

Outlet Estates Limited

Directors' report and financial statements

For the year ended 31 December 2011

Registered number 04706529



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

Results and dividends

The company made a loss for the year of £13,694 (2010 profit of £101,016)

The directors do not recommend the payment of a dividend, (2010 £nil)

Principal activity and business review

The principal activity of the company is that of a holding company

Directors

The directors who held office during the year and at the date of signing were as follows

Phil Miller

David Milloy

Andrew Sutherland

Donald Borland (appointed 8 February 2011)

Euan Haggerty (appointed 1 July 2011)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

On behalf of the Board



Euan Haggerty

Director

7 September 2012

33 Bruton Street
London
W1J 6QV

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditor's report to the members of Outlet Estates Limited

We have audited the financial statements of Outlet Estates Limited for the year ended 31 December 2011 set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

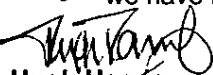
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Hugh Harvie
(Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

20.9 2012

**Profit and loss account
 for the year ended 31 December 2011**

| | Note | 2011 £ | 2010 £ |
|---|------|-----------------|----------------|
| Administrative expenses | | (79,433) | - |
| Other income | | - | 4,583 |
| Operating (loss)/profit | 3 | (79,433) | 4,583 |
| Interest receivable | 4 | 65,739 | 96,433 |
| (Loss)/profit on ordinary activities before taxation | | (13,694) | 101,016 |
| Tax on (loss)/profit on ordinary activities | 5 | - | - |
| (Loss)/profit for the financial year | 10 | (13,694) | 101,016 |

The company has no recognised gains or losses other than the loss for the year and the profit for the preceding year

The loss for the financial year has been derived from continuing activities

The notes on pages 6 to 10 form part of these financial statements

Balance sheet
As at 31 December 2011

| | Note | 2011 £ | 2010 £ |
|--|------|-------------|-------------|
| Fixed assets | | | |
| Investments | 6 | 841,561 | 868,687 |
| Current assets | | | |
| Debtors | 7 | 408,256 | 411,643 |
| Creditors: amounts falling due after one year | 8 | (1,129,179) | (1,145,998) |
| | | <hr/> | <hr/> |
| Net assets | | 120,638 | 134,332 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 9 | 4 | 4 |
| Profit and loss account | 10 | 120,634 | 134,328 |
| | | <hr/> | <hr/> |
| Shareholders' funds | 11 | 120,638 | 134,332 |
| | | <hr/> | <hr/> |

The notes on pages 6 to 10 form part of these financial statements

These financial statements were approved by the board of directors and were signed on its behalf by



Euan Haggerty

Director

7 September 2012

Notes
(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below

Basis of preparation

As the company is a wholly owned subsidiary of Miller Developments Holdings Limited which is in turn a wholly owned subsidiary of The Miller Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions and balances with entities which form part of the group. The consolidated financial statements of The Miller Group Limited, within which the company is included, can be obtained from the address shown in note 12

Going Concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company finances its day to day working capital requirements through funds advanced to the company by its parent company. The funds provided by the immediate parent company at 31 December 2011 amounted to £1,129,179 (note 8). Miller Developments Holdings Limited has confirmed to the directors of the company that it will not seek repayment of amounts it has already made available to the company by way of an inter-company loan for a period of at least twelve months from the date of approval of these financial statements.

In light of the foregoing, the directors continue to believe that it remains appropriate to prepare the financial statements on a going concern basis.

Investments

Investments are stated at cost less provision made for permanent diminution value.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of The Miller Group Limited and its cash flows are included within the consolidated cash flow statement of that company.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

Notes (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Directors and employees

There were no emoluments paid to the directors during the year (2010 nil). There were no employees or staff costs during the year (2010 nil).

