

Diamond Resorts European Collection Limited

Report and Financial Statements

Year Ended

31 December 2021

Company number 2930567



Diamond Resorts European Collection Limited

Report and financial statements for the year ended 31 December 2021

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Directors

S Gomercic Bajtek
R P Thomas
S Barnett (retired 5th October 2021)
S D Lee
J McNaney
David John Gillam (appointed 5th October 2021, retired 19th October 2021)
Michael Chambers (appointed 16th February 2022)

Secretary and Registered office

S Crook
Citrus House
Caton Road
Lancaster
Lancashire
LA1 3UA

Company number

2930567

Auditors

RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Diamond Resorts European Collection Limited

Report of the directors for the year ended 31 December 2021

The directors present their report together with the audited financial statements for the year ended 31 December 2021.

Principal activities

The dormant company is contracted to perform the role of an owners 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 agents.

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 on trust for the members, 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 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.

On 10 March 2021, Hilton Grand Vacations, Inc. announced that it had entered into a definitive agreement to acquire Diamond Resorts International, Inc. (the independent timeshare operator of which this company was a subsidiary), in a stock-based transaction. The agreement, unanimously agreed by the Board of Directors for both companies, completed on 2 August 2021. From that date, the director regards Hilton Grand Vacations, Inc. as the company's ultimate controlling party.

Directors

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

S Gomercic Bajtek

R P Thomas

S Barnett (retired 5th October 2021)

S D Lee

J McNaney

David John Gillam (appointed 5th October 2021, retired 19th October 2021)

Michael Chambers (appointed 16th February 2022)

Diamond Resorts European Collection Limited

Report of the directors for the year ended 31 December 2021 (continued)

Director's responsibilities

The directors are responsible for preparing the director's 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

Simon Lee

S D Lee
Director

Date 23/08/22

Diamond Resorts European Collection Limited

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

Opinion

We have audited the financial statements of Diamond Resorts European Collection Limited (the 'company') for the year ended 31 December 2021 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Diamond Resorts European Collection Limited

Independent auditor's report to the members of Diamond Resorts European Collection Limited (continued)

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

Diamond Resorts European Collection Limited

Independent auditor's report of the non-statutory financial information to Diamond Resorts European Collection Limited (continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances, which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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.

Jacqui Baker

Jacqui Baker (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Bluebell House, Brian Johnson Way, Preston, Lancashire, PR2 5PE

Date 24/08/22

Diamond Resorts European Collection Limited

Statement of income and expenditure for the year ended 31 December 2021

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.

Diamond Resorts European Collection Limited

Balance sheet at 31 December 2021

Company number 2930567

	Note	2021 £'000	2020 £'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 23/08/22

Simon Lee

S D Lee
Director

The notes on page 8 form part of these financial statements

Diamond Resorts European Collection Limited

Notes forming part of the financial statements for the year ended 31 December 2021

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. No significant estimates have been taken in the preparation of these financial statements.

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

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, whilst continuing to operate as the owners club for members who have purchased points from Diamond Resorts (Europe) Limited. 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 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.

The largest group to consolidate these financial statements is Hilton Grand Vacations, Inc., a company incorporated in Delaware, United States of America and listed on the New York Stock Exchange. The registered office of Hilton Grand Vacations, Inc. is 6355 MetroWest Blvd., Suite 180, Orlando, FL 32835.