

Kosan Gas A/S

Hasselager Centervej 19-21, 8260 Viby J

CVR no. 17 99 09 77

Annual report

for the year 1 October 2015 - 30 September 2016

Approved at the annual general meeting of shareholders on 28 February 2017

Chairman:



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Kosan Gas A/S for the financial year 1 October 2015 - 30 September 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2016 and of the results of the Company's operations for the financial year 1 October 2015 - 30 September 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

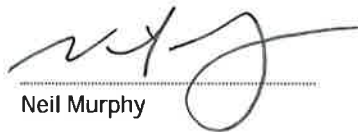
Aarhus, 28 February 2017
Executive Board:



Per Sommer Offersen

Board of Directors:

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Roger Perreault
Chairman


Neil Murphy
Per Sommer Offersen

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The annual report is prepared in accordance with the Danish Financial Statements Act.

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We recommend that the annual report be approved at the annual general meeting.

Aarhus, 28 February 2017
Executive Board:

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Per Sommer Offersen

Board of Directors:


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Roger Perreault
Chairman

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Neil Murphy

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Per Sommer Offersen

Independent auditors' report

To the shareholders of Kosan Gas A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Kosan Gas A/S for the financial year 1 October 2015 - 30 September 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2016 and of the results of its operations for the financial year 1 October 2015 - 30 September 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

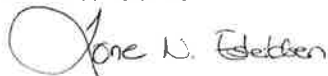
Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 28 February 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Lone Nørgaard Eskildsen

State Authorised Public Accountant

Management's review

Company details

Name	Kosan Gas A/S
Address, Postal code, City	Hasselager Centervej 19-21, 8260 Viby J
CVR no.	17 99 09 77
Established	25 June 1945
Registered office	Aarhus
Financial year	1 October 2015 - 30 September 2016
Website	www.kosangas.dk
E-mail	post@kosangas.dk
Telephone	+45 89 48 77 00
Telefax	+45 89 48 77 11
Board of Directors	Roger Perreault, Chairman Neil Murphy Per Sommer Offersen
Executive Board	Per Sommer Offersen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Danske Bank
Lawyer	Kromann & Reumert Rådhuspladsen 3, 8000 Aarhus C

Management's review

Financial highlights

DKK'000	2015/16	2014/15	2013/14	2012/13	2011/12
Key figures					
Revenue	284,177	289,956	321,447	326,085	249,774
Profit before net financials	37,957	39,484	26,657	24,908	21,777
Net financials	-595	-478	-4,594	-5,222	-7,644
Profit/loss for the year	29,089	30,516	17,832	16,173	10,540
Balance sheet					
Total assets	325,889	301,683	330,632	344,147	332,925
Investment in property, plant and equipment	27,698	29,189	26,493	23,691	21,383
Equity	202,437	170,563	142,832	125,000	115,784
Financial ratios					
Operating margin	13.4%	13.6%	8.3%	7.6 %	8.7 %
Return on assets	12.1%	12.5%	7.9%	7.4%	8.4%
Solvency ratio	62.1%	56.5%	43.2%	36.3%	34.8%
Return on equity	15.6%	19.5%	13.3%	13.4%	9.5%
Other					
Average number of employees	55	54	56	57	53

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Management commentary

Business review

Kosan Gas A/S purchases and sells gas and gas consuming equipment in Denmark.

Financial review

In 2015/16, the Company's revenue came in at DKK 284,177 thousand against DKK 289,956 thousand last year. The income statement for 2015/16 shows a profit of DKK 29,089 thousand against a DKK 30,516 thousand last year, and the balance sheet at 30 September 2016 shows equity of DKK 202,437 thousand.

In the annual report for 2014/15, Management expressed expectations as to a profit for 2015/16 in line with 2014/15. The profit of the year is in line with previously expressed profit expectations.

Management considers the Company's financial performance in the year satisfactory.

