

Notice is hereby given that the Twenty Sixth Annual General Meeting of  
**DIAMOND RESORTS EUROPEAN  
COLLECTION LIMITED**

**will be held on Wednesday, 2 December 2020 at 4:00 p.m. GMT  
via Zoom and telephone (see overleaf for more information)**

**AGENDA**

1. To read and confirm the Minutes of the last Annual General Meeting (Minutes were made available to download from the website in August 2019. Should any member require a further copy, they can be obtained by logging onto DiamondResorts.com and accessing the Member Information area)
2. To receive the Report of the Board (contained herein)
3. To receive the accounts and reports of the Directors and Auditors for the year ended 31 December 2019 (contained herein)
4. To elect RSM UK Audit LLP as Auditors and to authorise the Directors to fix their remuneration
5. The Club® Update
6. European Resort Operations Update
7. Any Other Business

**By Order of the Board**

Susan Crook

Company Secretary

20 October 2020

**Registered Office: Citrus House, Caton Road, Lancaster LA1 3UA**

PLEASE NOTE:

**DUE TO CHANGING GOVERNMENT GUIDELINES, RESTRICTIONS AND SOCIAL DISTANCING REQUIREMENTS, WE HAVE ARRANGED FOR THE AGM TO BE CONDUCTED VIRTUALLY VIA ZOOM AND TELEPHONE THIS YEAR (SEE OVERLEAF FOR MORE INFORMATION).**

AS MEMBERS ARE ONLY ABLE TO ATTEND THIS YEAR'S AGM VIA ZOOM OR TELEPHONE, MEMBERS WILL THEREFORE NEED TO CAST THEIR VOTES IN ADVANCE BY COMPLETING THE ENCLOSED BALLOT FORM – FURTHER DETAILS BELOW UNDER VOTING OPTION.

Members who have a question they wish to raise should forward details of their question to Teri Jackson, AGM Co-ordinator, Diamond Resorts®, Citrus House, Caton Road, Lancaster, LA1 3UA, England, or email [EUHOAMangement@diamondresorts.com](mailto:EUHOAMangement@diamondresorts.com) (preferred method). Questions must be received no later than **Friday, 13 November 2020**. A copy of the questions along with a written response will be published in the Member Information area on the website [DiamondResorts.com](http://DiamondResorts.com) prior the meeting.

## **ATTENDANCE OPTIONS:**

**Our main priority at this time is the ongoing welfare and safety of all as a result of COVID-19. Your Club and Diamond Resorts continue to adopt and implement enhanced protocols and policies to ensure that compliance with national regulations and restrictions is applied and enforced.**

**The AGM this year will be conducted remotely via Zoom and telephone.  
The joining instructions are as follows.**

This meeting will only activate on 2 December 2020 at 4:00 p.m. We would suggest you connect 5 minutes before the start time of the meeting to ensure you are not faced with unforeseen technical difficulties.

### **To join by Zoom**

Either click on the link below if you have received an electronic version of this AGM Notice or type the following details into your internet browser:

<https://diamondresorts.zoom.us/j/97165072087?pwd=djNjMWlwbURRZzNVSi9CcytZdTh3QT09>

You should then be asked to enter the Meeting Password

**Meeting password is 478335**

Alternatively, if using Zoom via a mobile device you may be prompted to download the Zoom app or software.

You will need to download the app but do not need to register for a Zoom account to join; however, you do need to agree to 'Zoom' terms and conditions to proceed.

It will ask you to 'Join a Meeting'

**Meeting ID: 971 6507 2087**

**Meeting Password: 478335**

'Zoom' may ask you to agree to various requests – this is entirely your own choice; however, to activate the video option you will need to agree to the permissions.

When the meeting ends or you no longer wish to continue, activate the screen and click on 'Leave' and then 'Leave Meeting'.

