Nature Group PLC

Report and accounts

for the year ended 31 December 2016

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

Nature Group PLC

Report and accounts

For the year ended 31 December 2016

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 Group, 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

Contents

Directors, secretary and advisers

Directors
B van Straten (Non-executive Director and Chairman)
J Vesseur (Chief Executive Officer)
M Smits (Chief Financial Officer)
A Drenthen (Non-Executive Director)
W McCall (Non-executive Director, until 8 December 2016)

Corporate Secretary
E van der Meulen

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

Registrars
Computershare Investor Services Jersey Ltd
Queensway House
Hilgrove Street
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Jersey JE4 9XY

Nominated adviser & broker
Cenkos Securities PLC London
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United Kingdom

Auditor
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Londen E1W 1DD
United Kingdom

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

The core of our strategy remains to build on our Maritime strength in the Rotterdam and Texas areas and on growing our Oil and Gas business. Under the current difficult market circumstances in both the Maritime and the Oil and Gas division, focussing on our existing operations is the best way to get the Company to return to profitability.

2016 Financial Performance from Continuing Operations*

2016 has been another year of challenges and setbacks. Despite quite severe cost cutting and efforts to re-shape and simplify our organization, our results have been disappointing:

- Revenues decreased by 26% to £11.99m (2015: £16.27m)
- Underlying EBITDA (excluding incidentals) decreased to -£0.48m loss (2015: -£0.33m)
- Underlying operating loss widened to -£1.62m (2015: -£1.13m)
- Underlying loss before tax widened to -£1.66m (2015: -£1.21m)
- Underlying earnings per share ("EPS") of -2.83p (2015: -3.17p)
- Year-end cash balances of £0.38m (2015: £0.28m)

2016 Operational Performance

Maritime – Port Reception Facilities

- In Rotterdam, where we have our largest operations, we continued to perform as expected but did not see any large one-off projects as in previous years.
- In Texas, in our second full year of operations, revenue was slightly higher than in 2015. We are pleased that we could compensate a strong decline in business from offshore customers with more traditional maritime customers and see growth potential in additional services such including tank cleaning and barging, and a further positive effect when the offshore market picks up again.
- The Gibraltar entity was not sold until the beginning of 2017. As a result we continued to incur cost during 2016.
- Our Portugal operations incurred losses in 2016. Consequently the decision was taken to close down our operations in Portugal and exit the joint venture by July 2017.

Oil and Gas

- We had successful operations in Canada, Norway, Brazil and Tanzania in 2016.
- Overall, business came under further pressure after the projects in Canada and Tanzania terminated in the 2nd half of the year and anticipated new projects were postponed to 2017.
- In late December, we signed an important contract for the UK shelf with an expected mobilisation early Q1 2017. Although an important contract win that is generating healthy revenues and margins from March 2017 onwards, we were unable to replace operations during 2016 and as a consequence incurred heavy losses in the Oil and Gas division.

Engineering

- We closed our Engineering office in Cornwall but are continuing to deliver, on customer requests, specific engineering consultancy projects.
- We have, on a consultancy basis, designed and delivered a Modular Emulsion Breaking System as part of our "Waste Treatment at Source" concept.

Corporate restructuring

The project of closing down and selling our operations in Gibraltar has been an extremely slow process and kept us occupied during 2016. It has certainly prevented us from moving faster in other areas and – as a result – has cost us substantially more than we had anticipated.

Additionally, the impact of the low oil price was felt strongly in our Oil and Gas division and in our Portuguese joint venture.

We have further restructured our Norwegian organisation by cutting 40% of staff to cope with the downturn in the industry in general and in Norway specifically.

All of the above has resulted in a group overhead reduction of 40%, however the full impact of these cost reductions will only be visible in 2017. Management will consider further cost cutting if necessary.

First quarter 2017

The 1st quarter of 2017 remained challenging. The start of the new Oil and Gas operations in the UK sector of the North Sea were postponed to March 2017. Furthermore, Rotterdam volumes were lower than expected and our tank cleaning activities in Texas have only recently commenced.

Outlook

Our focus for the Maritime division has not changed. We want to deliver the best port reception service available to our customers in the ARA region (Amsterdam/Rotterdam/Antwerp) and Texas and will continue to look for growth in those regions through new product offerings, such as tank cleaning (which we started to offer in April 2017 in Texas), the collection of fixed waste (Marpol Annex V in Rotterdam) and servicing inland vessels in Rotterdam, having successfully won the tender for the next three years.

In the Oil and Gas division our focus is on "Waste Treatment at Source" with our best in class technology. With the new contracts in the UK, and our continuing presence in Brazil and Norway, we have proof that in this niche space, we deliver the best service and are capable of treating the widest ranges of offshore liquid waste. At the same time, we will also focus on geographical expansion (Arabian Gulf, US Gulf). Even though the Oil and Gas environment remains difficult, we are optimistic that by the end of the year we will generate a profit in this division.

Despite all the above, we may see the need to further reduce overhead costs dependant on our performance in the year.

With a successful execution of these activities, combined with a further downsized organisation, we believe we will deliver an improved bottom line compared to 2016.

Berend van Straten
Chairman of the Board

31 May 2017

* Continuing Operations:

Excludes revenue and cost from discontinued operations in Gibraltar as (1) Nature Port Reception Facilities Limited ("NPRF"), which previously operated the Group's reception, treatment and storage facility for maritime waste in Gibraltar, was sold January 16th 2017, (2) excludes revenue and cost from discontinued operations of Nature Port Reception Facilities Portugal ("NPRFP") as Nature Group PLC is currently negotiating exiting the joint venture, (3) excludes revenue and cost from discontinued operations in Nature Shipping Agency Limited ("NSA") in Gibraltar (as the entity was sold on 4 March 2016), (4) excludes revenue and cost from discontinued operations at Nature Environmental Technologies Limited ("NETL") in UK for the first nine months of 2016 when Corporate Center activities ceased and all staff was made redundant but includes the last 3 months of 2016 as the entity was revived and is now used for specific engineering services for our Joint Venture in Sohar, (5) excludes revenue and cost from discontinued operations at Residuos Y Transportes MARPOL, S.L.U. ("RYTM") as the entity is being liquidated and excludes revenue and cost from Nature Group Trading Limited ("NGTL") in Jersey as this entity was dissolved July 12th 2016. Underlying results exclude non-trading incidental items.

Executive directors' statement

2016 has been a very difficult year for Nature Group due to several factors such as the prolonged process to sell our Gibraltar operations and the collapse of the oil price early 2016. Firstly the sale of our Gibraltar operations took the full year, while we had anticipated a much swifter closure. It took considerable time and effort by management to achieve the sale and the impact of such a distraction, as well as the continued organisation costs due to the delay, adversely effected the Company's ability to progress as the Directors would otherwise have anticipated in 2016. The completion of the sale and corresponding cash injection were a welcome start to 2017.

In addition, the oil price collapse in January 2016 and the slow recovery in the second half of the year, has also had a significant effect on our businesses. Strongly reduced offshore drilling operations and delays in new drilling plans materially affected our Oil and Gas business, even though our customers were increasingly satisfied with our services.

Also in the port reception businesses the impact of the low oil price was felt as the oil price has a significant impact in the potential value of waste oil. In Texas many offshore customers simply stopped doing business and we worked hard to replace these with customers from the maritime industry.

However, during this turbulent period we have accomplished several key milestones:

- Made the transition in Texas from offshore customers to maritime customers.
- Won 2 new contracts for Oil and Gas, starting operations at the end of the 1st quarter of 2017
- Reduced Group overhead costs by 40% (from 2015 to 2017).
- Closed Gibraltar and Cornwall offices and reduced Headcount in the Stavanger office.
- Designed and commissioned a containerized emulsion breaking system, part of our "Waste Treatment at Source" philosophy.

Overview of Financial Performance 2016

As required by IFRS 5 "Non-current assets held for sale and discontinued operations", all asset and liabilities, revenue and cost relating to discontinued operations have been disclosed under "Assets and Liabilities held for Sale" and "Results from discontinued operations". See Chairman's statement for details on continuing operations.

The Group generated sales from continuing operations of £11.99m with a related Loss Before Tax ("LBT") of £2.53m. This loss includes £1.02m of both trading and non-trading incidentals related to the restructuring of the Group.

Furthermore, after deducting losses from start-up cost incurred in relation to our Oil and Gas division in the UK and maritime new business development in Rotterdam and Texas, the pro-forma normalised LBT is £0.99m. We believe this more accurately represents the financial performance in 2016 of the activities of the Group that will continue.

Overview of Financial Performance 2016 - Discontinued Operations

Included in the LBT from discontinued operations of £1.1m is the operational loss in Gibraltar, as the process to sell the entity took the whole year, offset by the gain on the sale of the entity. Also included is the operational loss of £0.3m in the joint venture that operates the port reception facility in Portugal and the loss on writing off the investment in Portugal of £0.6m. The other material item is the cost of closing the engineering and corporate functions entity in Cornwall for £0.2m.

