

ANNUAL MEETING NOTICE

September 2024



EUROPEAN COLLECTION LIMITED

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BOARD MEMBERS

- Suzana Gomercic Bajtek – Chair
- Ruth Thomas
- Nicola Dow
- Julia McNaney
- Michael Chambers

HOW TO ATTEND

To attend this meeting virtually, you must register in advance using this link <https://my.hgv.com/2024-agm-eu-collection>.

Once you register, you will receive an email from Zoom with a unique link to join the webinar.

If you are not attending the AGM in person, you will not be able to vote on the day. You may cast your vote by logging into the [hiltongrandvacations.com](https://my.hgv.com/2024-agm-eu-collection) website; the link is then available in the Member area.

Notice of Annual General Meeting

It is our privilege to invite you to the 30th Annual General Meeting for Diamond Resorts European Collection Limited. This year's meeting will take place at 1:30 p.m. on 16 October 2024 at Morecambe Football Club, The Globe Arena, Morecambe LA4 4TB. This year's meeting will also be conducted virtually via Zoom. To attend this meeting virtually, please register in advance by accessing the link below in "How to Attend".

ACTION REQUIRED: Votes are required for Agenda items 1, 3, 4 and 5 (see below). You may cast your vote by logging into the [hiltongrandvacations.com](https://my.hgv.com/2024-agm-eu-collection) website; the link is then available in the Member area.

To be valid, all online votes and ballot forms must be received no later than 48 hours prior to the start of the meeting.

Annual Meeting Agenda

1. Confirmation of the last Annual General Meeting Minutes
2. To receive the Annual Report of the Board
3. To receive the accounts and reports of the Directors and Auditors for the year ended 31 December 2023
4. To elect RSM UK Audit LLP as Auditors and to authorise the Directors to fix their remuneration
5. Election of a Member Director to the Board
6. The Club® Update
7. European Resort Operations Update
8. Any Other Business

By Order of the Board

James Dickinson
Company Secretary
31 August 2024

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

Please Note:

The official part of the AGM typically takes around an hour after which Members present are able to participate in an open question and answer session with the Board and speakers for a further hour.

European Collection Points Scheme Committee Members will be available one hour prior to the AGM and up to one hour after to meet Members on an individual basis to assist with resort and/or Membership related issues.

BOARD OF DIRECTORS' ANNUAL REPORT

Dear Members,

Firstly, we would like to extend a very warm welcome to the 2024 AGM which we hope you will be able to participate in either in person or by connecting electronically. We appreciate all the feedback we get from members throughout the year however the AGM gives a special opportunity to share what has happened in the past year and to clarify any questions that may arise. The formal aspect of the AGM is to review the 2023 calendar year which thankfully for many of us, saw a return to a more normal way of enjoying our holidays and relaxation. Although we are aware that for some members the impact of the last few years has not gone away and behaviours/trends have changed.

The Board are very conscious of the impact that cost of living increases, including your annual management charges, have on many members and we continue to strive for the right balance between the cost to operate and maintain the European Collection resorts, and the cost to members.

We are very pleased to welcome Nicola Dow to the Board. A regular attendee at our meetings, Nicola is HGV's Director of Contact Centre operations and Customer Services, and we know that many of you will know her personally having been with the business for many years.

Although there will be information presented during the AGM we would like to highlight some of the topics we think you will find of interest.

HGV

As we noted in our Spring Update newsletter, the acquisition of Diamond Resorts by HGV has seen very little impact for European Collection members. There have been some minor changes that you may have noticed during your holidays however it is likely that any rebranding initiatives may not be seen until 2025 or 2026.

One update that you may be aware of is the launch of the new IT/website platform known as One Console, providing members, irrespective of what product they own, access to a centralised system to service member needs. This makes it easier going forward to introduce on a standardised basis, new enhancements to assist members as they become available.

Reservations and Availability

Of course sourcing availability and making reservations are necessary and we acknowledge that members may not always be able to book their first choice each and every time. The lack of availability at peak times is often due to a combination of factors, including increasing popularity of a specific resort (mainly Costa Adeje and UK resorts) coupled with a reduced number of nights at such times due to traditional fixed week ownership, while other resorts may have availability that for one reason or another is not taken up and effectively "lost". We are aware that a small number of members actively circumvent the rules in place for making reservations, which ultimately is detrimental to the membership as a whole by confirming many bookings and then using some for commercial gains which is prohibited. In all cases where this is identified action will be taken.

