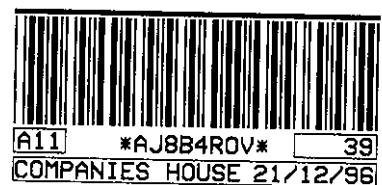


IKEA Limited  
FINANCIAL STATEMENTS  
for the year ended  
31 August 1996



# IKEA Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

T Blomqvist  
LEB Larsson  
AG Dahlvig  
H Gydell  
C Thordson  
J Rasmussen (alternate director)

### SECRETARY

Sisec Limited

### COMPANY NUMBER

01986283 (England and Wales)

### REGISTERED OFFICE

21 Holborn Viaduct  
London EC1A 2DY

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# IKEA Limited

## DIRECTORS' REPORT

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The directors submit their report and the group financial statements of IKEA Limited for the year ended 31 August 1996.

### PRINCIPAL ACTIVITIES

The company operates as a retailer in the furniture trade. There were six stores trading at 31 August 1996 and turnover increased by 25%.

### REVIEW OF THE BUSINESS

The company remains in the market for commercial opportunities which may arise and plans to open 1-2 new stores in the year ending 31 August 1997.

### RESULTS AND DIVIDENDS

The profit of the group for the year after taxation amounted to £18,102,000 (1995: Profit £7,494,000).

During the year the directors paid an interim dividend of £2.166 per ordinary share, amounting to £13,000,000 (1995: £1.0833 per share, amounting to £6,500,000). They also made a distribution to the holder of the unsecured participating loan stock 1988 amounting to £1,000,000 (1995: £500,000). They do not recommend a final dividend, leaving a profit of £4,102,000 to be retained.

### DIRECTORS

The following directors have held office during the year:

T Blomqvist	
LEB Larsson	
AG Dahlvig	
H Gydell	(appointed 31 January 1996)
C Thordson	(appointed 1 July 1996)
J Rasmussen	(alternate director)

The directors of the company had no beneficial interest in the share capital of the company during the year.

### FIXED ASSETS

The significant changes in fixed assets during the year are detailed in note 8 to the financial statements.

### MARKET VALUE OF LAND AND BUILDINGS

The directors are of the opinion that the value of the group's land and buildings is not significantly different from their net book value shown in these financial statements.

### EMPLOYEES AND EMPLOYEE POLICIES

It is the group's policy that employees should be kept as fully informed as is practicable about the group's progress through, for example, its team briefings and newsletters.

It is also the group's policy to give full consideration to applications for employment by disabled persons.

# IKEA Limited

## DIRECTORS' REPORT

---

### CHARITABLE CONTRIBUTIONS

During the year the group made charitable contributions totalling £831.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'H. W. W.', is written over the text 'By order of the board'.

# IKEA Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## AUDITORS' REPORT TO THE MEMBERS OF IKEA LIMITED

We have audited the financial statements on pages 6 to 20.

### **Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

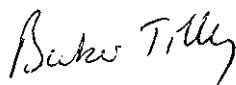
### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures of the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and group at 31 August 1996 and of the group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

7 November 1996

# IKEA Limited

## CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 August 1996

	<i>Notes</i>	1996 £'000	1995 £'000
TURNOVER	1	285,364	228,814
Cost of sales		(191,506)	(157,897)
Gross profit		93,858	70,917
Other operating income		280	270
Administrative expenses		(63,740)	(54,563)
OPERATING PROFIT		30,398	16,624
Interest receivable	2	2,187	954
Interest payable	3	(7,319)	(4,753)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	25,266	12,825
Taxation	6	(7,164)	(5,331)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		18,102	7,494
Retained profit brought forward		2,338	1,673
		20,440	9,167
Dividends paid	7	(14,000)	(7,000)
Transferred from revaluation reserve	17	171	171
RETAINED PROFIT FOR THE YEAR		6,611	2,338

The operating profit for the year arises from the group's continuing operations.

