

**Diamond Resorts European
Collection Limited**

Company number 2930567

Report and Financial Statements

Year Ended

31 December 2010



Diamond Resorts European Collection Limited

Annual report and financial statements
for the year ended 31 December 2010

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Directors

C A Bentley
S Gomercic Bajtek
S J Hulme
H Taylor
M Harris

Secretary and registered office

S Crook
Citrus House
Caton Road
Lancaster
Lancashire
LA1 3UA

Company number

2930567

Auditors

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Diamond Resorts European Collection Limited

Report of the directors for the year ended 31 December 2010

The directors present their report together with the audited financial statements for the year ended 31 December 2010

Principal activity and business review

The company performs the role of an owners club for the purchasers of points rights from Diamond Resorts (Europe) Limited, the founder member of the company and its distributors. Diamond Resorts (Europe) Limited is a subsidiary of Diamond Resorts (Group Holdings) Plc, whose ultimate parent undertaking is Diamond Resorts Corporation.

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 Management Limited. The members pay annual management fees to this company and all income and expenditure arising from management and administration are reflected in that company'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 Diamond Resorts Management Limited under the management agreement.

Directors

The directors who held office during the year are shown below. All directors served throughout the year unless otherwise indicated.

C A Bentley
S Gomercic Bajtek
S J Hulme
H Taylor
M Harris

Diamond Resorts European Collection Limited

Report of the directors for the year ended 31 December 2010 (Continued)

Statement of 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Financial instruments

The company does not use financial instruments.

Post Balance Sheet Events

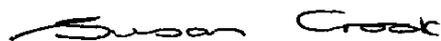
There are no post balance sheet events.

Auditors

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.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



S Crook
Secretary

17th May 2011

Diamond Resorts European Collection Limited

Report of the independent auditors for the year ended 31 December 2010

To the shareholders of Diamond Resorts European Collection Limited

We have audited the financial statements of Diamond Resorts European Collection Limited for the year ended 31 December 2010 which comprise the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 website 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 2010 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Diamond Resorts European Collection Limited

Report of the independent auditors for the year ended 31 December 2010 (*continued*)

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

Eric Solomons

Eric Solomons (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
United Kingdom
Date 18 May 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Diamond Resorts European Collection Limited

Profit and loss account for the year ended 31 December 2010

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

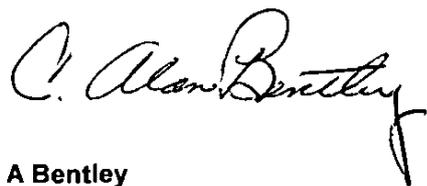
Diamond Resorts European Collection Limited

Balance sheet
at 31 December 2010

Company number 2930567

	Note	2010 £'000	2009 £'000
Net assets		-	-
Capital and reserves	2	-	-

The financial statements were approved by the Board and authorised for issue on



C A Bentley
Director

17th May 2011

The accompanying notes form part of these financial statements

Diamond Resorts European Collection Limited

Notes forming part of the financial statements for the year ended 31 December 2010

1 Accounting policies

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

The company has not traded in the year

2 Status of the company

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

3 Staff members and costs

The only persons employed by the company were the directors, none of whom received any remuneration from the company during the year.

4 Ultimate parent undertaking

The directors regard Diamond Resorts Corporation, a company incorporated in the USA, as the company's ultimate parent undertaking.

The smallest group in which the results of the company are consolidated is that headed by Diamond Resorts (Holdings) Limited, 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.

5 Related party transactions

The company has taken advantage of the exemption included in FRS 8 and has not disclosed transactions with other members.