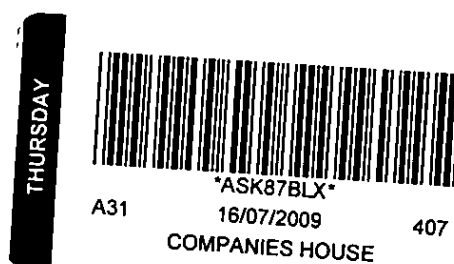


YARA OVERSEAS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

2008



YARA OVERSEAS LIMITED
DIRECTORS' REPORT FOR THE YEAR TO 31 DECEMBER 2008

The Directors present their report and audited accounts for the year ended 31 December 2008.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Yara UK Limited, whose ultimate parent company is Yara International ASA, a quoted company on the Norwegian Stock Exchange.

The Company's principal activity is to act as a holding company for certain interests of the Yara group of companies that are resident in Africa. These subsidiary companies are involved in the sale and distribution of plant nutritional products.

The directors of the Company are not involved in the day-to-day management of any of the subsidiary companies, with the management being vested with the local boards of directors.

The pretax profit for the year of £6.865 million (2007: £3.268 million) was derived from dividends received from subsidiaries and interest on balances held with other Yara group companies.

The investments in subsidiaries relates mainly to Yara East Africa Limited and Yara Trade MISR Egypt, where all the indications are that the current levels of profitability will be maintained, while the current assets relate predominantly to balances with the ultimate parent company.

FINANCIAL RESULTS, DIVIDENDS AND REVIEW OF THE BUSINESS

The profit for the year, after taxation, amounted to £6,123,000 (2007: £2,996,000). The Directors declared and paid a dividend of £3,700,000. (2007: £2,800,000)

DIRECTORS

Directors who served during the year and subsequently were as follows:

Mr R C Cattermole
Mr D K Spindler
Ms T Andersen

FUTURE DEVELOPMENTS

There are no plans to change the activities of this company.

GOING CONCERN

The Directors have considered the Going Concern assumption given the current economic climate and formed the conclusion that there is a reasonable expectation that the company will continue to operate in the foreseeable future. The Directors have considered the position of the company at 31 December 2008 and the forecasts in forming this judgement.

YARA OVERSEAS LIMITED
DIRECTORS' REPORT FOR THE YEAR TO 31 DECEMBER 2008 (continued)

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare accounts for the company in accordance with International Financial Reporting Standards (IFRSs). Company law requires the directors to prepare such financial statements in accordance with International Financial Reporting Standards, the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. 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 International Financial Reporting Standards is 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
- Prepare the accounts on a going concern basis unless, having assessed the ability of the company to continue as a going concern, management either intends to liquidate the entity or to cease trading, or have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which comply with the requirements of the Companies Act 1985.

DIRECTORS STATEMENT OF INFORMATION GIVEN TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware: and
- (2) The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

TREASURY

The Company's treasury operates procedures designed to reduce or eliminate financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled.

The Company's principal financial instruments comprise borrowings, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The Company does not use forward foreign currency contracts or interest rate swaps to manage the currency and interest rate risks respectively arising from the company's operations

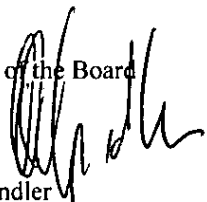
YARA OVERSEAS LIMITED
DIRECTORS' REPORT FOR THE YEAR TO 31 DECEMBER 2008 (continued)

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS (continued)

AUDITORS

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board


D.K. Spindler
Secretary

Registered Office:
Immingham Dock
Immingham
N.E. Lincolnshire
DN40 2NS

Date: 9 July 2009

YARA OVERSEAS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YARA OVERSEAS LIMITED

We have audited the financial statements of Yara Overseas Limited for the year ended 31 December 2008 which comprise the income statement, the balance sheet, the cash flow statement, the statement of recognised income and expense and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

YARA OVERSEAS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YARA OVERSEAS LIMITED (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Debbie W

Deloitte LLP
Chartered Accountants and Registered Auditors
Leeds

Date: *10 July 2009*

YARA OVERSEAS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	NOTE	2008 £000	2007 £000
Administration Expenses		217	5
OPERATING PROFIT/(LOSS)	4	217	5
Investment revenue	6	6,648	2,498
Other non operating items	7	-	765
PROFIT BEFORE TAXATION		6,865	3,268
Income tax expense	8	(742)	(272)
PROFIT FOR THE YEAR	15	6,123	2,996

All the results for the year relate to continuing operations.

STATEMENT OF RECOGNISED INCOME AND EXPENSES
For the year ended 31 December 2008

There are no recognised income or expenses other than the profit of £6,123,000 for the year ended 31 December 2008 (£2,996,000 for the year ended December 2007).