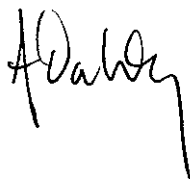
No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

**IKEA Limited**  
**GROUP BALANCE SHEET**  
**31 August 1996**

	<i>Notes</i>	1996 £'000	1995 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	116,237	84,541
Investments	9	480	-
		<u>116,717</u>	<u>84,541</u>
<b>CURRENT ASSETS</b>			
Stocks	10	15,526	20,440
Debtors	11	3,982	4,029
Short term deposit		14,491	10,753
Cash at bank and in hand		5,019	4,158
		<u>39,018</u>	<u>39,380</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	(53,397)	(39,818)
<b>NET CURRENT LIABILITIES</b>		<u>(14,379)</u>	<u>(438)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>102,338</u>	<u>84,103</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	(79,244)	(65,111)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	15/16	(3,190)	(3,190)
		<u>19,904</u>	<u>15,802</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	6,000	6,000
Revaluation reserve	17	7,293	7,464
Profit and loss account	17	6,611	2,338
		<u>19,904</u>	<u>15,802</u>

Approved by the board on 7<sup>th</sup> November 1996

Director





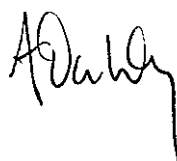
**IKEA Limited**  
**BALANCE SHEET**  
**31 August 1996**

	<i>Notes</i>	1996 £'000	1995 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	6,622	6,010
Investments	9	71,089	-
		<u>77,711</u>	<u>6,010</u>
<b>CURRENT ASSETS</b>			
Stocks	10	15,526	20,440
Debtors (see note below)	11	10,687	79,560
Short term deposits		14,491	10,753
Cash at bank and in hand		3,116	4,158
		<u>43,820</u>	<u>114,911</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	(43,625)	(39,818)
<b>NET CURRENT ASSETS</b>		<u>195</u>	<u>75,093</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>77,906</u>	<u>81,103</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	(61,000)	(65,111)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	16	(190)	(190)
		<u>16,716</u>	<u>15,802</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	6,000	6,000
Profit and loss account		10,716	9,802
		<u>16,716</u>	<u>15,802</u>

Debtors and net current assets include amounts recoverable after more than one year of £Nil (1995: £75,531,000).

Approved by the board on 7<sup>th</sup> November 1996

Director



**IKEA Limited**  
**CASH FLOW STATEMENT**  
for the year ended 31 August 1996

	<i>Notes</i>	1996 £'000	1995 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	19a	45,595	17,487
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2,187	954
Interest paid		(7,319)	(4,767)
Dividend paid		(14,000)	(7,000)
		<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance		(19,132)	(10,813)
TAXATION			
Corporation tax paid (including advance corporation tax)		(4,155)	(4,261)
		<hr/>	<hr/>
Tax paid		(4,155)	(4,261)
INVESTING ACTIVITIES			
Purchase of fixed assets		(39,189)	(12,281)
Sale of fixed assets		2,135	66
Payment to acquire investments		(480)	-
		<hr/>	<hr/>
Net cash outflow from investing activities		(37,534)	(12,215)
		<hr/>	<hr/>
Net cash outflow before financing		(15,226)	(9,802)
FINANCING			
Loans repaid		(4,111)	(1,111)
Loans advanced		23,936	15,000
		<hr/>	<hr/>
Net cash inflow from financing	19d	19,825	13,889
		<hr/>	<hr/>
INCREASE IN CASH AND CASH EQUIVALENTS	19b	4,599	4,087
		<hr/>	<hr/>

# IKEA Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and are prepared in accordance with applicable accounting standards.

### BASIS OF CONSOLIDATION

The group consolidates the accounts of IKEA Limited and its subsidiary, made up to 31 August 1996, using the acquisition method.

### TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

Buildings	25 years when completed
Building installation	10 years
Plant, machinery and equipment	5 years.

### INVESTMENTS

Long term investments are described as participating interests and are classified as fixed assets.

Participating interests are stated at cost. Provision is made for any permanent diminution in the value of fixed asset investments.

### STOCKS

Stocks are stated at the lower of cost or net realisable value. Cost is determined under the FIFO method and includes all costs of bringing each product to its present location and condition. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving and defective items.

### DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

### PENSION CONTRIBUTIONS

The group operates defined money purchase pension schemes. Payments made to the funds are charged annually in these accounts as part of employment costs. The funds are independently administered by insurance companies.

### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

### TURNOVER

Turnover represents the invoiced value, net of Value Added tax, of goods sold and services provided to customers outside the group.

# IKEA Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1996

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity in the United Kingdom.

