



**B a a g ø e | S c h o u**

statsautoriseret revisionsaktieselskab

**Ballonflyverne ApS**  
Høholmvej 2 B, Vridsløsemagle, 2630 Taastrup

Company reg. no. 29 39 09 24

**Annual report**

**2015**

The annual report have been submitted and approved by the general meeting on the 29 July 2016.

**Karsten Funk**  
Chairman of the meeting



## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's report	1
Auditor's report on compilation of the annual accounts	2
<b>Management's review</b>	
Company data	3
Management's review	4
<b>Annual accounts 1 January - 31 December 2015</b>	
Accounting policies used	5
Profit and loss account	9
Balance sheet	10
Notes	12

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



## **Management's report**

---

The managing director has today presented the annual report of Ballonflyverne ApS for the financial year 1 January to 31 December 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

The managing director considers the requirements of omission of audit of the annual accounts for 2015 as met.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Taastrup, 29 July 2016

**Managing Director**



Karsten Max Georg Funk



## **Auditor's report on compilation of the annual accounts**

---

### **To the shareholder of Ballonflyverne ApS**

We have compiled the annual accounts of Ballonflyverne ApS for the period 1 January to 31 December 2015 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 29 July 2016

### **Baagø | Schou**

State Authorised Public Accountants  
Company reg. no. 21 14 81 48

Torben B. Petersen  
State Authorised Public Accountant



## Company data

---

### **The company**

Ballonflyverne ApS  
Høholmvej 2 B  
Vridsløsemagle  
2630 Taastrup

Company reg. no. 29 39 09 24

Domicile: Taastrup

Financial year: 1 January - 31 December

### **Managing Director**

Karsten Max Georg Funk

### **Auditors**

Baagøe | Schou  
statsautoriseret revisionsaktieselskab  
Fiolstræde 44, 3. th.  
1171 København K

### **Parent company**

Aeolus Aviation GmbH



## **Management's review**

---

### **The significant activities of the enterprise**

The significant activities of the enterprise are passenger flights with hot air balloons.

### **Unusual matters**

During the financial year 2013 the director of the company sadly past away. With him he took the knowledge of most of the company's history, agreements and the ongoing handling of the business affairs.

During the year 2013 the company has been bought by the German balloon flying group Aeolus Aviation GmbH under the management Karsten Max Georg Funk, who is now in charge of the company.

### **Uncertainties as to recognition or measurement**

Due to the unusual way the business affairs were handed over to the new management, there has been some challenges in achieving the overview of the financial obligations and agreements.

The financial statements are drawn out accordingly to the best knowledge of the management, but there are some uncertainty regarding the measurement of the liabilities of the company.

### **Development in activities and financial matters**

The gross profit for the year is DKK m against DKK -0,2m last year. The results from ordinary activities after tax are DKK -0,1m against DKK -0,2m last year. Because the company has been without management and activity, the performance of the year has been a loss, which the management considers unsatisfactory.

The management is aware that the contributed capital has been lost and is proposing that the capital will be recovered by future profits of the activities of the company. The Parent Company is prepared to invest in the company in 2016 to get the activities back on getting profitable.

### **Events subsequent to the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.



## **Accounting policies used**

---

The annual report for Ballonflyverne ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.



## **Accounting policies used**

---

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Exchange rate adjustments of current accounts with foreign group enterprises, which are considered an addition or a deduction in the equity of independent group enterprises, are recognised directly in the equity. Likewise, capital profits and losses on loans and derived financial instruments for hedging independent foreign group enterprises are recognised in the equity.

### **The profit and loss account**

#### **Gross loss**

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

#### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.





## **Accounting policies used**

---

### **Net financials**

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

### **The balance sheet**

#### **Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Technical plants and machinery	5-10 years
--------------------------------	------------

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises costs for materials, components, deliveries from sub suppliers, direct wages expenditure, and indirect production costs.

#### **Available funds**

Available funds comprise cash at bank and in hand.

#### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.



## **Accounting policies used**

---

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

### **Liabilities**

Liabilities are measured at amortised cost which usually corresponds to the nominal value.



## **Profit and loss account 1 January - 31 December**

---

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Gross loss</b>	<b>-40.252</b>	<b>-181</b>
Depreciation and writedown relating to tangible fixed assets	-34.316	-49
<b>Operating profit</b>	<b>-74.568</b>	<b>-230</b>
Other financial income	2.523	0
<b>Results before tax</b>	<b>-72.045</b>	<b>-230</b>
1 Tax on ordinary results	0	0
<b>Results for the year</b>	<b>-72.045</b>	<b>-230</b>
<b>Proposed distribution of the results:</b>		
Allocated from results brought forward	-72.045	-230
<b>Distribution in total</b>	<b>-72.045</b>	<b>-230</b>



## Balance sheet 31 December

---

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
<b>Fixed assets</b>		
2 Other plants, operating assets, and fixtures and furniture	75.748	110
Tangible fixed assets in total	75.748	110
<b>Fixed assets in total</b>	<b>75.748</b>	<b>110</b>
<b>Current assets</b>		
Receivable corporate tax	4.000	12
Debtors in total	4.000	12
Cash funds	0	2
<b>Current assets in total</b>	<b>4.000</b>	<b>14</b>
<b>Assets in total</b>	<b>79.748</b>	<b>124</b>



## Balance sheet 31 December

---

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

### Equity and liabilities

<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Equity</b>		
Contributed capital	125.000	125
Results brought forward	-565.758	-494
Proposed dividend for the financial year	0	0
<b>Equity in total</b>	<b>-440.758</b>	<b>-369</b>
<b>Liabilities</b>		
Prepayments received from customers	162.000	162
Trade creditors	55.875	147
Debt to group enterprises	271.848	143
Other debts	30.783	41
Short-term liabilities in total	520.506	493
<b>Liabilities in total</b>	<b>520.506</b>	<b>493</b>
<b>Equity and liabilities in total</b>	<b>79.748</b>	<b>124</b>

**3 Mortgage and securities**

**4 Contingencies**



## Notes

---

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>2015</u>	<u>2014</u>
<b>1. Tax on ordinary results</b>		
Tax of the results for the year, parent company	<u>0</u>	<u>0</u>
	<u><b>0</b></u>	<u><b>0</b></u>
<b>2. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2015	1.658.195	1.658
Additions during the year	0	0
Disposals during the year	<u>0</u>	<u>0</u>
<b>Cost 31 December 2015</b>	<u><b>1.658.195</b></u>	<u><b>1.658</b></u>
Depreciation and writedown 1 January 2015	-1.548.131	-1.499
Depreciation and writedown for the year	<u>-34.316</u>	<u>-49</u>
<b>Depreciation and writedown 31 December 2015</b>	<u><b>-1.582.447</b></u>	<u><b>-1.548</b></u>
<b>Book value 31 December 2015</b>	<u><b>75.748</b></u>	<u><b>110</b></u>

### 3. Mortgage and securities

No mortgages, padges or collaterals rest with the company etc.

### 4. Contingencies

The company has in the past three years sold gift certificates for balloon flights. However, it has not been possible to calculate the exact number of unredeemed gift certificates at the reporting date, so there may be an obligation to these unredeemed gift cards. The management expects that the unredeemed gift cards will be honored upon delivery of flights