



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 986 660 313
Organisasjonsform: Aksjeselskap
Foretaksnavn: FARSTAD AFRICA AS
Forretningsadresse: Skansekaia 4A
6002 ÅLESUND

Regnskapsår

Årsregnskapets periode: 01.01.2017 - 31.12.2017

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Idar Gjerde
Dato for fastsettelse av årsregnskapet: 30.06.2018

Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 04.11.2020



Resultatregnskap

Beløp i: NOK	Note	2017	2016
RESULTATREGNSKAP			
Annen driftsinntekt			
Kostnader			
Annen driftskostnad	2	14 000	
Sum kostnader		14 000	
Driftsresultat		-14 000	
Annen finansinntekt			
Annen finanskostnad			
Netto finans			
Ordinært resultat før skattekostnad		-14 000	0
Skattekostnad på ordinært resultat	3		
Ordinært resultat etter skattekostnad		-14 000	0
Årsresultat		-14 000	0
Årsresultat etter minoritetsinteresser		-14 000	
Totalresultat		-14 000	
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-14 000	
Sum overføringer og disponeringer		-14 000	



Balanse

Beløp i: NOK	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum anleggsmidler		0	0
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		4 000	
Sum fordringer		4 000	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		17 000	35 000
Sum bankinnskudd, kontanter og lignende		17 000	35 000
Sum omløpsmidler		21 000	35 000
SUM EIENDELER	5	21 000	35 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	4, 6	100 000	100 000
Annen innskutt egenkapital	4		
Sum innskutt egenkapital		100 000	100 000
Opptjent egenkapital			
Annen egenkapital	4	-79 000	-65 000
Sum opptjent egenkapital		-79 000	-65 000
Sum egenkapital		21 000	35 000



Balanse

Beløp i: NOK	Note	2017	2016
Sum langsiktig gjeld		0	0
Sum gjeld		0	0
SUM EGENKAPITAL OG GJELD	7	21 000	35 000



FARSTAD AFRICA AS

ANNUAL REPORT
2017





THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

COMPANY STRUCTURE

FARSTAD AFRICA AS was established on 25 February 2004 in order to run international shipping operation, directly and/or through participation in other companies in Norway and/or overseas. The company is 100 % owned by Farstad Subsea AS, a wholly owned subsidiary of Farstad Shipping AS (the sub-group), and its head office is in Aalesund. All shares of the company were acquired by Farstad Subsea AS from Farstad Shipping AS in December 2017.

In June 2017 Farstad Shipping ASA merged with a Solstad company and changed name to Farstad Shipping AS and became a subsidiary of the listed company Solstad Farstad ASA. The ultimo parent company is Solstad Farstad ASA.

MANAGEMENT AND ENVIRONMENT

The Company has no employees. The administration is managed by Farstad Shipping AS. The Company has limited impact on the external environment.

ACCOUNTS

The annual accounts show a loss of NOK 14. The Board has approved the total loss to be transferred to Other Equity.

GOING CONCERN

The Board confirms that the assumption of going concern is present, and that the 2017 financial statements, pursuant to section 3-3a of the Norwegian accounting act, have been prepared based on the assumption of a going concern. This is based on, among others, the liquidity budget for 2018 and its operational forecast. The Directors affirm that this assumption is correct. The Board is aware of the low equity and the challenging liquidity situation of the sub-group and its subsidiaries, and closely monitors the financial situation and deal with issues as they occur. Synergy effects and cost reduction measures implemented after the mergers are expected to give full effect during 2018. Furthermore, the sub-group's current contract backlog and signs of market improvements will have a positive effect on the sub-group's financial situation going forward.

As per 31 March 2018 Farstad Shipping AS (the sub-group), was not in compliance with a debt-service-cover-ratio financial covenant which is included in the majority of the sub-group subsidiaries' loan agreements, reference to press release from 17 April 2018 for further information. In accordance with the financial framework applied, this leads to a reclassification of the sub-group non-current liabilities of MNOK 7.041 to current liabilities. Until the sub-group is back in compliance with the financial covenant or until the covenant is unconditionally waived for a period of at least 12 months or amended in agreement with the financial creditors. Based on the current management forecast for 2018, the sub-group is expected to be back in compliance with the debt-service-cover ratio in second half of 2018, and the sub-group is in dialogue with its financial creditors in order to waive this financial covenant for the relevant period.