YARA OVERSEAS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2008

	NOTE	2008 £000	2007 £000
NON-CURRENT ASSETS			
Investments in subsidiaries	10	1,016	1,016
Trade and other receivables	11	684	637
		<u>1,700</u>	<u>1,653</u>
CURRENT ASSETS			
Trade and other receivables	11	3,974	1,526
		<u></u>	<u></u>
TOTAL ASSETS		<u>5,674</u>	<u>3,179</u>
CURRENT LIABILITIES			
Income Tax Payable		(117)	(32)
Trade and other payables	12	-	(13)
		<u>(117)</u>	<u>(45)</u>
TOTAL LIABILITIES		<u>-</u>	<u>(45)</u>
NET ASSETS		<u>5,557</u>	<u>3,134</u>
EQUITY			
Share capital	14	208	208
Retained earnings	15	5,349	2,926
TOTAL EQUITY		<u>5,557</u>	<u>3,134</u>

The Company's financial statements for the year ended 31 December 2008 were authorised by the board of directors on 9 July 2009 and the balance sheet was signed on the board's behalf by D.K. Spindler.

Date: 9 July 2009

) Director
)

YARA OVERSEAS LIMITED
CASH FLOW STATEMENT AS AT 31 DECEMBER 2008

	2008 £000	2007 £000
Operating profit	217	5
(Increase)/decrease in trade and other receivables	(2,495)	344
Decrease/(increase) in trade and other payables	(13)	45
	<hr/>	<hr/>
Cash generated from operations	(2,291)	394
Income taxes paid	(657)	(272)
	<hr/>	<hr/>
Net cash flow from operating activities	(2,948)	122
	<hr/>	<hr/>
Investing activities		
Interest received	84	102
Increase in investments	-	(585)
Sale of investments	-	765
Dividends received	6,564	2,396
Dividends paid	(3,700)	(2,800)
	<hr/>	<hr/>
Net cash flow from investing activities	2,948	(122)
	<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	-	-
	<hr/>	<hr/>

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

1 BASIS OF ACCOUNTING

The Company is a limited company, incorporated and domiciled in England & Wales.

The company's financial statements have been prepared in accordance with IFRSs as adopted by the European Union and as issued by the International Accounting Standards Board and as applied in accordance with the provisions of the Companies Act 1985. The principal accounting policies adopted by the company are set out in note 2.

2 ACCOUNTING POLICIES

a) Basis of preparation

The Company has prepared its financial statements in accordance with IFRS and the historical cost basis.

The accounting policies, which follow set out those policies, which apply in preparing the financial statements for, the year ended 31st December 2008.

The company financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

b) The Company's investments in subsidiaries

In its financial statements the Company recognises its investments in subsidiaries at cost. Income is recognised from these investments only in relation to distributions received from post acquisition profits. Distributions received in excess of post acquisition profits are deducted from the cost of the investment.

c) Revenue Recognition

Interest Income

Revenue is recognised as interest accrues. Interest is derived from positive loan balances held with Group companies and on some extended credit facilities offered to customers.

d) Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

2 ACCOUNTING POLICIES (continued)

e) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the net recoverable amount. An assets recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined by an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted at their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expenses categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may be decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After each such reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

f) Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoice value and their expected recoverable amount. Provision is made where there is evidence that the Company will not be able to recover the balances in full. Balances are written off where the probability of recovery is assessed as being remote.

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at banks and in hand.

For the purpose of the cash flow statement cash and cash equivalents consist of as defined above, net of outstanding bank overdrafts.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

2 ACCOUNTING POLICIES (continued)

h) Income Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised:

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

i) Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

j) Group Accounts

The results of the company are included in the accounts of Yara International ASA, incorporated in Norway. The company is consequently exempt from the obligation to prepare and deliver group accounts under section 228 of the Companies Act 1985, following the adoption of the 7th Directive of the European Union by the Norwegian Government. As a result these accounts present information about the company as an individual undertaking and not about its group.

k) Adoption of new and revised Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2007, including IFRS7 'Financial Instruments Disclosure'. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Company's accounting policies.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the Company's financial statements.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

2 ACCOUNTING POLICIES (continued)

1) Financial Instruments

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

Financial Assets are classified as 'loans and receivables' and financial liabilities are classified as 'other financial liabilities' within the meaning of IFRS7 'Financial Instruments Disclosure'

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short – term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed through the profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

2 ACCOUNTING POLICIES (continued)

l) Financial Instruments (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including elements of trade and other payables and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3 KEY SOURCES OF ESTIMATION UNCERTAINTY, JUDGEMENTS AND ASSUMPTIONS

a) General

The preparation of financial statements in accordance with IFRSs and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

3 KEY SOURCES OF ESTIMATION UNCERTAINTY, JUDGEMENTS AND ASSUMPTIONS (continued)

b) Deferred Tax

Judgement is required in determining the Company's deferred tax assets and liabilities. The Company recognises deferred tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management has considered future taxable income in assessing whether deferred income tax assets should be recognised.

