recognition of high safety and environmental standards, Green Award ships are entitled to various financial and non-financial benefits. By rewarding high safety and environmental standards in shipping, the programme makes above-standard ship operation more attractive economically. The Green Award certification scheme is open to oil tankers, chemical tankers and dry bulk carriers from 20,000 DWT and upwards, as well as LNG carriers and inland navigation vessels.

The certification procedure consists of an office audit and an audit of each individual ship applying for certification. Amongst many other aspects, the assessment focuses on crew, operational, environmental and managerial elements. Nature International Slop Disposal (NISD) maintained Green Award certification for the three eligible vessels of our Hydrovac fleet.

PERFORMANCE FIGURES 2015

Our financial, operational, environmental, health and safety and human resource figures are monitored and reported on an on-going basis throughout the Group. There are however some indicators which cannot be directly measured. CO2 emissions attributed to all types of travel and transport, energy, water and paper use are calculated using DEFRA guidelines and Greenhouse Gas Convention conversion factors for company reporting.

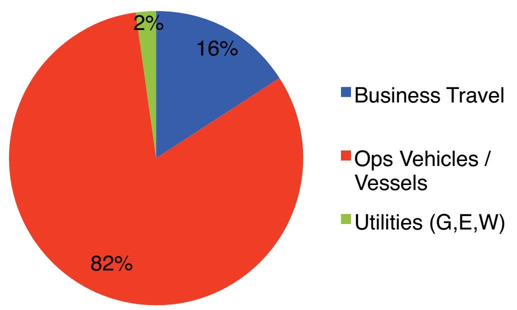
The following table details Nature Group's non-financial performance figures for 2015.

Operational			
Maritime Division:	Collected liquids	m^3	207,628
	Collected Solids	mt	1,172
Oil & Gas Division:	Treated volumes	m^3	19,676
Environmental			
Significant environmental incidents/spills		#	–
Fuel for vessels (gas oil/diesel)		litres	421,504
Fuel for operational/transportation vehicles (diesel/petrol)		litres	186,908
Electricity		kWh	247,211
Gas		m^3	12,987
Business flights		km	1,509,859
Commute/business travel by road/rail		km	391,279
Water use		m^3	595
Paper consumption		kg	430
Carbon Footprint		tCO_2e	2,635
Health & Safety			
Major/specified injuries reportable under RIDDOR 2015		#	2
Dangerous occurrences reportable under RIDDOR 2015		#	1
Employees			
Number of employees (as at 31 December 2015)		#	90
New staff		#	4
Turnover rate		%	32
Female employees		%	10

Environmental Performance

Our strict operational standards have ensured that we have not been accountable for any significant environmental incidents occurring during 2015. We have encountered a small number of minor spills, which have been reported and investigated using our incident management system. Through the reporting and follow-up of such incidents, we ensure steps are taken to reduce the likelihood of such events reoccurring in the future.

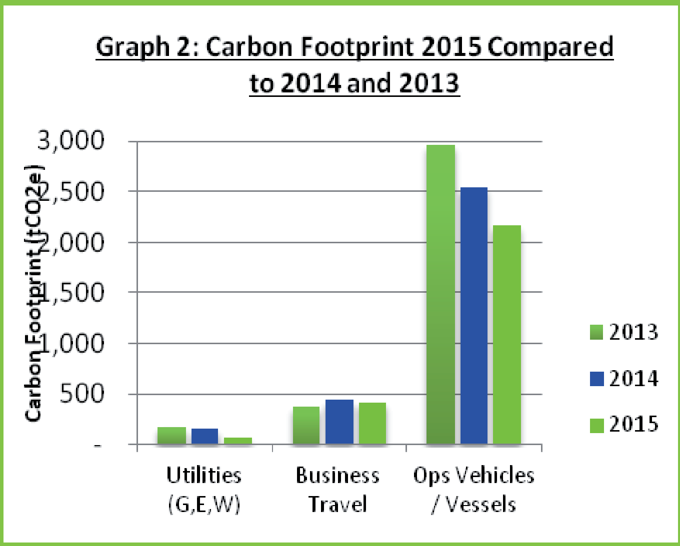
Graph 1: Carbon Footprint 2015



Nature has again opted to calculate carbon footprint, based on core operations, office activities and travel. This carbon footprint does not currently account for the manufacture or transport of materials, thus project emissions account for office activities and travel only.

A basic analysis of our carbon footprint figures for 2015 shows that the majority (82%) of our footprint is attributable to vessel and operational vehicle movements (see Graph 1).

For this reason the economic planning of vehicle and vessel movements is a key part of ensuring our service is delivered with minimal environmental impacts due to fuel use.



Our 2015 carbon footprint shows a reduction on the 2014 and 2013 footprint. This reduction is attributable to reduced movements of our vessels and operational vehicles. The continuing reduction is due to the decrease of operational activities in the South West region.

Nature strives to keep carbon emissions minimal in all areas. By tracking energy and resource use, travel and transport, we are able to focus our efforts in emission reduction appropriately.

Health & Safety

In reporting our health and safety record, we have chosen to indicate incidents according to the UK RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2014) reporting requirements. By categorising our incidents using RIDDOR, we ensure a consistent reporting methodology enabling comparisons to be drawn where appropriate.

Under the RIDDOR classification, we were not responsible for any “dangerous occurrences” or any “major or specified injuries” in 2015. Any minor accidents which did occur were reported and investigated to ensure additional safety measures were put in place where relevant, to safeguard against similar incidents in the future.