Aalesund, 31 December 2017

30 June 2018

The Board of Directors of Farstad Africa AS

Sven Stakkestad
Member of the Board

Lars Peder Solstad
Chairman of the Board

Anders Hall Jomaas
Member of the Board



PROFIT AND LOSS


FARSTAD AFRICA AS (NOK 1 000)


	Note	2017	2016
Operating income:			
Other income		0	0
Total operating income		0	0
Operating expenses:			
Administration	2	14	0
Total operating expenses		14	0
Operating result (EBIT)		-14	0
Financial items:			
Tax and results:			
Pre tax profit		-14	0
Tax	3	0	0
Profit for the year		-14	0
Annual net profit		-14	0
To other equity		-14	0
Net brought forward		-14	0




BALANCE SHEET
FARSTAD AFRICA AS (NOK 1 000)

	Note	2017	2016
CURRENT ASSETS			
Account receivables, freight income		4	0
Cash and cash equivalents		17	35
Total current assets		21	35
Total assets	5	21	35
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4, 6	100	100
Other equity	4	-79	-65
Total equity		21	35
CURRENT LIABILITIES			
Total equity and liabilities	7	21	35


Sven Stakkestad
member of the board

Aalesund, 30.06.2018
The board of Farstad Africa AS

Lars Peder Solstad
chairman of the board


Anders Hall Jomaas
member of the board



NOTES TO THE ACCOUNTS (NOK 1 000) FARSTAD AFRICA AS

NOTE 1 ACCOUNTING PRINCIPLES

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted for small companies in Norway.

Deferred tax/Tax expense

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences existing between accounting and tax values, and any carryforward losses for tax purposes at year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits showing in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Classification and evaluation of the balance sheet

Current assets and short term liabilities include items due for payment within one year after time of acquisition. Other items are classified as fixed assets or long term liabilities. Current assets are evaluated at the lowest of acquisition cost and actual value. Short term liabilities are valued at nominal amount at entrance time. Fixed assets are valued at acquisition cost, less depreciation. Long term debt is valued at nominal amount at time of establishment.

Investments in other companies

The principle for investments in other companies is the cost method. Farstad Africa AS owns 49 % of the shares in Quimbriz Farstad Shipping LDA u.s Angola.

NOTE 2 SALARIES, NUMBER OF EMPLOYEES AND MANAGEMENT AGREEMENTS WITH CLOSELY RELATED PARTIES

Farstad Africa AS has no employees, - thus no wages or directors fee have been paid in 2016.
The company is not obligated to have mandatory pension agreements

Expensed audit fee

	2017	2016
Statutory audit	14	-
Tax advisory fee	-	-
Total audit fees	14	-

VAT is not included in the audit fee.

NOTE 3 TAXES

Calculation of deferred tax/deferred tax benefit

	2017	2016
Temporary differences	-	-
Net temporary differences	-	-
Tax losses carried forward	-41	-27
Basis for deferred tax	-41	-27
Deferred tax	-9	-6
Deferred tax benefit not shown in the balance sheet	9	6
Deferred tax in the balance sheet	-	-

The reason deferred tax benefit are not reflected in the balance sheet is that historical results create doubt that future taxable profits will be sufficient to utilise the tax benefit.

	2017	2016
Basis for income tax expense, changes in deferred tax and tax payable		
Result before taxes	0	0
Permanent differences	-	-
Basis for the tax expense for the year	0	0
Change in temporary differences	-	-
Change in losses carried forward	-	-
Basis for payable taxes in the income statement	0	0
+/- Group contributions received/given	-	-
Taxable income (basis for payable taxes in the balance sheet)	0	0



NOTES TO THE ACCOUNTS (NOK 1 000)

FARSTAD AFRICA AS

Components of the income tax expense	2017	2016
Payable tax on this year's result	-	-
Adjustment in respect of priors	-	-
Total payable tax	-	-
Change in deferred tax	-	-
Tax expense	-	-
Payable taxes in the balance sheet		
Payable tax in the tax charge	-	-
Tax effect of group contribution	-	-
Payable tax in the balance sheet	-	-

NOTE 4 EQUITY

Equity changes in the year	Sharecapital	Other Equity / uncovered loss	Total
Equity 01.01.	100	-65	35
Profit for the year	-	-14	-14
Equity 31.12.	100	-79	21

The Group acknowledges that the challenging market situation may require measures to strengthen the financial position and the capital structure of the Group and some of the subsidiaries, including Farstad Africa AS. The Board of Directors will take necessary actions to improve the financial situation of the company.