Impact on the external environment

The Company places much focus on safety and the environment and has a well-established system to safeguard and manage all issues in relation to these areas. Each year, considerable resources are spent in this respect.

Statutory CSR report

Kosan Gas A/S is working on specific targets for a number of material and relevant areas, but has not adopted any overall CSR policy as part of its strategy. Therefore, Kosan Gas A/S' CSR statement for 2015/16 does not include any information about the standards observed by the Company, how Kosan Gas A/S puts policies into actions, Kosan Gas A/S' assessment of its achievements or its expectations of future efforts to be made.

Account of the gender composition of Management

In Management's opinion, diversity improves performance and decisions. Management has therefore set a target of improving the balance between men and women on the Board of Directors and in Management. There is no female representation on the Board of Directors, and based on the number of board members elected by the company in general meeting (three persons), the target for the underrepresented gender has been set at 33.3%, or one person. The time frame to reach this target is 2019 at the latest.

This is considered a realistic goal.

The composition of the Board has not changed during the year, and the gender composition of the Board is therefore unchanged.

Management has moreover laid down a policy to ensure equal opportunities when positions are filled at other management levels. Other management levels (Management) refer to executive positions not related to the Board of Directors, but positions involving HR responsibilities and/or technical responsibility.

The overall goal for the Company is to obtain equal representation of men and women in Management. The Company wants to evaluate the development of gender representation in Management and adjust its efforts currently in relation to the targets set. Targets and target figures are considered efficient tools to ensure that the goal is met.

The Company has set the following targets:

- ▶ Irrespective of their gender, the employees should have equal opportunities in respect of career and executive positions in the Company.
- ▶ The Company wants an open and unprejudiced culture where the individual employee may use his or her competencies in the best possible manner, irrespective of gender.
- ▶ Employment and appointment of executives are always based on the most suitable person being employed/appointed, irrespective of gender.

Management's review

Management commentary

- ▶ The Company's target is that men and women should have equal opportunities in respect of training, etc.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Management expects a profit for 2016/17 in line with 2015/16.

Financial statements for the period 1 October 2015 - 30 September 2016

Income statement

Note	DKK'000	2015/16	2014/15
2	Revenue	284,177	289,956
3	Production costs	-137,883	-152,386
	Gross margin	146,294	137,570
	Distribution costs	-43,336	-39,565
3	Administrative expenses	-64,277	-58,490
	Operating profit	38,681	39,515
	Other operating income	64	329
	Other operating expenses	-788	-360
	Profit before net financials	37,957	39,484
4	Financial income	201	1,495
5	Financial expenses	-796	-1,973
	Profit before tax	37,362	39,006
6	Tax for the year	-8,273	-8,490
	Profit for the year	29,089	30,516

Financial statements for the period 1 October 2015 - 30 September 2016

Balance sheet

Note	DKK'000	2015/16	2014/15
	ASSETS		
	Fixed assets		
7	Intangible assets		
	Goodwill	4,750	6,274
		<u>4,750</u>	<u>6,274</u>
8	Property, plant and equipment		
	Land and buildings	10,281	10,833
	Plant and machinery	22,328	22,113
	Other fixtures and fittings, tools and equipment	98,949	97,786
	Leasehold improvements	1,562	1,994
	Property, plant and equipment in progress	3,279	1,261
		<u>136,399</u>	<u>133,987</u>
9	Investments		
	Investments in group entities	83,116	83,116
		<u>83,116</u>	<u>83,116</u>
	Total fixed assets	<u>224,265</u>	<u>223,377</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	13,028	11,205
		<u>13,028</u>	<u>11,205</u>
	Receivables		
	Trade receivables	65,676	59,393
	Receivables from group entities	28	121
	Other receivables	1,007	2,286
10	Prepayments	1,129	1,024
		<u>67,840</u>	<u>62,824</u>
	Cash at bank and in hand	20,756	4,277
	Total non-fixed assets	<u>101,624</u>	<u>78,306</u>
	TOTAL ASSETS	<u>325,889</u>	<u>301,683</u>

