

# **YARA OVERSEAS LIMITED**

## **STRATEGIC REPORT, DIRECTORS' REPORT AND ACCOUNTS**

**2016**

TUESDAY



\*A6EAUMHF\*

A15

05/09/2017

#363

COMPANIES HOUSE

**YARA OVERSEAS LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR TO 31 DECEMBER 2016**

The Directors present their annual report and audited accounts for the year ended 31 December 2016.

**DIRECTORS**

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

Mr C S Grey  
Ms A G Dalane

**FINANCIAL RESULTS, DIVIDEND REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

Information relating to the results for the year, dividends proposed and a review of business performance are set out in the strategic report on page 3. There are no plans to change the activities of this company.

**GOING CONCERN**

The Directors have considered the going concern assumption given the uncertainties in 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 company's cash flow forecasts for the period to the end of December 2017 and up to 12 months post signature of these statutory accounts as well as any potential uncertainties in these forecasts. The company operates a cash pooling facility with its parent company, Yara International ASA. Cleared funds are transferred from the Company's external bank account on a daily basis to its parent. These funds are then credited to an intercompany account within the Yara group.

The Directors have considered company forecasts and the cash pooling facilities, including current limits and the parent company's going concern position, in forming this judgement.

**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 various items, such as trade and other receivables and trade payables 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. Further detail is set out in note 10.

**YARA OVERSEAS LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR TO 31 DECEMBER 2016 (continued)**

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and 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 adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 Act 2006. 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.

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

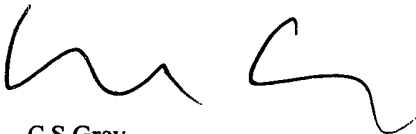
- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**AUDITOR**

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



C S Grey  
Director

Registered Office:  
Harvest House  
Europarc  
Grimsby  
N.E. Lincolnshire  
DN37 9TZ

Date: 24 August 2017

**YARA OVERSEAS LIMITED**  
**STRATEGIC REPORT FOR THE YEAR TO 31 DECEMBER 2016**

**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 £254,000 (2015: £13,000) was primarily derived from dividends received from subsidiaries.

The investments in subsidiaries relates to Yara East Africa Limited and Yara Trade MISR Egypt, where all the indications are that the current levels of profitability will be maintained.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties relate to the carrying value of the company's investments in its subsidiaries. The directors monitor the performance of each subsidiary and the subsidiary companies continue to trade profitably.

**FINANCIAL RESULTS, DIVIDENDS AND REVIEW OF THE BUSINESS**

The profit for the year, after taxation, amounted to £267,055 (2015: £23,014). The Directors declared and paid a dividend of £nil (2015: nil).

By order of the Board



C S Grey  
Director

Date: 24 August 2017

## **YARA OVERSEAS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YARA OVERSEAS LIMITED**

We have audited the financial statements of Yara Overseas Limited for the year ended 31 December 2016 which comprise of the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

YARA OVERSEAS LIMITED

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christopher Powell, FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, UK  
24 August 2017

YARA OVERSEAS LIMITED  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 £000	2015 £000
Administration expenses		(18)	(224)
OPERATING LOSS	4	(18)	(224)
Investment revenue	6	272	237
PROFIT BEFORE TAXATION		254	13
Taxation	7	13	10
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		267	23

All the results for the year relate to continuing operations.

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016

There is no other comprehensive income other than the profit of £0.267 million for the year ended 31 December 2016 (£0.023 million for the year ended December 2015).

YARA OVERSEAS LIMITED  
BALANCE SHEET AS AT 31 DECEMBER 2016

	NOTE	2016 £000	2015 £000
<b>NON-CURRENT ASSETS</b>			
Investments in subsidiaries	9	5,215	5,215
		<u>5,215</u>	<u>5,215</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	-	10
Deferred tax asset	7	13	-
		<u></u>	<u></u>
<b>TOTAL ASSETS</b>		<u>5,228</u>	<u>5,225</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	(3,459)	(3,723)
		<u>(3,459)</u>	<u>(3,723)</u>
<b>TOTAL LIABILITIES</b>		<u>(3,459)</u>	<u>(3,723)</u>
<b>NET ASSETS</b>		<u>1,769</u>	<u>1,502</u>
<b>EQUITY</b>			
Share capital	13	208	208
Retained earnings		1,561	1,294
		<u>1,769</u>	<u>1,502</u>
<b>TOTAL EQUITY</b>		<u>1,769</u>	<u>1,502</u>

The Company's financial statements (registered number 2665899) for the year ended 31 December 2016 were authorised by the Board of Directors on 24 August 2017 and the balance sheet was signed on the board's behalf by C S Grey.