Discontinued Operations	Total cost
NPRF Gibraltar operational and result on sale	(56)
NPRF Portugal	938
Other	7
Engineering/Corporate office UK	152
NSA, sold March 2016	4
RYTM, in liquidation	15
NGTL, dissolved July 2016	3
Total	1,063

Overview of Divisional Performance 2016 - Continuing Operations

Maritime

Overall, the Maritime division generated sales from continuing operations of £9.74m (2015 £11.03m) and PBT of £0.21m (2015 PBT £0.36m). Adjusting for incidental items of £0.28m the PBT becomes £0.5m.

Rotterdam continues to be the largest Port Reception Operation of the Group, however revenue declined year on year. This is mainly caused by the lack of special projects. Our base business performed in line with previous years. During the year we have incurred cost in adding MARPOL Annex V to the service portfolio but the revenue stream from this activity was modest but has finally picked up in May 2017.

We continue to look for more and different services and as such, we are preparing ourselves on future waste issues such as ballast-water and degassing.

It is important to note that the effect of the oil price on the waste oil market, and the specific regulations concerning waste oil, make this a difficult market to predict. Prices fluctuate with market prices of oil in some way but especially volumes change dramatically over short periods of time. We are working diligently to make sure our services offered in Rotterdam can withstand those rapid market changes.

In Texas we have grown our existing services revenues marginally, but underneath there has been a big shift in our business. The business generated from offshore customers significantly declined in the first half of 2016 but we have managed successfully to replace these customers with Maritime customers. On top of that, we have added a barge service in our Houston operations, offering the ability to offload larger waste streams in one trip. After the reporting period, we have added a barge cleaning facility to our service operations in Texas.

We remain positive about the potential of the Texas area for Nature Group. We clearly see the benefits of offering superior services to our global customers. Long term, we believe our Texas business has the potential to contribute as significantly as the Rotterdam business.

In 2016 we have struggled with our Portuguese business. Due to the collapse in the oil price in the first quarter and the consequences this has had for the waste oil market in Europe, our business in Lisbon had a very disappointing first 6 months of the year. We were able to bring it close to breakeven for the last 6 months but overall it has become clear that this is not a sustainable business model for Nature Group. We have decided to limit our exposure in Portugal but at the same time need to assure we have an overall solid strategy to manage rapid oil price changes.

Oil and Gas
Overall, the Oil and Gas division generated sales from continuing operations of £2.25m (2015 £4.99m) and LBT of £1.08m. Adjusting for incidental items of £0.31m the LBT becomes £0.8m.

In 2016 we have for the first time encountered a substantial decline in revenue as a result of the global decline in offshore drilling operations. During the last 6 months of 2016, the order book has been weak. Our customers in Canada and Tanzania have ceased their operations. At the same time, the discussions with customers for new projects has never been more active and, as has been announced in December 2016, this resulted in 2 crucial contracts for our service in the UK. These 2 projects are now running well. In addition our projects in Brazil were extended for another 2 years. We are working on a range of tenders for the second half of 2017 and 2018. The number of tenders outstanding has increased compared to 2016 as a result of increased planned drilling and P&A activities.

Our main USPs for this product line are simple: at comparable costs to alternatives, Nature Group can deliver the biggest percentage of waste cleaned at source and thus reduce both environmental footprint (reduction of CO2 due to transport to shore) and safety risks (less transport means less handling and less supply vessels waiting at sea). In 2016 we have treated 20k m^3 of waste and reduced this by 96% by taking out water with an average PPM of less than 5 PPM, doing so at 7 different locations with zero lost-time incidents.

It has become increasingly clear during the tender process that our complete service, comprising of the units Compact Treatment Unit ("CTU") and Sludge Treatment Unit ("STU"), our operators and our green chemicals deliver a superior performance compared to other options available in the market. Therefore we are confident that we will gradually, during the coming months, be awarded more projects as a result of successful tender processes.
The process we started in 2016 by targeting the IOC's we believe has been successful in Europe. The next step will be to widen our geographical reach to the Arabian Gulf and US Gulf first, later including Australia and Asia as our target markets.

Engineering
In 2016 we have downsized our in-house engineering on the maritime side by closing our office in Cornwall. However, due to the project in Sohar and some additional consultancy work for customers in the Mediterranean, we still have solid knowhow in the organisation or close around us. Additionally, we have our team in Stavanger which consistently works on our technology and how we can further improve it. For the future, we see engineering skills as core to Nature Group, both for Oil and Gas as well as for our facilities in Texas.

Group overhead
We have taken several actions in our organisation to reduce cost levels. The reduction in overheads of £500k compared to 2015 did help to reduce the losses and further actions taken will reduce a further £250k in 2017, bringing the overall reduction in overhead costs over the last 2 years to £750k or 44%.

Detailed analysis of Pro forma result 2016 – continuing operations

As stated above, the Group generated sales from continuing operations of £11.99m and a related LBT of £2.53m, which includes the following non-trading incidental items.

Non-trading One-offs	Total cost
NISD	158
NEMS	125
Oil and Gas	312
Nature Group	284
Total	879
LBT excluding non-trading incidentals	(1,660)

Incidental cost incurred in our Rotterdam entity Nature International Slop Disposal BV ("NISD") includes legal fees of £0.09m for the case concerning the waste treated from an Angolan FPSO (here NISD was acquitted on all points but the public prosecutor appealed) and providing for £0.07m for a disputed trade receivable.
Incidental cost incurred in our Texas entity Nature Environmental & Marine Service LLC ("NEMS") includes accelerated depreciation and losses on disposal of fixed assets.

Oil and Gas division incidentals relate to redundancy cost and related legal fees.
Incidental cost incurred in Nature Group PLC include full write-off of the capitalized Group accounting system for £0.12m and legal fees incurred in the sale of NPRF Gibraltar for £0.09m.

After deducting non-trading incidental items of £0.88m the Group incurred a trading LBT of £1.66m. Included in this loss are the following trading incidental items, partly offset by a recovery of pre-2016 development cost from the Sohar joint venture previously written off.

Trading One-offs	Total cost
Group	139
Total	139
Total One-offs Trading and Non-Trading	1,017
Clean PBT	(1,521)

After deducting the trading incidental items the Group generated a "clean" LBT of £1.5m.

When we exclude cost incurred for new business development for tank cleaning and barging operations in Texas, collection of MARPOL Annex V waste in Rotterdam and setting up the Oil and Gas business in the UK, we get to a pro-forma LBT for our continuing business of £0.99m.

Cost incurred in business development	Total cost
Oil and Gas UK New Business Development	283
Maritime New Business Development	249
Total	532
Pro-Forma LBT Continuing Operations	(989)

This pro-forma LBT of £0.99m can be split into a loss in the Oil and Gas division of £0.45m, a profit of £0.66m in our Maritime operations and Group cost of £1.2m.

Cash and Capital Expenditure

During 2016 the cash position of the Group improved slightly to £0.38m from £0.28 end of 2015. We added a working capital facility and term loan for our Texas business and continued with our bank facilities in Norway and Rotterdam. The sale of our port reception facility in Gibraltar for a consideration of £4m, of which £1m is kept in escrow, completing on January 16th 2017 improved the cash position of the Group although we used a substantial part of the £3m received to strengthen the balance sheet in 2017.

- An amount of £0.7m was used to settle NPRF Gibraltar debts and pay remaining redundancies.
- An amount of £0.25m was used to settle the outstanding amount under the Lombard financing agreement.
- An amount of £0.5m was used to settle part of the Group cost financed by our entity in Rotterdam.
- An amount of £0.25m was used to settle the first Sohar JV equity contribution that was temporarily recalled.
- An amount of £0.4m was used to finance the Oil and Gas division in the first quarter of 2017 as receivables from customers in Brazil and the UK started to come in during the month of May and will continue going forward.

At the start of May 2017, excluding £1m in escrow from the sale of our port reception facility in Gibraltar, the Group has £0.5m cash at hand and a further £0.3m available through working capital facilities. We are closely monitoring the cash position of the various entities in the Group.

During 2016 fixed assets were acquired throughout the Group for £2.0m. In Our Oil and Gas division we completed the construction of 3 STU's and 1 CTU for £1.5m. In Texas we invested £0.3m for new business activities in Red Fish Bay and Baytown as well as new trucks. Throughout the Group we've invested in facilities and maintenance on our vessels for £0.2m.

Outlook
Our restructuring process has taken longer than expected. Nevertheless, with Gibraltar, Cornwall and Portugal resolved, we are now focusing on the future again. Our vision of safeguarding the health and cleanliness of our oceans remains unchanged from

when we started this journey in 2010. Nature Group has a unique position and the right competences 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. The internal restructuring is not fully completed but we are ready for growth in all 3 businesses we run today: Rotterdam, Texas and Oil and Gas.

For 2017 we project the rebuilding of our Oil and Gas business through 1 or 2 more project wins, the growth of our Texas operations through new activities and improved revenue in the ARA region, based on customer wins and growth in our Marpol Annex V service.

