Nature Group PLC

Report and accounts

for the year ended 31 December 2017

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

Our Mission.

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

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

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

At Nature 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

Nature Group PLC

Report and accounts

For the year ended 31 December 2017

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Directors, secretary and Advisers

Directors
B van Straten (Non-executive Director and Chairman)
A Drenthen (Non-Executive Director until July 2017, Chief Executive Officer from July 2017)
R Verbruggen (Non-Executive Director, appointed 8 August 2017)

Corporate Secretary
B van Straten (since 1 December 2017)

Registered office
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St. Helier
Jersey JE4 8PW

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Cenkos Securities PLC London
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United Kingdom

Auditor
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London 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 year 2017 was supposed to be the turn-around year for Nature. Overhead costs had been reduced and the Company was well positioned with maritime operations in Rotterdam and Houston and Oil & Gas activities in both Aberdeen and Stavanger.

Unfortunately, the cash generated from the sale of our Gibraltar assets in January was insufficient to provide funds to invest in growth and cost saving opportunities. To this was added delays in securing new contracts in the Oil and Gas business, particularly in the UK sector in the North Sea, and delay in shutting down our operations in Portugal. The combination of these events resulted in significant losses in the first half of 2017 and meant we failed to deliver on the Board's promise to return to profitability in 2017. The Board could not ignore the consequences of this, as part of a determined drive to reduce overheads, the CEO and CFO left the Group in July, the Amsterdam office was closed and the Oil & Gas Division was identified for divestment.

Andreas Drenthen was re-instated as CEO and Rene Verbruggen joined the board and brought a wealth of experience and focus. Andreas Drenthen's revived attention to the Rotterdam operations yielded further improvements in profitability – more revenue was made in Rotterdam the last 3 Months of the year than in the previous nine Months.

The decision to sell the Oil and Gas operations was a difficult decision as the Group over the years had invested significant funds in the business and had built a reputation for superior technology and operational excellence. Negotiations have been entered into with a prospective purchaser but at this point it would be premature to indicate when a sale will be completed. Should the sale of the division not be completed soon, the Board is considering closing down the Stavanger and Aberdeen operations and selling the assets of the division to interested prospective buyers.

The Maritime operations in Rotterdam are showing continued strong performance in the first 6 Months of 2018 and it is expected that this trend will continue. Our operations in Houston are picking up and through the cooperation with Ramky it is expected that the road to profitability should be reached in 2019. In Oman, plans are being made to build a waste water treatment facility in the port of Sohar.

The need to match our overhead with a reduced base of business operations is forcing us to look very carefully at how we can mitigate some of the costs associated with being an AIM listed Company without losing the benefits. Looking forward the Board is therefore considering to de-list the Company as soon as the sale of the Oil & Gas division has been completed. Following this, the Board is considering to sell the remaining components if a market conform price can be achieved. This, and the release of the funds that are being kept in escrow in 2019, may maximize shareholder value, which will be paid out as dividend to our respective shareholders.

The Board would like to express their appreciation to the Nature employees and its affiliates for their commitment and loyalty during these uncertain times. Our employees have been working with the Board to make the necessary changes in our goal to restore the profitability of the Group. I want to thank our many shareholders for their patience, perseverance and trust during the difficult times we have had. We look forward to maximizing shareholder value during the remaining Months of this year.

Berend van Straten
Chairman of the Board
31 July 2017

Executive directors' statement

2017 has been another challenging year for the Nature Group. The continuing downturn in the Oil & Gas sector had a significant impact on our Divisional and Group financial performance. Within our Oil & Gas Division the number of offshore operations and projects declined as many offshore drilling operations were cancelled. This slowdown also had a knock on effect on the maritime operations in Houston which suffered from the revenue segment derived from offshore supply vessels operating in the Gulf.

The proceeds from the sale of our redundant site in Gibraltar at the beginning of 2017 was very welcome although this still did not give the Group the headroom it needed to adequately finance its operations. Frustratingly, a residual value of £694,500 is held in escrow until the beginning of 2019.

The board made the decision to generate additional funds from the identification of selective divestments. Nature's partner in the Middle East, Ramky, was looking to expand its activities in the USA. Having identified our Houston operation as fitting their objectives this led to Ramky acquiring a 50% shareholding in the second half of 2017.

The overall loss in revenues was significant, and although there are some signs of recovery in the oil price, this hasn't resulted in more drilling operations until the second quarter of 2018 and as such the outlook remains poor. The maritime operation in Houston is showing signs of revival, as the team has done an outstanding job by getting more maritime contracts than ever before. Volumes are rising and outlook for the coming year is promising. In Rotterdam volumes of vessel- and cargo-related liquid waste were stable. In 2017 we started collecting Annex V waste (solid/galley waste), as a new service to our customers, as there was only one company servicing the Rotterdam port. We started collecting with one barge and have managed to get more and more contracts to collect Annex V waste and in 2018 will start using a second, chartered, barge. Despite the start-up costs we managed to break-even this new service in 2017 and foresee a further growth and contribution to the bottom-line in 2018.

The operational and management changes we have made in the Maritime Division, particularly in Rotterdam, are looking encouraging and giving us optimism for the future of these activities. As a service based operation for waste management we see a more stable and predictable revenue flow for this business. This contrasts with the volatility we see in the contracting model for Oil and Gas revenues. As the Group cannot sustain the continued losses in this sector the division needs to be divested at the earliest opportunity. Once this divestment has succeeded there only remains one operation in Rotterdam, next to the 50% shareholding in the Houston operation and further strategic options need to be taken.

Andreas Drenthen
CEO
31 July 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 2017 together with the consolidated 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
The Group results for the year ended 31 December 2017 are detailed in the Statement of Other Comprehensive Income.

Dividends
No dividend in respect of the year ended 31 December 2017 will be declared (2016 - £nil). 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 2017 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. Trading of the shares has been suspended from 27th of March 2018 on request of the Board whilst it seeks to clarify its financial position.

Share options
In 2017 135,836 share options expired. Therefore there remain 2,304,164 share options in issue as at the date of this report.

Directors
The Directors who held office during the year, were as follows:
B van Straten
A Drenthen
R Verbruggen (appointed August 2017)
J Vesseur (resigned July 2017)
M Smits (resigned July 2017)

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 20 July 2018 ordinary shares	At 31 December 2017 ordinary shares	At 31 December 2016 ordinary shares
J Vesseur	1,131,400	1,131,400	425,000
M Smits	696,000	696,000	
B van Straten	500,000	500,000	
A Drenthen	150,000	150,000	150,000
R Verbruggen	-	-	-

On a fully diluted basis assuming all option instruments were exercised, the percentage of issued Ordinary Shares and share options held by directors at 26 June 2018 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 Verbruggen	-	-	-	-	-

Other substantial interests as at 20 July 2018:

	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. which 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").