Date: 24 August 2017

)  
) Director  
)



YARA OVERSEAS LIMITED  
CASH FLOW STATEMENT AS AT 31 DECEMBER 2016

	2016 £000	2015 £000
<b>Operating loss</b>	(18)	(224)
Decrease in trade and other receivables	10	465
(Decrease)/Increase in trade and other payables	(264)	3,721
Cash (outflow) / inflow from operations	(272)	3,962
Income taxes paid	-	-
<b>Net cash (used in) / generated from operating activities</b>	(272)	3,962
<b>Investing activities</b>		
Interest received	-	-
Purchase of investments	-	(4,199)
Dividends received	272	237
<b>Net cash (used in)/generated from investing activities</b>	272	(3,962)
<b>Financing activities</b>		
Dividends paid	-	-
<b>Net cash used in financing activities</b>	-	-
<b>Net movement in cash and cash equivalents</b>	-	-
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the end of the year</b>	-	-

STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Retained Earnings £000	Total £000
At 1 January 2015	208	1,271	1,479
Profit for the year	-	23	23
Dividends (see note 8)	-	-	-
At 1 January 2016	208	1,294	1,502
Profit for the year	-	267	267
Dividends (see note 8)	-	-	-
At 31 December 2016	208	1,561	1,769

YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016

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 2006. 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 Directors have considered the going concern assumption given uncertainties in 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 2016 and the company's future cash flow forecasts in forming this judgment.

The company financial statements are presented in Sterling which is the currency of the primary economic environment in which the company operates 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. Dividend income from investments is recognised when the shareholder's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably.)

c) Revenue Recognition

Interest Income

Revenue is recognised as interest accrues. Interest is derived from positive loan balances held with group companies.

d) Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

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 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 to 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.

YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016 (continued)

2 ACCOUNTING POLICIES (continued)

g) 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.

Withholding taxes are charged or credited to other comprehensive income if they relate to items that are charged or credited to other comprehensive income. Similarly, withholding taxes are charged or credited directly to equity if they relate to items charged or credited directly to equity. Otherwise withholding taxes are recognised in the income statement.

h) 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 income statement.

i) 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 400 of the Companies Act 2006, following the adoption of the 7<sup>th</sup> 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.

YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016 (continued)

2 ACCOUNTING POLICIES (continued)

j) 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 2016. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Company's accounting policies.

At the date of approval of these financial statements the following standards and interpretations, considered relevant to the company, were in issue but not yet effective and have not been applied in these financial statements.

• IFRS 9	Financial Instruments
• IFRS 2 (amendments)	Classification and Measurement of Share-based Payment
• IFRS 15	Revenue from Contracts with Customers
• IFRS 16	Leases
• IAS 7 (amendments)	Disclosure Initiative
• IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
• IAS 12 (amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

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.

k) 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.

YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016 (continued)

2 ACCOUNTING POLICIES (continued)

k) Financial Instruments (continued)

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.

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.

YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016 (continued)

2 ACCOUNTING POLICIES (continued)

k) Financial Instruments (continued)

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

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.

There are no critical accounting judgements or key sources of estimation uncertainty affecting the current year financial statements.

4 OPERATING LOSS

The audit fee of £5,000 (2015: £5,000) 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	2016 £000	2015 £000
	Loans and receivables:		
		-	-
	From group undertakings	-	-
	From other undertakings	—	—
		-	-
	Income from equity investments – dividends received	272	237
		—	—
	Total finance revenue	272	237
		—	—

YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016 (continued)