For the total year we expect a gradual improvement of our financial performance, based upon the above mentioned increase in sales combined with further cost decreases as a result of actions already implemented and new cost cutting.

Jan Vesseur
CEO

Maarten Smits
CFO

31 May 2017

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 2016 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.

Results

These financial statements are consolidated with the Company's subsidiaries as listed later in this statement.

Dividends

No dividend in respect of the year ended 31 December 2016 will be declared (2015 £0). 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 2016 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

In 2016 1,145,000 share options expired and on the 16th of January 2017 1,420,000 share options were granted. Therefore there remain 2,440,000 share options in issue as at the date of this report.

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 28 April 2017 ordinary shares	At 31 December 2016 ordinary shares	At 31 December 2015 ordinary shares
J Vesseur	1,131,400	425,00	380,000
M Smits	696,000		
B van Straten	500,000		
A Drenthen	150,000	150,000	150,000
R van der Wolf	41,760		
GJ Davidzon	696,000		

On a fully diluted basis assuming all option instruments were exercised, the percentage of issued Ordinary Shares and share options held by directors at 28 April 2017 would be as follows:

	ordinary shares held	% of share capital	share options	% fully diluted	total
J Vesseur	1,131,400	1,43%	600,000	2,12%	1,731,400
M Smits	696,000	0,88%	250,000	1,16%	946,000
B van Straten	500,000	0,63%	75,000	0,70%	575,000
A Drenthen	150,000	0,19%	260,000	0,50%	410,000
R van der Wolf	41,760	0,05%	175,000	0,27%	216,760
GJ Davidzon	696,000	0,88%	75,000	0,94%	771,000

Other substantial interests as at 28 April 2017:

	ordinary shares held	% of share capital	% fully diluted
Port Invest B.V.	19,000,000	23,97%	23,25%
Nortrust Nominees Ltd.	12,428,224	15,68%	17,52%
Fitel Nominees Ltd.	8,419,163	10,62%	11,40%
Pershing Nominees Ltd.	3,453,613	4,36%	3,81%
HSBC Global Custody Nominee Ltd. 667656	3,307,714	4,36%	7,72%
HSBC Global Custody Nominee Ltd. 786698	3,000,000	3,78%	2,92%

Notes:

A Drenthen is a 25% shareholder in Port Invest B.V. wich owns 19.000.000 shares. In addition A Drenthen owns 150.000 shares in private.

International Financial Reporting Standards ("IFRS")

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

Independent auditor

Mazars LLP ("Mazars") have expressed their willingness to be re-appointed independent auditors for the following year. A resolution to re-appoint Mazars as independent auditor of the Company and to authorize 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 27 June 2017 is set out on page 59.

By Order of the Board

E van der Meulen
Corporate Secretary

Ordnance House
31 Pier Road
St. Helier
Jersey

31 May 2017

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 ("IASB") 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 IASBs '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 2016

	Remuneration £
J Vesseur	194,614
M Smits	141,393
B van Straten	45,769
W McCall*	36,000
A Drenthen	36,000
N D A Sandy**	24,996

Notes:

The executive directors of Nature Group PLC are not entitled to any bonuses on Group results as at 31 December 2016.

* W McCall resigned on 8 December 2016

** N D A Sandy resigned on 30 June 2016

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

Corporate governance

Corporate structure
Nature Group PLC is the holding company incorporated in Jersey. The company has a one-tier board.

Board of Directors

Berend van Straten – Andreas Drenthen – Maarten Smits – Jan Vesseur

name	year of birth	nationality	function	appointed	expires
J Vesseur	1965	Dutch	Executive Director / CEO	17 June 2015	NA
M Smits	1969	Dutch	Executive Director / CFO	16 November 2015	NA
B van Straten	1960	Dutch	Non-executive Chairman	1 April 2016	31 March 2019
A Drenthen	1968	Dutch	Non-executive Director	17 June 2015	16 June 2018

Composition
The Nature Group Board comprise of two Executive Directors, one Non-executive Chairman and one Non-executive Director. The composition of the Board is designed to provide an appropriate balance of executive and non-executive experience and skills and will be reviewed regularly. The Board look to meet in a formal manner on a bi-monthly basis at the principal business office in The Netherlands and elsewhere, with additional meetings held as required.

A Non-executive Director shall be appointed for an initial term of 3 years unless terminated earlier by either party giving to the other 3 months' prior written notice. Non-executive directors are typically expected to serve two three-year terms, although the Board may invite a Non-executive Director to serve for an additional period.

The Chairman is considered by the Board to be independent and is responsible for the running of the Board.

Responsibilities
The Executive and Non-executive Directors are collectively responsible for promoting the success of Nature Group. However, their respective roles are strictly delineated. The Executive Directors have direct responsibility for the business operations of Nature Group and the Non-executive Directors are responsible for bringing independent and objective judgement to Board decisions, with the Chairman primarily responsible for the effective running of the Board. It is the responsibility of the Chief Executive Officer and Chief Financial Officer to ensure that the Directors receive all of the information necessary for the effective performance of their duties. In the furtherance of their duties, the Directors have access to the advice and service of the Corporate Secretary and are permitted to take independent professional advice, where necessary, and to undertake any training considered appropriate, both at Nature Group's expense.

In addition, there are a number of matters reserved for the main Board. Some of the Board's detailed work is delegated to each of the Nomination, Audit & Risk and Remuneration Committees. Each of these Committees has their own terms of reference.

Committees
The Board regularly reviews the composition of the Board to ensure it has the necessary skills to support the development of the business. Because of the size of

the current Board Audit & Risk is a fixed agenda point of every Board Meeting, so therefore no Audit & Risk Committee is established. The Remuneration Committee have all independent Non-executive Directors members and is responsible for the review of the performance of the Executive Directors and makes recommendations to the Board concerning the allocation of share options to employees and directors. Also the Nomination Committee must have a majority of independent Non-executive Directors and is responsible for reviewing the size, structure and composition of the Board.

Management Team

Jan Vesseur – Koen Zuyderwijk – Gert-Jan Davidzon – René van de Wolf – Maarten Smits – Carlos Cardoso

name	year of birth	nationality	function	appointed
J Vesseur	1965	Dutch	Executive Director / CEO	17 June 2015
M Smits	1969	Dutch	Executive Director / CFO	16 November 2015
R van de Wolf	1955	Dutch	Managing Director Maritime Division	1 November 2013
GJ Davidzon	1979	Dutch	Managing Director Oil & Gas Division	1 September 2015
K Zuyderwijk	1978	Dutch	Director North America	1 April 2014
C Cardoso	1971	Portuguese	Director Engineering	1 July 2015

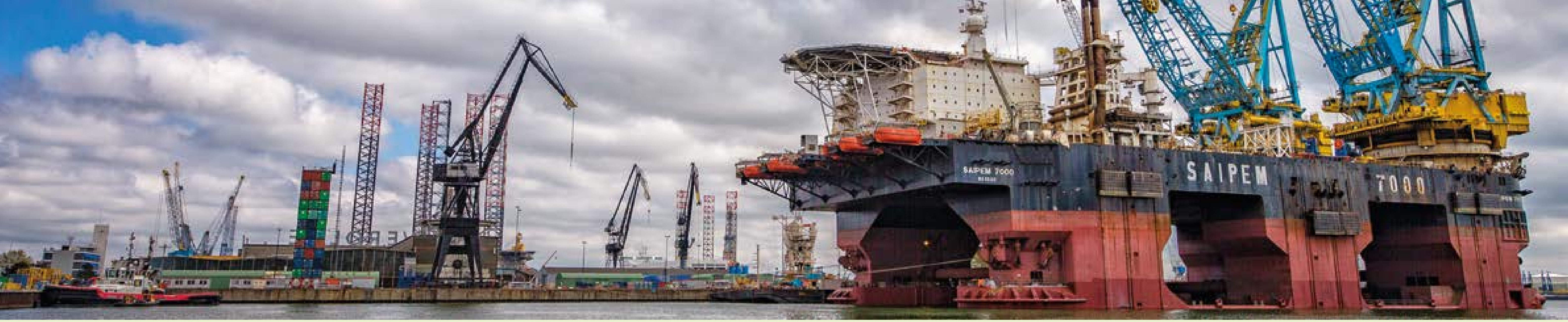
Composition
The Board has appointed a Management Team of executive directors and senior managers, operating under the authority of the CEO.

Responsibilities
The Executive Directors have direct responsibility for the business operations. The Chief Executive Officer's primary role is to provide the overall management and leadership of Nature Group and the Chief Financial Officer's primary role is the overall finance management performance of the Company.

The Nature Group strategy is initiated and developed by the Executive Directors and Management Team. The Management Team is responsible for implementing this strategy and for generally managing and developing the business. Changes in strategy require approval from the Board.