	1996 £'000	1995 £'000
2 INVESTMENT INCOME		
Bank deposit interest	2,187	954
	<u>2,187</u>	<u>954</u>
3 INTEREST PAYABLE		
	1996 £'000	1995 £'000
Interest on loans wholly repayable within 5 years	2,871	1,340
Interest on loans payable to group undertakings	4,448	3,413
	<u>7,319</u>	<u>4,753</u>
4 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		
	1996 £'000	1995 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration		
- Audit services	32	32
- Non audit services	30	16
Depreciation and amounts written off owned tangible fixed assets:	5,870	4,838
Exchange losses/(gains)	25	(61)
	<u>5,957</u>	<u>4,825</u>
5 STAFF COSTS		
	1996 £'000	1995 £'000
Wages and salaries	20,903	16,372
Social security costs	1,550	1,073
Other pension costs	774	442
	<u>23,227</u>	<u>17,887</u>

The average weekly number of employees was 1,313 (1995 - 1,024).

**IKEA Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 1996**

5	STAFF COSTS <i>(continued)</i>	1996 £	1995 £
	DIRECTORS' REMUNERATION		
	Other emoluments	101,091	100,680
	Pension contributions	8,400	7,000
		<u>109,091</u>	<u>107,680</u>
		<u><u>109,091</u></u>	<u><u>107,680</u></u>
The emoluments of the highest paid director (excluding pension contributions) were £101,091 (1995: £100,680).			
The number of other directors who received emoluments (excluding pension contributions) in the following ranges was:			
		1996 No.	1995 No.
	£0 - £5,000	<u>4</u>	<u>2</u>
6	TAXATION	1996 £'000	1995 £'000
	Group taxation on profit on ordinary activities based on the profit for the year:		
	UK corporation tax at 33% (1995 - 33%)	7,306	4,746
	Deferred taxation	-	733
		<u>7,306</u>	<u>5,479</u>
	Overprovided in earlier years	(142)	(148)
		<u>7,164</u>	<u>5,331</u>
		<u><u>7,164</u></u>	<u><u>5,331</u></u>
7	DIVIDENDS	1996 £'000	1995 £'000
	Ordinary:		
	Interim paid - £2.1667 per share (1995: £1.0833)	13,000	6,500
	Unsecured participating loan 1998:		
	Distribution paid	1,000	500
		<u>14,000</u>	<u>7,000</u>
		<u><u>14,000</u></u>	<u><u>7,000</u></u>

# IKEA Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1996

8	TANGIBLE FIXED ASSETS	<i>Freehold land and buildings £'000</i>	<i>Building installation £'000</i>	<i>Plant and machinery £'000</i>	<i>Total £'000</i>
	GROUP				
	Cost or valuation				
	1 September 1995	75,568	16,295	13,466	105,329
	Additions	33,612	2,402	3,175	39,189
	Disposals	(1,508)	-	(177)	(1,685)
	Transfers	(1,188)	1,188	-	-
	31 August 1996	106,484	19,885	16,464	142,833
	Depreciation				
	1 September 1995	6,369	6,963	7,456	20,788
	Charged in the year	1,587	1,835	2,448	5,870
	Disposals	-	-	(62)	(62)
	31 August 1996	7,956	8,798	9,842	26,596
	Net book value				
	31 August 1996	98,528	11,087	6,622	116,237
	31 August 1995	69,199	9,332	6,010	84,541
	Cost or valuation at 31 August 1996 is represented by:				
	Cost	98,165	19,885	16,464	134,514
	Valuation	8,319	-	-	8,319
		106,484	19,885	16,464	142,833

Freehold land and buildings were revalued on an existing use basis on 31 August 1990 by Havill Sparks, Chartered Surveyors.

# IKEA Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1996

8	TANGIBLE FIXED ASSETS ( <i>continued</i> )	<i>Plant and machinery</i>
		<i>£'000</i>
	COMPANY	
	Cost or valuation	
	1 September 1995	13,466
	Additions	3,175
	Disposals	(177)
	31 August 1996	16,464
	Depreciation	
	1 September 1995	7,456
	Charged in the year	2,448
	Disposals	(62)
	31 August 1996	9,842
	Net book value	
	31 August 1996	6,622
	31 August 1995	6,010
9	FIXED ASSET INVESTMENTS	<i>Associated undertaking</i>
		<i>£'000</i>
	GROUP	
	Cost at 1 September 1995	-
	Additions	480
	Cost at 31 August 1996	480
	COMPANY	
		<i>Subsidiary    Associated undertaking    undertaking £                    £                    Total £</i>
	Cost at 1 September 1995	2                    -                    2
	New share capital subscribed	70,609,504                    -                    70,609,504
	Additions	-                    480,000                    480,000
	Cost at 31 August 1996	70,609,506                    480,000                    71,089,506