By Order of the Board

Andreas Drenthen
CEO

Ordnance House
31 Pier Road
St. Helier
Jersey
31 July 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 2017

	Remuneration 2017 £	Remuneration 2016 £
J Vesseur*	**271,000**	**194,614**
Cash payments	262,571	186,716
Pension	8,429	7,898
M Smits*	**275,713**	**141,393**
Cash payments	272,079	134,652
Pension	3,634	6,741
B van Straten	**59,626**	**45,769**
Cash payments	59,626	45,769
Pension	-	-
A Drenthen	**74,139**	**36,000**
Cash payments	74,139	36,000
Pension	-	-
R Verbruggen **	**14,910**	**-**
Cash payments	14,910	-
Pension	-	-

Notes:
The executive directors of Nature Group PLC are not entitled to any bonuses on Group results as at 31 December 2017.
* J Vesseur and M Smits have left the Company per October 1st, 2017
** R Verbruggen was appointed on August 8th, 2017

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

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

Opinion

We have audited the consolidated financial statements of Nature Group Plc and its subsidiaries (the 'Group') for the year ended 31 December 2017 which comprise, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash flow and the Notes to the Consolidated Financial Statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as issued by the international Accounting Standards Board.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2017 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as issued by the International Accounting Standards Board; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements concerning the applicability of the going concern basis of preparation. As detailed in Note 1 in the period the group had a loss before tax on continuing operations of £2.1m (2016: loss £2.2m). The Group has issued press releases in the period detailing liquidity issues arising mainly from loss making businesses. As a consequence the Board has been undertaking restructuring actions including divestment or closure of loss making businesses. A key part of this strategy is the announced plan to dispose of the business or assets of the Oil & Gas division and discussions are ongoing with potential acquirers. Should the disposal the Oil & Gas business or assets not proceed on a timely basis then there is a material uncertainty which casts significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition
Key audit matter:
The Group's accounting policy for revenue recognition is set out in the accounting policy notes on "Revenue" on page 21. There is a risk of fraud in revenue recognition due to the potential to inappropriately shift the timing and basis of revenue recognition as well as the potential to record fictitious revenues or fail to record actual revenues. For the group, we consider this significant risk to arise as follows:

- The Group recognise revenue from waste processing services. There is a risk that the revenue recognised is inaccurate or incomplete if there are not sufficient processes and controls in place for recording incoming and outgoing flow of waste. There is further a risk that revenue is not recognised in the correct period for waste processed around the year end.
- Revenue recognised from rental and sales of Compact Treatment Units and Sludge Treatments Units (CTU, STU) carry the risk that revenue is not recognised in the correct period.

Our response:
Our audit procedures over revenue recognition included general procedures on the methodology adopted and the related control environment, in addition to substantive testing.

Procedures included, but were not limited to:

- Consideration of the Group's revenue accounting policy;
- Assessing the related internal control environment related to waste processing services. Test on a sample basis the volume and price of waste collection services provided;
- For a sample of STU and CTU contracts, assessment of revenue recognised by reference to contractual terms; and
- Assessment of the adequacy of the invoice and credit note cut off during the year and subsequent to the year end for all revenue stream.

Our findings:
On the basis of our audit procedures, we have not identified any misstatements in the level of revenue recognised in the financial statements.

Impairment of assets
Key audit matter:
The Group's accounting policies in respect of 'Plant, vessels and equipment', 'Goodwill' and 'Investments in associates' are set out on page 21. The Group's policy on impairment of intangible assets is set out under 'Impairment of non-financial assets' on page 23. The Group's commentary on the related accounting estimates is set out under 'Use of estimates and judgements' on page 20.

The Group disposed of its goodwill in the period. For other assets, a full impairment review is required where the Directors have identified an indicator that the assets may be impaired. The Directors have concluded that the Group's reported operating losses represents an indicator of potential impairment, and have therefore performed a full impairment review on all assets.

Reflecting the uncertainty associated with the certain assumptions behind the financial projections that underpin the Directors' impairment review, we have identified the impairment of plant, vessels and equipment, and investment in associates as a key audit matter.

Our response:
Our audit procedures over the impairment of goodwill and other intangible assets included general procedures on the methodology adopted and the related controls, in addition to substantive testing:

Procedures included, but were not limited to:

- review of the methodology used by the Directors for the impairment review, and
- consideration of the review and approval processes adopted.
- testing, on a sample basis. the calculations in the Directors' impairment review;
- reviewing the assumptions applied for reasonableness; and
- where appropriate consideration of the sensitivities applied.

Our findings:
We conclude that the methodology used by the Directors in their impairment review on plant, vessels and equipment and investment in associates is appropriate. On the basis of our audit procedures, we concur with the Directors' assessment that there is no further impairment of plant, vessels and equipment and investment in associates other than already recognised.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of identified misstatements on the financial statements, and in forming our audit opinion. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements.

We established materiality based on the Group's total reported revenues, which the Group considers to be a Key Performance Indicator. We determined materiality for the Group financial statements to be £160,000 (2016: £180,000), representing approximately 1.25% (2016: 1.5%) of the Group's reported revenues.

Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Performance materiality of £160,000 (2016: £117,000), representing approximately 70% (2016: 65%) of overall group materiality.

We agreed with the Audit Committee that we would report to that committee all identified corrected and uncorrected audit differences in excess of £4,800 (2016: £5,000) together with differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at component level. In the current period, the range of performance materiality allocated to components was £36,400 to £60,000.

An overview of the scope of our audit

Our audit involved 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. The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report.

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level. Based on that assessment, all significant entities within the group were subject to full scope audit with key working papers reviewed by the group audit team.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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:

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.