### **To join by telephone**

If you wish to join by telephone, please call one of the following numbers:

- +44 (0)203 481 5240 United Kingdom
- +44 (0)131 460 1196 United Kingdom
- +34 91 787 0058 Spain
- +34 84 368 5025 Spain

Please note all members attending by telephone will be asked by the Chair to state their names.

**PLEASE BE ADVISED THE MEETING WILL BE RECORDED.**

## BOARD OF DIRECTORS' REPORT

Dear European Collection Members,

As we approach the end of 2020, we look back on a year that has been filled with many mixed feelings and a general sense of optimism for what 2021 will bring. Not one of us could have predicted the impact a virus would have had on our lives, with our priorities being on our own health and welfare and that of the ones we love. We realise that part of our ongoing welfare is to take regular holidays and we empathise with those of you who have not yet had the opportunity of travelling.

As you will appreciate, our ongoing membership responsibilities continue. The 2021 fees have now been agreed at the Board's recent budget meeting and have decreased by an average of 2.31% compared to 2020 using the same exchange rate as last year of €1.10/£1.

Budgets for 2021 include inflationary increases, historic wage agreements in the Canaries and the minimum wage increases in the UK. However, the overall decrease has been made possible principally due to the credit resulting from the favourable GBP/Euro exchange rate in 2020 which is being returned as part of the 2021 fees.

We would like to explain how 2020 has affected and impacted Diamond Resorts European Collection. This year has truly been unique in terms of how best to manage the use of points and the loss of being able to take much needed holidays at our favourite resorts. Our focus has been to ensure that our club continues to operate, and we have seen a lot of communication and different offerings throughout the year to give members choices for future bookings, despite the loss of thousands of unused weeks.

All European resorts closed mid-March and remained closed until the beginning of July when resorts started to reopen, albeit under very different protocols and government mandates. As you can appreciate, during the resorts' closure periods, no resort accommodation was occupied by members and guests despite having to remain partially operational and secure. Resort managers were retained, supported by a skeleton team, to maintain, disinfect and keep safe the resort property.

The period of March to the end of June alone represented around 30% of the available points usage, given the seasonality. Understandably, reservations had to be cancelled, points were returned to accounts and 2020 points saved to 2021. Once it was evident that resort closures were not going to be a short-term action, we started to consider the overall impact this was going to have. We appreciated that many members would not be able to use points they had available during the remaining months of 2020, and that a considerable number of points would inevitably be saved to 2021.

Upon reopening, we saw that our UK resorts were quickly in high demand, particularly due to the restrictive travel and quarantine policies of travelling between European countries. As the UK resorts were operating successfully, Diamond took a decision to release an additional 7,000 nights during July and August that they owned at UK resorts for use exclusively by European Collection members, and a further 13,000 nights from September to mid-February 2021. So far, members have made use of thousands of these room nights. Availability still remains in January and February 2021.

However, it was recognised that not all members wished to (or could) travel, and that the number of points that had been saved, along with annual allocations for 2021, would pose significant availability concerns during 2021. In short, it was clear that the number of saved points would far exceed the availability expectations. To address this, an option had to be considered that allowed members to redeem a portion of their points in return for a partial credit towards their 2021 fees. After discussion, the Board agreed to offer members the opportunity to redeem a fixed number of points equivalent to 30% of their 2020 annual points allocation (for ease of reference "the Fixed Points Redemption") and to receive a credit on those redeemed points equivalent to 75% of the 2020 per point fee (for ease "The

Credit Option”). The European Collection is in a position to offer this Credit Option by using existing funds available as a result of the resorts’ closure periods and the reserve fund balance.

In the event that you wish to take advantage of this Credit Option, your Fixed Points Redemption must be taken from your unused 2020 points first (including any 2020 points that you may have saved over to 2021) and will then be topped up (if necessary) from your 2021 points allocation in order to reach the 30% Fixed Points Redemption figure. Furthermore, in respect of any 2020 points that are NOT redeemed as part of this Credit Option, the use of these remaining 2020 points (irrespective of whether they have been saved over by you to 2021 or not), will be automatically reallocated for use over a period of three years in three equal instalments.

