



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 992 611 634
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISLAND PIONEER AS
Forretningsadresse: Stålhaugen 9
6065 ULSTEINVIK

Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

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: Asbjørn Hasund
Dato for fastsettelse av årsregnskapet: 14.06.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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, 19.11.2020



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		0	0
Kostnader			
Annen driftskostnad		1 200	
Sum kostnader		1 200	0
Driftsresultat		-1 200	0
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	4	-3 271	193 262
Renteinntekt fra foretak i samme konsern			400 668
Annen renteinntekt		1 322	392
Annen finansinntekt		242	208
Sum finansinntekter		-1 707	594 530
Annen rentekostnad		141	2 665
Annen finanskostnad		242	208
Sum finanskostnader		382	2 872
Netto finans		-2 090	591 657
Ordinært resultat før skattekostnad		-3 290	591 657
Skattekostnad på ordinært resultat	5	608 072	754 236
Ordinært resultat etter skattekostnad		-611 362	-162 579
Årsresultat		-611 362	-162 579
Totalresultat		-611 362	-162 579
Overføringer og disponeringer			
Utbytte		0	0
Overføringer til/fra annen egenkapital		-611 362	-162 579
Sum overføringer og disponeringer		-611 362	-162 579



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Varige driftsmidler			
Sum varige driftsmidler		0	0
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	4	10 691 631	10 694 902
Sum finansielle anleggsmidler		10 691 631	10 694 902
Sum anleggsmidler		10 691 631	10 694 902
Omløpsmidler			
Varer			
Sum varer		0	0
Fordringer			
Andre fordringer	4	20 385 142	21 541 907
Sum fordringer		20 385 142	21 541 907
Investeringer			
Sum investeringer		0	0
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		485 587	264 846
Sum bankinnskudd, kontanter og lignende		485 587	264 846
Sum omløpsmidler		20 870 729	21 806 753
SUM EIENDELER		31 562 360	32 501 655

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2018	2017
Egenkapital			
Innskutt egenkapital			
Selskapskapital	7	10 000 000	10 000 000
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		10 000 000	10 000 000
Opptjent egenkapital			
Fond		8 704 727	8 704 727
Annen egenkapital		12 245 184	12 856 546
Sum opptjent egenkapital		20 949 912	21 561 273
Sum egenkapital	6	30 949 912	31 561 273
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5		
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Sum annen langsiktig gjeld		0	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Betalbar skatt	5	608 072	936 279
Annen kortsiktig gjeld		4 376	4 102
Sum kortsiktig gjeld		612 448	940 382
Sum gjeld		612 448	940 382
SUM EGENKAPITAL OG GJELD		31 562 360	32 501 655



Skattedirektoratet

Saksbehandler
Geir Johannessen

Deres dato
11.10.2013

Vår dato
29.10.2013

Telefon
22 66 11 14

Deres referanse
Tommy Walaunet

Vår referanse
2013/779184

ISLAND OFFSHORE MANAGEMENT AS
Postboks 370
6067 ULSTEINVIK

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Det vises til deres brev av 11. oktober 2013, samt telefonsamtale i sakens anledning, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Island Offshore Management AS	org nr 984 285 310
Island Offshore Crewing AS	org nr 995 955 881
Island Offshore XI AS	org nr 987 845 325
Island Offshore III KS	org nr 982 411 408
Island Offshore VIII AS	org nr 987 156 783
Island Offshore VIII KS	org nr 987 156 805
Island Offshore X AS	org nr 887 254 982
Island Offshore X KS	org nr 987 255 188
Island Offshore LNG AS	org nr 996 393 844
Island Offshore LNG KS	org nr 996 393 739
Island Offshore LNG Invest AS	org nr 996 357 813
Island Offshore LNG Invest KS	org nr 996 357 848
Island Offshore XII AS	org nr 888 271 392
Island Offshore XII Ship AS	org nr 994 289 764
Island Pioneer AS	org nr 992 611 634
Istand Pioneer KS	org nr 992 611 588

For Island Offshore Management AS omfatter søknaden også konsernregnskapet, der Island Offshore Crewing inngår med 100 %.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskaper 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.