Robert Neate (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Recognised Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD
31 July 2018

Consolidated statement of comprehensive income

Year ended 31 December 2017

	Notes	Audited year to 2017	Audited year to 2016 restated (see note 1)
Continuing operations		**£**	**£**
Revenue	1,4	10,127,196	11,990,529
Cost of sales		(7,283,070)	(7,332,730)
Operating profit		2,844,126	4,657,799
Other income/(expense)		-	(203,961)
Share based payments	15	66,382	3,699
Administrative costs	24	(3,925,274)	(5,814,627)
Depreciation and amortisation		(512,362)	(1,141,913)
Finance costs		(109,090)	(35,650)
Share of net (loss)/profit of associates and joint ventures accounted for using the equity method		(263,197)	-
Loss before taxation	2	(1,899,415)	(2,534,653)
Income tax (expense)/gain	3	(164,037)	285,013
Loss for the year from continuing operations		(2,063,452)	(2,249,640)
Discontinued operations			
Loss after tax for the year from discontinued operations	17	(1,289,722)	(1,345,163)
Loss for the year		(3,353,174)	(3,594,803)
Attributable to:			
Equity holders of the parent:			
Loss for the year from continuing operations		(2,063,452)	(2,202,273)
Loss for the year from discontinued operations		(1,231,170)	(1,212,976)
Loss for the year attributable to equity holders of the parent		(3,294,622)	(3,415,249)
Non-controlling interest:			
Loss for the year from continuing operations		-	(47,367)
Loss for the year from discontinued operations		(58,552)	(132,187)
Loss for the period attributable to owners of non-controlling interest		(58,552)	(179,554)
Loss for the year		(3,353,174)	(3,594,803)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		217,539	1,231,875
Total comprehensive loss for the year, net of tax		(3,135,635)	(2,362,928)
Attributable to:			
Equity holders of the parent		(3,077,083)	(2,183,374)
Non-controlling interest		(58,552)	(179,554)
		(3,135,635)	(2,362,928)
Earnings per share (pence)			
From continuing operations:			
Basic	16	(2.603)	(2.778)
From discontinued operations:			
Basic	16	(1.553)	(1.530)
Loss after tax, before share based payments		(3,361,004)	(3,418,948)
Continued operations excluding share based payments	16	(2.603)	(2.778)

The notes on pages 18 to 45 are an integral part of these consolidated financial statements.

Consolidated balance sheet

At 31 December 2017

	Notes	Audited as at 2017 £	Audited as at 2016 restated (see note 1) £
Assets			
Non-current assets			
Plant, vessels and equipment	5	4,262,394	8,341,330
Goodwill	6	-	1,238,137
Other intangible assets	6	17,113	17,680
Investment in associated company	7	940,136	308,446
Deferred tax assets	3	-	478,508
Long term receivables	8	1,287,488	-
Total non-current assets		6,507,131	10,384,101
Current assets			
Insurance recoveries on 3rd party claims	20	1,651,572	1,593,352
Corporate taxes		-	86,978
Stocks and work in progress		10,655	79,234
Trade and other receivables	10	2,205,859	3,369,337
Cash and cash equivalents	19	314,569	383,642
		4,182,655	5,512,543
Assets classified as held for sale	4,18	1,411,044	6,387,737
Total assets		12,100,830	22,284,381
Liabilities			
Current liabilities			
Trade and other payables	11	(1,386,159)	(6,678,378)
Corporate taxes		(23,975)	-
Bank loans and overdrafts	12,19	(777,617)	(1,186,456)
Provision for 3rd party claims	20	(1,651,572)	(1,593,352)
		(3,839,323)	(9,458,186)
Liabilities directly associated with assets classified as held for sale	4,18	(2,981,863)	(5,608,227)
		(6,821,186)	(15,066,413)
Non-current liabilities			
Deferred tax liability	3	(361,080)	(386,907)
Provisions	20	(333,556)	-
Term loans	13	(1,847,274)	(1,220,277)
		(2,541,910)	(1,607,184)
Net assets		2,737,734	5,610,784
Equity			
Called up share capital	14	158,561	158,561
Share premium account	14	21,953,617	21,953,617
Share option reserve	15	40,665	107,047
Capital reserve		2,866,130	2,866,130
Foreign currency translation reserve		431,566	214,027
Profit and loss account		(22,712,805)	(19,418,183)
		2,737,734	5,881,199
Amounts recognised directly in equity relating to assets classified as held for sale		-	-
Equity attributable to owners of the Group		2,737,734	5,881,199
Non-controlling interest	9	-	(270,415)
Total equity attributable to equity shareholders		2,737,734	5,610,784

Approved by the Board on 31 July 2018

A Drenthen (CEO)

The notes on pages 18 to 45 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Year ended 31 December 2017

Notes	Share Capital Account £	Share Premium Account £	Share options Reserve £	Capital Reserve £	Foreign currency trans-lation Reserve £	Profit and Loss Account £	Attribu-table to Owners of the Group £	Non-Control ling Interest £	Total equity £
At 1 January 2016	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 restated (see note 1)	-	-	-	(59,390)	-	-	(59,390)	-	(59,390)
Share options movement in reserve	-	-	(3,699)	-	-	-	(3,699)	-	(3,699)
FX consolidation differences restated (see note 1)	-	-	-	-	1,231,875	-	1,231,875	(413,700)	818,175
Acquisition of non-controlling interest	-	-	-	-	-	-	-	47,365	47,365
Loss for the year restated (see note 1)	-	-	-	-	-	(3,415,249)	(3,415,249)	(179,552)	(3,594,801)
At 31 December 2016	158,561	21,953,617	107,047	2,866,130	214,027	(19,418,183)	5,881,199	(270,415)	5,610,784
Share options movement in reserve	-	-	(66,382)	-	-	-	(66,382)	-	(66,382)
FX consolidation differences	-	-	-	-	217,539	-	217,539	-	217,539
Disposal of non-controlling interest	-	-	-	-	-	-	-	328,967	328,967
Loss for the year	-	-	-	-	-	(3,294,622)	(3,294,622)	(58,552)	(3,353,174)
At 31 December 2017	158,561	21,953,617	40,665	2,866,130	431,566	(22,712,805)	2,737,734	-	2,737,734

The notes on pages 18 to 45 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

Year ended 31 December 2017

Reconciliation of operating profit to net cash flow from operating activities	Audited year to 2017 £	Audited year to 2016 restated (see note 1) £
Loss for the year before taxation	(2,800,715)	(3,891,015)
Adjustments for:		
Depreciation and amortisation	943,843	1,150,457
Decrease in stock	76,766	-
Decrease in debtors	1,594,600	1,798,041
(Decrease)/increase in creditors	(2,642,963)	1,657,936
Foreign exchange differences	387,642	1,200,254
Decrease in reserves due to share based payments	-	(3,699)
Impairment of fixed assets	1,693,263	120,066
Other non-cash movements	(512,919)	-
Net cash flow from operating activities	(1,260,483)	2,032,040
Investing activities:		
Acquisition of tangible assets	(374,218)	(2,017,372)
Disposal of tangible assets	2,483,050	48,456
Acquisition of intangible assets	-	(166,478)
Disposal of intangible assets	1,121,034	
Financing activities:		
Repayments of (bank) borrowings	(1,931,495)	(336,884)
Proceeds from investments by non-controlling interest	-	-
Increase / (Decrease) in cash balances	37,888	(440,238)
Analysis of cash and cash equivalents during the year:		
Balance at start of year	(693,649)	(253,411)
Effect of exchange differences opening balance cash and cash equivalents	(23,715)	
Increase/(Decrease) in cash and cash equivalents	37,888	(440,238)
Balance at end of year	(679,476)	(693,649)

The notes on pages 18 to 45 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 2017 comprise the Company and its subsidiaries and the Group's interest in associated companies (see note 7).

