

YARA OVERSEAS LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020



Registered No. 02665899

YARA OVERSEAS LIMITED
DIRECTORS' REPORT FOR THE YEAR TO 31 DECEMBER 2020

The directors present their annual report and audited accounts for the year ended 31 December 2020.

DIRECTORS

Directors who served during the year and to the date of this report 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 being that of a holding 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 up to at least 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. 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 2020 (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 issued by the IASB. 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.

This report was approved by the board of directors on and signed on its behalf by:


C S Grey
Director

Date: 

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

YARA OVERSEAS LIMITED
STRATEGIC REPORT FOR THE YEAR TO 31 DECEMBER 2020

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

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 £170,027 (2019: £157,706) was primarily derived from dividends received from subsidiaries.

The investments in subsidiaries relates primarily to Yara East Africa Limited and Yara Trade MISR Egypt, where all the indications are that the current levels of profitability will be maintained. At the time of writing, Yara was fortunate not to have been dramatically impacted by the Coronavirus as has been seen in some business sectors. As a non-trading holding company the effects of Coronavirus on this entity has been very limited.

SECTION 172(1) STATEMENT

In accordance with the Companies Act 2006 (the 'Act'), as amended by the Companies (Miscellaneous Reporting) Regulations 2018, the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the company, under section 172.

The Board always aims to act in the best interests of the company with a fair, balanced approach. The needs of different stakeholders are always considered as well as the consequences of any long term decision in addition to adherence to corporate governance frameworks. More specific information is given in sub-paragraphs (a) to (f), which correspond to the individual factors disclosed under Section 172(1).

a. Long-term decision making

The Board delegates day-to-day management and decision making to management teams specific to business area whilst maintaining oversight of the company's performance. For long term investment decisions the company has an approval process driven by value and business segment lines, culminating in a central investment committee to ensure overall adherence to group strategy.

b. Stakeholders: Employees

While this company has no employees, the Yara group recognises that employees are the driving force behind the company and aims to empower them by way of its values – ambition, curiosity, collaboration and accountability. Investment in employees is seen as invaluable and this is a continuing process from the recruitment and onboarding process, through to ongoing training and knowledge sharing programmes and annual development plans. Yara actively encourages a process of continuous improvement and challenges employees to find original solutions to issues faced within the business. Employment opportunities at both local and group level are advertised through the group intranet and other mediums.

A European Works Council, containing employee representatives from all sectors of the business, holds regular meetings in order to give employees a forum for feedback and suggestions to corporate management. In addition, town hall meetings are held at the group level, as appropriate, providing employees with more detailed insight into strategic thinking and allowing them further opportunity to interact with, and raise questions to, senior management regarding the company's direction of travel. Employees are also encouraged to take part in ad hoc surveys to give their opinions on a range of subjects including diversity and inclusion, well-being, employee engagement and strategy. The intranet regularly displays articles to help keep employees abreast of local and international company news along with corporate strategy developments, whilst also being open and available for any employee to share their own news, successes and knowledge.

YARA OVERSEAS LIMITED
STRATEGIC REPORT FOR THE YEAR TO 31 DECEMBER 2020

SECTION 172(1) STATEMENT (continued)

Diversity and inclusion is important to Yara. The company is committed to having a diverse workforce that offers equal career opportunities, irrespective of gender, race, age, origin, religion, disability, sexual orientation or any other status protected by law. Creating a diverse and inclusive work environment is not only the right thing to do, it also benefits the business; we believe it has a positive impact on employee engagement and leads to improved innovation.

c. Stakeholders: Suppliers, customers and others

The company is guided by a Code of Conduct which is integral to contracts with our stakeholders. The company aims to be fair, responsible and ethical with all external suppliers, customers and other business partners

d. Stakeholders: Community and the environment

Yara exists in a market where product stewardship, compliance to standards and regulatory affairs are part of its licence to operate. Alongside this, the company has input into a number of trade bodies and safety committees through which it can support the wider industry, address concerns and provide input into policies that aim to address safety and environmental issues. Each year, internal audits are carried out on the company procedures, as well as external audits, in order that the company maintains its quality, safety and environmental accreditations. Recycling of waste materials generated from all areas of operation has a KPI for continual improvement.