# IKEA Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1996

### 9 FIXED ASSET INVESTMENTS (*continued*)

Subsidiary undertaking	Country of incorporation	Class of holding	Proportion held	Nature of business
IKEA Properties Investments Limited	United Kingdom	Ordinary	100%	Property Investment
Associated undertaking				
Paperlocal Limited	United Kingdom	Ordinary	48%	

Paperlocal Limited has not prepared any financial statements and has not entered into any transactions which are material to the group.

10	STOCKS	1996 £'000	1995 £'000
	GROUP AND COMPANY		
	Finished goods and goods for resale	15,526	20,440

11	DEBTORS	1996 £'000	1995 £'000
	GROUP		
	Trade debtors	1,302	800
	Amounts due from group undertakings	22	57
	Other debtors	1,186	2,942
	Prepayments and accrued income	1,472	230
		3,982	4,029

#### COMPANY

Due within one year:

Amounts due from group undertakings	4,314	57
Trade debtors	1,302	800
Other debtors	756	2,942
Prepayments and accrued income	4,315	230
	10,687	4,029

Due after more than one year:

Amounts due from group undertakings	-	75,531
	10,687	79,560



# IKEA Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1996

	1996	1995
	£'000	£'000
12 CREDITORS: Amounts falling due within one year		
GROUP		
Loans (see note 14)	6,803	4,111
Amounts owed to group undertakings	16,991	11,781
Trade creditors	2,723	2,300
Corporation tax	6,412	3,403
Other taxation and social security costs	7,146	4,441
Other creditors	3,962	5,323
Accruals and deferred income	9,360	8,459
	<u>53,397</u>	<u>39,818</u>
COMPANY		
Loans (see note 14)	1,111	4,111
Amounts owed to group undertakings	16,991	11,781
Trade creditors	2,510	2,300
Corporation tax	4,857	3,403
Other taxation and social security costs	7,146	4,441
Other creditors	3,962	5,323
Accruals and deferred income	7,048	8,459
	<u>43,625</u>	<u>39,818</u>
13 CREDITORS: Amounts falling due in more than one year	1996	1995
	£'000	£'000
GROUP		
Loans (see note 14)	28,244	23,111
Amounts owed to group undertakings	51,000	42,000
	<u>79,244</u>	<u>65,111</u>
COMPANY		
Loans (see note 14)	10,000	23,111
Amounts owed to group undertakings	51,000	42,000
	<u>61,000</u>	<u>65,111</u>

Included in amounts owed to group undertakings is an unsecured participating loan 1998, convertible at a rate of £1 nominal of ordinary share capital for £1 nominal of loan commencing 1 August 1990.

The unsecured loan is non interest bearing but the holder is entitled to receive an amount which, together with the associated tax credit equals 7% of net consolidated profit after tax, payable by way of distribution, for the relevant accounting period.

Also included in amounts owed to group undertakings is a loan of £12,000,000 which is repayable in annual instalments of £3,000,000.

**IKEA Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 1996

14	LOANS	GROUP		COMPANY	
		1996 £'000	1995 £'000	1996 £'000	1995 £'000
	Repayable in instalments				
	Bank loans:				
	between 2 and 5 years	35,047	27,222	11,111	27,222
		<u>35,047</u>	<u>27,222</u>	<u>11,111</u>	<u>27,222</u>
	Included in:				
	Amounts falling due within one year	6,803	4,111	1,111	4,111
	Amounts falling due in more than one year	28,244	23,111	10,000	23,111
		<u>35,047</u>	<u>27,222</u>	<u>11,111</u>	<u>27,222</u>
		<u>35,047</u>	<u>27,222</u>	<u>11,111</u>	<u>27,222</u>
	The bank loans are secured on the assets of the group.				
15	PROVISIONS FOR LIABILITIES AND CHARGES	Deferred taxation			
		1996 £'000	1995 £'000		
	Balance at 1 September 1995	3,190	1,600		
	Transfer from profit and loss account	-	733		
	Movement on advance corporation tax	-	857		
		<u>3,190</u>	<u>3,190</u>		
	Balance at 31 August 1996	3,190	3,190		
		<u>3,190</u>	<u>3,190</u>		
		1996 £'000	1995 £'000		
16	DEFERRED TAX				
		GROUP			
	Accelerated capital allowances	3,390	3,390		
	Other short term timing differences	(200)	(200)		
		<u>3,190</u>	<u>3,190</u>		
		<u>3,190</u>	<u>3,190</u>		
	COMPANY				
	Accelerated capital allowances	390	390		
	Other short term timing differences	(200)	(200)		
		<u>190</u>	<u>190</u>		
		<u>190</u>	<u>190</u>		