In 2023 the Board approved the rental of an additional 10,500 nights to satisfy the demand, which assisted member to utilise a lot of points that members had remaining from the pandemic years. In 2024 it was decided not to repeat this exercise as occupancy levels had returned to normal however we do constantly work with the management company to ensure that members needs are identified and they are flexible in assisting where they can to help manage the peaks in member demand.

As you may know, the contract for Diamond Suites on Malta, will be discontinued from the end of 2024. Sadly, Malta had very low occupancy levels in recent years and a significant investment was likely to be required going forward which makes this decision to terminate the contract necessary.

The Board has recently approved the refurbishment of six of the current fleet of 12 canal boats in the UK and in addition have commissioned the acquisition of 2 new boats (at a marina still to be determined) taking the fleet up to 14 boats next year. In case you did not know, the narrowboats are exceptionally popular providing members with a different holiday experience at a very slow pace!

Resort News

During HGV's annual awards ceremony held earlier this year, 26 European managed resorts received Awards of Excellence, which is truly an outstanding performance and a good indication of the quality of services. Especially pleasing was that out of four HGV global "Resorts of The Year", two European Resorts were winners in their respective categories (based on the overall number of apartments). Congratulations to the teams at Thurnham Hall, HGV Tier 2 winner, and Sunset Bay Club, HGV Tier 4 winner, for this incredible achievement!

BOARD OF DIRECTORS' ANNUAL REPORT (cont)

Members who have received a post-departure survey may have noticed that the scoring has changed from a scale of 1–10 to 1–5 (with 5 being excellent). It is important to note that only scores of 4 or 5 are included in the overall benchmark reporting as an acceptable standard – anything less is highlighted and the resort teams use this feedback to seek further clarification on what needs improvement. Please remember that these surveys specifically refer to your stay and are used to rate the resort and the operations team where you visited.

In other news, the resorts between them have held over 800 exclusive member events since July 2023. These include invitations to 'Meet the Manager', join a Member Club Table and Surprise and Delight events. We would encourage members to participate in these events to find out more about the resorts and what is happening in The Club. Resorts are eager to show appreciation to members by facilitating their events around a theme, sometimes with local food and refreshments.

New automated pre-arrival emails are now being sent approximately 14 days ahead of their arrival date, which should ensure greater consistency of delivery performance. The emails contain links to relevant information and will provide additional useful guidance to help with planning and preparation, so please do give them a read before you travel!

Finally, we have again experienced an increase in anti-social behaviour from members (and between members) with some instances necessitating the instigation of formal proceedings to suspend individual memberships or restrict usage. Please be kind and respectful to each other and to those who are of service to you whilst on holiday.

Resort Improvements

We continue to see timely progress in keeping the resorts maintained and improved. There will be more specific details contained in the AGM presentations with slides showing images of refurbishment projects across most resorts, but to briefly summarise some key large projects, we would highlight:

Alpine Club – The swimming pool and its surrounding area have been demolished and excavated to identify the source of water ingress under the buildings and repair this as applicable. The external parameter of the resort has also been excavated with drainage replacements and damp proofing. We are delighted to advise that by the time of the AGM the new pool will be finished, which has been reduced in size slightly to allow for more space for sitting and relaxing.

Woodford Bridge Country Club – rethatching of the main building roof has been completed along with a wonderful transformation of five Club Suites.

Pine Lake Resort – The roof replacement on the main complex building is complete.

Wychnor Park Country Club – Four lodges have received new roofs and added insulation with internal refurbishment. As well as making the lodges cosier, this is anticipated to yield some savings in energy costs.

Royal Tenerife Country Club – Solar panel installations are now complete providing energy for the pool and communal areas.

Royal Regency Paris – A refurbishment of the reception area and gym has been completed. A new, exclusive Member Lounge was incorporated in the design to provide a private members area in which to relax and enjoy refreshments. (Similar member lounges are planned at other resorts, subject to appropriate space).

Le Club Mougins – Operating a bar/restaurant service has not proved feasible therefore it was decided that a new gym will be installed in this space and light breakfast options will be served in the lounge area.