Shareholders
The Board recognises the importance of maintaining good communications with its shareholders. Throughout the year, the Board maintains a regular dialogue with institutional investors and brokers' analysts, providing them with such information on Nature Group's progress as is permitted within the guidelines of the AIM rules and requirements of the relevant legislation. In particular, twice a year, at the time of announcing the Group's half and full year results, they are invited to briefings given by the Chief Executive Officer and Chief Financial Officer. The Board believes that the Annual Report and financial statements play an important part in presenting all shareholders with an assessment of Nature Group's position and prospects.
The Annual General Meeting is the principal opportunity for shareholders to meet and discuss Nature Group's business with the Directors. There is an open question and answer session during which shareholders may ask questions both about the resolutions being proposed and the business in general.

Corporate Governance Code
The Board believes that good corporate governance, actively applied, promotes, inter alia, accountability, integrity, clear communication, a performance-based culture and a clear understanding of roles and responsibilities. These features of Nature Group's culture underpin the execution of the Group's strategy and therefore the long-term success of the Company. The Board is committed to achieving and maintaining high standards of corporate governance and therefore fully supports the principles of the Code. In adopting the principles of good governance, the Directors have taken into consideration the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 (the "QCA Code"). The QCA Code adopts key elements of the Code, current policy initiatives and other relevant guidance and then applies these to the needs and particular circumstances of small- and mid-size quoted companies on a public market. The QCA Code identifies 12 principles that will enable companies to deliver growth in long-term shareholder value by maintaining a flexible, efficient and effective management framework within an entrepreneurial environment.



Corporate social responsibility

Principles & policy

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

C	• **Compliance with all relevant legislation & requirements** • **Considerations 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 Group**

Corporate Social Responsibility ("CSR") is a firmly embedded in our culture. At Nature Group, 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 Group's principles and policies echo our commitment to compliance, our stakeholders and our communities.

Established in our principles (binding for all Nature Group 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

Nature Group is committed to providing healthy workplaces and strives for zero accidents and incidents. And 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 Group 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 Group ensures continuous and consistent business assurance through its certified Group management system, which is adopted by all operational entities.

MANAGEMENT SYSTEM CERTIFICATION
DNV·GL
ISO 9001 = ISO 14001

Following successful initial certification to ISO 9001:2008 (quality) and ISO 14001:2004 (environmental) management standards in 2014, Nature Group has continued to build and implement its management system throughout the Group. Certification was maintained following the external audit completed by DNV GL in March 2017

Nature Environmental and Marine Services, LLC (NEMS) is in the process to certify for ISO in 2018.

Alliances

Alliances are made 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

- 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, Nature Group remains appropriately informed and capable of providing the shipping industry with adequate and environmentally sound waste management services.

Green Award
Green Award certifies shipping companies who are "extra clean and extra safe". The Green Award procedure is carried out by the executive body of the independent non-profit Green Award Foundation. In addition to the recognition of high safety and environmental standards, Green Award companies are entitled to various financial and non-financial benefits for their ships.

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 2016

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.

The following table details Nature Group's non-financial performance figures for 2016.

Operational		2016	2015	2014
Collected liquids from ships	m^3	127,924	207,628	189,024
Collected solids from ships	tons	1,139	1,172	9,649
Offshore treated volumes	m^3	18,133	19,676	11,640
Water treated to see with a average oil content	ppm	4,93	4,67	–
Environmental				
Significant environmental incidents/spills		–	–	–
Fuel for vessels (gas oil/diesel)	m^3	457	422	606
Fuel for operational/transportation vehicles (diesel/petrol)	m^3	211	187	148
Propane for the autoclave (sterilizing foreign garbage)	tons	19	–	–
Carbon Footprint *	tCO2e	2,586	2,157	2,539
Health & Safety				
Injuries	#	2	2	–
Lost time injuries ("LTI")	days	136	NA	NA
Employees				
Number of employees (as at 31 December 2016)	#	67	90	94
New staff	#	9	4	33
Female employees	#	6	10	10

* CO2 emissions are calculated using DEFRA guidelines.

Environmental Performance
Our strict operational standards have ensured that we have not been accountable for any significant environmental incidents during 2016. We have encountered some small complaints regarding specific customer requirements, 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 and to improve our standards, keeping up with our customers' demands. All reports were shared to the customor satisfaction.

Nature Group has opted to calculate its carbon footprint, based on core operations 2015 and 2014 figures are recalculated in order to give a representative comparable overview.

Our 2016 carbon footprint shows a slight increase to the 2015 and 2014 footprint, due to an increase of vehicle transport in Texas. Also, since 2016 the autoclave propane consumption is taken into account.

Safety
Unfortunately Nature Group encountered 2 work related injuries by operators in Texas: one slip while out on a job which resulted in a broken foot; one injured hand when a sliding ladder came down uncontrolled. This resulted in an LTI of 136 days.

Independent auditor's report to the members of Nature Group PLC

We have audited the group financial statements of Nature Group PLC for the year ended 31 December 2016 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. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities set out on page 14, 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

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 the 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 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs issued by the International Accounting Standards Board; and
- 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;
- we have not received all the information and explanations we require for our audit.

Robert Neate (Senior Statutory Auditor)

For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditors

Tower Bridge House
St Katharine's Way
London
E1W 1DD

31 May 2017

Consolidated statement of comprehensive income

Year ended 31 December 2016

Continuing operations	Notes	Audited year to 2016 £	Audited year to 2015 £
Revenue	1,5	11,990,529	16,273,810
Cost of sales		(7,332,730)	(10,963,725)
Operating profit		4,657,799	5,310,085
Interest income		–	5,025
Other income/(expense)		(203,961)	(359,990)
Share based payments	15	3,699	(110,746)
Administrative costs	23	(5,814,627)	(6,505,018)
Depreciation and goodwill amortisation		(1,141,913)	(805,173)
Finance costs		(35,650)	(82,295)
Gain recognised on disposal of interest in former subsidiary		–	136,299
Loss before taxation		(2,534,653)	(2,411,813)
Income tax gain	4	285,013	131,844
Loss for the year and total comprehensive income for the year from continuing operations		(2,249,640)	(2,279,969)
Discontinued operations			
Loss for the year and total comprehensive income for the year from discontinued operations	17	(1,055,144)	(1,575,988)
Loss for the year and total comprehensive income for the year		(3,304,784)	(3,855,957)
Attributable to:			
Owners of the parent			
Loss for the year from continuing operations		(2,249,640)	(2,279,969)
Loss for the year from discontinued operations		(1,055,144)	(1,575,988)
Loss for the year attibutable to owners of the parent		(3,304,784)	(3,855,957)
Non-controlling interest:			
Loss for the year from continuing operations		47,367	143,958
Loss for the year from discontinued operations	9	132,187	–
Loss for the period attributable to owners of the non-controlling interest		179,554	143,958
Loss for the year and total comprehensive income for the year attributed to owners		(3,125,230)	(3,711,999)
Earnings per share (pence)	16		
From continuing operations:			
Basic		(2.778)	(2.876)
From discontinued operations:			
Basic		(1.164)	(1.988)
Loss after tax, before share based payments		(3,128,929)	(3,601,253)
Excluding share based payments		(2.778)	(4.542)

The notes on pages 30 to 58 are an integral part of these consolidated financial statements.

Consolidated balance sheet

At 31 December 2016

Assets	Notes	Audited as at 2016 £	Audited as at 2015 £
Non-current assets			
Plant, vessels and equipment	6	8,341,330	5,923,210
Goodwill	7	1,238,137	907,563
Other intangible assets	7	17,680	139,815
Investment in associated company	8	308,446	308,446
Deferred tax assets	4	478,508	4,222
Total non-current assets		10,384,100	7,283,256
Current assets			
Insurance Recoveries on 3rd party claims	20	1.593,352	–
Corporate taxes		86,978	203,148
Stocks and work in progress	21	79,234	1,185,630
Trade and other receivables	10	3,369,337	5,716,738
Cash and cash equivalents	19	383,642	278,369
		5,512,544	7,383,885
Assets classified as held for sale	18	6,387,737	6,618,693
Total assets		22,284,382	21,285,834
Liabilities			
Current liabilities			
Trade and other payables	11	(7,031,742)	(4,740,419)
Bank loans and overdrafts	12,19	(1,186,456)	(778,989)
Corporate taxes		(386,907)	–
Provision for 3rd party claims	20	(1,593,352)	–
		(10,198,457)	(5,519,408)
Liabilities directly associated with assets classified as held for sale	18	(5,608,227)	(5,398,664)
		(15,806,685)	(10,918,072)
Non-current liabilities			
Term loans	13	(1,220,277)	(1,964,628)
Net assets		5,257,420	8,403,134
Equity			
Called up share capital	14	158,561	158,561
Share premium account	14	21,953,617	21,953,617
Share option reserve	15	107,047	110,746
Capital reserve		2,702,399	2,925,520
Foreign currency translation reserve		(265,625)	(1,017,848)
Profit and loss account		(19,128,164)	(16,002,934)
		5,527,835	8,127,662
Amounts recognised directly in equity relating to assets classified as held for sale		–	–
Equity attributable to owners of the Group		5,527,835	8,127,662
Non-controlling interest	9	(270,415)	275,472
Total equity attributable to equity shareholders		5,257,420	8,403,134