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, except for held-for-sale 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.

Going concern
In the period the Group had a loss before tax of £2.1m on continuing operations (2016: loss £2.2m). Whilst the core Maritime business remains profitable and cash generative other businesses in the group have been loss making which has caused liquidity issues. Over the last year the Board have been undertaking significant restructuring actions including closing loss making operations and divesting businesses. As announced on 7th and 15th March 2018 and the 6th June 2018 the Board remains in negotiations with a number of parties about its future financing, structure and strategic direction. A key part of this strategy is the announced plan to dispose of the business or assets of the Oil & Gas division and discussions are ongoing with potential acquirers. The Group's financial position remains precarious and such negotiations remain vital in securing the Company's future.
The Board have prepared forecasts covering a period of 12 months from the date of approval of these financial assumptions that show that, subject to disposing the Oil & Gas business that the Group is a going concern and consequently have prepared the accounts on the going concern basis. However, should disposal of the Oil & Gas business not proceed there is a material uncertainty that casts doubt over the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Prior year adjustment
Due to an incorrect value of the investments in NPRF Gibraltar Limited, NPRF Portugal and Residuos Y Transportes Marpol S.A. in the books of Nature Group PLC there was a mismatch in the consolidation and elimination of intercompany positions. The income statement and balance sheet as 31 December 2016 have been adjusted to reflect the correct position resulting in an increase of the loss on discontinued operations for the year 2016 of £290,019. Residuos Y Transportes Marpol S.A. in the books of Nature Group PLC had a write off of £163,731 of investment to the capital reserve. This is a balance sheet only reclassification impact.

The opening retained earnings of 2016 was not impacted by the above adjustments. The impact on specific line items is:

Other income and expense (discontinued loss)	£290,019
Foreign currency translation reserve	(£479,652)
Capital reserve	(£163,731)
Trade and other payables	£353,364

The earnings per share from continued operations was not impacted. Basic earnings per share from discontinued operations decreased by 0.366 pence and diluted earnings per share from discontinued operations decreased by 0.355 pence.

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 2018

- 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 - 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 - 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 have commenced a review of the impact of these new standards. The review is still too early in the process to conclude if there will be any material impact from the adoption of IFRS9 and IFRS 15.

- 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 21. 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.
- Management exercise estimation and judgement when determining the stage of completion on service contracts to estimate costs to complete and revenues to recognise. This is done based on information on milestones and performance stages included in the contracts.
- During the year, the group's ownership in Nature Environmental & Marine Services Llc reduced to 50% as disclosed in Note. Management assessed that the control over the entity was lost as Ramky shall elect and designate the Chairman. In the case where a majority vote cannot be reached the Chairman will cast the deciding vote. Significant influence is retained over the entity and the entity is accounted for as an associate.
- 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 2017 was £nil (2016: £1,238,137).

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 assets and liabilities 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.

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 are amortised on a straight line basis 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 substantively 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. Uninvoiced 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 Group'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 Group 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 Group 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 4 showing the amount of revenue from each business and geographical segment.

2 Loss for the year

	2017 £	2016 £
Loss for the year is stated after recognising:		
Directors' emoluments	695,388	478,772
Employee costs	4,482,117	4,872,062
Depreciation of fixed assets	935,329	1,043,435
Impairment tangible fixed assets Oil & Gas division	1,693,263	-
Amortisation of intangible assets	8,514	32,043
Loss on sale of fixed assets	-	51,396
Fixed asset write-off	-	115,940
Auditor's remuneration	113,895	95,664
Foreign exchange losses	63,656	34,801

Other services provided by the Group Auditors amount to £nil (2016: £nil).

3 Income tax

	2017 £	2016 £
Current tax charge	77,020	112,386
Deferred tax	87,017	(397,399)
Total	**164,037**	**(285,013)**

	2017 £	2016 £
Loss before tax on continuing operations	(1,899,415)	(2,534,653)
Tax at the Jersey tax rate of 0%	-	-
Income tax on overseas subsidiaries	164,037	(285,013)
Total	**164,037**	**(285,013)**

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

	2017 £	2016 £
Nature Environmental Technologies Limited	113,628	-
Nature International Slop Disposal BV	64,322	70,515
Nature Oil and Gas AS	-	(79,753)
Nature Environmental and Marine Services Llc	(169,394)	(101,610)
NG Lender Llc	135,299	(47,755)
NPRF Malta	-	(988)
Chrystalwater Navigation Limited	-	28,737
Nature Group Holding BV	20,182	13,134
Nature Group BV	-	(24,095)
Nature Oil and Gas UK Limited	-	(143,198)
Total	**164,037**	**(285,013)**

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.

The corporate tax rate in the UK has changed from 20% in 2016 to 19% in 2017.

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 in 2016 related to tax losses incurred today which can be utilized against future trading profits. As detailed in the going concern statement (note 1) there is an increased uncertainty in relation to future profitability. Projections and forecast in 2016 supported the utilization of tax losses and recognition of deferred tax assets. The assets were written off in the current year based on the projected performance and the uncertainty over future utilization of tax losses.

	2017 £	**2016 £**
Nature Environmental Technologies Limited	-	113,628
Nature Oil and Gas UK Limited	-	143,200
Nature Environmental and Marine Services Llc	-	73,244
NG Lender Llc	-	148,436
Total	**-**	**478,508**

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

	2017 £	**2016 £**
Nature International Slop Disposal BV	361,080	370,653
Nature Group BV	-	(25,925)
Nature Group Holding BV	-	13,443
Chrystalwater Navigation Limited	-	28,736
Total	**361,080**	**386,907**

The deferred tax liability from Nature International Slop Disposal BV relates to differences in depreciation of tangible fixed assets.