Objectives

Nature set a number of non-financial objectives for 2015, focused on improved quality, health, safety and environmental performance. Amongst those achieved were; reduced reportable injuries, reduced external audit findings during ISO management system audits and improved reporting through our incident management tool. Updated objectives have been set for 2016, which aim to further reduce and control our environmental impact, enhance customer satisfaction, further improve reporting, and reduce accidents and work-related injuries.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATURE GROUP PLC

We have audited the group financial statements (the "financial statements") of Nature Group plc (the "Company" or, together the "Group") for the year ended 31 December 2015 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing. Those standards require us to comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2015 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs issued by the International Accounting Standards Board; and
- the financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Daniel Delgado
for and on behalf of Deloitte Limited
Chartered Accountants
Merchant House
22/24 John Mackintosh Square
Gibraltar

1 June 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	Notes	*Audited year to 2015* £	*Audited year to 2014* £
Continuing operations			
Revenue	1,5	16,273,810	14,325,693
Cost of sales		(10,963,725)	(8,081,016)
Operating profit		5,310,085	6,244,677
Interest income		5,025	7,018
Other expense	23	(359,990)	(74,690)
Share based payments	15	(110,746)	–
Administrative costs		(6,505,018)	(6,286,412)
Depreciation and amortisation		(805,173)	(1,206,216)
Finance costs		(82,295)	(129,116)
Gain recognised on disposal of interest in former subsidiary	8	136,299	–
Loss before taxation		(2,411,813)	(1,444,739)
Income tax expense	4	131,844	(133,571)
Loss for the year and total comprehensive income for the year from continuing operations		(2,279,969)	(1,578,310)
Discontinued operations			
Loss for the year and total comprehensive income for the year from discontinued operations	17	(1,575,988)	(1,378,184)
Loss for the year and total comprehensive income for the year		(3,855,957)	(2,956,494)
Attributable to:			
Owners of the parent			
Loss for the year from continuing operations		(2,279,969)	(1,578,310)
Loss for the year from discontinued operations		(1,575,988)	(1,378,184)
Loss for the year attributable to owners of the parent		(3,855,957)	(2,956,494)
Non-controlling interest			
Loss for the year from continuing operations	9	143,958	114,547
Loss for the year from discontinued operations		–	–
Loss for the year attributable to owners of the non-controlling interest		143,958	114,547
Loss for the year and total comprehensive income for the year attributed to owners		(3,711,999)	(2,841,947)
Earnings per share (pence)			
From continuing operations:			
Basic	16	(2.876)	(1.991)
Diluted	16	(2.810)	(1.990)
From discontinued operations:			
Basic	16	(1.988)	(1.738)
Diluted	16	(1.943)	(1.738)
Loss after tax, before share based payments		(3,601,253)	(2,841,947)
Excluding share based payments		(4.542)	(3.585)

The notes on pages 25 to 42 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

At 31 December 2015

	Notes	*Audited as at 2015* £	*Audited as at 2014* £
Assets			
Non-current assets			
Plant, vessels and equipment	6	5,923,210	7,896,989
Goodwill	7	907,563	1,188,002
Other intangible assets	7	139,815	34,627
Investment in associated company	8	308,446	250
Deferred tax assets	4	4,222	108,766
Total non-current assets		7,283,256	9,228,634
Current assets			
Insurance recoveries on 3rd party claims		–	6,236,915
Corporate taxes		203,148	110,975
Stocks and work in progress		1,185,630	1,572,657
Trade and other receivables	10	5,716,738	6,661,676
Cash and cash equivalents	19	278,369	1,075,581
		7,383,885	15,657,804
Assets classified as held for sale	18	6,618,693	–
Total assets		21,285,834	24,886,438
Liabilities			
Current liabilities			
Trade and other payables	11	(4,740,419)	(4,176,022)
Bank loans and overdrafts	12,19	(778,989)	(1,411,490)
Provision for 3rd party claims		–	(6,236,915)
		(5,519,408)	(11,824,427)
Liabilities directly associated with assets classified as held for sale	18	(5,398,664)	–
		(10,918,072)	(11,824,427)
Non-current liabilities			
Term loans	13	(1,964,628)	(930,422)
Net assets		8,403,134	12,131,589
Equity			
Called up share capital	14	158,561	158,561
Share premium account	14	21,953,617	21,953,617
Share option reserve	15	110,746	–
Capital reserve		2,925,520	2,925,520
Foreign currency translation reserve		(1,017,848)	(969,333)
Profit and loss account		(16,002,934)	(12,290,936)
		8,127,662	11,777,429
Amounts recognised directly in equity relating to assets classified as held for sale	18	–	–
Equity attributable to owners of the Group		8,127,662	11,777,429
Non-controlling interest	9	275,472	354,160
Total equity attributable to equity shareholders		8,403,134	12,131,589

Approved by the Board on 1 June 2016.

J Vesseur

Directors

M Smits

The notes on pages 25 to 42 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Share Capital Account £	Share Premium Account £	Share Options Reserve £	Capital Reserve £	Foreign Currency Translation Reserve £	Profit and Loss Account £	Attributable to Owners of the Group £	Non-controlling Interest £	Total Equity £
At 1 January 2014	158,561	21,953,617	26,841	2,925,520	(527,478)	(9,253,844)	15,283,217	(16,642)	15,266,575
Share options movement in reserve	–	–	(26,841)	–	–	26,841	–	–	–
FX consolidation differences	–	–	–	–	(441,855)	–	(441,855)	16,179	(425,676)
Acquisition of non-controlling interest	–	–	–	–	–	–	–	469,170	469,170
Loss for the year	–	–	–	–	–	(2,841,947)	(2,841,947)	(114,547)	(2,956,494)
Dividends paid	–	–	–	–	–	(221,986)	(221,986)	–	(221,986)
At 31 December 2014	158,561	21,953,617	–	2,925,520	(969,333)	(12,290,936)	11,777,429	354,160	12,131,589
Share options movement in reserve	–	–	110,746	–	–	(110,746)	–	–	–
FX consolidation differences	–	–	–	–	(48,515)	–	(48,515)	120,276	71,761
Acquisition of non-controlling interest	–	–	–	–	–	–	–	(55,005)	(55,005)
Loss for the year	–	–	–	–	–	(3,601,252)	(3,601,252)	(143,959)	(3,745,211)
At 31 December 2015	158,561	21,953,617	110,746	2,925,520	(1,017,848)	(16,002,934)	8,127,662	275,472	8,403,134

The notes on pages 25 to 42 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2015