If you have used all of your 2020 points but would nevertheless like to take advantage of the Credit Option, you can elect to redeem a number of points equivalent to 30% of your 2020 points allocation, but you can redeem all of the points from your 2021 points allocation. In this scenario, the credit applied to your 2021 fees will be the same as if you had redeemed your unused 2020 points.

Finally, if you are eligible to use the 12 months’ interest free credit facility to pay your management fees, we are pleased to confirm that the credit can be applied (in full or in part) towards the discharge of the initial 25% up-front payment that is required. As an aside, please also note that an application for credit has not been included in the pack with this years’ management fee application for payment. If you would like to utilise the interest free credit facility, you can apply online at [DiamondResorts.com](http://DiamondResorts.com). Please log onto your account and select ‘Make Payment’ and then ‘Enrol 2021’. Alternatively, you can call the Collections Team on 01524 565562 and setup a direct debit over the telephone.

On 1 December 2020, you will receive an email in which you will have until 31 December 2020 to confirm whether you wish to select the Credit Option. If you select the Credit Option, the balance of your 2020 points will be automatically spread over a three-year period for use in 2021, 2022 and 2023 respectively. If your unused 2020 points are already banked, Diamond will adjust those points evenly over this three-year period. If you choose not to take advantage of this Credit Option, there will be no reduction in your fees and any saved points from 2020 will remain available for use in 2021 together with your 2021 points allocation.

We also wanted to clarify the position regarding the use of any 2019 points that you may still have left to use if you didn’t previously deposit a Tier credit into Destination Xchange (“DEX”). If you have a minimum of 2000 points from 2019 to use in 2020 and provided your Management Fees are paid (including the fees for 2021), we will automatically (and free of charge) deposit a Tier credit into DEX for use within the next 5 years. This deposit will take place on 16 January 2021. We will then allow an exchange back to a Diamond Managed Resort based upon availability. Alternatively, you can use your Tier credit to make an exchange at any of the 4,800 (non-Diamond managed) resorts featured within DEX. The 2019 points will automatically appear as a Tier credit on 16 January 2021, so please refer to your account after this time to redeem the applicable Tier credit(s).

For more information on how 2020 has impacted you and your membership, and for specific examples of how the Credit Option will work, we would refer you to the Frequently Asked Question document by logging on at [DiamondResorts.com](http://DiamondResorts.com) and accessing the Member Information section.

We wish you and your families all the very best for the coming season and for a greatly improved 2021!

## **The Board**

Diamond Resorts European Collection

**Diamond Resorts European Collection Limited**  
**Annual report and financial statements for the year ended 31 December 2019**

**Report of the directors for the year ended 31 December 2019**

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

**Principal activities**

The dormant company is contracted to perform the role of an owner's club for the purchasers of points rights from Diamond Resorts (Europe) Limited, the founder member of Diamond Resorts European Collection Ltd ("the company") and its distributors.

Owners of points rights are able to use those points rights in exchange for accommodation at holiday properties. The legal interests in holiday properties developed or acquired by the Diamond Group are placed in trust by the group and held by an independent trustee, First National Trustee Company Limited, thereby protecting the interests of the owners of the points rights.

Under the terms of a management agreement, the company has assigned its responsibilities for the management and administration of its operations to a management company, Diamond Resorts (Europe) Limited. The members pay annual maintenance fees to Diamond Resorts (Europe) Limited and any surplus or deficit in funding is represented by amounts payable or receivable on behalf of Diamond Resorts European Collection Ltd in the balance sheet of Diamond Resorts (Europe) Limited's accounts.

These arrangements result in the company not trading and therefore neither a profit and loss account nor a statement of recognised gains and losses is presented. Furthermore, the company has no rights to any assets and all its obligations have been assigned to, and assumed by, Diamond Resorts (Europe) Limited under the management agreement.

The immediate parent undertaking is Diamond Resorts (Group Holdings) PLC.