4 OPERATING PROFIT

The audit fee of £5,000 (2006: £4,000) has been incurred and paid by the parent company Yara UK Limited.

5 DIRECTORS EMOLUMENTS

The only employees of the company are the directors. The directors received no emoluments in respect of their services as directors of Yara Overseas Limited.

The emoluments of all of the directors are paid by the parent Company. Their services to the Company are of a non executive nature and their emoluments are deemed to be wholly attributable to their services to the parent Company.

6	INVESTMENT REVENUE	2008 £000	2007 £000
	Loans and receivables:		
	From group undertakings	84	100
	Interest on external loan	-	2
		<hr/> 84	<hr/> 102
	Income from equity investments – dividends received	6,564	2,396
		<hr/>	<hr/>
	Total finance revenue	6,648	2,498
		<hr/>	<hr/>
7	OTHER NON OPERATING ITEMS	2008 £000	2007 £000
	Realisation on sale of investments in subsidiaries	-	765
		<hr/>	<hr/>

Realisation on sale of investments in subsidiaries are classified as non operating items on the basis that they arise from transactions to dispose of assets other than at the end of their usual expected lives or the values significantly differ from their previously assessed residual value. As such the amounts earned or charged in any given year is not indicative of a trend in financial performance.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

8	TAXATION	2008 £000	2007 £000
(a)	Tax on profit on ordinary activities		
	Tax charged in the income statement		
	Current income tax:		
	UK Corporation tax – current year	86	32
	– prior year	-	-
		<u>86</u>	<u>32</u>
	Foreign tax – current year	656	240
	– prior year	-	-
		<u>656</u>	<u>240</u>
	Total current income tax	<u>742</u>	<u>272</u>
	Deferred Tax		
	Prior year	-	-
	Total deferred tax	<u>-</u>	<u>-</u>
	Tax charge in the income statement	<u>742</u>	<u>272</u>
(b)	Reconciliation of the total tax charge		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are reconciled below:		
		2008 £000	2007 £000
	Profit before taxation	6,864	3,268
	Profit before taxation multiplied by the UK standard rate of corporation tax of 28.5% (2007:30%)	<u>1,956</u>	<u>980</u>
	Non taxable income	-	(229)
	Underlying tax	(2,008)	(717)
	Withholding tax credit unrelieved	794	238
	Total tax charge for the year	<u>742</u>	<u>272</u>

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

8 TAXATION (continued)

(c) Unrecognised tax losses

A deferred tax asset has not been recognised in respect of surplus double tax relief amounting to £1,927,000 (2007: £1,133,000) due to the uncertainty of available future overseas income against which this may be offset.

(d) Notes re factors affecting future tax charge

At 31 December 2008 no deferred tax liability has been recognised (2007: £nil) in respect of any taxes that would be payable on the unremitted earnings of certain of the company's subsidiaries as the company can control the timing of any such payments. There are no income tax consequences to the company in relation to dividends paid to shareholders.

The Company will benefit from the reduction in the main UK corporation tax rate from 30% to 28% from 1st April 2008.

9	DIVIDENDS	2008 £000	2007 £000
	Equity – ordinary	3,700	2,800

Dividend paid for the year ended 31 December 2008 of £17.75 per ordinary share (2007: £13.43).

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

10 INVESTMENTS

	£000
Cost:	
At 1 January 2007	431
Additions	585
At 31 December 2007	<u>1,016</u>
At 31 December 2008	<u>1,016</u>
Net Book Value	
31 December 2008	1,016
31 December 2007	<u>1,016</u>

Details of the investments in which the company holds 20% or more of the nominal value of ordinary share capital are as follows:

Name of company	Proportion of voting rights and shares held	Country of incorporation or registration	Nature of Business
Yara (Pty) Limited	100	South Africa	Fertilizer Distributors
Yara Malawi Limited	99	Malawi	Fertilizer Distributors
Yara East Africa Limited	70	Kenya	Fertilizer Distributors
Yara Trade Misr	99	Egypt	Fertilizer Distributors
Dan Hydro Co.Limited	50	Nigeria	Fertilizer Distributors

11 TRADE AND OTHER RECEIVABLES

	2008 £000	2007 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	3,803	1,380
Other debtors	171	146
	<u>3,974</u>	<u>1,526</u>
Amounts falling due after one year :		
Other debtors	684	637
	<u>684</u>	<u>637</u>

The Company has provided fully for all receivables where the Company has knowledge that debts are unlikely to be recovered. The allowance for doubtful debts is nil (2007:nil). The directors consider that those receivables that are neither impaired or past the due date for payment are of good quality and that the carrying amount approximates their fair value.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

12	TRADE AND OTHER PAYABLES	2008 £000	2007 £000
	Other payables and accruals	-	13
		<hr/>	<hr/>
		-	13
		<hr/>	<hr/>

The directors consider that the carrying amount of the other payables approximates to their fair value.