	Audited year to 2015 £	Audited year to 2014 £
Reconciliation of loss before taxation to net cash flow from operating activities		
Loss for the year before taxation	(3,917,766)	(2,974,304)
Adjustments for:		
Depreciation and amortisation	1,336,429	1,513,315
Decrease/(Increase) in stock	387,027	(1,435,450)
Decrease in debtors	528,820	558,875
Increase in creditors	842,095	360,196
Foreign exchange differences	192,154	(137,545)
Impairment of fixed assets	–	74,690
Share based payments	110,746	–
Net cash flow from operating activities	(520,495)	(2,040,223)
Investing activities:		
Net increase in investments	(308,196)	–
Acquisition of tangible fixed assets	(3,723,465)	(806,333)
Acquisition of intangible fixed assets	(115,785)	(18,114)
Net cash outflow from acquisitions	–	(488,323)
Proceeds from disposals of fixed assets	3,029,360	857,831
Financing activities:		
Dividends paid	–	(221,986)
Proceeds from bank borrowings	1,088,578	–
Proceeds from investments by non-controlling interest	–	157,954
Decrease in cash balances	(550,003)	(2,559,194)
Analysis of cash and cash equivalents during the year:		
Balance at start of year	1,075,581	3,634,775
Decrease in cash and cash equivalents	(550,003)	(2,559,194)
Balance at end of year	525,578	1,075,581

The notes on pages 25 to 42 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED ACCOUNTS

1 Accounting policies

Reporting entity

Nature Group plc is a company domiciled in Jersey and was admitted to the Alternative Investment Market (AIM) in September 2001. As a result there is no one controlling party. The consolidated financial statements of the Group as at and for the year to 31 December 2015 comprise the Company and its subsidiaries (see note 8) and the Group's interests in associated companies.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB"), and in accordance with Jersey Law.

During the period, the Group adopted all new and revised IFRS and International Accounting Standards (IAS), which are relevant and applicable to its operations. Standards and amendments that have been published but are not effective as yet, the Group has chosen not to adopt early.

At the date of authorisation of the financial statements, some standards were in issue but not yet effective. The directors expect that the adoption of these standards in future periods will not have a material effect on the financial statements of the Group.

In accordance with Article 105(11) of the Companies (Jersey) Law 1991, the parent company is not required to present separate parent company only financial statements, as consolidated financial statements have been presented.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Nature Group plc and all its subsidiary undertakings (subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Income and expenses of the subsidiaries acquired or disposed during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The most significant judgements made relate to the following:

- The calculation of the share based payments expense – the expense has been calculated in line with the Black-Scholes model, which requires significant judgement to be exercised in calculating management's best estimate of the inputs that should be applied to the model on the grant date of each tranche of options, for example in relation to the expected life of each option, the expected dividend yield, and the volatility to be applied.

1 Accounting policies (continued)

Use of estimates and judgements (continued)

- The carrying values of several significant assets included within these financial statements have been determined by the directors at balance sheet date based on their assessment of the likely future scenarios around the Gibraltar licence.
- Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

  The carrying amount of the goodwill at 31 December 2015 was £907,562 (2014: £1,188,002).
- At the time of the incident 31 May 2011, the Group was covered under its liability insurance policy for claims up to £10,000,000. The Group's insurer has administered claims received from 3rd parties as a result of the incident and based on estimates applied to information received from the insurer, the Group has provided for £4,497,903 for those claims with a resultant £4,497,903 receivable arising from the expected recoveries from the insurer.

Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Pounds Sterling, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they occur.

For the purposes of preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Pounds Sterling using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Revenue

Revenue is derived from the provision of services and is recognised in the consolidated statement of comprehensive income in proportion to the stage of completion of the services at the reporting date on an accruals basis.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

1 **Accounting policies (continued)**

Construction contracts (continued)

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown within trade and other receivables. For contracts where progress billings exceed contract costs incurred to date, plus recognised profits less recognised losses, the surplus is shown as sundry creditors and accruals. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade and other receivables.

Plant, vessels and equipment

Items of plant, vessels and equipment are measured at cost less depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset in bringing it into use.

Depreciation is recognised in the consolidated statement of comprehensive income on a straight line basis on all plant and equipment to write off their cost less residual value over their estimated useful lives.

The rates in use on a straight line basis are:

Plant, machinery	over 5-20 years
Vessels	over 5-7 years
Office equipment	over 3-5 years
Motor vehicles	over 4 years

Goodwill

Goodwill arises on the acquisitions of subsidiaries. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree. Goodwill is measured at cost. An annual impairment review is undertaken and impairment losses are not reversed.

Development costs, patents and licences

Costs involved in technical assistance and knowledge to install new plants, together with the costs to obtain the related patents and licences are capitalised as intangible assets and amortised over their expected useful lives as follows:

Licences	4 years
Patents	20 years
Development costs	5-10 years

Investments in associates

An associate is an entity over which Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results of operations and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, investments in associates or joint venture are carried in the statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

1 Accounting policies (continued)

Tax

(i) Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted, or substantially enacted, by the balance sheet date.

(ii) Deferred tax

Deferred tax is recognised in full where the carrying value of assets and liabilities in the financial statements is different to the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated statement of comprehensive income, except where it relates to items charged or credited directly to reserves, when it is charged or credited there.

Stocks

Stocks are initially measured at cost. Subsequently, stocks are stated at the lower of cost and net realisable value. The costs of stocks are calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Capital reserve

The Capital reserve arose predominantly in 2004 following a restructure of the issued share capital. This reserve is distributable to shareholders.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits held by the Company with an original maturity of three months or less. The carrying value of these approximates their fair value.

Trade and other receivables

Trade receivables do not carry any interest and are stated at their fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade and other payables

Trade payables are not interest-bearing and are stated at their fair value.

1 Accounting policies (continued)

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 15.

Segmental information

Segmental information is provided in note 5 showing the amount of revenue from each geographical market.