The smallest group to consolidate these financial statements is headed by Diamond Resorts (Holdings) Limited. Copies of the Diamond Resorts (Holdings) Limited financial statements can be obtained from the Company Secretary at Citrus House, Caton Road, Lancaster, Lancashire, LA1 3UA.

The largest group to consolidate these financial statements is the global parent undertaking of the Diamond group holiday ownership business and related trading activities; Dakota Holdings, Inc., a company incorporated in Delaware, United States of America. Registered office: c/o Diamond Resorts Holdings, LLC, 10600 West Charleston Blvd., Las Vegas, NV 89135. The Directors also consider this to be the company's ultimate controlling party by virtue of the composition of its Executive Officers and Directors.

**Directors**

The directors of the company during the year and thereafter were:

C A Bentley (resigned 16 April 2019)  
S Gomercic Bajtek  
R P Thomas  
J Bush (resigned 25 June 2019)  
S Barnett  
S D Lee (appointed 16 April 2019)  
J McNaney (appointed 25 June 2019)

## **Directors' responsibilities**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- 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 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**

RSM UK Audit LLP offer themselves for reappointment as auditors in accordance with section 487 of the Companies Act 2006.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

In preparing this directors report advantage has been taken of the small companies' exemption.

## **By order of the Board**

**S D Lee**  
**Director**

Date 1 October 2020

## **Independent auditor's report to the members of Diamond Resorts European Collection Limited**

### **Report on the audit of the non-statutory financial statements**

#### **Opinion**

We have audited the financial statements of Diamond Resorts European Collection Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and expenditure, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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.

Ian Taylor (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
PR2 5PE

Date 7 October 2020



## Statement of income and expenditure for the year ended 31 December 2019

During the financial year and the preceding financial year, the company did not trade and received no income and incurred no expenditure, or any other recognised income or expense. Consequently, in those years the company made neither a profit nor a loss.

### Balance sheet at 31 December 2019

Company number: 2930567

	2019	2018
	Note £'000	£'000
Net assets	—	—
Capital and reserves	2 —	—

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the directors and authorised for issue on 1 October 2020.

S D Lee  
Director

### Notes forming part of the financial statements for the year ended 31 December 2019

#### 1 Accounting policies

Diamond Resorts European Collection Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The disclosure requirements of Section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates.

The company has not traded in the year, current or prior.

#### 2 Going Concern

As noted in the Directors Responsibility Statement, the Directors are required to prepare the accounts on a going concern basis unless it is inappropriate to presume that Diamond Resorts European Collection Limited will continue in business. The Company is expected to remain dormant for the foreseeable future. The Directors have no intention to liquidate the company during the next 12 months and are not aware of any circumstances which make it inappropriate to presume Diamond Resorts European Collection Limited will continue in business for a period of at least twelve months and consequently these accounts have been prepared on the going concern basis.

#### 3 Status of the company

The company is limited by guarantee and has no share capital. Membership liability is limited to £1 per member.

#### **4 Employees and directors**

The company has no employees. The directors of the company received no remuneration during the year.

#### **5 Controlling party**

The director regards Dakota Holdings, Inc., a company incorporated in Delaware, United States of America. Registered office: c/o Diamond Resorts Holdings, LLC, 10600 West Charleston Blvd., Las Vegas, NV 89135. the company's ultimate controlling party.

The smallest group in which the results of the company are consolidated is that headed by Diamond Resorts (Holdings) Ltd, whose principal place of business is at Citrus House, Caton Road, Lancaster, Lancashire, LA1 3UA. The consolidated accounts of the group can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

## VOTING OPTIONS

As you are unable to vote in person at this year's AGM, if you wish to vote you must cast your vote in **one** of the following ways:

- i. Submit your vote online by logging onto the DiamondResorts.com website; the link is then available in the Member Area. Online voting will be available from midnight on 3 November 2020 and all votes must be submitted by 4:00 p.m. on Monday, 30 November 2020 to be valid.
- ii. Complete the ballot form below and return by email to EUHOAManagement@diamondresorts.com (preferred method) or by post to Susan Crook, Company Secretary, Diamond Resorts European Collection Limited, Citrus House, Caton Road, Lancaster, LA1 3UA, England. Ballot forms must be received no later than 4:00 p.m. on Monday, 30 November 2020 to be valid.