3 (Loss)/profit on ordinary activities before taxation

Auditor's remuneration is paid by a fellow subsidiary, Miller Developments Limited and disclosed in the accounts of that company.

| 4 Other interest receivable & similar income | 2011 | 2010 |
|---|---------------|---------------|
| | £ | £ |
| Interest on loans to joint venture undertaking | 65,739 | 96,433 |

5 Taxation

| Analysis of charge in year | 2011 | 2010 |
|------------------------------------|-------------|-------------|
| | £ | £ |
| <i>UK corporation tax</i> | | |
| Current tax on income for the year | - | - |
| Tax on loss on ordinary activities | - | - |

Factors affecting the tax charge for the current year

Current tax charge is lower than (2010 lower than) the standard rate of corporation tax in the UK 26.5%, (28%). The differences are explained below.

Notes (continued)

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| <i>Current tax reconciliation</i> | | |
| (Loss)/profit on ordinary activities before tax | (13,694) | 101,016 |
| | <hr/> | <hr/> |
| Current tax at 26.5% (2010: 28%) | (3,629) | 28,284 |
| Effects of Group relief surrendered/(received) for nil consideration | 3,629 | (28,284) |
| | <hr/> | <hr/> |
| Total current tax (see above) | - | - |
| | <hr/> | <hr/> |

Any future liability to corporation tax will be covered by way of group relief or met by The Miller Group Limited, for which no payment will be made

The 2012 Budget on 21 March 2012, announced that the UK corporation tax will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

| 6 Investments | Shares in Joint Venture £ | Loans to Joint Venture £ | Total £ |
|-----------------------|------------------------------------|-----------------------------------|----------------|
| At beginning of year | 12,156 | 856,531 | 868,687 |
| Exchange differences | - | (18,730) | (18,730) |
| Disposals | (8,396) | - | (8,396) |
| | <hr/> | <hr/> | <hr/> |
| At end of year | 3,760 | 837,801 | 841,561 |
| | <hr/> | <hr/> | <hr/> |

Joint Ventures

During the year Middle Outlet kft and Upper Land kft were merged into New Outlet Centre (NOC) kft resulting in disposal of shares in Joint Venture.

The Joint Venture undertakings in which the company's interest at the year end is more than 20% are

| Name | Principal Activity | Company of Registration | Ordinary Share Capital Owned |
|---------|-------------------------|----------------------------|---------------------------------|
| NOC kft | Property Development | Hungary | 50% |

Notes (continued)

| | | | |
|-----------|--|------------------|---|
| 7 | Debtors | 2011 £ | 2010 £ |
| | Amounts due from joint venture undertaking | 408,256 | 394,447 |
| | Amounts due to group undertakings | - | 17,196 |
| | | <u>408,256</u> | <u>411,643</u> |
| 8 | Creditors: amounts falling due after one year | 2011 £ | 2010 £ |
| | Amounts due to parent undertaking | <u>1,129,179</u> | <u>1,145,998</u> |
| | Although amounts due to the parent undertaking are technically repayable on demand, the company has received confirmation from the directors of the relevant party that no repayment will be sought for at least 12 months from the date of approval of these financial statements | | |
| 9 | Share capital | 2011 £ | 2010 £ |
| | <i>Authorised</i> 1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| | <i>Allotted, called up and fully paid</i> 4 ordinary shares of £1 each | <u>4</u> | <u>4</u> |
| 10 | Profit and loss account | | Profit and loss account £ |
| | At beginning of year | | 134,328 |
| | Loss for year | | (13,694) |
| | At end of year | | <u>120,634</u> |
| 11 | Reconciliation of movement in shareholders' funds | 2011 £ | 2010 £ |
| | (Loss)/profit for the year | (13,694) | 101,016 |
| | Opening shareholders' funds | <u>134,332</u> | <u>33,316</u> |
| | Closing shareholders' funds | <u>120,638</u> | <u>134,332</u> |

Notes (continued)

12 Immediate and ultimate parent company

At 31 December 2011, the company's immediate parent company is Miller Developments Holdings Limited and its ultimate parent company is The Miller Group Limited. Both companies are registered in Scotland and incorporated in the United Kingdom.

The largest group in which the results of the company are consolidated is that headed by The Miller Group Limited. The consolidated financial statements of The Miller Group Limited and the financial statements of Miller Developments Holdings Limited are available to the public and may be obtained from the Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

At the date of approval of these financial statements the company was controlled by GSO Capital Partners LP, a division of the Blackstone Group LP.