7	TAXATION	2016 £000	2015 £000
a)	Tax on profit on ordinary activities		
	Tax charged in the income statement		
	Current income tax:		
	UK Corporation tax - current year	-	(10)
	Foreign tax - current year	-	-
	Total current income tax	<u>-</u>	<u>(10)</u>
	Deferred tax:		
	Origination and reversal of temporary differences	(6)	-
	Adjustments in respect of prior years	(7)	-
	Total deferred tax	<u>(13)</u>	<u>-</u>
	Tax credit in the income statement	<u>(13)</u>	<u>(10)</u>
b)	Reconciliation of the total tax credit		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are reconciled below:	2016 £000	2015 £000
	Profit before taxation	254	13
	Profit before taxation multiplied by the UK standard rate of corporation tax of 20% (2015:20.25%)	<u>51</u>	<u>3</u>
	Income not taxable (dividends)	(59)	(46)
	General expenses not taxable / deductible	-	33
	Adjustment in respect of prior periods	(7)	-
	Tax rate changes	2	-
	Withholding tax credit unrelieved	-	-
	Total tax credit for the year	<u>(13)</u>	<u>(10)</u>
c)	Deferred tax	2016 £000	2015 £000
	Deferred tax asset in the balance sheet		
	Short term temporary differences	(13)	-
	Deferred tax asset	<u>(13)</u>	<u>-</u>



YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016 (continued)

7 TAXATION (continued)

d) Factors affecting future tax charge

At 31 December 2016 no deferred tax liability has been recognised (2015: £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.

The Finance (No2) Act 2015 received Royal Assent on 18 November 2015 and announced a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017 with a further reduction to 17% from 1 April 2020. The Finance Act 2016 received Royal Assent on 15<sup>th</sup> September 2016 and announced a further 1% reduction in the main rate of corporation tax from 1 April 2020.

8 DIVIDENDS	2016 £000	2015 £000
Equity – ordinary	-	-

Dividend paid for the year ended 31 December 2016 of £nil per ordinary share (2015: £nil).

9 INVESTMENTS IN SUBSIDIARIES

Cost:	£000
At 1 January 2015	1,016
Additions	4,199
At 31 December 2015 and 31 December 2016	<u>5,215</u>
Net Book Value	
31 December 2016	5,215
31 December 2015	<u>5,215</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	Nature of Business
Yara East Africa Limited Registered office 12 <sup>th</sup> Floor, Crowne Plaza Annexe, Longonot Road, Upper Hill, P O Box 50949, City Square 00200, Nairobi, Kenya	100	Fertiliser Distributors
Yara Trade Misr Registered office Building B3, Tiba Buildings, 2 <sup>nd</sup> floor, Zahraa El Maadi, Cairo, Egypt	99	Fertiliser Distributors
Dan Hydro Co.Limited Registered office 105 Maganda Road, P O Box 3282, Kano, Nigeria	50	Fertiliser Distributors

YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016 (continued)

10	TRADE AND OTHER RECEIVABLES	2016 £000	2015 £000
	Amounts falling due within one year:		
	Amounts owed by group undertakings	-	10
	Other debtors	204	164
		<u>204</u>	<u>174</u>
	Allowance for doubtful debts	(204)	(164)
		<u>-</u>	<u>10</u>

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

11	TRADE AND OTHER PAYABLES	2016 £000	2015 £000
	Amounts owed to group undertakings	3,459	3,723
		<u>3,459</u>	<u>3,723</u>

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

12 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.

YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016 (continued)

12 FINANCIAL INSTRUMENTS (continued)

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 is from dividends from East Africa & Egypt.

In the case of Zimbabwe debt, the Company accepts that there is an increased risk of non – payment. The Company accepts that the length of time that the final payment is now overdue suggests an impairment should be recognised and this debt has been fully provided for.

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 balances between related parties 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.

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

**Year ended 31 December 2016**

	Within 1 Year £000	2 Years £000	3 Years £000	4 Years £000	5 Years £000	More than 5 Years £000	Total £000
Trade and other Receivables	-	-	-	-	-	-	-
Trade Payables	3,459	-	-	-	-	-	3,459

**Year ended 31 December 2015**

	Within 1 Year £000	2 Years £000	3 Years £000	4 Years £000	5 Years £000	More than 5 Years £000	Total £000
Trade and other Receivables	10	-	-	-	-	-	10
Trade Payables	3,723	-	-	-	-	-	3,723

YARA OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016 (continued)

13	AUTHORISED AND ISSUED SHARE CAPITAL	2016 £000	2015 £000
	Authorised:		
	208,408 Ordinary shares of £1 each	208	208
	Allotted, called up and fully paid		
	208,408 Ordinary shares of £1 each	208	208

14 OTHER RELATED PARTY TRANSACTIONS

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

	Services rendered to related party	Services purchased from related party	Amounts owed by related parties	Amounts owed to related parties
	£000	£000	£000	£000
Parent/Ultimate Parent Company				
2016	-	-	-	(3,459)
2015	-	-	10	(3,723)

15 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.