NOTE 5 LIQUID ASSETS, SHARES IN SUBSIDIARIES AND OTHER SHARES

Shares owned by Farstad Africa AS:	Paid-in capital	Number of shares	Ownership in %	Nominal value	Booked value
Quimbriz Farstad Shipping LDA U.S			49		0

Farstad Africa AS has purchased shares in Quimbriz Farstad Shipping LDA u.s. for USD 12 250 to exchange rate 5,6222.

Establishment costs for the company in Angola is previously activated as financial fixed assets.
Book value of the shares has previously been written down to NOK 0.

NOTE 6 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of TNOK 100 consists of 100 shares with nominal value of TNOK 1 each.
All shares are owned by Farstad Subsea AS, after they purchased all shares from Farstad Shipping AS in December 2017.
Farstad Subsea AS is a 100% owned subsidiary of Farstad Shipping AS.

The ultimo parent company Solstat Farstad ASA has its registered offices in Nesavegen 39, 4280 Skudeneshavn, where the consolidated accounts including this company can be obtained.

NOTE 7 GOING CONCERN

As per 31 March 2018 Farstad Shipping AS (the sub-group), was not in compliance with a debt-service-cover-ratio financial covenant which is included in the majority of the sub-group subsidiaries' loan agreements, reference to press release from 17 April 2018 for further information. In accordance with the financial framework applied, this leads to a reclassification of the sub-group non-current liabilities of MNOK 7.041 to current liabilities. Until the sub-group is back in compliance with the financial covenant or until the covenant is unconditionally waived for a period of at least 12 months or amended in agreement with the financial creditors. Based on the current management forecast for 2018, the sub-group is expected to be back in compliance with the debt-service-cover ratio in second half of 2018, and the sub-group is in dialogue with its financial creditors in order to waive this financial covenant for the relevant period.

The annual accounts are prepared on the assumption of a going concern. This is based on, among others, the liquidity budget for 2018 and its operational forecast. The Directors affirm that this assumption is correct. The Board is aware of the low equity and the challenging liquidity situation of the sub-group and its subsidiaries, and closely monitors the financial situation and deal with issues as they occur. Synergy effects and cost reduction measures implemented after the mergers are expected to give full effect during 2018. Furthermore, the sub-group's current contract backlog and signs of market improvements will have a positive effect on the sub-group's financial situation going forward.



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Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Farstad Africa AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Farstad Africa AS, which comprise the balance sheet as at 31 December 2017 and the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). 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 Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 7 in the financial statements, which describes that the Farstad Shipping AS (the sub-group) was not in compliance with a debt-service-cover-ratio financial covenant as of 31 March 2018. These events, along with other matters as set forth in note 7, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) 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.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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Report on other legal and regulatory requirements

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Aalesund, 31. July 2018

ERNST & YOUNG AS

War-André Norvik

State Authorised Public Accountant (Norway)



FARSTAD AFRICA AS
Postboks 1301 Sentrum
6001 ÅLESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Farstad Africa AS, org.nr. 986 660 313

Vi viser til deres brev av 26. november 2014, samt tilleggsopplysninger i e-post, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Farstad Africa AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Farstad Africa AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Farstad Africa AS er heleid av Farstad Shipping ASA. Selskapet har som formål å drive i internasjonal farvann og eier 49 % av selskapet Quimbriz Farstad Shipping Lda (u.s.), som markedsfører og opererer offshore servicefartøy med tilhørende tjenester i Angola og Ekvatorial Guinea. Det er ingen aktivitet i selskapet. Med bakgrunn i at selskapet og konsernet opererer i et internasjonal marked, med internasjonale kunder og med internasjonale eksterne kredittinstitusjoner, er det ønskelig å kunne utarbeide årsregnskapet og årsberetningen på engelsk. Forretningsspråket til morselskapet er engelsk. Med bakgrunn i dette søkes det om at årsregnskapet og årsberetningen utarbeides på engelsk.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:



"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er 100 % eiet av et selskap som benytter engelsk som forretningspråk. Videre er det vektlagt at konsernet driver virksomhet i en internasjonal bransje der alle vesentlige aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
Seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Geir Johannessen