2 Loss for the year

	2015 £	2014 £
Loss for the year is stated after recognising:		
Directors' emoluments	370,828	382,984
Employee costs	4,812,144	5,208,912
Depreciation of fixed assets	798,120	1,192,734
Amortisation of intangible assets	7,053	13,482
Loss on sale of fixed assets and impairments	96,874	74,690
Fixed asset write off	263,116	–
Auditor's remuneration	107,178	88,084
Foreign exchange (gains) and losses	(64,559)	54,104

Other services provided by the Group Auditors amount to £7,550 (2014: £10,050).

3 Revenue from construction contracts

During 2014, the Group completed its project to design, build and install a slops and sludge facility in the port of Duqm in Oman. The total value of the contract of US$4,200,000 was 100% invoiced in 2014. In accordance with IAS 11 Construction Contracts, having completed the project, the Group recognised £58,439 of income and expenses of £92,760 in 2014.

The Group has completed its contract from Interserve Defence Ltd, to design, build and install the waste treatment facility in 2015. In addition to the full contract value of £2,431,490 accounted for in 2014, additional income of £16,380 was recognised up to 31 December 2015 (2014: £2,423,428).

On the second major contract for the civil works relating to the Interserve Defence Ltd contract, the project was 100% complete at 31 December 2014, with £1,177,028 of total income recognised.

Having reached a settlement on the Sunborn contract with Her Majesty's Government of Gibraltar in May 2015 we were able to recover some of the extra costs incurred. Therefore, revenue for the year ended 31 December 2015 includes revenue from long-term contracts carried out for the Government of Gibraltar for the disposal of contaminated soils completed in 2014 of £273,800 (2014: £1,550,769) in relation to the Sunborn Project. The costs of sale recognised in relation to the Sunborn Project were nil in 2015 (2014: £1,507,384). The final loss as at 31 December 2015 on the contract is of £501,564, having initially recognised a loss of £775,364 in the year ended 31 December 2013.

4 Income tax

Current tax

Current tax is comprised of the following charges/(credits) for tax in the following subsidiaries:

	2015 £	2014 £
Nature Environmental Technologies Limited	(38,460)	(21,376)
Nature International Slop Disposal BV	(13,585)	35,918
Ecoscrub Solutions BV	1,768	7,464
Nature Oil & Gas AS	(105,124)	109,189
NPRF Portugal – Serviços Maritimas Ambientais S.A.	37,775	2,168
Nature Shipping Agency Limited	815	(457)
Nature Environmental and Marine Services Llc	(16,839)	–
Residuos Y Transportes Marpol SL	1,806	665
Total	(131,844)	133,571

The Company is an exempt company under the Income Tax (Jersey) Law 1961. Consequently it is liable to pay a flat £600 per annum which is included in administrative costs.

Deferred tax assets

Deferred tax assets have been recognised as a separate line item on the consolidated balance sheet under non-current assets.

	2015 £	2014 £
NPRF Portugal – Serviços Maritimas Ambientais S.A.	–	38,731
Nature Port Reception Facilities Limited	–	70,035
Nature Environmental and Marine Services Llc	4,222	–
	4,222	108,766

Deferred tax liabilities

Deferred tax liabilities have been recognised within trade and other payables (see note 11).

	2015 £	2014 £
Nature International Slop Disposal BV	339,116	383,160
Nature Oil and Gas AS	–	80,317
	339,116	463,477

5 Business and geographical segments

Business segments

For management purposes the Group is organised into two operating activities. These are the reception and treatment of maritime waste, both liquid and solid in onshore locations (maritime) and the provision of offshore treatment modules (oil and gas).

Geographical segments

The Group's maritime operations are based in Gibraltar, The Netherlands, Malta, Portugal, Spain, the USA and the UK/Jersey. The Group's oil and gas operations are based in Norway.

5 Business and geographical segments (continued)

	Revenue 2015 £	Revenue 2014 £	Profit before tax 2015 £	Profit before tax 2014 £
Gibraltar	25,505	37,670	16,080	(3,798)
The Netherlands	7,760,832	5,815,106	(129,880)	99,974
Norway – wholly owned and associates	4,358,387	3,653,738	(538,440)	45,776
Malta	–	–	(377,383)	(1,594,568)
Portugal	755,190	912,026	(264,473)	174,564
USA	2,559,724	1,468,603	(131,717)	(105,214)
Spain	–	6,297	(10,268)	(16,393)
UK/Jersey – Operational	814,172	2,432,253	(350,270)	544,056
– Group office (intra Group charges excluded)	–	–	(625,462)	(589,136)
Total	16,273,810	14,325,693	(2,411,813)	(1,444,739)

The following table provides an analysis of total assets and total liabilities, by geographical market:

	Total assets 2015 £	Total assets 2014 £	Total liabilities 2015 £	Total liabilities 2014 £
Gibraltar	10,964	9,523,028	(3,612)	(7,211,828)
Netherlands	9,525,581	7,148,514	(5,087,706)	(2,348,780)
Norway – wholly owned and associates	2,649,187	2,661,289	(956,107)	(681,562)
Malta	(2,819,544)	(2,501,260)	(4,500)	(56,728)
Portugal	436,402	714,885	(709,975)	(680,778)
USA	3,490,737	2,193,169	(282,530)	(180,317)
Spain	51,451	59,602	(1,326)	(12,202)
UK/Jersey – Operational	587,123	1,697,404	54,349	(250,743)
– Group office	735,239	3,389,807	(492,629)	(1,331,911)
	14,667,141	24,886,438	(7,484,035)	(12,754,849)
Assets and liabilities classified as held for sale (Gibraltar)	6,618,693	–	(5,398,664)	–
Total	21,285,834	24,886,438	(12,882,700)	(12,754,849)