13 FINANCIAL INSTRUMENTS

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Categories of Financial Instruments

The carrying amounts of the Company's financial instruments are disclosed in the notes to the financial statements. The Company's financial assets are categorised as 'loans and receivables' within the meaning of IFRS 7 Financial instruments: disclosures' and are measured at amortised cost. The Company's financial liabilities are measured at amortised cost.

Financial risk management objectives

The Company's parent, provides services to the Yara group companies, co-ordinates access to the domestic and international financial markets, and monitors and manages the financial risks relating to some of the operations of the Company, such as currency and interest rate risk.

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed in accordance with the levels of risk envisaged.

Foreign Currency

The foreign currency risks are managed centrally by the parent company's treasury function.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities at the reporting date are as follows

	Liabilities		Assets		Net Balance	
	2008	2007	2008	2007	2008	2007
US Dollar (\$000's)	-	30	1,500	1,500	1,500	1,470

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008 (continued)

13 FINANCIAL INSTRUMENTS (continued)

Foreign currency sensitivity analysis

The Company buys and sells in US Dollars.

The following table details the Company's sensitivity to a \$0.10 increase and decrease in the currency/sterling exchange rate.

US Dollar Currency impact	US\$0.10 increase		US\$0.10 decrease	
	2008	2007	2008	2007
(Profit)/Loss	66	37	(75)	(41)

Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company adopts a policy of dealing with customers who are considered creditworthy.

The only income stream attributable to the Company are dividends from East Africa and the proceeds relating to the sale of the Company's investment in Zimbabwe.

In the case of Zimbabwe, the Company accepts that there is an increased risk of non – payment. However, the first stage payment has been received in order and therefore, the Company has no reason to suspect that further payments will not be received in line with the agreed terms.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of debt, which includes borrowings from related parties, cash and cash equivalents and equity attributable to equity holders.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the directors of the Company. However, the framework for the day to day management of short, medium, and long term funding is set by the parent company who provide finance facilities to companies within the Group.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2008 (continued)

13 FINANCIAL INSTRUMENTS (continued)

Liquidity risk management (continued)

Liquidity risk profile of the financial assets and liabilities as at 31 December 2008 is as follows. The table includes both interest and principal cash flows.

Year ended 31 December 2008

	Within 1 Year £000	1-2 Years £000	2-3 Years £000	3-4 Years £000	4-5 Years £000	More than 5 Years £000	Total £000
Trade and other Receivables	3,974	171	171	171	171	-	4,658
Trade Payables	-	-	-	-	-	-	-

Year ended 31 December 2007

	Within 1 Year £000	1-2 Years £000	2-3 Years £000	3-4 Years £000	4-5 Years £000	More than 5 Years £000	Total £000
Trade and other Receivables	1,526	128	128	127	127	127	2,163
Trade Payables	13	-	-	-	-	-	13

14 AUTHORISED AND ISSUED SHARE CAPITAL

Authorised:	2008 £000	2007 £000
208,400 Ordinary shares of £1 each		
Allotted, called up and fully paid 208,400 Ordinary shares of £1 each	208	208
	<hr/>	<hr/>
	208	208
	<hr/>	<hr/>

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2008 (continued)

15 STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Retained Earnings £000	Total £000
At 1 January 2007	208	2,730	2,938
Profit for the year	-	2,996	2,996
Dividends (see note 9)	-	(2,800)	(2,800)
At 1 January 2008	208	2,926	3,134
Profit for the year	-	6,123	6,123
Dividends (see note 9)	-	(3,700)	(3,700)
At 31 December 2008	208	5,349	5,557

16 OTHER RELATED PARTY TRANSACTIONS

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding as 31 December with other related parties, are as follows:

	Services rendered to related party £000	Services purchased from related party £000	Amounts owed by related parties £000	Amounts owed to related parties £000
Parent/Ultimate Parent Company				
2008	-	-	3,803	-
2007	-	-	1,380	-

17 PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Yara UK Limited.

Yara International ASA is the company's controlling party.

The ultimate parent company is Yara International ASA, incorporated in Norway. This is the parent undertaking of the smallest and largest group which consolidates the financial statements of the company.

Copies of the Yara International ASA and the Yara UK Limited accounts can be obtained from the Registered Office of the Company.