4 Business and geographical segments

Business segments – continuing operations
For management purposes the Group is organised into four continuing operating activities. These are the reception and treatment of maritime waste, both liquid and solid in onshore locations (maritime), the provision of offshore treatment modules (oil and gas), Engineering Services and Group and Shareholder activities. The Oil & Gas Division is classified in 2017 as assets held for sale. No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is measured based on revenue, profit and loss and total assets and liabilities.

	Revenue 2017 £	Revenue 2016 £	Profit/loss before tax 2017 £	Profit/loss before tax 2016 £
Oil and Gas Division	-	2,251,154	-	(1,080,197)
Maritime Division	9,750,353	9,739,375	(917,184)	207,061
Engineering Services	376,843	-	(162,008)	-
Group and Shareholder	-	-	(820,223)	(1,661,517)
Total	10,127,196	11,990,529	(1,899,415)	(2,534,653)

	Total assets 2017 £	Total assets 2016 £	Total liabilities 2017 £	Total liabilities 2016 restated (see note 1) £
Oil and Gas Division	-	3,369,381	-	(1,960,696)
Maritime Division	13,079,852	17,350,322	(6,703,427)	(8,045,680)
Engineering Services	(486,208)	(485,886)	(252,791)	(9,052)
Group and Shareholder	(1,903,859)	(4,337,173)	574,985	(1,049,942)
Total	10,689,785	15,896,644	(6,381,233)	(11,065,370)
Assets and liabilities classified as held for sale	1,411,044	6,387,737	(2,981,863)	(5,608,227)
Total	12,100,829	22,284,381	(9,363,096)	(16,673,597)

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 2017 £	Revenue 2016 £	Profit/loss before tax 2017 £	Profit/loss before tax 2016 £
The Netherlands		7,010,244	6,766,241	405,557	456,281
Norway		-	1,727,290	-	(834,091)
Malta		-	-	-	(2,823)
USA		2,740,109	3,003,973	(1,216,322)	(220,905)
UK (Jersey)	– Operational	376,843	493,025	(162,008)	(271,598)
	– Group office (intra Group charges excluded)	-	-	(926,642)	(1,661,517)
Total		10,127,196	11,990,529	(1,899,415)	(2,534,653)

		Total assets 2017 £	Total assets 2016 £	Total liabilities 2017 £	Total liabilities 2016 restated (see note 1) £
The Netherlands		11,288,400	10,992,142	(6,613,968)	(6,341,337)
Norway		-	3,312,462		(1,963,803)
Malta		-	(16,528)		(30,852)
USA		985,471	5,257,490	(565,161)	(1,445,298)
UK (Jersey)	– Operational	(486,208)	(431,933)	(252,791)	(44,499)
	– Group office (intra Group charges excluded)	(1,097,878)	(3,216,989)	1,050,687	(1,239,581)
Total		10,689,785	15,896,644	(6,381,233)	(11,065,370)
Assets and liabilities classified as held for sale		1,411,044	6,387,737	(2,981,863)	(5,608,227)
Total		12,100,829	22,284,381	(9,363,096)	(16,673,597)

All additions to non-current assets during 2017 relate to the Maritime Division.

Information about major customers
Below is a representation of total revenue from clients over 10% of total revenue per defined segment.

Based on the business segments:

Maritime division
Customer 1 12.6%

Engineering Services
Customer 1 43%
Customer 2 44%

Based on the geographical segments:

Netherlands
Customer 1 23.7%
Customer 2 11.6%

UK
Customer 1 43%
Customer 2 44%

5 Plant, vessels and equipment

	Total £	Vessels £	Plant & Machinery £	Office Equipment £	Motor Vehicles £
Cost					
As at 1 January 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 1 January 2017	13,007,805	6,265,659	5,400,716	524,094	817,336
Currency translation adjustment	(74,466)	228,940	(236,899)	5,551	(72,058)
Additions at cost	374,218	187,559	93,485	4,158	89,016
Disposals at cost	(444,052)	(415,930)	(9,430)	(18,692)	-
Disposals of businesses	(1,535,493)	-	(676,004)	(25,195)	(834,294)
Reclassified as held for sale	(4,127,923)	-	(4,018,108)	(109,815)	-
As at 31 December 2017	7,200,089	6,266,228	553,760	380,101	-
Depreciation					
As at 1 January 2016	3,423,795	1,237,756	2,080,032	78,807	27,200
Currency translation adjustment	208,463	559,949	(567,714)	210,699	5,529
Disposals	(9,216)	-	1,468	5,866	(16,550)
Disposals of businesses	-	-	-	-	-
Charge for the year	1,048,220	339,174	464,844	71,257	172,945
Elimination on reclassification as held for sale	(4,786)	-	-	(4,786)	-
As at 1 January 2017	4,666,476	2,136,879	1,978,630	361,843	189,124
Reclassification	-	-	5,412	(5,412)	-
Currency translation adjustment	1,512	78,079	(65,002)	5,109	(16,674)
Disposals	(434,622)	(415,930)	-	(18,692)	-
Disposals of businesses	(446,340)	-	(146,879)	(11,947)	(287,514)
Charge for the year	935,329	272,979	455,556	91,730	115,064
Impairment*	1,693,263		1,693,263		
Elimination on reclassification as held for sale	(3,477,923)	-	(3,368,108)	(109,815)	-
As at 31 December 2017	2,937,695	2,072,007	552,872	312,816	-
Net book value					
As at 31 December 2017	4,262,394	4,194,221	888	67,285	-
As at 31 December 2016	8,341,330	4,128,780	3,422,086	162,251	628,213

*impairment loss reflects an indicative offer for the assets of the Oil & Gas Division

6 Goodwill and other intangible assets

	Total £	Develop-ment costs £	Goodwill £	Patents £	Licenses £
Cost					
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 1 January 2017	2,325,384	276,465	1,779,136	41,297	228,486
Currency translation adjustment	(122,833)	(11,896)	(109,160)	(1,777)	-
Additions at cost	7,946	-	-	-	7,946
Disposals at cost	(1,762,149)	-	(1,669,976)	-	(92,173)
Reclassified as held for sale	(304,089)	(264,569)	-	(39,520)	-
As at 31 December 2017	144,259	-	-	-	144,259
Amortisation					
As at 1 January 2016	867,776	210,152	541,000	24,451	92,173
Currency translation adjustment	53,808	48,201	-	5,608	-
Charge for the year	147,983	18,112	-	11,238	118,633
As at 1 January 2017	1,069,567	276,464	541,000	41,297	210,806
Currency translation adjustment	(13,673)	(11,896)	-	(1,777)	-
Disposals	(633,173)	-	(541,000)	-	(92,173)
Charge for the year	8,514	-	-	-	8,514
Elimination on reclassification as held for sale	(304,089)	(264,569)	-	(39,520)	-
As at 31 December 2017	127,146	-	-	-	127,147
Net book value					
As at 31 December 2017	17,112	-	-	-	17,112
As at 31 December 2016	1,255,817	-	1,238,137	-	17,680

Disposals at cost from goodwill relates to the sale of Nature Port Reception Facilities (Gibraltar) Limited and 50% of the shares of Nature Environmental & Marine Services Llc., resulting, due to the conditions in the purchase agreement, in a non-controlling interest.