Where possible, we endeavour to support local “grass root” sporting teams, raise funds and make donations for worthy causes.

e. Reputation for high standards of business conduct

The Board is responsible for developing the corporate culture throughout the company. Central to this culture is the company Code of Conduct which covers many aspects of corporate governance and promotes integrity and transparency in the actions of the company, the expectations of its employees and partners, and is embedded within company processes. A Code of Conduct for Business Partners (reflecting the principles of the Group Code of Conduct) is provided to suppliers and customers, communicating company expectations for our business partners. The company has an Ethics and Compliance team tasked with managing the code, supporting employees and enforcing the zero tolerance policy in relation to corruption, fraud, business partner integrity and human rights. Included within this support is the provision of a whistle blowing process for both internal and external parties. Corporate governance documentation, policies and procedures are available on the company intranet and accessible by all employees, whilst the modern slavery statement, tax policy and gender pay gap are published on the external website. Employees have training in these policies as part of the onboarding process and regular refresher training on the Code of Conduct. The company believes that all these elements helps to contribute towards its mission of responsibly feeding the world and protecting the planet.

f. Acting fairly as between members of the company

As the company has a single shareholder the Directors do not face any potential conflicts in their need to act fairly between members of the company.

PRINCIPAL RISKS AND UNCERTAINTIES

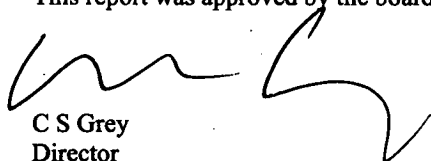
The principal risks and uncertainties relate to the carrying value of the company’s investments in its subsidiaries. The directors monitor the performance of each subsidiary and the subsidiary companies continue to trade profitably.

YARA OVERSEAS LIMITED
STRATEGIC REPORT FOR THE YEAR TO 31 DECEMBER 2020

FINANCIAL RESULTS, DIVIDENDS AND REVIEW OF THE BUSINESS

The profit for the year, after taxation, amounted to £167,878 (2019: £155,058). Net assets for the year are £2,377,000 (2019: £2,209,000). The directors declared and paid a dividend of £nil (2019: nil). As the activities of the company are that of a holding company, the directors believe that further key performance indicators are unnecessary for the understanding of the development, performance or position of the business.

This report was approved by the board of directors on and signed on its behalf by:



C S Grey
Director

Date: 7 September 2021

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Yara Overseas Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law, and international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB.

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the strategic report and director's report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the strategic report and director's report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

YARA OVERSEAS LIMITED

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

We have nothing to report in this regard.

Responsibilities of directors

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, 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 company's 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 company 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety and data protection laws.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

YARA OVERSEAS LIMITED

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

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions 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 or the directors' report.

Matters on which we are required to report by exception

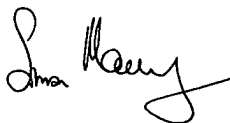
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Simon Manning FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
Date: 17 September 2021

YARA OVERSEAS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 £000	2019 £000
Administration expenses		(32)	(35)
OPERATING LOSS	4	(32)	(35)
Investment revenue	6	202	193
PROFIT BEFORE TAXATION		170	158
Taxation	7	(2)	(3)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		168	155

All the results for the year relate to continuing operations. The accompanying notes are an integral part of this profit and loss account.

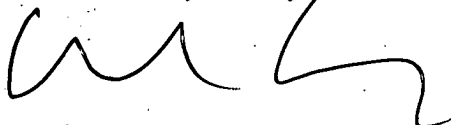
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

There is no other comprehensive income other than the profit of £167,878 for the year ended 31 December 2020 (£155,058 for the year ended December 2019).

YARA OVERSEAS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2020

	NOTE	2020 £000	2019 £000
NON-CURRENT ASSETS			
Investments in subsidiaries	8	5,215	5,215
Deferred tax asset	7	10	10
		<u>5,225</u>	<u>5,225</u>
CURRENT ASSETS			
Trade and other receivables	9	8	8
		<u>8</u>	<u>8</u>
CURRENT LIABILITIES			
Trade and other payables	10	(2,856)	(3,024)
TOTAL LIABILITIES		<u>(2,856)</u>	<u>(3,024)</u>
NET CURRENT LIABILITIES		<u>(2,848)</u>	<u>(3,016)</u>
NET ASSETS		<u>2,377</u>	<u>2,209</u>
EQUITY			
Share capital	12	208	208
Retained earnings		2,169	2,001
TOTAL EQUITY		<u>2,377</u>	<u>2,209</u>

The company's financial statements (registered number 02665899) for the year ended 31 December 2020 were approved by the Board and authorised for issue on 11 September 2021 and the balance sheet was signed on the Board's behalf by C S Grey.