# IKEA Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 1996

17	SHARE CAPITAL, MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	Share capital £'000	Profit and loss account £'000	Revaluation reserve £'000	Total shareholders funds £'000
	GROUP				
	1 September 1995	6,000	2,338	7,464	15,802
	Retained profit	-	4,102	-	4,102
	Transfer between profit and loss account and revaluation reserve	-	171	(171)	-
	31 August 1996	<u>6,000</u>	<u>6,611</u>	<u>7,293</u>	<u>19,904</u>
	COMPANY				
	1 September 1995	6,000	9,802	-	15,802
	Retained profit	-	914	-	914
	31 August 1996	<u>6,000</u>	<u>10,716</u>	<u>-</u>	<u>16,716</u>

No profit and loss account is presented for IKEA Limited as provided by Section 230 of the Companies Act 1985. The retained profit for the year dealt with in the financial statements of the holding company was £914,000 (1995: profit, £494,000).

The revaluation reserve of £7,293,000 realised within the company's profit and loss account is not distributable.

	Authorised 1996 and 1995 No.	Allotted, issued and fully paid 1996 £'000	1995 £'000
Ordinary shares of £1 each	20,000,000	6,000	6,000

## 18 PENSION COMMITMENTS

Group companies operate a defined contribution money purchase scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund during the year and amounts to £569,000 (1995: £442,000).

# IKEA Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1996

19	CASH FLOWS	1996 £'000	1995 £'000	
a	Reconciliation of operating profit to net cash inflow from operating activities			
	Operating profit	30,398	16,624	
	Depreciation	5,870	4,838	
	(Profit)/loss on sale of fixed assets	(512)	2	
	Decrease/(increase) in stocks	4,914	(5,079)	
	Decrease/(increase) in debtors	47	(2,266)	
	Increase in creditors	4,878	3,368	
		<u>45,595</u>	<u>17,487</u>	
b	Analysis of changes in cash and cash equivalents during the year			
	Balance at 1 September 1995	14,911	10,824	
	Net cash inflow	4,599	4,087	
	Balance at 31 August 1996	<u>19,510</u>	<u>14,911</u>	
c	Analysis of balances of cash and cash equivalents as shown in the balance sheet	1996 £'000	1995 £'000	<i>Change in year £'000</i>
	Cash at bank and in hand	<u>19,510</u>	<u>14,911</u>	<u>4,599</u>
d	Analysis of changes in financing during the year	<i>Share capital</i>		<i>Loan obligations</i>
		1996 £'000	1995 £'000	1996 £'000
	1 September 1995	6,000	6,000	69,222
	Cash inflow from financing	-	-	19,825
	31 August 1996	<u>6,000</u>	<u>6,000</u>	<u>89,047</u>
				<u>69,222</u>

# IKEA Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1996

20	CAPITAL COMMITMENTS	1996 £'000	1995 £'000
	GROUP		
	Capital expenditure contracted for but not provided in the financial statements	6,010	-
	COMPANY		
	Capital expenditure contracted for but not provided in the financial statements	-	-
21	COMMITMENTS UNDER OPERATING LEASES		
	At 31 August 1996 the company had annual commitments under non-cancellable operating leases for land and buildings as follows:		
		1996 £'000	1995 £'000
	Expiring within 5 years:		
	GROUP	3,053	3,053
	COMPANY	16,827	14,827
22	CONTINGENT LIABILITIES		
	During the year the company entered into an unlimited cross guarantee with its subsidiary undertaking to secure all present and future indebtedness and liabilities to its bankers howsoever arising.		
23	ULTIMATE PARENT UNDERTAKING		
	The parent undertaking of the group of undertakings for which group accounts are prepared and of which the undertaking is a member is INGKA Holding BV, registered in the Netherlands.		