## BALLOT FORM

Name of Member(s):	VOTE – please indicate your choice by placing an “x” in the appropriate box	
Address:	<b>Agenda item</b>  1. To read and confirm the Minutes of the last Annual General Meeting.  3. To receive the accounts and reports of the Directors and Auditors for the year ended on 31 December 2019	<b>FOR</b> <b>AGAINST</b>  <input type="checkbox"/> <input type="checkbox"/>
Membership No:		<input type="checkbox"/> <input type="checkbox"/>
Number of Points owned:		<input type="checkbox"/> <input type="checkbox"/>
Signature of Member(s)  .....  .....	4. (i) To elect RSM UK Audit LLP as Auditors  (ii) To authorise the Directors to fix the remuneration of the Auditors  <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/>

# PROXY FORM

## EXPLANATION OF PROXY FORM

If you are unable to attend the AGM, then you can appoint a Proxy to attend the AGM via Zoom or telephone on your behalf. Please note your proxy will not be able to vote at this year's AGM. If you wish to vote, submit your vote online or complete and return the enclosed ballot form as instructed as voting on the day cannot take place this year.

To appoint a Proxy you should complete this form and forward it by email to [EUHOAManagement@diamondresorts.com](mailto:EUHOAManagement@diamondresorts.com) (preferred method) or by post to Susan Crook, Company Secretary, Diamond Resorts European Collection Limited, Citrus House, Caton Road, Lancaster, LA1 3UA, England. This form must be signed and received no later than 4:00 p.m. on Monday, 30 November 2020.

I/We .....  
(print name)

of (insert address).....  
.....

owner of ..... points      Membership number: .....

### hereby appoint

(print name) .....

of (insert address) .....

to be my/our proxy and attend on my/our behalf at the Annual General Meeting of Diamond Resorts European Collection Limited on 2 December 2020 and at any adjournment thereof

Signed.....      Date .....

Signed.....      Date .....

(Both members must sign if it is a joint membership)

**FOR INFORMATION PURPOSES ONLY – Not relating to financial statements**

**Diamond Resorts Management Division**

**Income and expenditure account (unaudited)**

	Note	Unaudited 2019 Actual (£)		Unaudited 2018 Actual (£)	
<b>Income</b>					
Points Club Owners	1	25,973,081		26,724,173	
Diamond Resorts (Europe) Limited	2	10,143,444		9,275,627	
Interest / LPP income		69,977		81,772	
		<b>36,186,502</b>		<b>36,081,572</b>	
<b>Expenditure</b>					
	3	(£)	<u>No. of weeks</u>	(£)	<u>No. of weeks</u>
<b>Management Fees:</b>					
Pine Lake		2,816,183	5,365	2,747,319	5,365
Woodford Bridge		2,182,434	4,490	2,164,897	4,490
Los Amigos Beach Club		513,467	988	518,701	988
Pueblo Quinta		653,980	1,068	644,985	1,068
White Sands Beach Club		1,447,144	2,821	1,423,824	2,804
Club Del Carmen		1,180,337	2,507	1,158,947	2,507
Alpine Club		1,139,186	2,223	1,112,305	2,223
Royal Sunset Beach Club		1,337,622	3,103	1,326,022	3,102
Sunset Harbour		1,350,057	3,362	1,319,353	3,362
Sunset Bay		2,044,836	5,264	2,031,986	5,264
Sahara Sunset		1,573,606	3,367	1,556,732	3,367
Santa Barbara		3,133,229	6,752	3,121,413	6,752
Royal Tenerife Country Club		1,253,224	2,252	1,226,566	2,252
Sunset View		217,410	466	214,272	466
Kenmore		1,609,780	2,305	1,460,013	2,305
Club Mougins		1,788,818	2,958	1,789,583	2,907
Vilar Do Golf		2,407,555	3,111	2,435,001	3,111
Wychnor Park		1,823,849	2,244	1,827,580	2,244
Palazzo Catalani		1,337,581	1,734	1,268,785	1,734
Le Manoir des Deux Amants		-	-	687,642	769
Cala Blanca		1,188,771	2,718	1,187,276	2,718
Royal Regency		1,324,801	1,314	1,196,051	1,314
Thurnham Hall		659,718	1,147	663,378	1,147
Cromer Country Club		913,357	1,796	896,170	1,796
Cypress Pointe		3,290	5	3,290	5
Anderton Marina		328,740	396	308,434	396
Jardines Del Sol		181,805	305	177,212	305
Gala		163,632	255	162,376	255
Eden Bay		1,700,530	2,317	1,557,583	2,316
Sold Resort Reserves Release		-	-	(124,303)	-
<b>Sub total</b>		<b>36,274,942</b>	<b>66,633</b>	<b>36,063,393</b>	<b>67,332</b>
AGM costs		19,657		25,905	
Audit fees		13,909		13,459	
Bank charges		246,795		213,101	
Administration costs		298,083		311,634	
<b>Total expenditure</b>		<b>36,853,386</b>		<b>36,627,492</b>	
<b>Profit for the year</b>		<b>(666,884)</b>		<b>(545,920)</b>	
<b>Profit carried forward</b>		<b>(666,884)</b>		<b>(545,920)</b>	