Financial statements for the period 1 October 2015 - 30 September 2016

Balance sheet

Note	DKK'000	2015/16	2014/15
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	117,800	117,800
	Retained earnings	84,637	52,763
	Total equity	202,437	170,563
	Provisions		
12	Deferred tax	23,114	22,854
	Total provisions	23,114	22,854
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	43	3,059
	Prepayments received from customers	0	111
	Trade payables	20,697	12,435
	Payables to group entities	14,748	30,635
	Income taxes payable	3,799	2,268
	Other payables	57,182	55,949
13	Deferred income	3,869	3,809
		100,338	108,266
	Total liabilities other than provisions	100,338	108,266
	TOTAL EQUITY AND LIABILITIES	325,889	301,683

- 1 Accounting policies
- 14 Staff costs
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Fee to the auditors appointed by the Company in general meeting

Financial statements for the period 1 October 2015 - 30 September 2016

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 October 2014	117,800	25,032	142,832
Other value adjustments of equity	0	-3,570	-3,570
Tax on items recognised directly in equity	0	785	785
Equity at 1 October 2015	117,800	52,763	170,563
Profit/loss for the year	0	29,089	29,089
Other value adjustments of equity	0	3,570	3,570
Tax on items recognised directly in equity	0	-785	-785
Equity at 30 September 2016	117,800	84,637	202,437

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

1 Accounting policies

The annual report of Kosan Gas A/S for 2015/16 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements of Kosan Gas A/S and its group entities are part of the consolidated financial statements of UGI Corporation.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, UGI Corporation.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

Income from the sale of goods for resale and finished goods, comprising sale of LPG is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non-current assets.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 20 years. The amortisation period is based on a Management decision.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	5-20 years
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The assessment of expected lifetime is based on a very strong market position as well as long-term earnings profile in a market that shows no signs of decline in the consumption of LPG by the private sector or the industry.

Land and buildings	20-30 years
Plant and machinery	10-20 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-10 years

Income from investments in group entities

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of non-current assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or group of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

2 Segment information

The Company has not disclosed the geographical and business segmentation of revenue, see section 96(1) of the Danish Financial Statements Act, as Management is of the opinion that such disclosure could be highly detrimental to the Company.

The reason is that the Company operates on a market with very few competitors, and such disclosure could thus cause considerable damage.

DKK'000	2015/16	2014/15
3 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	1,524	1,046
Depreciation of property, plant and equipment	23,524	20,737
	<u>25,048</u>	<u>21,783</u>
4 Financial income		
Income from other investments, securities and receivables that are non-current assets	0	285
Exchange gain	0	1,002
Other financial income	201	208
	<u>201</u>	<u>1,495</u>
5 Financial expenses		
Interest expenses, group entities	436	1,577
Exchange losses	283	287
Other financial expenses	77	109
	<u>796</u>	<u>1,973</u>

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

DKK'000	2015/16	2014/15
6 Tax for the year		
Estimated tax charge for the year	8,798	7,201
Deferred tax adjustments in the year	-525	1,244
Tax adjustments, prior years	0	45
	<u>8,273</u>	<u>8,490</u>

In addition, tax on equity DKK 785 thousand.

DKK'000	Goodwill
7 Intangible assets	
Cost at 1 October 2015	<u>35,670</u>
Cost at 30 September 2016	<u>35,670</u>
Impairment losses and amortisation at 1 October 2015	29,396
Amortisation in the year	1,524
Impairment losses and amortisation at 30 September 2016	<u>30,920</u>
Carrying amount at 30 September 2016	<u>4,750</u>
Amortised over	<u>5-20 years</u>