6 Plant, vessels and equipment

	Total £	Vessels £	Plant & Machinery £	Office Equipment £	Motor Vehicles £
Cost					
As at 1 January 2014	16,913,168	7,778,268	8,819,754	179,228	135,918
Currency translation adjustment	(623,759)	(217,934)	(394,302)	(9,210)	(2,313)
Additions at cost	587,262	82,192	482,999	22,071	–
Disposals at cost	(2,020,919)	(857,134)	(1,129,062)	–	(34,723)
Acquisitions through business combinations	219,072	–	73,719	11,758	133,595
As at 1 January 2015	15,074,824	6,785,392	7,853,108	203,847	232,477
Currency translation adjustment	(526,790)	(189,735)	(335,327)	(8,317)	6,589
Additions at cost	3,723,465	2,567,157	822,963	33,398	299,947
Disposals at cost	(5,845,452)	(4,133,657)	(1,668,836)	(16,744)	(26,215)
Disposals of businesses	(292,090)	–	(292,090)	–	–
Reclassified as held for sale	(2,786,952)	–	(2,623,159)	(64,911)	(98,882)
As at 31 December 2015	9,347,005	5,029,157	3,756,659	147,273	413,916
Depreciation					
As at 1 January 2014	7,036,659	3,135,833	3,676,491	106,207	118,128
Currency translation adjustment	(270,258)	(84,617)	(178,620)	(5,858)	(1,163)
Disposals	(1,163,089)	(681,566)	(462,541)	–	(18,982)
Acquisitions through business combinations	74,690	74,690	–	–	–
Charge for the year	1,499,833	771,732	682,269	29,053	16,779
As at 1 January 2015	7,177,835	3,216,072	3,717,599	129,402	114,762
Currency translation adjustment	(248,470)	(80,666)	(162,953)	(5,036)	185
Disposals	(2,908,020)	(2,258,776)	(638,336)	(10,908)	–
Disposals of businesses	(200,162)	–	(200,162)	–	–
Charge for the year	1,006,281	361,126	603,760	30,260	11,135
Elimination on reclassification as held for sale	(1,403,669)	–	(1,239,876)	(64,911)	(98,882)
As at 31 December 2015	3,423,795	1,237,756	2,080,032	78,807	27,200
Net book value					
As at 31 December 2015	5,923,210	3,791,401	1,676,627	68,466	386,716
As at 31 December 2014	7,896,989	3,569,320	4,135,509	74,445	117,715

7 Goodwill and other intangible assets

	Total £	Development costs £	Goodwill £	Patents £	Licences £
Cost					
As at 1 January 2014	943,496	266,972	541,000	43,351	92,173
Currency translation adjustment	(38,986)	(33,540)		(5,446)	–
Additions at cost	20,499	20,499	–	–	–
Acquisitions through business combinations	864,907	–	864,907	–	–
As at 1 January 2015	1,789,916	253,931	1,405,907	37,905	92,173
Currency translation adjustment	9,451	(28,891)	42,655	(4,313)	–
Additions at cost	119,684	3,744	–	–	115,940
Disposals at cost	(3,899)	(3,899)	–	–	–
As at 31 December 2015	1,915,152	224,885	1,448,562	33,592	208,113
Amortisation					
As at 1 January 2014	590,406	253,109	217,905	27,219	92,173
Currency translation adjustment	(36,601)	(32,965)	–	(3,636)	–
Charge for the year	13,482	11,370	–	2,112	–
As at 1 January 2015	567,287	231,514	217,905	25,695	92,173
Currency translation adjustment	(29,659)	(26,636)		(3,023)	
Charge for the year	330,148	5,274	323,095	1,779	–
As at 31 December 2015	867,776	210,152	541,000	24,451	92,173
Net book value					
As at 31 December 2015	1,047,376	14,733	907,562	9,141	115,940
As at 31 December 2014	1,222,629	22,417	1,188,002	12,210	–

8 Subsidiary undertakings and associated companies

The Company held, through wholly owned subsidiaries or directly, 100% of the issued share capital of the following principal trading subsidiaries (unless otherwise stated) all of which operate in the waste treatment or maritime services sectors and have been consolidated in the Group's financial statements:

Name	*Country of incorporation*
Nature Environmental Technologies Limited	UK
Nature Environmental Solutions Limited	Jersey
Nature International Slop Disposal BV	Netherlands
Ecoscrub Solutions BV[1]	Netherlands
Nature Oil & Gas AS	Norway
Nature Port Reception Facilities (Gibraltar) Limited	Gibraltar
Nature Shipping Agency Limited[7]	Gibraltar
Nature Port Reception Facilities (Malta) Limited	Malta
Nature Group Trading Limited	Jersey
Nature Oil & Gas Holdings Limited[2]	Jersey
Nature Port Reception Facilities Holdings Limited[2]	Jersey
Crystalwater Navigation Limited	Malta
NPRF Portugal – Serviços Marítimas Ambientais S.A.[3]	Portugal
NG Lender Llc.	USA
Nature Environmental & Marine Services Llc.[4]	USA
Residuos Y Transportes Marpol S.A	Spain
Nature Oil & Gas UK Limited[5]	UK
Nature Group Holding BV[6]	Netherlands
Nature Group BV[6]	Netherlands

[1] Ecoscrub Solutions BV was sold on 1 July 2015.
[2] Did not trade during the year.
[3] NPRF Portugal – Serviços Marítimas Ambientais S.A. (55% stake owned).
[4] Nature Environmental & Marine Services Llc,.during the year the Group increased its stake by 10% from 65% to 75%.
[5] Nature Oil & Gas UK Limited. was incorporated on 22 September 2015.
[6] Both Nature Group Holding BV and Nature Group BV were incorporated on 1 April 2016.
[7] Nature Shipping Agency Limited was sold on 4 March 2016.

On 1 July 2015, Nature Group plc, sold its 100% stake in Ecoscrub Solutions B.V. for a consideration of £177,305 to Port Invest B.V., realising a gain on sale of £136,299.

Associated companies

At 31 December 2015 and 2014, Nature Group Plc held 50% (£250) shareholding in Nature Oil and Gas Aberdeen Limited. On 16 September 2015, the Group purchased 50% of the voting rights in Oman Maritime Waste Treatment Facilities SAOC, a company incorporated in Oman at a cost of £308,196. There were no post-acquisition profit or losses for the year ended 31 December 2015.