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0134 Oslo
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Se www.skatteetaten.no
Org.nr: 996250318

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800 80 000
Telefaks
22 17 08 60



Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene har klar overvekt av utenlandske eierinteresser og for øvrig en begrenset eierkrets. Selskapenes forretningspråk er engelsk. Videre er det vektlagt at selskapene driver virksomhet i en bransje der aktørene forutsettes å beherske engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

Seniorrådgiver

Rettsavdelingen, foretaksskatt
Skattedirektoratet

Geir Johannessen



**Financial Statements
2018**

Island Pioneer AS



ISLAND OFFSHORE



Income statement

Island Pioneer AS

	Note	2018	2017
Other operating expenses		1 200	0
Total operating expenses		1 200	0
Operating profit		-1 200	0
Income on investments in associated companies	4	-3 271	193 262
Interest income, intercompany		0	400 668
Interest income		1 322	392
Other financial income		242	208
Interest expenses		141	2 665
Other financial expenses		242	208
Total financial income & expenses		-2 090	591 657
Ordinary result before tax		-3 290	591 657
Tax on ordinary result	5	608 072	754 236
Net profit for the year		-611 362	-162 579
Allocated as follows			
Transfer to reserve valuation variances		-611 362	-162 579
Total transfers		-611 362	-162 579



Balance sheet

Island Pioneer AS

	Note	2018	2017
Assets			
Fixed assets			
Intangible fixed assets			
Financial fixed assets			
Investments associated companies	4	10 691 631	10 694 902
Total financial fixed assets		10 691 631	10 694 902
Total fixed assets		10 691 631	10 694 902
Other receivables	4	20 385 142	21 541 907
Total debtors		20 385 142	21 541 907
Cash and bank deposits		485 587	264 846
Total current assets		20 870 729	21 806 753
Total assets		31 562 360	32 501 655





Balance sheet


Island Pioneer AS


	Note	2018	2017
Liabilities and equity			
Equity			
Paid in equity			
Share capital	7	10 000 000	10 000 000
Total paid in equity		10 000 000	10 000 000
Retained earnings			
Reserve for valuation variances		8 704 727	8 704 727
Other equity		12 245 184	12 856 546
Total retained earnings		20 949 912	21 561 273
Total equity	6	30 949 912	31 561 273
Liabilities			
Provision for liabilities			
Deferred tax	5	0	0
Total long term liabilities		0	0
Current liabilities			
Tax payable	5	608 072	936 279
Other short term liabilities		4 376	4 103
Total current liabilities		612 448	940 382
Total liabilities		612 448	940 382
Total equity and liabilities		31 562 360	32 501 655

ULSTEINVIK,, 31.12.2018 / 25.04.2019
The Board of Directors Island Pioneer AS


Morten Ulstein
Chairman of the board


Gary J Chouest
Board Member


Håvard Ulstein
Board Member


Henning Sundet
Managing Director

Island Pioneer AS Org.nr. 992611634



Notes to the financial statements 2018

Island Pioneer AS

NOTE 1 GENERAL INFORMATION

The company is the general partner of Island Pioneer KS with 10% ownership interest.

Ref Accounting Act §7-36. Island Pioneer AS is included in the consolidated financial statements for Island Offshore Shipholding LP, business address c/o Island Offshore Shipping AS, P.O Box 370, 6065 Ulsteinvik.

NOTE 2 ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles for small businesses (NRS 8) in Norway. The significant principles are described below.

Classification criteria

Assets to be owned or utilized permanently, and receivables falling due later than one year from the end of the accounting year, are classified as fixed assets. Other assets are classified as current assets.

Liabilities due later than one year from the end of the accounting year are classified as long term liabilities. Other debts and liabilities are classified as short term, with the exception of the first installment on secured debt which is serviced by the cash flow from fixed assets.

Presentation of subsidiaries and associated companies

Associated companies are accounted for by the equity method.

Valuation of current assets

Receivables are recorded net of expected future losses.

Currency

Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets and liabilities are recorded at the exchange rate at the balance sheet date.

Taxes

The tax expense in the income statement includes both taxes payable and change in deferred tax. Deferred tax is calculated as 22% of the temporary differences between tax and accounting values, and eventual tax losses carried forward at the end of the accounting year. Tax reducing and tax increasing differences are offset if reversible. Any net deferred tax asset is recorded in the balance sheet if expected future profitability makes utilization probable.



Notes to the financial statements 2018

Island Pioneer AS

NOTE 3 PAYROLL

The Company does not have employees and the Board and Managing Director does not receive remuneration.

