



IKEA Centres

IKEA Centres Investments Four A/S
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IKEA Centres Investments Four A/S
ANNUAL REPORT
1st September 2016 – 31st August 2017
5. FINANCIAL YEAR

The annual report has been discussed and approved at the Company's annual general assembly on 12 / Jan, 2018.

Chairman of the AGM

CVR-NR. 35 24 89 27

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COMPANY INFORMATION

Company	IKEA Centres Investments Four 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.

MANAGEMENT REVIEW

The business

The group of IKEA Centres develops and manages shopping centres for the many people anchored by IKEA stores. The group offers great opportunities to develop meeting places of the future, strengthen relations with tenants and spread retail ideas across borders. The group of IKEA Centres strives to create unique Meeting places where both the IKEA store and tenants benefit from the synergy created by the retail centre and the IKEA store being located side by side.

IKEA Centres Investment Four A/S owns one shopping centre in China.

Development in the financial year and result for the year

This year's result, DKK ('000) -165 relates to financial costs.

Special risks and events after the end of the financial year

After the closing of the financial year preliminary decisions have been taken to restructure the holding structure of the Chinese shopping centres, which would affect the holding of the company. The final decision is pending further considerations.

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today discussed and approved the annual report of IKEA Centres Investment Four A/S for the financial year 1 September 2016 - 31 August 2017.

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


It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 August 2017 and of the results of the Company's operations for the financial year 1 September 2016 - 31 August 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management review.

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


Copenhagen, 12 January 2018

Executive Board

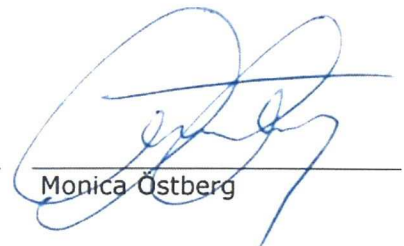

Tord Andersson


Patrik Melin

Supervisory Board


Gerardus Groener


Eva Bång


Monica Östberg

ACCOUNTING POLICIES

The Financial statements of IKEA Centres Investments Four A/S for 1 September 2016 – 31 August 2017 have been prepared in accordance with the Danish Financial Statements Act as regards reporting class B enterprises.

Effective 1 September 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Reporting currency

The financial statements are presented in DKK.

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.

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 well 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 amortization.

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.

Financial liabilities

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

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.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

INCOME STATEMENT

	1 Sep 2016 - 31 Aug 2017	1 Sep 2015 - 31 Aug 2016
Note	DKK '000	DKK '000
Interest cost	-212	-388
Income from investments in subsidiary enterprises	0	0
PROFIT BEFORE TAX	-212	-388
Tax on profit	47	0
PROFIT FOR THE YEAR	-165	-388
 PROPOSED DISTRIBUTION OF PROFIT		
Retained profit	-165	-388

BALANCE SHEET

ASSETS	Note	31 Aug 2017 DKK '000	31 Aug 2016 DKK '000
Current Assets			
Investment in Group enterprises	1	1.607.531	-
Prepayment foreign investment		-	1.182.755
Income tax receivable		47	-
Cash at banks		696	696
		1.608.274	1.183.451
TOTAL ASSETS		1.608.274	1.183.451

BALANCE SHEET 31. AUGUST

EQUITY AND LIABILITIES	Note	31 Aug 2017 DKK '000	31 Aug 2016 DKK '000
Equity	2		
Share capital		522	522
Share premium account		1.195.790	375
Retained profit		-752	-587
		1.195.560	310
Liabilities to group enterprises		412.714	1.183.141
Current liabilities		412.714	1.183.141
LIABILITES		412.714	1.183.141
TOTAL EQUITY AND LIABILITIES		1.608.274	1.183.451
Ownership	3		
Transactions with related parties	4		
Contractual obligations and contingencies, etc.	5		

NOTES

2017
DKK '000

Note 1**Investments in group enterprises**

Cost 1 September	0
Investments in group enterprises	1.607.531
Cost at 31 August	1.607.531

Impairments 1 September	0
Impairment this year	0
Cost at 31 August	0

Carrying amount 31 August **1.607.531**

Name of group enterprise and ownership	Ownership	Equity 31 August 2017	Result for the year 1 Sep 2016- 31 Aug 2017
IKEA Centres Changsha Co. Ltd	100%	1.538.734	-36.009

	Share capital DKK '000	Share premium DKK '000	Retained profit DKK '000	Total DKK '000
Note 2				
Equity				
Equity 1 September 2016	522	375	-587	310
New equity	0	1.195.415	0	1.195.415
Proposed distribution of profit for the year	0	0	-165	-165
Equity 31 August 2017	522	1.195.790	-752	1.195.560

2017
EUR '000

Share capital

The share capital is divided as follows:
700 shares in the denomination of EUR 100 70

Movements in share capital:

	2017	2016	2015	2014
	DKK '000	DKK '000	DKK '000	DKK '000
1 September	522	522	522	522
Capital increase	0	0	0	0
31 August	522	522	522	522

NOTES

Note 3 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

Note 4 Transactions with related parties

All transactions with related parties are made at arms-length principal.

Note 5 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with IKEA A/S, which acts as management company, and is jointly and severally with other jointly taxed group entities for payment of income taxes from the entry.