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**Thurnham Vacation Club  
Management Limited**

Report and Financial Statements

Year Ended

31 December 2008

**IBDO**

BDO Stoy Hayward  
Chartered Accountants

SATURDAY



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# **Thurnham Vacation Club Management Limited**

## **Annual report and financial statements for the year ended 31 December 2008**

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### **Directors**

S J Hulme  
S Crook

### **Secretary and registered office**

S Crook

Citrus House  
Caton Road  
Lancaster  
Lancashire  
LA1 3UA

### **Company number**

3804564

### **Auditors**

BDO Stoy Hayward LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

# **Thurnham Vacation Club Management Limited**

## **Report of the directors for the year ended 31 December 2008**

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The directors present their report together with the audited financial statements for the year ended 31 December 2008.

### **Results and dividends**

The result for the year after taxation amounted to £Nil (2007: £Nil). The directors do not recommend the payment of a dividend (2007: £Nil).

### **Principal activity and future developments**

The company's principal activity is the receipt and distribution of maintenance fees on behalf of Thurnham Vacation Club. Thurnham performs the role of an owners club for the purchasers of point rights from the founder member of the private members club. Any surplus or deficit in funding is represented by amounts payable or receivable on behalf of Thurnham Vacation Club on the balance sheet.

As the activities of the company are limited to receipt and distribution of funds on behalf of Thurnham Vacation Club, the company does not generate income or incur expenditure on its own behalf and consequently does not have a profit or loss for any year.

The company will continue to manage the receipt and distribution of funds on behalf of Thurnham Vacation Club.

### **Directors**

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

S Crook

S J Hulme (appointed 22 July 2008)

F C Bauman (resigned 7 January 2008)

M M Kandel (appointed 7 January 2008, resigned 22 July 2008)

### **Statement of director's responsibilities**

The directors are responsible for preparing the director's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the 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 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 judgments and estimates that are reasonable and prudent;
- state whether applicable 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.

# Thurnham Vacation Club Management Limited

## Report of the directors for the year ended 31 December 2008 (*continued*)

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The directors are responsible for keeping proper accounting records that 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 1985. The directors 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.

### Auditors

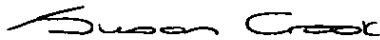
The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit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

BDO Stoy Hayward LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board

**S Crook**  
**Secretary**



Date 26<sup>th</sup> June 2009

# **Thurnham Vacation Club Management Limited**

## **Report of the independent auditors**

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### **To the shareholders of Thurnham Vacation Club Management Limited**

We have audited the financial statements of Thurnham Vacation Club Management Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

The director's responsibilities for preparing the director's report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely upon this report unless such a person is a person entitled to rely on this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### ***Basis of audit opinion***

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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.

# Thurnham Vacation Club Management Limited

## Report of the independent auditors (*Continued*)

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### ***Opinion***

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.



**BDO Stoy Hayward LLP**

*Chartered Accountants and Registered Auditors  
Manchester*

Date

9 July 2009

# Thurnham Vacation Club Management Limited

## Profit and loss account for the year ended 31 December 2008

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	Note	2008 £	2007 £
Turnover	2	-	-
Cost of sales		-	-
Gross profit		<hr/> -	<hr/> -
Other operating expenses		<hr/> -	<hr/> -
Result on ordinary activities before and after taxation	3	<hr/> - <hr/>	<hr/> - <hr/>

The results disclosed above all relate to continuing operations.

There were no recognised gains or losses other than the result for the financial year.

The accompanying notes on pages 7 to 8 form part of these financial statements.

# Thurnham Vacation Club Management Limited

## Balance sheet as at 31 December 2008

	Note	2008 £	2007 £
<b>Current assets</b>			
Debtors	4	1,068,483	671,514
<b>Creditors: amounts falling due within one year</b>	5	(1,068,481)	(671,512)
<b>Net assets</b>		2	2
<b>Capital and reserves</b>			
Called up share capital	6	2	2
Profit and loss account		-	-
<b>Equity shareholder's funds</b>		2	2

The financial statements were approved by the Board and authorised for issue on 26<sup>th</sup> June 2009



**S Crook**  
**Director**

The accompanying notes on pages 7 to 8 form part of these financial statements.



# Thurnham Vacation Club Management Limited

## Notes forming part of the financial statements for the year ended 31 December 2008

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### **1 Accounting policies**

#### *Basis of preparation*

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below. The directors have reviewed the accounting policies in accordance with FRS 18 and consider them to be the most appropriate to the company's circumstances.

### **2 Operating result**

The company has no reported income or expenditure as its principal activity is the receipt of funds and the distribution of those funds on behalf of Thurnham Vacation Club.

#### *Director and employees*

All staff are employed and paid by a fellow group company, Diamond Resorts (Europe) Limited. The directors did not receive any emoluments for services to the company during the year (2007: £Nil).

The audit fee for the company was borne by a fellow group undertaking, Diamond Resorts (Europe) Limited.

### **3 Taxation**

As the company does not trade there was no corporation tax liability or asset at the year end (2007: £Nil)

# Thurnham Vacation Club Management Limited

## Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

### 4 Debtors

	2008 £	2007 £
Amounts owed by group undertakings	1,021,921	619,137
Amounts owed by Thurnham Vacation Club	46,562	52,377
	<u>1,068,483</u>	<u>671,514</u>

### 5 Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	1,068,481	671,512
	<u>1,068,481</u>	<u>671,512</u>

### 6 Share capital

	2008 £	2007 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2

### 7 Related party transactions

The company has taken advantage of the exemption included in FRS 8 and has not disclosed transactions with other members of the group headed by Diamond Resorts Holdings LLC.

### 8 Ultimate parent undertaking

At the balance sheet date, the directors regard Diamond Resorts Holdings LLC, 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 Companies House.

### 9 Financial commitments

The company is party to a cross guarantee, registered 24 April 2008, which secures the revolving credit facility provided by Diamond Resorts Corporation, a fellow member of the group headed by Diamond Resorts Holdings LLC, at the balance sheet date, to the subsidiary companies. The amount outstanding at the year end was £53,999,000 (2007: £56,937,000). The debenture provides a fixed and floating charge over the undertaking and all the assets of the company.