9 Non-controlling Interest

On 1 August 2012, Nature Group plc, through its subsidiary, Nature Port Reception Facilities Holdings Limited ("NPRF Holdings"), signed an agreement with the Portuguese company Ecosourcing Gestão Ambiental Energética Lda ("Ecosourcing") and established Nature Port Reception Facilities Portugal ("NPRF Portugal") – Servicos Maritimos Ambientais S.A. The entity is 55% owned by NPRF Holdings and 45% by Ecosourcing.

On 31 March 2014, Nature Group plc, through its subsidiary, NG Lender, LLC ("NG Lender"), the sole member of Nature Environmental & Marine Services, LLC ("NEMS"), signed an agreement with a Texas limited liability company Global Energy Recovery Systems, LLC ("GERS") and transferred 35% of the shares to GERS as part of the agreement between both parties. As part of this agreement assets were transferred into NEMS which establishes a port reception facility in Houston/Corpus Christi area of the Gulf Coast. This acquisition 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. The transaction led to the recognition of goodwill which represents the customer base and market experience acquired.

The fair value of the total consideration transferred was £1,076,277. The assets acquired were furniture, equipment and vehicles at a fair value of £211,370, resulting in goodwill of £864,907.

9 Non-controlling Interest (continued)

On 15 October 2015 Nature Group plc, through its subsidiary, NG Lender, acquired a further 10% stake in NEMS by converting $170,000 of loans into shares in accordance with the Operating Agreement of 31 March 2014.

Shown below are the amounts constituting Ecosourcing's non-controlling interest in NPRF Portugal and Global Energy Recovery Systems Llc. non-controlling interest in Nature Environmental and Marine Services Llc.

	2015 £	2014 £
Investment in NPRF Portugal	(270)	86,642
Share of loss for the year	(136,012)	(77,809)
Share of translation adjustment for the year	13,174	6,515
	(123,108)	15,348

	2015 £	2014 £
Investment in NEMS	408,491	376,584
Share of loss for the year	(7,947)	(36,738)
Share of translation adjustment for the year	(1,964)	(1,034)
	398,580	338,812
Total non-controlling interest	275,472	354,160

10 Trade and other receivables

	2015 £	2014 £
Trade receivables	3,217,271	4,905,444
Other receivables and prepayments	2,499,467	1,684,618
Accrued income	–	71,614
	5,716,738	6,661,676

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

11 Trade and other payables

	2015 £	2014 £
Trade payables	2,148,779	2,472,959
Other payables and accruals	2,252,524	1,239,586
Deferred tax liabilities	339,116	463,477
	4,740,419	4,176,022

All current liabilities fall due in less than one year. The directors consider that the carrying amount of trade payables approximates to their fair value.

12 Bank loans and overdraft

	2015 £	2014 £
Bank overdraft	356,400	161,490
Finance facility Lombard	422,589	1,250,000
	778,989	1,411,490

The Company entered into a finance agreement with Lombard Manx Leasing Ltd (Gibraltar) in 2013 for a £1,250,000 facility, currently unsecured and on a monthly repayment schedule ending 30 June 2016.

13 Non-current liabilities

	2015 £	2014 £
Term loan ING Bank	1,964,628	930,422

ING Bank N.V. loans are due for repayment within 15 years by and during 2030. The interest rate applicable is 3 months Euribor plus 2%.

14 Called-up share capital

	2015 £	2014 £
Authorised:		
750,000,000 (2014: 750,000,000) Ordinary shares of 0.2p each	1,500,000	1,500,000
Issued, called-up and fully paid:	£	£
Ordinary shares 79,280,655 (2014: 79,280,655) Ordinary shares of 0.2p each	158,561	158,561

Below is a reconciliation of the share capital issued at 31 December 2015:

	2015 Shares	2015 Share capital £	2015 Share premium £	2014 Shares	2014 Share capital £	2014 Share premium £
At beginning of year	79,280,655	158,561	21,953,617	79,280,655	158,561	21,953,617
Exercise of options	–	–	–	–	–	–
At end of year	79,280,655	158,561	21,953,617	79,280,655	158,561	21,953,617

15 Share-based payments

Employee share option plan

The Group has a new share option plan established on 24 February 2015 for certain employees and directors, under which individuals are granted options to subscribe for shares at a strike price based on the closing mid-market share price on 31 July 2014. The options vest one year from the date of grant and will be exercisable for a period of four years from the date on which they first vest. Each share option becomes one ordinary share of Nature Group plc on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor vesting rights. Options may be exercised at any time from the date of vesting to the date of their expiry or the date of cessation of employment whichever is the sooner.

The following recompiles the outstanding share options granted under the old employees share option plan at the beginning and end of the financial year.

	Number of options		*Weighted average exercise price*	
	2015	*2014*	*2015*	*2014*
Balance at beginning of the financial year	–	120,000	–	68p
Expired during the financial year	–	(120,000)	–	68p
Balance at end of the financial year	–	–	–	–

The following recompiles the new outstanding share options granted under the new employees share option plan at the beginning and end of the financial year.

	Number of options 2015	*Weighted average price 2015*
Balance at beginning of the financial year	–	31p
Granted during the financial year	2,165,000	31p
Balance at end of the financial year	2,165,000	31p

16 Earnings per share

	2015	*2014*
Basic Earnings per Share		
Loss for the year attributable to shareholders	(3,711,999)	(2,841,947)
Weighted average number of equity shares in issue	79,280,655	79,280,655
Basic earnings per share (pence)	(2.876)	(1.991)
Diluted Earnings per Share		
Loss for the year attributable to shareholders	(3,711,999)	(2,841,947)
Diluted average number of equity shares in issue	81,133,474	79,295,589
Diluted earnings per share (pence)	(2.810)	(1.990)

17 Analysis of loss for the year from discontinued operations

As announced on 2 December 2015, the Group signed a letter of intent to sell Nature Port Reception Facilities Limited, which carried out some of the Group's operations in Gibraltar. The disposal is consistent with the Group's long-term policy to focus its activities on more profitable areas of the Group. The proceeds from the sale are expected to exceed the carrying amount of the related net assets and, accordingly, no impairment losses were recognised on the reclassification of these operations as held for sale nor at the end of the reporting period.