## Notes

1. Net of VAT and other indirect taxes.
2. This represents fees for unsold points.
3. The number of weeks shown represents all weeks within Diamond Resorts European Collection Limited.

### Diamond Resorts Management Division Analysis of Underlying Costs (unaudited)

		Total Costs (£)	% of Total	Total Costs (£)	% of Total
	Note	2019	2019	2018	2018
Total Resort Costs					
Payroll and related expenses	1	10,291,193	28%	10,244,734	28%
Utilities	2	2,796,595	8%	2,764,012	8%
Housekeeping & laundry	3	2,246,579	6%	2,355,679	7%
Rent, insurance & local taxes	4	3,128,294	8%	2,680,550	8%
Accountancy and administration	5	5,733,927	16%	5,226,375	14%
Repairs & maintenance	6	1,384,811	4%	1,394,382	4%
Management company fee	7	3,879,432	11%	3,767,308	10%
External fees	8	2,232,424	6%	2,195,585	6%
Sinking Fund / Reserve Fund	9	4,581,687	13%	5,434,768	15%
Total		36,274,942	100.00%	36,063,393	100.00%

### Notes:

1. **Payroll and related expenses** - Wages and salaries, other staff costs, reception recharges and security.
2. **Utilities** - Electricity, heating oil, tanked gas, water rates, telephone and leisure centre costs.
3. **Housekeeping and laundry** - laundry charges, cleaning materials, cleaning equipment, housekeeping equipment, housekeeping consumables, housekeeping contracts, housekeeping kitchen materials, welcome packs, scotch guarding.
4. **Rent, insurance and local taxes** - Business rates (local taxes), office rentals, community fees, insurance, bad debt charges.
5. **Accountancy and administration expenses** - Reservation & invoicing fees, DRI administration fee, office costs, other costs, motor vehicle costs, bank charges, Sky and television costs, children's entertainment, AGM costs, legal and professional, trustee fees, audit fees and irrecoverable consumption.
6. **Repairs and maintenance** - Repairs, maintenance, maintenance contracts, repairs of electrical items, equipment rental, grounds maintenance and painting.
7. **Management company fee** is calculated from net resort expenditure.
8. **External fees payable** - Maintenance fees paid directly to affiliated resorts.
9. **Sinking fund / Reserve Fund** - Represents actual contribution in the year. Movements across European resorts relate to operating profits/losses within the year and budgeted sinking fund repairs in 2019.