C S Grey
Director

YARA OVERSEAS LIMITED
CASH FLOW STATEMENT AS AT 31 DECEMBER 2020

	2020 £000	2019 £000
Operating loss	(32)	(35)
Increase in trade and other receivables	-	-
Decrease in trade and other payables	(170)	(158)
	<hr/>	<hr/>
Cash outflow from operations	(202)	(193)
	<hr/>	<hr/>
Net cash used in operating activities	(202)	(193)
	<hr/>	<hr/>
Investing activities		
Dividends received	202	193
	<hr/>	<hr/>
Net cash generated from investing activities	202	193
	<hr/>	<hr/>
Financing activities		
Dividends paid	-	-
	<hr/>	<hr/>
Net cash used in financing activities	-	-
	<hr/>	<hr/>
Net movement 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/>

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2020

	Share Capital £000	Retained Earnings £000	Total £000
At 1 January 2019	208	1,846	2,054
Profit for the year and total comprehensive income	-	155	155
	<hr/>	<hr/>	<hr/>
At 1 January 2020	208	2,001	2,209
Profit for the year and total comprehensive income	-	168	168
	<hr/>	<hr/>	<hr/>
At 31 December 2020	208	2,169	2,377
	<hr/>	<hr/>	<hr/>

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

1 BASIS OF ACCOUNTING

The company is a private company limited by shares, incorporated in the United Kingdom, domiciled and registered in England & Wales. The registered office address is set out on page 2 and the principal activities are described in the strategic report on page 3.

The company's financial statements have been prepared in accordance with IFRSs in accordance with IASB 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 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 2020 and the company's future cash flow forecasts in forming this judgment. Coronavirus implications have also been addressed within the consideration and details can be seen in the Business Review and Principal Activity section. Accordingly, the accounts have been prepared on the going concern basis.

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.

In the current year, the company has adopted the following Standards, Interpretations and amendments, effective for an accounting period that begins on or after 1 January 2020, with no material impact on the financial statements.

Amendments:

- IAS1 Definition of material
- IFRS3 Definition of a business
- IFRS 9, IAS39 and IFRS7 Interest rate benchmark reform
- IFRS16 Leases in relation to COVID-19 rent concessions
- Amendments to References to the Conceptual Framework in IFRS Standards

The following other Standards, Interpretations and amendments to existing Standards have been issued but not mandatory for accounting periods beginning 1 January 2020 and are not expected to have a material impact.

New or Revised Standards

- IFRS17 Insurance Contracts

Amendments:

- IFRS17 Insurance Contracts
- IAS1 Classification of Liabilities as Current or Non-current
- IFRS 3 Reference to the Conceptual Framework
- IFRS16 Property, Plant and Equipment – Proceeds before Intended Use
- Annual Improvements to IFRS18-2020 cycle

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (continued)

2 ACCOUNTING POLICIES (continued)

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) 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.

d) Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoice value and their expected recoverable amount. Expected recoverable amount is determined in accordance with IFRS 9 reflecting an estimate of the expected credit losses related to the receivables and any impairment of trade and other receivables is recognised by way of a separate allowance account. 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 2020 (continued)

2 ACCOUNTING POLICIES (continued)

e) 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.

f) Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the 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.

g) 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 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.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (continued)

2 ACCOUNTING POLICIES (continued)

h) Financial Instruments

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. Provision is made based on an expected credit loss model in accordance with IFRS 9.

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.

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 2020 (continued)

2 ACCOUNTING POLICIES (continued)

h) 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 (2019: £5,000) has been incurred and paid by the parent company Yara UK Limited. Operating loss is stated after exchange gains of £3,475 (2019: £1,252)

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.