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

7 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[1]	Jersey
Nature International Slop Disposal BV	Netherlands
Nature Oil and Gas AS[2]	Norway
Nature Port Reception Facilities (Gibraltar) Limited[3]	Gibraltar
Nature Port Reception Facilities (Malta) Limited[1]	Malta
Nature Oil & Gas Holdings Limited[4]	Jersey
Nature Port Reception Facilities Holdings Limited[4]	Jersey
Crystalwater Navigation Limited[1]	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[1]	Spain
Nature Oil and Gas UK Limited[2]	UK
Nature Group Holding BV	Netherlands
Nature Group BV[2]	Netherlands

[1] Subsidiaries are being liquidated
[2] Classified as 'held for sale'
[3] NPRF Gibraltar Limited was sold January 16th 2017.
[4] Did not trade during the year.
[5] NPRF Portugal – Serviços Marítimas Ambientais S.A. (55% stake owned was sold August 31st, 2017.
[6] Nature Environmental & Marine Services Llc, 50% of the shares in the company were sold on November 15th 2017, resulting in a non-controlling interest, due to the conditions in the purchase agreement.

Associated companies
At 31 December 2017 and 2016, Nature Group PLC held 50% (£250) shareholding in Nature Oil and Gas Aberdeen Limited. This company was dissolved on 19 September 2017.

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. Including the post-acquisition loss and exchange differences the carrying value per 31 December 2017 is £305,185.

After the sale of 50% of the shares of Nature Environmental & Marine Services Llc. the company is accounted for as an associate company, due to the terms in the purchase agreement in which Ramky has the right to elect and designate the Chairman of the Board in the situation that both Nature Group and Ramky own 50% and the Chairman is given extensive power and authority to cast the deciding vote in case of a deadlock. The loss arising on this transaction was £143,000. The carrying value per 31 December 2017 is £634,701.

Details of material associates

Details of each of the Group's material associates at the end of the reporting period are as follows:

Nature Environmental & Marine Services Llc	**31 December 2017**
Current assets	734,048
Non-current assets	1,720,199
Current liabilities	(403,204)
Non-current liabilities	(1,062,631)
Revenue	360,006
Loss for the period	(435,124)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Nature Environmental & Marine Services Llc in the consolidated financial statements

	31 December 2017
Net assets of the associate	988,412
Proportion of Group's ownership	50%
Proportion of net assets	494,206
Goodwill on associate level	140,495
Carrying amount of Group's interest in the associate	**634,701**

Aggregate information of associates that are not individually material

	31 December 2017
The Group share of loss from continuing operations	(45,559)
Aggregate carrying amount of Group's interest in the associate	**305,185**

8 Long term receivables

	2017 £	2016 £
Loan to Nature Environmental & Marine Services Llc	592,988	-
Escrow account related to sale of NPRF Gibraltar	694,500	-
Total	**1,287,488**	**-**

The loan to Nature Environmental & Marine Services Llc is provided by NG Lender Llc per November 15th, 2017. NEMS became a non-controlling interest, due to the conditions in the purchase agreement, after the sale of 50% of the shares to Ramky Enviro North America, LLC. The loan will mature on November 30th, 2022 at an interest rate of 5% per annum.

The receivable in the Escrow account is related to the sale of NPRF Gibraltar. The release date of the amount in the Escrow account is January 17th, 2019. In 2017 a sum of £105,500 has been released for the purpose of making a payment on behalf of Nature Port Reception Facilities Limited to a third party in connection with an outstanding claim.

9 Non-controlling interest

On August 31st, 2017 Nature Group PLC sold its 55% stake in NPRF Portugal. The table below summarizes the movements.

	2017 £	2016 £
NPRF Portugal brought forward	(270,415)	(182,605)
Share of loss for the year	(58,552)	(132,187)
Disposal of non-controlling interest	328,967	-
Share of translation adjustment for the year	-	44,377
Total	**-**	**(270,415)**

	2017 £	2016 £
NEMS brought forward	-	-
Share of loss for the year	-	(47,365)
Share of translation adjustment for the year	-	-
Acquisition of remaining shares	-	47,365
Total	**-**	**-**
Total non-controlling interest	**-**	**(270,415)**

10 Trade and other receivables

	2017 £	2016 £
Trade debtors	1,623,033	2,787,226
Other debtors and prepayments	582,826	582,111
Total	**2,205,859**	**3,369,337**

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 2017 the aged trade receivables analysis is as follows:

	Total £	Neither past due or im-paired £	<30 £	30-60 £	60-90 £	90> £
2017 Sale of Goods	1,623,033	512,312	232,465	323,605	153,602	401,049
2016 Sale of Goods	2,787,226	1,442,891	498,397	391,118	42,603	412,217

Movement in allowance for doubtful debt

	2017 £	2016 £
Balance start of year	72,814	8,566
Foreign translation losses	2,661	-
Impairment losses recognised on receivables	34,915	64,248
Total	**110,390**	**72,814**

11 Trade and other payables

	2017 £	2016 restated (see note 1) £
Trade payables	1,386,159	3,521,480
Sundry creditors and accruals	-	1,040,822
Term loan ING Bank	-	2,032,981
Short term lease obligations	-	83,095
Total	**1,386,159**	**6,678,378**

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 were reclassified in 2016 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. In 2017 there is no longer a breach of the contract and the loan has been classified as a non-current liability.

12 Bank loans and overdraft

	2017 £	2016 £
Group		
Bank overdraft	777,617	951,564
Finance facility Lombard	-	234,892
Total	**777,617**	**1,186,456**

13 Non-current liabilities

	2017 £	2016 £
Long term loan obligations	-	280,481
Term loan Comerica Bank	-	130,403
Term loan DNB	-	809,393
Term loan ING Bank	1,847,274	-
Total	**1,847,274**	**1,220,277**

Term loan ING Bank €3.6m was reclassified in 2016 to “Trade and other payables” as described under note 11. ING Bank loans used to finance the vessels in our Rotterdam operations are due for repayment within 13 years by and during 2030.