Auditor

Audit fees are covered by the Partnership.

NOTE 4 SHARE OF PIONEER KS

Company name	Island Pioneer KS
Registered capital	175 000 000
Uncalled capital	75 000 000
Ownership	10,00 %
Share of fixed assets	-
Share of current assets	12 754 753
Share of assets	12 754 753
Share of liabilities	2 038 952
Share of equity 31.12	10 715 802
Other changes	-24 171
Net book value	10 691 631
Share of accounting profit	-3 271
Share of of tax result	2 644 334

As general partner, the Company is responsible for Island Pioneer KS's total liabilities of NOK 20.389.518. However, the liability recorded in Island Pioneer KS' balance sheet is towards the general partner. The origin of the receivable dates back to when Island Pioneer KS sold its only vessel Island Pioneer in January 2014. There was an unpaid dividend distribution from the partnership of which Island Pioneer AS has recorded its proportionate share as a receivable.



Notes to the financial statements 2018

Island Pioneer AS

NOTE 5 TAXES

Deferred tax/tax asset is calculated based upon the temporary differences between accounting and tax values at the end of the accounting year. Negative temporary differences and positive temporary differences that reverse or may reverse in the same period are offset and recorded net.

Deferred tax/tax asset has been calculated as follows:

	<u>2018</u>	<u>2017</u>
Partnership shares	-5 198 600	-2 550 995
Tax loss carried forward		0
Total temporary differences	<u>-5 198 600</u>	<u>-2 550 995</u>
Deferred tax liability+/asset -	-1 143 692	-586 729
Tax rate	22 %	23 %

The Company is dormant and it has been decided not to record deferred tax asset in the balance sheet of the Company as per 31.12.18.

Specification of difference between accounting result before tax and tax basis:

	<u>2018</u>	<u>2017</u>
Profit before tax	-3 290	591 657
Share of of tax result Island Pioneer KS	2 644 334	3 502 768
Share of accounting result Island Pioneer KS	3 271	-193 262
Interests not deductible	-525	0
Annual tax basis	<u>2 643 790</u>	<u>3 901 163</u>

Specification of tax expense:

	<u>2018</u>	<u>2017</u>
Taxes payable	608 072	936 279
Change in deferred tax	-	-182 043
Tax expense	<u>608 072</u>	<u>754 236</u>



Notes to the financial statements 2018

Island Pioneer AS

NOTE 6 EQUITY

	Share capital	Valuation		Total
		Variances	Other equity	
Equity 1.1.	10 000 000	8 704 727	12 856 546	31 561 273
Annual net result			-611 362	-611 362
Equity 31.12.	10 000 000	8 704 727	12 245 184	30 949 912

NOTE 7 SHARE CAPITAL AND OWNERSHIP

The share capital totals NOK 10.000.000 comprising 10.000.000 shares at NOK 1.

Ownership

Shareholders at 31.12. :

Shareholders	Shares	Ownership
Island Offshore Shipholding LP	7 000 000	70,0 %
Ocean Mexicana SA de CV	3 000 000	30,0 %
Total	10 000 000	100,0 %

NOTE 8 GOING CONCERN

The Company is general partner in the dormant partnership Island Pioneer KS which have no assets nor liabilities except the intercompany loans.

The Company is dependent on the partnership and the ultimate majority owner Island Offshore Shipholding L.P. to fund its expenses. Due to the continued state of the market and the implications for earnings and cash flow, the Island Offshore Group, including the majority owner Island Offshore Shipholding L.P., concluded a holistic and comprehensive restructuring agreement with secured and unsecured lenders effective April 12th 2018. The term of the restructuring agreement is until end of 2020 and includes modified amortization schedules for each vessel, in addition to lifting of certain financial covenants.

In accordance with the Norwegian Accounting Act § 3-3a the Board of Directors thus confirms that the financial statements are prepared on the basis of a going concern assumption. The basis for this assumption is the financial position of the Company at 31.12.2018, including the effective restructuring agreement.



Stats autoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Island Pioneer AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Island Pioneer AS, which comprise the balance sheet as at 31 December 2018 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 2018 and its financial performance 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.

Responsibilities of management for the financial statements

The Board of Directors and Chief Executive Officer (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

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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.

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.

Bergen, 31 May 2019
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

Independent auditor's report - Island Pioneer AS

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Jørn Knutsen

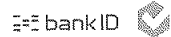
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