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (continued)

6	INVESTMENT REVENUE	2020 £000	2019 £000
	Income from equity investments – dividends received	202	193
	Total finance revenue	202	193
7	TAXATION	2020 £000	2019 £000
a)	Tax on profit on ordinary activities		
	Tax charged in the income statement		
	Current income tax:		
	UK Corporation tax - current year	-	-
	Foreign tax - current year	10	10
	Group relief	(8)	(8)
	Total current income tax	2	2
	Deferred tax:		
	Origination and reversal of temporary differences	0	1
	Adjustments in respect of prior years	-	-
	Total deferred tax	0	1
	Tax charge in the income statement	2	3
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:	2020 £000	2019 £000
	Profit before taxation	170	157
	Profit before taxation multiplied by the UK standard rate of corporation tax of 19% (2019:19%)	32	30
	Income not taxable (dividends)	(39)	(37)
	General expenses not taxable / deductible	-	-
	Adjustment in respect of prior periods	-	-
	Tax rate changes	(1)	-
	Withholding tax credit unrelieved	10	10
	Total tax charge for the year	2	3

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (continued)

7 TAXATION (continued)

c) Deferred tax	2020	2019
	£000	£000
Deferred tax asset in the balance sheet		
Short term temporary differences	(10)	(10)
Deferred tax asset	<u>(10)</u>	<u>(10)</u>

d) Factors affecting future tax charge

It was announced in the 2020 Budget that the main rate of corporation tax would remain at 19%, negating the previous expected reduction to 17% from 1 April 2020. This position was substantively enacted on 17 March 2020.

Accordingly, this rate is applicable in the measurements of the deferred tax assets and liabilities at 31 December 2020. Deferred tax has been calculated at 19% being the rate at which temporary differences are expected to reverse.

Furthermore the 2021 Budget included an announcement to increase the standard rate of corporation tax rate from 19% to 25% from 1 April 2023. This position was enacted on 10 June 2021. Since the rate increase was not substantively enacted at the balance sheet date, deferred tax has been provided at 19%. The maximum impact on deferred tax balances of the rate increase is not expected to be material.

8 INVESTMENTS IN SUBSIDIARIES

Cost: £000

At 1 January 2019, 31 December 2019 and 31 December 2020 5,215

Net Book Value
31 December 2020 5,215

31 December 2019 5,215

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 th 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 nd 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 2020 (continued)

9	TRADE AND OTHER RECEIVABLES	2020 £000	2019 £000
	Amounts falling due within one year:		
	Amounts owed by group undertakings	8	8
	Other debtors	183	189
		<u>191</u>	<u>197</u>
	Allowance for expected credit losses	(183)	(189)
		<u>8</u>	<u>8</u>

The directors consider that the carrying amount of the trade and other receivables approximates to their fair value. No amounts are past due but not impaired. Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

10	TRADE AND OTHER PAYABLES	2020 £000	2019 £000
	Amounts owed to group undertakings	2,856	3,024
		<u>2,856</u>	<u>3,024</u>

The directors consider that the carrying amount of the trade and other payables approximates to their fair value. Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

11 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 measured at amortised cost. The company's financial liabilities are categorised as 'other financial liabilities' and 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 2020 (continued)

11 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 2020

	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	8	-	-	-	-	-	8
Trade payables	(2,856)	-	-	-	-	-	(2,856)

Year ended 31 December 2019

	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	8	-	-	-	-	-	8
Trade payables	(3,024)	-	-	-	-	-	(3,024)

YARA OVERSEAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (continued)

12	AUTHORISED AND ISSUED SHARE CAPITAL	2020 £000	2019 £000
	Authorised:		
	208,408 Ordinary shares of £1 each	208	208
	Issued and fully paid	—	—
	208,408 Ordinary shares of £1 each	208	208
		—	—

13 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				
2020	-	-	-	(2,856)
2019	-	-	-	(3,024)

14 PARENT UNDERTAKING AND CONTROLLING PARTY

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

The ultimate parent company and controlling party 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 accounts can be obtained at the registered office of the company at Yara International ASA, Drammensveien 131, 0277 Oslo, Norway.

Copies of the Yara UK Limited accounts can be obtained at the registered office of the company at Yara UK Limited, Harvest House, Europarc, Grimsby, N E Lincolnshire DN37 9TZ.