Approved by the Board on 31 May 2017

J Vesseur (CEO) M Smits (CFO)

The notes on pages 30 to 58 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Year ended 31 December 2016

	Notes	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 2015		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)
Dividends paid		–	–	–	–	–	–	–	–	–
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
Difference in discontinued operation	27	–	–	–	(223,121)	–	–	(223,121)	–	(223,121)
Share options movement in reserve		–	–	(3,699)	–	–	3,699	–	–	–
FX consolidation differences		–	–	–	–	752,223	–	752,223	(413,700)	338,152
Acquisition of non-controlling interest		–	–	–	–	–	–	–	47,365	47,365
Loss for the year		–	–	–	–	–	(3,128,929)	(3,128,929)	(179,552)	(3,308,481)
At 31 December 2016		158,561	21,953,617	107,047	2,702,399	(265,625)	(19,128,164)	5,527,835	(270,415)	5,257,420

The notes on pages 30 to 58 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

Year ended 31 December 2016

	Audited year to 2016 £	Audited year to 2015 £
Reconciliation of operating profit to net cash flow from operating activities		
Loss for the year before taxation	(3,600,996)	(3,917,766)
Adjustments for:		
Depreciation and amortisation	1.150.457	1,336,429
Decrease in stock	–	387,027
Decrease in debtors	1,798,041	528,820
Increase in creditors	2,011,300	842,095
Foreign exchange differences	30,533	192,154
(Decrease)/Increase in reserves due to share based payments	(3,699)	110,746
Impairment of fixed assets	646,405	–
Net cash flow from operating activities	2,032,040	(520,495)
Investing flow activities:		
Increase in investments	–	(308,196)
Acquisition of tangible assets	(1,968,916)	(3,723,465)
Acquisition of intangible assets	(166,478)	(115,785)
Proceeds from disposal of fixed assets	–	3,029,360
Financing activities:		
Proceeds from bank borrowings	(336,884)	1,088,578
Proceeds from investments by non-controlling interest	–	–
Decrease in cash balances	(440,238)	(550,003)
Analysis of cash and cash equivalents during the year:		
Balance at start of year	(253,411)	296,592
Decrease in cash and cash equivalents	(440,238)	(550,003)
Balance at end of year	(693,649)	(253,411)

The notes on pages 30 to 58 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 2016 comprise the Company and its subsidiaries (see note 8) and the Group's interest 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. The consolidated financial statements have been prepared on a historical costs basis, expect for available-for-sale (AFS) financial assets that have been measured at fair value.

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.

Adoption of new and revised standards
The Group's financial statements have been prepared on the basis of accounting policies consistent with those applied in the financial statements for the year ended 31 December 2015 except for the implementation of a number of minor adjustments issued which applied for the first time in 2016. These new pronouncements do not have a significant impact on the accounting policies, methods of computation or presentation applied by the Group and therefore prior-year financial statements have not been restated for these pronouncements.

Future changes in accounting policies
At the date of authorization of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Mandatory for 2017
- Amendments to IAS 12 - Amendments to IAS 12 Recognition of Deferred Tax Asset for Unrealized Losses. These amendments on the recognition of deferred tax assets for unrealized losses clarify how to account for deferred tax assets related to debt instruments measured at fair value.
- IAS 7 - IAS 7 Statement of Cash flows, Narrow-scope amendments. The amendments introduce an additional disclosure that will enable users of financial statement to evaluate changes in liabilities arising from financial activities.

Mandatory for 2018
- IFRS 15 - IFRS 15 Revenue from Contracts with Customers. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer to promised goods or services when control of the goods or services passes to customers. The amount of revenue recognized should reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. A modified transitional approach is permitted under which a transitional adjustment is recognized in retained earnings at the date of implementation of the standard without adjustment of comparatives. The new standard will only be applied to contracts that are not completed at that date.
- IFRS 9 - IFRS 9 Financial Instruments. This standard includes a single approach for the classification of financial assets, based on cash flow characteristics and the entity's business model, which requires expected losses to be recognized when financial instruments are first recognized. The standard amends the rules on hedge accounting to align the accounting treatment with the risk management practices of an entity.

Mandatory for 2019
- IFRS 16 - IFRS 16 Leases. Under the new standard, a lessee is in essence required to recognize all lease assets and liabilities (including those currently classed as operating leases) on the balance sheet, initially measured at the present value of unavoidable lease payments; recognize amortization of lease assets and interest on lease liabilities in the income statement over the lease term and separate the total amount of cash paid into a principal portion (presented within financial activities) and interest (which companies can choose to present within operating or financing activities consistent with presentation of any other interest paid) in the cash flow statement.

The directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Group in future periods, except that:
- IFRS 16 will impact on the recognition of those leases currently classified as operating leases. Information on the undiscounted amount of the Group's operating lease commitments under IAS 17, the current lease standard, is disclosed in note 22. Under IFRS 16, the present value of these commitments would be shown as a liability on the balance sheet together with an asset representing the right of use.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

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.

- 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 2016 was £1,238,137 (2015: £907,563).
- 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.

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.

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 and work in progress

Stocks and works in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the first-in-first-out method. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate. Un-invoiced research and development fully funded by customers is carried forward as work in progress.

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.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lessee activities

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Impairment of non-financial assets

The Group assesses annually whether there is any indication that any of the assets have been impaired. If such indication exists the assets recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, we use the recoverable amount of the cash generating unit to which the asset is now allocated (reorganisations have impacted this).
If the recoverable amount of the asset is less than its carrying value the impairment loss is recognised immediately in the profit and loss unless the asset is carried at a revalued amount in which case the impairment loss is recognised as a revaluation decrease.
For goodwill, intangible assets that have an indefinite life, and intangible assets not yet available for use the recoverable amount is estimated annually at the end of each reporting period

Earnings per share

"The group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and the effects of all dilutive potential ordinary shares."

Assets held for sale

Non-current assets and associated liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.
Assets designated as held for sale are held at the lower of carrying amount at designation and fair value less costs to sell.
Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in profit or loss.

Employee benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised for short-term compensated absences where entitlement has accumulated, but has not been taken, at the reporting date.

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 business and geographical segment.

2 Loss for the year

	2016 £	2015 £
Loss for the year is stated after recognising:		
Directors' emoluments	478,772	370,828
Employee costs	4,872,062	4,812,144
Depreciation of fixed assets	1,043,435	798,120
Amortisation of intangible assets	32,043	7,053
Loss on sale of fixed assets	51,396	96,874
Fixed asset write-off	115,940	263,116
Auditor's remuneration	95,664	107,178
Foreign exchange (gains/losses)	34,801	(64,559)

Other services provided by the Group Auditors amount to £0 (2015: £7,550).

3 Revenue from construction contracts

During 2016 the Group has not been active in construction projects and as a consequence the Group has not accounted for revenue from contruction contracts.

4 Income tax

	2016 £	2015 £
Current tax credit	112,386	(131,844)
Deferred tax	(397,399)	–
Total	(285,013)	(131,844)

	2016 £	2015 £
Loss before tax on continuing operations	(2,534,653)	(2,411,813)
Tax at the Jersey tax rate of 0%	–	–
Income tax on overseas subsidiaries	(285,013)	(131,844)
Total	(285,013)	(131,844)

Current tax

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

	2016 £	2015 £
Nature Environmental Technologies Limited	–	(38,460)
Nature International Slop Disposal BV	70,515	(13,585)
Ecoscrub Solutions BV	–	1,768
Nature Oil and Gas AS	(79,753)	(105,124)
NPRF Portugal - Serviços Maritimas Ambientais S.A.	–	37,775
Nature Shipping Agency Limited	–	815
Nature Environmental and Marine Services Llc	(101,610)	(16,839)
Residuos Y Transported Marpol, SL	–	1,806
Nature Group Lender	(47,755)	–
NPRF Malta	(988)	–
Crystalwater Navigation Malta	28,737	–
Nature Group Holding BV	13,134	–
Nature Group BV	(24,095)	–
Nature Oil and Gas UK Limited	(143,198)	–
Total	**(285,013)**	**(131,844)**

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. The deferred tax assets relate to tax losses incured today wich can be utilized against future traiding profits.

	2016 £	2015 £
Nature Environmental Technologies Limited	113,628	–
Nature Oild and Gas UK Limited	143,200	–
Nature Environmental and Marine Services Llc	73,244	4,222
NG Lender Llc	148,436	–
Total	**478,508**	**4,222**

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

	2016 £	2015 £
Nature International Slop Disposal BV	370,653	339,116
Nature Group BV	(25,925)	–
Nature Group Holding BV	13.442	–
Crystalwater Navigation Limited	28,736	–
Total	**386,907**	**339,116**

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).