	Weighted Average Effective Interest Rate	1-5 Years	5+ Years	Total
31 December 2017	%	£’000	£’000	£’000
Fixed Interest Rate Instruments	3.15	488	684	1,172
Variable Interest Rate Instruments	3.03	501	174	675
		989	**858**	**1,847**

Due to the sale of 50% of the shares in NEMS in 2017 resulting in a non-controlling interest, the term loan Comerica Bank is no longer included in the consolidated balance sheet.

Term loans DNB NOK 4.6m used to finance treatment units in our Oil and Gas business. In 2017 this loan has been reclassified to liabilities directly associated with assets held for sale.

14 Called-up share capital

	2017 £	2016 £
Authorised:		
750,000,000 (2016: 750,000,000) Ordinary shares of 0.2p each	1,500,000	1,500,000
Issued, called-up and fully paid:		
Ordinary shares	158,561	158,561
79,280,655 (2016: 79,280,655) Ordinary shares of 0.2p each		

There is only one class of shares that all have the same rights

Below is a reconciliation of the share capital issued at 31 December 2017:

	2017			2016		
	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 and sale of Group entities, a certain number of options granted under the 2015 options scheme expired during 2016 and 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 2016 Options Scheme, established on 11 February 2015. This award of options has been accounted in 2016.
Under the terms of the 2016 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 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.
At the end of 2017 the total number of ordinary shares under option represents 2.9 per cent of the current issued share capital of the Company.
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 reconciles the outstanding share options granted under the old employee share option plan at the beginning and end of the financial year.

'2015 Options Scheme'	Number of options		Weighted average exercise price	
	2017	2016	2017	2016
Balance at beginning of financial year	1,020,000	2,165,000	31p	31p
Expired during the financial year	100,000	1,145,000	-	-
Exercised during the financial year	-	-	-	-
Balance at the end of the financial year	**920,000**	**1,020,000**	**31p**	**31p**

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

'2016 Options Scheme'	Number of options		Weighted average exercise price	
	2017	2016	2017	2016
Balance at beginning of financial year	1,420,000	-	12,5p	
Granted during the financial year	-	1,420,000		12,5p
Expired during the financial year	35,836	-		-
Balance at the end of the financial year	**1,384,164**	**1,420,000**	**12,5p**	**12,5p**

16 Earnings per share

	2017 £	2016 restated (see note 1) £
Basic earnings per share		
Loss for the year from continuing operations	(2,063,452)	(2,202,273)
Loss for the year from discontinued operations	(1,231,170)	(1,212,976)
Loss for the year attributable to equity holders of the parent	(3,294,622)	(3,415,249)
Weighted average number of equity shares in issue	79,280,655	79,280,655
Basic earnings per share from continuing operations (pence)	(2.603)	(2.778)
Basic earnings per share from discontinued operations (pence)	(1.553)	(1.530)

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

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 has exited the joint venture on August 31st, 2017.
- Revenue and cost from Nature Group BV in The Netherlands, Nature Oil and Gas AS in Norway and Nature Oil and Gas UK Limited in the UK, as management has decided to hold the Oil & Gas division for sale (see note 18).
- Revenue and cost from discontinued operations at Residuos Y Transportes MARPOL, S.L.U. ("RYTM") in Spain, Nature Port Reception Facilities (Malta) Limited in Malta, Crystalwater Navigation Limited in Malta and Nature Environmental Solutions Limited as the entities are being liquidated.

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 been re-presented to include those operations classified as discontinued in the current year.

	2017 £	2016 £
Loss for the year from discontinued operations		
Revenue	2,667,018	3,067,182
Cost of sales	(1,994,733)	(1,954,361)
Gross profit	672,285	1,112,821
Other income / Administrative expenses	2,332,889	(1,174,431)
Operating Profit/(Loss)	3,005,174	(61,610)
Depreciation and amortisation	(431,481)	(54,291)
Other expenses	(3,671,758)	(2,026,990)
Profit/(Loss) on ordinary activities before taxation	(1,098,115)	(2,142,841)
Tax on loss on ordinary activities	(191,607)	256,147
Loss for the year and total comprehensive income for the year from discontinued operations (attributable to owners of the Company)	(1,289,722)	(1,886,694)

18 Assets classified as held for sale

	2017 £	2016 £
Assets held for sale	1,411,044	6,387,737
Liabilities associated with assets held for sale	(2,981,863)	(5,608,227)

As described in note 17 the Oil & Gas division was classified as held for sale during 2017 which means the entities Nature Group BV in The Netherlands, Nature Oil and Gas AS in Norway and Nature Oil and Gas UK Limited in the UK are classified as held for sale at December 31st, 2017.

	2017 £	2016 £
Tangible assets	650,000	1,384,426
Insurance recoveries on 3rd party claims	-	4,497,903
Stocks and work in progress	52,461	-
Trade and other receivables	600,036	396,243
Cash at bank and in hand	108,547	109,165
Assets classified as held for sale	1,411,044	6,387,737
Trade creditors	(304,628)	(687,114)
Other creditors including taxation and social security	(1,735,301)	(423,210)
Bank loans	(941,934)	-
Provision for third party claims	-	(4,497,903)
Liabilities associated with assets held for sale	(2,981,863)	(5,608,227)
Net assets of companies classified as held for sale	(1,570,819)	779,510

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.

	2017 £	2016 £
Cash and bank balances	314,569	383,642
Bank overdrafts	(777,617)	(1,186,456)
	(463,048)	(802,814)
Cash and bank balances included in a disposal group held for sale	(216,428)	109,165
Total	**(679,476)**	**(693,649)**

20 Recoveries on and provision for 3rd party claims and general provisions

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. There were no change to the provision in the year the only change is due to foreign currency revaluations.

A provisions of USD 450,000 (£333,556) that relates to part of the purchase price of Nature Environmental & Marine Services Llc shares where the agreement states that Nature Group Plc will have to repay a balance to a maximum of $450,000 if the predetermined performance measures are not met within the next two years with the final purchase price adjustment being calculated between 30 April 2020 and 30 May 2020. A prudent approach was taken by management based on current performance of Nature Environmental & Marine Services Llc. This is subject to future results and will have to be (partly) paid back if these conditions are not met.

