



IKEA Centres

**IKEA Centres Investments Three A/S**  
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**IKEA Centres Investments Three A/S**  
**ANNUAL REPORT**  
**1<sup>st</sup> of September 2015 – 31<sup>st</sup> of August 2016**  
**8. FINANCIAL YEAR**

The annual report has been discussed and approved at the Company's annual general assembly on 25 / 1 2017.

Chairman

CVR-NR. 32 64 81 34

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**COMPANY INFORMATION**

Company	IKEA Centres Investments Three A/S Amager Strandvej 390 2770 Kastrup
Board of Directors	Gerardus Groener Eva Bång Monica Östberg
Management	Tord Andersson Patrik Melin
Shareholder	IKEA Centres A/S Amager Strandvej 390 2770 Kastrup
Principal activities	The company's principal activities are trade, investment and financing and any other related business.

## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Today, management has discussed and approved the Annual Report of IKEA Centres Investments Three A/S for 1 September 2015 - 31 August 2016.

The Annual Report has been 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 31 August 2016 and of the result for the Company's operations for the financial year 1 September 2015 - 31 August 2016.

We recommend the adaption of the Annual Report at the Annual General Meeting.

Copenhagen, 13 January 2017

Executive Board



Tord Andersson



Patrik Melin

Supervisory Board



Gerardus Groener



Eva Bång



Monica Östberg

## **ACCOUNTING POLICIES**

The Financial statements of IKEA Centres Investments Three A/S for 1 September 2015 – 31 August 2016 have been prepared in accordance with the Danish Financial Statements Act as regards reporting class B enterprises.

As the company have changed the functional and presentation currency from EUR to DKK, the presentation currency have been changed to DKK. The comparative figures have also been changed to DKK.

Other accounting policies are consistent with those of last year, cf. below:

### **Reporting currency**

The financial statements are presented in DKK, which is the functional currency of the company.

### **Principal accounting policies**

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow out of the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

### **Consolidated financial statements**

In accordance with section 112(1) of the Danish Financial Statements Act, consolidated financial statements have not been prepared.

### **INCOME STATEMENT**

#### **Other external expenses**

Other external expenses include expenses related to administration, etc.

#### **Financial income and expenses**

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

#### **Tax on profit for the year**

The tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

### **BALANCE SHEET**

#### **Investment in group enterprises**

Investments in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Dividends from subsidiaries are recognized in the income statement for that accounting year, in which the dividend is declared. However, if the distributed dividend exceeds the accumulated earnings after the acquisition, the cost of the investment is reduced by the exceeding amount.

#### **Impairment of non-current assets**

The carrying amount of investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

#### **Receivables from group enterprises**

Accounts receivable are measured at amortised cost which usually corresponds to nominal value. Write-downs are provided to meet expected losses.

#### **Financial liabilities**

Financial liabilities are measured at amortised cost which usually corresponds to nominal value.

## INCOME STATEMENT

	<b>Note</b>	<b>1 Sept 2015 - 31 Aug 2016 DKK '000</b>	<b>1 Jan - 31 Aug 2015 DKK '000</b>
Other operating cost		-1	0
Other financial expense	1	0	-3 986
<b>PROFIT BEFORE TAX</b>		<b>-1</b>	<b>-3 986</b>
Tax on profit		0	0
<b>PROFIT FOR THE YEAR</b>		<b>-1</b>	<b>-3 986</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained profit		-1	-3 986

## BALANCE SHEET

<b>ASSETS</b>	<b>Note</b>	<b>31 Aug 2016 DKK '000</b>	<b>31 Aug 2015 DKK '000</b>
<b>Financial assets</b>			
Investments in group enterprises	2	1 337 607	1 337 430
		<b>1 337 607</b>	<b>1 337 430</b>
<b>TOTAL FIXED ASSETS</b>		<b>1 337 607</b>	<b>1 337 430</b>
<b>Current assets</b>			
Receivables from group enterprises		3 722	3 719
Cash and short-term deposits		484	485
		<b>4 206</b>	<b>4 205</b>
<b>TOTAL ASSETS</b>		<b>1 341 813</b>	<b>1 341 635</b>



## BALANCE SHEET

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>31 Aug 2016</b> DKK '000	<b>31 Aug 2015</b> DKK '000
<b>Equity</b>	3		
Share capital		9 837	9 837
Share premium		1 343 975	1 343 975
Retained profit		-12 262	-12 431
		<b>1 341 550</b>	<b>1 341 381</b>
<b>Short-term liabilities</b>			
Liabilities to group enterprises		263	254
		<b>263</b>	<b>254</b>
<b>TOTAL LIABILITES</b>		<b>263</b>	<b>254</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 341 813</b>	<b>1 341 635</b>
 Ownership	 4		

## NOTES

	<b>2016</b>	<b>2015</b>
	DKK '000	DKK '000
<b>Note 1</b>		
<b>Financial expenses</b>		
Exchange rate adjustments	0	-3 986
<b>Note 2</b>		
<b>Investments in group enterprises</b>		
Cost 1 January	1 337 430	1 341 419
Currency adjustments	177	-3 989
<b>Cost at 31 August</b>	<b>1 337 607</b>	<b>1 337 430</b>
Impairments, beginning of year	0	0
Impairment this year	0	0
<b>Impairments at 31 August</b>	<b>0</b>	<b>0</b>
<b>Carrying amount 31 August</b>	<b>1 337 607</b>	<b>1 337 430</b>

### Investments break down as follows (DKK '000)

	<b>Ownership</b>	<b>Equity 31 August 2016</b>	<b>Result for the year 1 Sep 2015 - 31 Aug 2016</b>
Inter IKEA Centre Wuhan Co Ltd (China)	100%	1 213 670	-175 157

	<b>Share capital</b>	<b>Share premium</b>	<b>Retained profit</b>	<b>Total</b>
	DKK '000	DKK '000	DKK '000	DKK '000
<b>Note 3</b>				
<b>Equity</b>				
Equity 1 January	9 837	1 343 975	-12 431	1 341 381
Effect of changes in accounting policy	0	0	0	0
<b>Equity 1 September 2015</b>	<b>9 837</b>	<b>1 343 975</b>	<b>-12 431</b>	<b>1 341 381</b>
Currency adjustment	0	0	170	170
Proposed distribution of profit for the year	0	0	-1	-1
<b>Equity 31 August 2016</b>	<b>9 837</b>	<b>1 343 975</b>	<b>-12 262</b>	<b>1 341 550</b>

## NOTES

### Note 3 (cont)

**2016**  
EUR '000

#### Share capital

as follows:

13.203 shares in the denomination of EUR 100

1 320

Movements in share capital:	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
1 January	9 835	9 835	9 835	9 835	6 125	500
Capital increase	0	0	0	0	3 710	5 625
31 December	<b>9 835</b>	<b>9 835</b>	<b>9 835</b>	<b>9 835</b>	<b>9 835</b>	<b>6 125</b>

### Note 4

#### Ownership

The following shareholders are recorded in the company's register of shareholders as owning minimum 5% of the votes or the share capital:

IKEA Centres A/S, Denmark (majority shareholder)

The largest and smallest group consolidated financial statements that the company is part of are prepared by:

Ingka Holding B.V., The Netherlands, commercial reg. no. 33773748