	Revenue 2016 £	Revenue 2015 £	Profit/(loss) before tax 2016 £	Profit/(loss) before tax 2015 £
Oil and Gas Division	2,251,154	4,990,577	(1,080,197)	(251,282)
Maritime Division	9,739,375	11,034,980	207,061	(237,738)
Engineering Services	–	248,253	–	(270,272)
Group and Shareholder	–	–	(1,661,518)	(1,652,521)
Total	11,990,529	16,273,810	(2,534,653)	(2,411,813)

	Total assets 2016 £	Total assets 2015 £	Total liabilities 2016 £	Total liabilities 2015 £
Oil and Gas Division	3,369,381	2,772,636	(1,960,696)	(881,186)
Maritime Division	17,350,321	11,563,301	(8,045,680)	(6,095,338)
Engineering Services	(485,886)	(354,036)	(9,052)	(14,882)
Group and Shareholder	(4,337,173)	735,239	(1,403,306)	(492,630)
Total	15,896,644	14,667,140	(11,418,734)	(7,484,035)
Assets and liabilities classified as held for sale	6,387,737	6,618,693	(5,608,227)	(5,398,664)
Total	22,284,381	21,285,834	(17,026,961)	(12,882,700)

Geographical segments
The Group's Maritime operations are based in The Netherlands, the USA and the UK. The Group's Oil and Gas operations are based in The Netherlands, the UK and Norway.

		Revenue 2016 £	Revenue 2015 £	Profit/(loss) before tax 2016 £	Profit/(loss) before tax 2015 £
Gibraltar		–	25,505	–	16,080
The Netherlands		6,766,241	7,760,832	456,281	(129,880)
Norway		1,727,290	4,358,387	(834,091)	(538,440)
Malta		–	–	(2,823)	(377,383)
Portugal		–	755,190	–	(264,473)
USA		3,003,973	2,559,724	(220,905)	(131,717)
Spain		–	–	–	(10,268)
UK (Jersey)	- Operational	493,025	814,172	(271,598)	(350,270)
	- Group office (intra Group charges exluded)	–	–	(1,661,518)	(625,462)
Total		11,990,529	16,273,810	(2,534,653)	(2,411,813)

		Total assets 2016 £	Total assets 2015 £	Total liabilities 2016 £	Total liabilities 2015 £
Gibraltar		–	10,964	–	(3,612)
The Netherlands		10,992,142	9,525,581	(6,341,337)	(5,087,706)
Norway		3,312,462	2,649,187	(1,963,803)	(956,107)
Malta		(16,528)	(2,819,544)	(30,852)	(4,500)
Portugal		–	436,402	–	(709,975)
USA		5,257,490	3,490,737	(1,445,298)	(282,530)
Spain		–	51,451	–	(1,326)
UK (Jersey)	- Operational	(431,933)	587,123	(44,499)	54,349
	- Group office (intra Group charges exluded)	(3,216,988)	735,239	(1,592,945)	(492,629)
		15,896,645	14,667,141	(11,418,736)	(7,484,035)
Assets and liabilities classified as held for sale		6,387,737	6,618,693	(5,608,227)	(5,398,664)
Total		22,284,382	21,285,834	(17,026,963)	(12,882,700)

6 Plant, vessels and equipment

	Total £	Vessels £	Plant & Machinery £	Office Equipment £	Motor Vehicles £
Cost					
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 2016	9,347,005	5,029,157	3,756,659	147,273	413,916
Currency translation adjustment	1,697,812	1,175,914	(60,549)	321,391	261,056
Additions at cost	2,017,372	60,588	1,704,606	61,358	190,820
Disposals at cost	(48,456)	–	–	–	(48,456)
Disposals of businesses	–	–	–	–	–
Reclassified as held for sale	(5,928)	–	–	(5,928)	–
As at 31 December 2016	13,007,806	6,265,659	5,400,716	524,094	817,336
Depreciation					
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 1 January 2016	3,423,795	1,237,756	2,080,032	78,807	27,200
Currency translation adjustment	208,462	559,949	(567,714)	210,699	5,529
Disposals	(9,216)	–	1,468	5,866	(16,550)
Disposals of businesses	–	–	–	–	–
Charge for the year	1,048,221	339,174	464,844	71,257	172,945
Elimination on reclassification as held for sale	(4,786)	–	–	(4,786)	–
As at 31 December 2016	4,666,476	2,136,879	1,978,630	361,843	189,124
Net book value					
As at 31 December 2016	8,341,330	4,128,781	3,422,086	162,250	628,213
As at 31 December 2015	5,923,210	3,791,401	1,676,627	68,466	386,716

Of the fixed assets the following items are contracted through finance lease agreements and concern motor vehicles in our Texas operation.

	Total £	Vessels £	Plant & Machinery £	Office Equipment £	Motor Vehicles £
Specification Leases					
Cost at year-end	577,831	–	–	–	577,831
Acc. Depreciations at year-end	70,385	–	–	–	70,385
Net book Value at year-end	507,446	–	–	–	507,446

7 Goodwill and other intangible assets

	Total £	Development costs £	Goodwill £	Patents £	Licences £
Cost					
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
Acquisitions through business combinations	(3,899)	(3,899)	–	–	
As at 1 January 2016	1,915,152	224,885	1,448,562	33,592	208,113
Currency translation adjustment	243,754	51,580	184,469	7,705	–
Additions at cost	166,478	–	146,105	–	20,373
Disposals at cost	–	–	–	–	–
As at 31 December 2016	2,325,383	276,465	1,779,139	41,297	228,486
Amortisation					
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 1 January 2016	867,776	210,152	541,000	24,451	92,173
Currency translation adjustment	53,808	48,200	–	5,608	–
Charge for the year	147,983	18,112	–	11,238	118,633
As at 31 December 2016	1.069,567	276,464	541,000	41,297	210,8066
Net book value					
As at 31 December 2016	1,255,816	–	1,238,136	–	17,680
As at 31 December 2015	1,047,376	14,733	907,562	9,141	115,940

Additions at cost to goodwill relate to the purchase of the remainder of the shares in NEMS from the joint venture partner. The Group now holds 100% of the shares in NEMS.

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. At 31 December 2016, the Directors have carried out an impairment review and have concluded that no impairment is required. The recoverable amount of the cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 12% per annum (2015: 12% per annum). The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs. Management estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

8 Subsidiary undertakings and associated companies

Subsidiary undertakings

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

[1] NPRF Gibraltar Limited was sold January 16th 2017.
[2] Nature Shipping Agency Limited was sold on 4 March 2016.
[3] Did not trade during the year.
[4] Nature Group Trading Limited was dissolved 12 July 2016.
[5] NPRF Portugal – Serviços Marítimas Ambientais S.A. (55% stake owned). Interest fully written-off in 2016.
[6] Nature Environmental & Marine Services Llc, during the year the Group increased its stake by 25% from 75% to 100%.
[7] Residuos Y Transportes Marpol S.A is being liquidated.

Associated companies

At 31 December 2016 and 2015, 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 2016.

9 Non-controlling interest

On 9 September 2016 Nature Group PLC, through its subsidiary, NG Lender, acquired the remaining 25% stake in NEMS for $675.000 in cash.

	2016 £	2015 £
Investment in NPRF Portugal	(182,605)	(270)
Share of loss for the year	(132,187)	(136,012)
Share of translation adjustment for the year	44,377	13,174
Total	**(270,415)**	**(123,108)**

	2016 £	2015 £
Investment in NEMS	–	408,491
Share of loss for the year	(47,365)	(7,947)
Share of translation adjustment for the year	–	(1,964)
Acquisition of remaining shares	47,365	–
	–	**398,580**
Total non-controlling interest	**(270,415)**	**275,472**

10 Trade and other receivables

	2016 £	2015 £
Trade debtors	2,787,226	3,217,271
Other debtors and prepayments	582,111	2,499,467
Total	**3,369,337**	**5,716,738**

The carrying amount above represents the Group's maximum exposure to credit risk.
The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

At 31 December 2016 the aged trade receivables analysis is as follows:

	Total £	Neither past due or impaired £	<30 £	30-60 £	60-90 £	90> £
2016 Sale of Goods	2,787,226	1,442,891	498,397	391,118	42,603	412,217

11 Trade and other payables

	2016 £	2015 £
Trade payables	3,874,844	2,148,779
Sundry creditors and accruals	1,040,822	2,252,524
Term loan ING Bank	2,032,981	–
Short term lease obligations	83,095	–
Deferred tax liabilities	386,907	339,116
Total	**7,418,649**	**4,740,419**

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.

ING Bank loans used to finance the vessels in our Rotterdam operations have been reclassified from long-term loans as disclosed under note 13 to trade and other payables. This reclassification is required under IFRS when bank covenants are breached and the bank has the contractual right to demand repayment in the short term of the loan amount. As the NISD intercompany receivable on Group increased the bank has the contractual right to claim breach of the covenant. The bank has informally notified NISD that it sees absolutely no reason to do so given that NISD made a profit in 2016 and outlook for 2017 is favorable.

ING Bank loans used to finance the vessels in our Rotterdam operations are due for repayment within 14 years by and during 2030. The interest rate applicable is 3-months Euribor plus 2%.