21 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:

	2017 **£**	**2016** **£**
Not longer than 1 year	52,524	394,219

The lease obligation for 3 Separating Treatment Units (STU's) from Nature Oil and Gas AS in Norway has been included in 2016 but not in 2017, as Nature Oil and Gas AS is classified as assets held for sale and it is the intention to pay off all lease obligations after finalising the sale.

22 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 2017, 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, Trefoil Trading B.V. and Ship Spares Logistics BV).

Name of Entity	Net sales £	Costs of sale £	Debtors £	Creditors £
Burando Customs Services BV	-	1,335	-	1,343
Burando Rental Services BV	-	29,521	-	-
Fender Care Benelux BV	-	1,290	-	-
FTS/Hofftrans BV	-	15,409	-	5,372
Port Invest BV	-	7,928	-	8,767
Ship Spares Logistics BV	9,832	3,969	604	349
Trefoil Trading B.V.	11,439	-	-	84

23 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 2016.

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.

Categories of financial instruments

2017	Loans and receivables £'000	Non-Financial instruments £'000	Total £'000
Assets			
Property, plant & equipment	-	4,930	4,930
Investments	-	940	940
Inventories	-	63	63
Trade and other receivables	5,725	-	5,725
Current tax receivables	-	20	20
Cash & cash equivalents	423	-	423
Total	**6,148**	**5,953**	**12,101**

2017	Financial liabilities at amortised cost £'000	Non-Financial instruments £'000	Total £'000
Liabilities			
Trade and other payables	(4,860)	-	(4,860)
Current tax payable	(427)	(361)	(788)
Other loans	(2,612)	-	(2,612)
Cash and cash equivalents	(1,103)	-	(1,103)
Total	**(9,002)**	**(361)**	**(9,363)**

Categories of financial instruments

2016	Loans and receivables £'000	Non-Financial instruments £'000	Total £'000
Assets			
Property, plant & equipment	-	10,982	10,982
Investments	-	308	308
Inventories	-	140	140
Trade and other receivables	9,713	-	9,713
Current tax receivables	-	170	170
Deferred tax asset	-	479	479
Cash & cash equivalents	493	-	493
Total	**10,206**	**12,079**	**22,285**

2016 restated (see note 1)	Financial liabilities at amortised cost £'000	Non-Financial instruments £'000	Total £'000
Liabilities			
Trade and other payables	(13,889)	-	(13,889)
Current tax payable	(379)	-	(378)
Other loans	(1,220)	-	(1,220)
Cash and cash equivalents	(1,186)	-	(1,186)
Total	**(16,674)**	**-**	**(16,674)**

Interest rate risk
Materially all the Group's borrowings of £2.6m as at 31 December 2017 (2016: £3.2m) 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 £26,000 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. The liquidity position remains a serious concern.

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 at 31 December 2017, there isn't a single receivable which represented more than 10% of Group receivables.

Foreign currency risk
The Group has significant transactional currency exposures in Euros, US Dollars and Norwegian Kroner on an ongoing 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 2017 £'000	**NOK 2017 £'000**	**USD 2017 £'000**	**EUR 2016 restated (see note 1) £'000**	**NOK 2016 £'000**	**USD 2016 £'000**
Year end exchange rate with GBP used	**1.1262**	**11.078**	**1.3491**	**1.1674**	**10.6013**	**1.2302**
Stocks and work in progress	11	52	-	71	-	55
Trade and other receivables	3,430	393	76	3,565	1,592	600
Trade and other payables	(2,087)	(408)	(561)	(4,348)	(1,866)	(457)
Cash and short term deposits	238	56	9	122	121	93
Loans payable within one year	(778)	(325)	-	(699)	-	(252)
Long term loans payable	(1,847)	(617)	-	(2,033)	(809)	(280)
Total	**(1,033)**	**(849)**	**(476)**	**(3,322)**	**(962)**	**(241)**

	Profit/(loss) impact of a 10% increase in the year end sterling rate of exchange					
	EUR 2017 £'000	**NOK 2017 £'000**	**USD 2017 £'000**	**EUR 2016 restated (see note 1) £'000**	**NOK 2016 £'000**	**USD 2016 £'000**
Stocks and work in progress	(1)	(5)	-	(6)	-	(5)
Trade and other receivables	(312)	(36)	(7)	(324)	(145)	(55)
Trade and other payables	190	37	51	395	170	42
Cash and short term deposits	(22)	(5)	(1)	(11)	(11)	(8)
Loans payable within one year	71	30	-	64	-	23
Long term loans payable	168	56	-	185	74	25
Net impact to profit/(loss)	**94**	**77**	**43**	**303**	**88**	**22**

	Profit/(loss) impact of a 10% decrease in the year end sterling rate of exchange					
	EUR 2017 £'000	NOK 2017 £'000	USD 2017 £'000	EUR 2016 restated (see note 1) £'000	NOK 2016 £'000	USD 2016 £'000
Stocks and work in progress	1	6	-	8	-	6
Trade and other receivables	381	44	8	396	177	67
Trade and other payables	(232)	(45)	(62)	(483)	(207)	(51)
Cash and short term deposits	26	6	1	13	13	10
Loans payable within one year	(86)	(36)	-	(78)	-	(28)
Long term loans payable	(205)	(69)	-	(226)	(90)	(31)
Net impact to profit/(loss)	**(115)**	**(94)**	**(53)**	**(370)**	**(107)**	**(27)**

24 Administrative costs

Administrative costs of £3.9m (2016: £5.8m) consist of salaries, wages and related for £2.5m, office and operational premises for £0.4m, legal and professional fees for £0.5m and administrative and general costs for £0.4m.

25 Events after the balance sheet date

Sale of Oil & Gas Division

In June 2018 a letter of intent was signed by an interested party regarding the acquisition of assets (including tangible fixed assets, sales contracts, intellectual property rights or licenses, manuals and some key staff members) from Nature Oil & Gas AS and Nature Oil & Gas UK Limited, on a debt free and cash free basis for a purchase price of £ 1.7m. After sale of these assets the Oil & Gas division companies (Nature Group BV in The Netherlands, Nature Oil and Gas AS in Norway and Nature Oil and Gas UK Limited in the UK) will be liquidated.

26 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 £0.6m.

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 £1.0m for which debtors, inventory and stock are pledged as collateral.

27 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 *)	271,000
M Smits *)	275,713
A Drenthen **)	53,139
Total	599,852

*) J Vesseur and M Smits have left the company. The remuneration includes severance pay.
**) A Drenthen, formerly non-executive director, was appointed as CEO in July 2017. The remuneration mentioned above is the compensation related only to the CEO position.

28 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.