The results of the discontinued operations of Nature Port Reception Facilities Limited included in the loss for the year are set out below. The comparative profit and cash flows from the discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2015 £	*2014* £
Loss for the year from discontinued operations		
Revenue	2,055,007	3,368,188
Cost of sales	(1,233,753)	(2,384,328)
Gross profit	821,254	983,860
Administrative expenses	(1,759,587)	(1,608,181)
Operating Loss	(938,333)	(624,321)
Other expenses	(567,620)	(905,244)
Loss on ordinary activities before taxation	(1,505,953)	(1,529,565)
Tax on loss on ordinary activities	(70,035)	151,381
Loss on re-measurement to fair value less costs to sell	–	–
Attributable income tax expense	–	–
Loss for the year and total comprehensive income for the year from discontinued operations (attributable to owners of the Company)	(1,575,988)	(1,378,184)

	2015 £	*2014* £
Cash flows from discontinued operations		
Net cash inflows/(outflows) from operating activities	262,175	(13,976)
Net cash inflows/(outflows) from investing activities	(179,112)	(81,858)
Net cash inflows/(outflows) from financing activities	–	–
Net cash inflows/(outflows)	83,063	(95,834)

Nature Port Reception Facilities Limited has been classified and accounted for at 31 December 2015 as a disposal group held for sale (see note 18).

18 Assets classified as held for sale

	2015 £	2014 £
Assets held for sale related to sale of NPRF	6,618,693	–
Liabilities associated with assets held for sale	(5,398,664)	–

As described in note 17, the Group plans to dispose of Nature Port Reception Facilities Limited and anticipates that the disposal will be completed in the next 12 months. The Group is currently in negotiation with potential purchasers and the directors of the Company expect that the fair value less costs of the business will be higher than the aggregate carrying amount of the related assets and liabilities. Therefore, no impairment loss was recognised on reclassification of the assets and liabilities as held for sale nor as at 31 December 2015. The major classes of assets and liabilities of Nature Port Reception Facilities Limited as at the year end are as follows.

	2015 £
Tangible assets	1,383,283
Insurance recoveries on 3rd party claims	4,497,903
Trade and other receivables	490,298
Cash at bank and in hand	247,209
Assets of Nature Port Reception Facilities Limited classified as held for sale	6,618,693
Trade creditors	(324,769)
Other creditors including taxation and social security	(575,992)
Provision for third party claims	(4,497,903)
Liabilites associated with assets held for sale	(5,398,664)
Net assets of Nature Port Reception Facilities classified as held for sale	1,220,029

19 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the year end as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2015 £	2014 £
Cash and bank balances	278,369	1,075,581
Bank overdrafts	(778,989)	(1,411,490)
	(500,620)	(335,909)
Cash and bank balances included in a disposal group held for sale	247,209	164,146
	(253,411)	(171,763)

20 Operating lease commitments

Operating leases

The Group had the following non-cancellable annual operating lease commitments on leases which expired within the following periods after the year-end:

	2015 £	*2014* £
Not longer than 1 year	50,847	61,047

21 Related party transactions

All related party transactions including transactions with directors are disclosed within the directors' report or the notes to these financial statements, with the exception of the following:

During the year ended and as at 31 December 2015, Nature International Slop Disposal BV had the following related party transactions where A Drenthen is a shareholder of Port Invest B.V. and its subsidiaries, Burando Rental Services B.V., Ship Invest B.V., Fender Care Benelux B.V. and Ship Spares Logistics B.V.):

Name of Entity	*Net Sales* £	*Costs of Sale* £	*Debtors* £	*Creditors* £
Allport Industrial and Maritime Supplies B.V.	–	1,408	–	540
Burando Rental Services B.V.	–	33,877	–	1,977
Fender Care Benelux B.V.	–	635	–	–
FTS/Hofftrans B.V.	–	102,303	–	5,272
Ship Invest B.V.	–	188,771	–	–
Ship Spares Logistics B.V.	3,944	20	–	1,737
Service Terminal Rotterdam v.o.f.	1,683	35,046	500	3,645

22 Financial instruments and risk management

The Group's financial instruments comprise borrowings, cash on deposit and in current accounts, and other items such as trade and other receivables and trade and other payables that arise directly from operations. Their main purpose is to finance the Group's trading activities. The Group's policy is to ensure that adequate cash is available for this purpose. It does not trade in financial instruments and has not entered into any derivative transactions.

The fair value of the Group's financial assets and liabilities are not considered to be materially different from their book values.

22 Financial instruments and risk management (continued)

Interest rate risk

Materially all the Group's borrowings of £2.7m as at 31 December 2015 (2014: £2.3m) are at variable rates over their respective currency bank base rates; consequently, an adverse movement of 1% per annum would create an additional charge to profits of some £27,000 per annum. 'Free' cash from continuing operations of approximately negative £2.21m (2014: £1.43m) is mostly held in current accounts, at rates of up to 0.5% p.a. Thus, at the year end, and at the date of this report an upward movement in interest rates would be marginally detrimental to the Group due to the amount of loans over cash balances, although this could change in the future when the Group's activities in Houston and elsewhere continue to expand. It is anticipated that fixed installations such as treatment plants and storage tanks will be financed by longer term borrowings as well as operational cash flow.

Liquidity risk

The directors monitor the Group's cash flow and bank balances on a continuous basis to ensure there is sufficient liquidity to meet anticipated needs. Additionally, the directors aim to enter into working capital agreements on a local entity level to support short term cash requirements. Liquidity is not considered to be a material risk for the foreseeable future.

Credit risk

The Group's on-going trading policy is to deal only with recognised creditworthy third parties and its historical bad debt experience has been minimal. Of the trade and other receivables of £6.1m at 31 December 2015, there isn't a single receivable which represented more than 10% of Group receivables.