12 Bank loans and overdraft

	2016 £	2015 £
Group		
Bank overdraft	951,564	356,400
Finance facility Lombard	234,892	422,589
Total	**1,186,456**	**778,989**

The Company entered into a finance agreement with Lombard Manx Leasing ltd (Gibraltar) in 2013 for a £1,250,000 facility. The balance as at the end of 2016 was fully repaid in the 1st quarter of 2017 using the proceeds from the sale of NPRF Gibraltar.

13 Non-current liabilities

	2016 £	2015 £
Long term loan obligations	280,481	–
Term loan Comerica Bank	130,403	–
Term loan DNB	809,393	–
Term loan ING Bank	–	1,964,628
Total	**1,220,277**	**1,964,628**

Term loan ING Bank €3.6m reclassified to "Trade and other payables" as described under note 11.
Term loan Comerica Bank for $0.18m used to finance autoclave in Corpus Christi site used for treatment of fixed waste. Repayment in monthly installments over 3 years with interest rate set at 30-day Libor plus 4,5%.
Term loans DNB NOK 4.6m used to finance treatment units in our Oil and Gas business.

14 Called-up share capital

	2016 £	2015 £
Authorised:		
750,000,000 (2015: 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 (2015: 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 2016:

	2016			2015		
	Shares	Share capital £	Share premium £	Shares	Share capital £	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 the end of year	**79,280,655**	**158,561**	**21,953,617**	**79,280,655**	**158,561**	**21,953,617**

15 Share-based payments

Global Share Option Plan
Due to the reorganisation in group entities in Gibraltar, Cornwall and Norway, a certain number of options granted under the 2015 options scheme expired during 2016.
Shortly after the sale of NPRF Gibraltar was completed on 16 January 2017, Nature Group announced the award of options to certain of its employees and directors in respect of a total of 1,420,000 ordinary shares of 0.2p each in the Company under its current share option plan, established on 11 February 2015. This award of options has been accounted in 2016.
Following the issue of the options, the total number of ordinary shares under option represents 3.1 per cent of the current issued share capital of the Company.
Under the terms of the Global Share Option Plan, the newly granted options have an exercise price of 12.5p per ordinary share, will vest one year from the grant date, 6 February 2017 and be exercisable for a period of three years from the date on which they first vest. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor vesting rights.

The main assumptions used to calculate the fair value of the outstanding options are a risk free rate of 3%, a dividend yield of 1% and an expected life of 4 years. The following table recompiles the outstanding share options granted under the old employee share option plan at the beginning and end of the financial year.

	Number of options		Weighted average exercise price	
	2016	2015	2016	2015
Balance at beginning of the financial year	2,165,000	2,165,000	31p	31p
Expired during the financial year	1,145,000	–	–	–
Exercised during the financial year	–	–	–	–
Balance at the end of the financial year	**1,020,000**	**2,165,000**	**31p**	**31p**

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

	Number of options 2016	Weighted average exercise price 2016
Balance at beginning of the financial year		
Granted during the financial year	1,420,000	12.5p
Balance at end of the financial year	**1,420,000**	**12.5p**

16 Earnings per share

	2016	2015
Basic Earnings per Share		
Loss for the year attributable to shareholders	(3,125,230)	(3,711,999)
Weighted average number of equity shares in issue	79,280,655	79,280,655
Basic earnings per share (pence)	(2.778)	(2.876)

The additional shares under option have not been included as there effect would be anti-diluted.

17 Analysis of loss for the year from discontinued operations

As required by IFRS 5 "Non-current assets held for sale and discontinued operations", revenue and cost relating to discontinued operations have been disclosed in this note. This includes Nature Port Reception Facilities Limited in Gibraltar ("NPRF"), which previously operated the Group's reception, treatment and storage facility for maritime waste in Gibraltar, as it was sold January 16th 2017, revenue and cost from discontinued operations of Nature Port Reception Facilities Portugal ("NPRFP") as Nature Group PLC is currently negotiating exiting the joint venture, revenue and cost from discontinued operations of Nature Shipping Agency Limited ("NSA") in Gibraltar (as the entity was sold on 4 March 2016), revenue and cost from discontinued operations at Nature Environmental Technologies Limited ("NETL") in UK for the first nine months of 2016 as the corporate secretarial, engineering and QHSE activities of the entity were closed and the entity was subsequently revived during the last quarter of 2016 for specific engineering services for our joint venture in Sohar and revenue and cost from discontinued operations at Residuos Y Transportes MARPOL, S.L.U. ("RYTM") in Spain as the entity is being liquidated and Nature Group Trading Limited ("NGTL") in Jersey as this entity was dissolved July 12th 2016.The results of the discontinued operations identified above are included in the loss for the year are set out below. The comparative profit and cash flows from the discontinued operations have not been re-presented to include those operations classified as discontinued in the current year.

	2016 £	2015 £
Loss for the year from discontinued operations		
Revenue	816,027	2,055,007
Cost of sales	(1,084,110)	(1,233,753)
Gross profit	(268,083)	821,254
Administrative expenses	(948,886)	(1,759,587)
Operating Loss	(1,216,969)	(938,333)
Other expenses	154,325	(567,620)
Loss on ordinary activities before taxation	(1,062,644)	(1,505,953)
Tax on loss on ordinary activities	7,500	(70,035)
Loss for the year and total comprehensive income for the year from discontinued operations (attriburatble to owners of the Company)	(1,055,144)	(1,575,988)

Of the Group entities identified above as discontinued during 2016, Nature Port Reception Facilities Limited in Gibraltar ("NPRF"), Nature Port Reception Facilities Portugal ("NPRFP") and Residuos Y Transportes MARPOL, S.L.U. ("RYTM") have been classified and accounted for at 31 December 2016 as a disposal group held for sale (see note 18). The other entities identified above as discontinued were accounted for as being sold, liquidated or dissolved during 2016 and therefore assets and liabilities of these entities are not incorporated in these consolidated accounts.

18 Assets classified as held for sale

	2016 £	2015 £
Assets held for sale	6,387,737	6,618,693
Liabilites associated with assets held for sale	(5,608,227)	(5,398,664)

As described in note 17 several Group entities were classified as held for sale during 2016 of which NPRF, NPRFP and RYTM are classified as held for sale at 31st December 2016.

	2016 £	2015 £
Tangible assets	1,384,462	1,383,283
Insurance recoveries on 3rd party claims	4,497,903	4,497,903
Trade and other receivables	396,243	490,298
Cash at bank and in hand	109,165	247,209
Assets classified as held for sale	6,387,737	6,618,693
Trade creditors	(687,114)	(324,769)
Other creditors including taxation and social security	(423,210)	(575,992)
Provision for third party claims	(4,497,903)	(4,497,903)
Liabilites associated with assets held for sale	(5,608,227)	(5,398,664)
Net assets of companies classified as held for sale	779,510	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 end of the reporting period 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.

	2016 £	2015 £
Cash and bank balances	383,642	278,369
Bank overdrafts	(1,186,456)	(778,989)
	(802,814)	(500,620)
Cash and bank balances included in a disposal group held for sale	109,165	247,209
Total	(693,649)	(253,411)

20 Recoveries on and provision for 3rd party claims

The asset "Insurance Recoveries on 3rd party claims" and the related liability "Provision for 3rd party claims" relates to a legal case brought forward to NISD. This legal case concerns activities that originated prior to the acquisition of NISD by Nature Group and any eventual claim will be borne by the entity that sold NISD to Nature Group.

21 Stocks and work in progress

The balance as at the end of 2016 is made up of supplies used in the maritime operations in Texas and Rotterdam and the Oil and Gas operations in the UK and Norway. The 2015 work in progress balance relates to partially completed CTU's and STU's that were completed during 2016 and subsequently reclassified to fixed assets.

	2016 £	2015 £
Stocks	79,234	317,244
Work in progess	–	868,386
Total	79,234	1,185,630

22 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:

	2016 £	2015 £
Not longer than 1 year	394,219	50,847

23 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 2016, Nature International Slop Disposal BV had the following related party transactions where A Drenthen is a shareholder of Port Invest BV and its subsidiaries (Burando Customs Services BV, Burando Rental Services BV, Fender Care Benelux BV and Ship Spares Logistics BV)

Name of Entity	Net Sales £	Costs of Sale £	Debtors £	Creditors £
Burando Customs Services BV	–	845	–	–
Burando Rental Services BV	–	17,582	–	5,713
Fender Care Benelux BV	–	475	–	–
FTS/Hofftrans BV	–	50,409	–	10,997
Port Invest BV	–	1,340	–	–
Royal Tankers BV	–	514	–	–
Ship Spares Logistics BV	988	1,194	–	978

24 Financial instruments and risk management

The company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors discussed audit and risk related topics at the regular board meetings. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

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.

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from 2015.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves, and retained earnings. The Group is not subject to any externally imposed capital requirements.