8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
Cost at 1 October 2015	19,813	84,548	239,835	8,869	1,261	354,326
Additions in the year	85	4,206	20,415	0	2,992	27,698
Disposals in the year	0	-874	-23,470	0	-974	-25,318
Cost at 30 September 2016	<u>19,898</u>	<u>87,880</u>	<u>236,780</u>	<u>8,869</u>	<u>3,279</u>	<u>356,706</u>
Impairment losses and depreciation at 1 October 2015	8,980	62,435	142,049	6,875	0	220,339
Depreciation in the year	637	3,991	18,464	432	0	23,524
Reversal of depreciation and impairment of disposals	0	-874	-22,682	0	0	-23,556
Impairment losses and depreciation at 30 September 2016	<u>9,617</u>	<u>65,552</u>	<u>137,831</u>	<u>7,307</u>	<u>0</u>	<u>220,307</u>
Carrying amount at 30 September 2016	<u>10,281</u>	<u>22,328</u>	<u>98,949</u>	<u>1,562</u>	<u>3,279</u>	<u>136,399</u>
Amortised over	<u>20-30 years</u>	<u>10-20 years</u>	<u>3-10 years</u>	<u>5-10 years</u>		

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

9 Investments

DKK'000	Investments in group entities
Cost at 1 October 2015	83,116
Cost at 30 September 2016	83,116
Value adjustments at 30 September 2016	0
Carrying amount at 30 September 2016	83,116

DKK'000	Legal form	Domicile	Interest	Equity	Profit/loss
Subsidiaries					
Kosan Gas Norge AS	AS	Norge (Norway)	100 %	68,553	12,104
Kosan Gas Finland Oy	Oy	Finland (Finland)	100 %	21,775	3,187
Kosan Gas Sverige AB	AB	Sverige (Sweden)	100 %	44,992	10,161

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies, subscriptions and interest.

DKK'000	2015/16	2014/15
11 Share capital		
Analysis of the share capital:		
117,800 shares of DKK 1,000.00 nominal value each	117,800	117,800
	117,800	117,800

The Company's share capital has remained DKK 117,800 thousand over the past 5 years.

DKK'000	2015/16	2014/15
12 Deferred tax		
Deferred tax relates to:		
Intangible assets	1,045	1,380
Property, plant and equipment	22,439	22,299
Equity	0	-785
Liabilities	-370	-40
	23,114	22,854

13 Deferred income

Deferred income consists of payments received which cannot be recognised as revenue until in the subsequent financial year.

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

DKK'000	2015/16	2014/15
14 Staff costs		
Wages/salaries	35,261	33,747
Pensions	3,785	3,702
Other social security costs	687	631
	<u>39,733</u>	<u>38,080</u>

Staff costs are recognised as follows in the financial statements:

DKK'000	2015/16	2014/15
Production	7,365	6,904
Administration	32,368	31,176
	<u>39,733</u>	<u>38,080</u>

	2015/16	2014/15
Average number of full-time employees	<u>55</u>	<u>54</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	2015/16	2014/15
Guarantee commitments	181	181
	<u>181</u>	<u>181</u>

Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	<u>8,242</u>	<u>9,317</u>
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16 Collateral

The Company has provided suretyship as security for subsidiaries' debt to credit institutions.

Financial statements for the period 1 October 2015 - 30 September 2016

Notes to the financial statements

17 Related parties

Kosan Gas A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
UGI Corporation	USA	Ultimate parent company
Flaga GmbH	Austria	Parent company

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
UGI Corporation	USA	460 North Gulph Road King of Prussia PA 19406, USA

Group enterprise transactions not carried through on normal market terms

There are no group enterprise transactions that have not been carried through on normal market terms.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Flaga GmbH	Austria

18 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements of UGI Corporation.

DKK'000	<u>2015/16</u>	<u>2014/15</u>
19 Appropriation of profit/loss		
Recommended appropriation of profit		
Retained earnings	<u>29,089</u>	<u>30,516</u>
	<u>29,089</u>	<u>30,516</u>