Commodity risk

Nature Group is exposed to the oil price movement in several ways. Firstly, it has a direct impact in the Oil & Gas Division, given that a low price of oil will result in price pressure on our services and the number of projects we are contracted for, due to drilling operations being suspended. However, at the same time, the capability of our units to reduce costs of offshore waste management becomes more relevant to our customers.

Secondly, the price of oil is an important driver in the Maritime Division in relation to the cost of removal and the discharge of waste oil (sludge and bilge water) in both Rotterdam and Houston. However, the impact is not one-directional, whilst a lower price of oil will have a negative effect when it comes to the resale value of recovered waste oil, it is partly offset by lower fuel costs for our trucks and vessels engaged in the waste oil collection.

Foreign currency risk

The Group has significant transactional currency exposures in Euros, US Dollars and Norwegian Kroner on an on-going basis. A significant element of the transactional exposure in Euros and Norwegian Kroner is naturally hedged due to both costs and sales being made in the same currencies. Steps are taken where possible to minimise the effect of foreign currency fluctuations both as a result of transactions with 3rd parties and on intragroup balances.

22 Financial instruments and risk management (continued)

Foreign currency sensitivity

The following table sets out the foreign currency risk relating to balances denominated in Euros ("EUR"), Norwegian Kroner ("NOK") and US dollars ("USD") where those currencies are the functional currencies of the operating units, and translated into sterling at the year-end exchange rate.

	Currency value giving rise to risk					
	EUR 2015 £'000	*NOK 2015 £'000*	*USD 2015 £'000*	*EUR 2014 £'000*	*NOK 2014 £'000*	*USD 2014 £'000*
Year end exchange rate with GBP used	1.3570	13.0328	1.4802	1.2777	11.5500	1.5532
Stocks and work in progress	221	868	97	296	964	65
Trade and other receivables	3,584	1,161	581	2,571	1,154	507
Trade and other payables	(3,196)	(956)	(283)	(1,884)	(601)	(181)
Cash and short term deposits	50	36	97	201	279	118
Loans payable within one year	(356)	–	–	(161)	–	–
Long term loans payable	(1,965)	–	–	(930)	–	–
Total	(1,662)	1,109	492	93	1,796	509

A 10% increase or decrease in the year end exchange rate would have had the following net impact:

10% Increase, in £'000	151	(101)	(45)	(8)	(163)	(46)
10% Decrease, in £'000	(185)	123	55	10	199	57

23 Other expenses

Gibraltar plant write-off and asset disposal

During our fixed asset review process of Nature Port Reception Facilities Limited, especially of our tank storage plant at Gibraltar, we identified further parts of the remaining structure, which following the fire in 2011, could not be reused. We consequently decided to write off a further £0.3m of assets.

24 Events after the balance sheet date

Sale of Nature Shipping Agency Limited

On 4 March 2016, the Group sold Nature Shipping Agency Limited, a company incorporated in Gibraltar. The shares were sold for a nominal consideration of £1. In the year ended 31 December 2015, Nature Shipping Agency Limited generated profits after tax of £15,265.

NOTICE OF AN ANNUAL GENERAL MEETING
To the Members of Nature Group plc

NOTICE IS HEREBY GIVEN that the Annual General Meeting of this Company will be held at Ordnance House, 31 Pier Road, St. Helier, Jersey JE4 8PW, at 13.30 on Wednesday, 29 June 2016, to conduct the following business:

The following resolutions will be considered and, if deemed fit, passed with or without modification:

ORDINARY RESOLUTIONS

Ordinary Resolution 1: To receive and consider the report of the directors and the financial statements of the Company for the period to 31 December 2015, with the auditors report thereon.

Ordinary Resolution 2: To appoint Mazars Paardekooper Hoffman N.V. as auditors.

Ordinary Resolution 3: To authorise the directors to fix the remuneration of the auditors.

Such other business will be transacted as may be necessary at an annual general meeting of the Company.

BY ORDER OF THE BOARD

J Shalders
Ordnance House
31 Pier Road
St. Helier
Jersey, Channel Islands
JE4 8PW

Dated: 1 June 2016

A Member entitled to attend and vote at this Meeting is entitled to appoint a Proxy to attend and vote on his behalf, and Proxy so appointed need not also be a Member of the Company.

Notes:

1. Holders of ordinary shares are entitled to attend and vote at the meeting. Any member may appoint another person (whether a member of the Company or not) as his proxy to attend and, on a poll, vote in his stead. A form of proxy is enclosed for use by holders of Ordinary shares. Proxies must be lodged at the office of the Company’s registrar, Computershare Services (Channel Islands) Limited, Queensway House, Hilgrove Street, St. Helier, Jersey JE4 9XY, Channel Islands before the time of the meeting.
2. These reports and financial statements will be tabled at the Annual General Meeting. Copies will be available at and can be obtained on written request to the Registrars, Queensway House, Hilgrove Street, St. Helier, Jersey JE4 9XY, Channel Islands.

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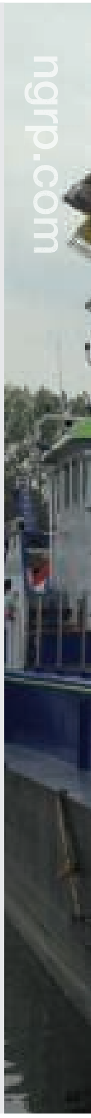
Our Vision.

The health and cleanliness of our oceans is of paramount importance. Seawaters cover more than 70% of our earth's surface and represent 97% of our planet's water. For centuries, our oceans have been polluted by many types of waste, we recognise the severity of this problem and are committed to delivering first-class services in support of marine environmental protection and regeneration.

Nature contributes to cleaner seas by collecting and treating wastewater, and returning over 90% of the treated water to the sea in accordance with strict environmental regulations. Recovered oil, meanwhile, is recycled for use in a range of industries.

Clean Seas
are possible by Nature

Clean seas. Your choice. Our mission.



nature group

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