The Group's strategy is to ensure availability of capital to match the profile of the Group's expenditures. To date the Group has relied upon equity funding as well as debt funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations to commercial exploitation, but controls over expenditure are carefully managed.

The Group has a policy of not using derivative financial instruments for hedging purposes and therefore is exposed to changes in market rates in respect of foreign exchange risk, However, it does review its currency exposures on an ad hoc basis. Currency exposures relating to monetary assets held by foreign operations are included within the foreign exchange reserve in the Group Balance Sheet.

2016	Derivatives used for hedging £'000	Loans and receivables £'000	Available For sale £'000	Non-Financial instruments £'000	Total £'000
Assets					
Property, plant & equipment	–	–	1,384	9,597	10,982
Investments	–	–	–	308	308
Inventories	–	79	60	–	140
Trade and other receivables	–	4,963	4,751	–	9,713
Current tax receivables	–	87	83	–	170
Deferred tax asset	–	479	–	–	479
Cash & cash equivalents	–	384	109	–	493
Total	–	5,991	6,388	9,906	22,284

2016	Derivatives used for hedging £'000	Financial liabilities at amortised cost £'000	Available For sale £'000	Non-Financial Instruments £'000	Total £'000
Liabilities	–				
Trade & other payables	–	(8,638)	(5,604)	–	(14,242)
Current tax payable	–	(374)	(5)	–	(378)
Other loans	–	(1,220)	–	–	(1,220)
Cash and cash equivalents	–	(1,186)	–	–	(1,186)
Total	–	(11,419)	(5,608)	0	(17,027)

2015	Derivatives used for hedging £'000	Loans and receivables £'000	Available For sale £'000	Non-Financial instruments £'000	Total £'000
Assets					
Property, plant & equipment	–	–	1,383	6,971	8,354
Investments	–	–	–	308	308
Inventories	–	1,186	–	–	1,186
Trade and other receivables	–	5,717	4,930	–	10,647
Current tax receivables	–	203	58	–	262
Deferred tax asset	–	–	–	4	4
Cash & cash equivalents	–	278	247	–	526
Total	–	7,384	6,619	7,283	21,286

2015	Derivatives used for hedging £'000	Financial liabilities at amortised cost £'000	Available For sale £'000	Non-Financial Instruments £'000	Total £'000
Liabilities					
Trade & other payables	–	(4,253)	(5,386)	–	(9,640)
Current tax payable	–	(487)	(12)	–	(499)
Other loans	–	(1,965)	–	–	(1,965)
Cash and cash equivalents	–	(779)	–	–	(779)
Total	–	(7,484)	(5,399)	0	(12,883)

Interest rate risk

Materially all the Group's borrowings of £3.2m as at 31 December 2016 (2015: £2.7m) 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 £32,000 per annum.

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 £4.1m at 31 December 2016, there isn't a single receivable which represented more than 10% of Group receivables.

The only commodity risk to which the Group is potentially exposed is the price of oil. However, in practice the prices which are obtained for recovered oil are not directly related to the fluctuating market for crude, and the Group protects itself by selling at prearranged fixed prices which has changed in 2016 due to market conditions.

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 US dollar fluctuations.

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 2016 £'000	NOK 2016 £'000	USD 2016 £'000	EUR 2015 £'000	NOK 2015 £'000	USD 2015 £'000
Year end exchange rate with GBP used	**1.1674**	**10.6013**	**1.2302**	**1.3570**	**13.0328**	**1.4802**
Stocks and work in progress	71	–	55	221	868	97
Trade and other receivables	3,565	1,592	600	3,584	1,161	581
Trade and other payables	(4,701)	(1,866)	(457)	(3,196)	(956)	(283)
Cash and short term deposits	122	121	93	50	36	97
Loans payable within one year	(699)	–	(252)	(356)	–	–
Long term loans payable	(2,033)	(809)	(280)	(1,965)	–	–
Total	(3,675)	(962)	(242)	(1,662)	1,109	492

Profit/(loss) impact of a 10% increase in the year end sterling rate of exchange

	EUR 2016 £'000	NOK 2016 £'000	USD 2016 £'000	EUR 2015 £'000	NOK 2015 £'000	USD 2015 £'000
Stocks and work in progress	(6)	–	(5)			
Trade and other receivables	(324)	(145)	(55)			
Trade and other payables	427	170	42			
Cash and short terms deposits	(11)	(11)	(8)			
Loans payable within one year	64	–	23			
Long term loans payable	185	74	25			
Net impact to profit/(loss)	334	88	22	151	(101)	(45)

	Profit/(loss) impact of a 10% decrease in the year end sterling rate of exchange					
	EUR 2016 £'000	**NOK 2016 £'000**	**USD 2016 £'000**	**EUR 2015 £'000**	**NOK 2015 £'000**	**USD 2015 £'000**
Stocks and work in progress	8	–	6			
Trade and other receivables	396	177	67			
Trade and other payables	(522)	(207)	(51)			
Cash and short terms deposits	13	13	10			
Loans payable within one year	(78)	–	(28)			
Long term loans payable	(226)	(90)	(31)			
Net impact to profit/ (loss)	(408)	(107)	(27)	(185)	123	55

25 Adminstrative costs

Adminstrative costs of £5.8m (2015: £6.5m) consist of salaries, wages and related for £3.4m office and operational premises for £0.6m Legal and Professional fees for £0.6m and administrative and general costs for £0.8m.

26 Events after the balance sheet date

Sale of Nature Port Reception Facilities Ltd Gibraltar

On January 16th 2017 the Group signed the Share Purchase Agreement and related documents that completed the sale of its wholly-owned subsidiary in Gibraltar, Nature Port Reception Facilities Limited ("NPRF"), to Gib Oil Limited for cash consideration of £4m, of which £3m was paid at closing of the transaction on 16 January 2017 and £1m will be retained in escrow for a period of up to two years.
Assets and liabilities related to NPRF are accounted for as "Assets classified as held for sale" and "Liabilities associated with assets held for sale" and disclosed in note 18. The result of the sale net of operational and incidental cost incurred in NPRF are accounted for under "Loss for the year from discontinued operations".

Share option award
Shortly after the sale of NPRF Gibraltar was completed on the 16th of January 2017, Nature Group announced the award of options to certain of its employees and directors in respect of a total of 1,420,000 ordinary shares of 0.2p each in the company under its current share option plan, established on 11th February 2015, This award of options is accounted for in 2016.

27 Consolidated Statement of changes in equity

The capital reserve difference relates to RYTM, the Spanish entity in the Group that is classified as held for sale and for which liquidation papers have been filed at the Spanish Company House by the notary taken care of liquidation proceedings. This adjustment has not had an effect on the £0.015m loss incurred in RYTM during 2016.

28 Off-balance sheet rights and obligations

As at the balance sheet date the obligations for future rental and lease payments for treatment units, offices, yards and cars in the Group amount to £1.3m.

The Group financed fixed assets through loans as disclosed under note 13 non-current liabilities for which the financed assets are pledged as collateral.

The Group has working capital facilities for an amount of £1.3m for which debtors, inventory and stock are pledged as collateral.

The group has the right, under certain conditions, to receive a further £1m currently in escrow from the sale of the entity NPRF Gibraltar. First release date is June 30th 2017 for £0.2m and second release date is January 17th 2019 for £0.8m.

29 Remuneration of key management personnel

The remuneration of the Executive Directors, who are the key management personnel of the Group, is set out below.

	Remuneration £
J Vesseur	
Short-term employee benefits	186,716
Post-employment benefits	7,898
Total remuneration	194,614
M Smits	
Short-term employee benefits	134,652
Post-employment benefits	6,741
Total remuneration	141,393

30 Reserves

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

Share premium reserve
This reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Share options reserve
This reserve represents the fair value of the outstanding share options calculated using the Black-Scholes model.

Foreign exchange translation reserve
This reserve represents gains and losses arising on the translation of foreign operations into the Group's presentational currency.

Profit and loss account reserve
This reserve represents the cumulative profits and losses of the Group.

Non-controlling interests reserve
This reserve represents the share of the interest held by the non-controlling shareholders of the subsidiary undertakings.

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 Pinsent Masons LLP, 30 Crown Place, Earl Street, London EC2A 4ES at 10.30 am BST on Tuesday 27 June 2017, 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 2016, with the auditor's report thereon;
- Ordinary resolution 2: To re-appoint Mazars LLP 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

E van der Meulen

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

Dated: 31 May 2017

A member entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. The proxy need not be a member of the Company.

Notes:

1 Holders of ordinary shares are entitled to attend and 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 registrars:
Computershare Investor Services PLC
c/o The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
United Kingdom
→ not less than Friday 23 June 2017, 10.30am BST.

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 Corporate Secretary, Esther van der Meulen; esther.vandermeulen@ngrp.com

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 Group 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 PLC (Registered office)
Ordnance House
31 Pier Road
St. Helier
Jersey JE4 8PW

Nature Group Holding BV (Principal business office)
Evert van de Beekstraat 1-44
1118 CL Schiphol
The Netherlands

E-mail: info@ngrp.com