Vilar do Golf – The resort's entrance and parking outside of the reception area has been updated which has made it easier for guests during check-in.

Environmental, Social and Governance (ESG) Report

Thanks to your continued help, we continue to see substantial progress on initiatives to conserve electricity and water resources alongside reducing and recycling waste which can only support natural environments and communities. Additionally, this year the ongoing collaboration with We Are Water will focus on raising funds for two projects:

- Tanzania – to construct a new water system in a village called Kwedizinga, which will benefit a community of 4,500 habitants
- India – to introduce sanitation and hygiene education for schools and to construct household toilets for approximately 1,200 people among the Irular community

Hopefully many of you will also have been able to get involved in one of the 'walkathons' which are being held in every HGV European resort in 2024.

BOARD OF DIRECTORS' ANNUAL REPORT (cont)

Members Beware

We would again take this opportunity to urge you to be extra vigilant and aware that there are still companies making contact with members offering various products and services, providing incorrect and sometimes untrue information and ultimately asking for payment. EUROC (European Resort Owners' Coalition) have revamped and launched their own inhouse support hub www.euroctimesharesupporthub.com which has published some essential guides such as 'How to avoid scams' and 'How to stop unwanted sales calls'. EUROC is an organisation that has been set up exclusively for timeshare owners/consumers, offering guidance on a whole range of topics that affect our industry, most notably rogue operators. Please don't become a victim of unscrupulous individuals and if you need clarification on anything relating to your membership, please visit EUROC's website (above), contact the member services team on +44 (0)345 359 0005 or speak with a member of the HGV team at any of the resorts and they'll be sure to pass on your details to someone who can help.

AGM Protocol

For members not able to attend in person there will be the opportunity to join and listen remotely. Joining instructions for remote access are detailed in the AGM Notice. Questions can be raised online in the Q&A section and will be responded to by the support team managing this function. There is no capability for members joining remotely to address the meeting directly.

The presentations from the AGM will be uploaded on the member website (My Account >> Member Resources >> Member Information) following the meeting and the Minutes published within 6-8 weeks. It is worth noting that details of the elected member directors (Julia and Mike) along with appointed members who form part of some of our resort club committees, are always detailed at the back of the AGM Minutes.

With best regards

Board of Directors
Diamond Resorts European Collection Limited

DIAMOND RESORTS EUROPEAN COLLECTION LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Report of the directors for the year ended 31 December 2023

The directors present their report together with the audited financial statements for the year ended 31 December 2023.

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 company assets or liabilities are shown within cash at bank and in hand, club maintenance fee debtors and amounts due to resort clubs in the balance sheet of Diamond Resorts (Europe) Limited's financial statements.

These arrangements result in the company not trading and therefore neither a statement of comprehensive income with transactions, nor a statement of financial position with balances is reported. 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.

Diamond Resorts European Collection Limited is a private company limited by guarantee and has no share

capital. All ordinary members have voting rights proportionate to the number of points owned and any members' liability is limited to £1.

For details of the management company's ultimate controlling party see note 5.

Directors

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

S Gomercic Bajtek

R P Thomas

J McNaney

M Chambers

S D Lee (resigned 30th January 2023)

N Dow (appointed 18th June 2024)

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

J Dickinson

Secretary

Date 06/09/24

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 2023 which comprise the statement of comprehensive income, the statement of financial position and notes to the financial statements, including 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 2023 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.

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.

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 controls 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 (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 06/09/24

Statement of Comprehensive Income for the year ended 31 December 2023

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.

Statement of Financial Position at 31 December 2023

Company number: 2930567

	Note	2023 £'000	2022 £'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 06/09/24.

R P Thomas
Director

Notes forming part of the financial statements for the year ended 31 December 2023

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 Management company's controlling party

(1) As per the terms of the management agreement (see page 1), 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.

(2) The largest group to consolidate these financial statements is the ultimate global parent undertaking of Diamond Resorts (Holdings) Limited; Hilton Grand Vacations, Inc., a company incorporated in Delaware, United States of America and listed on the New York Stock Exchange. Registered office: 6355 MetroWest Blvd., Suite 180, Orlando, FL 32835.

(3) The directors regard Hilton Grand Vacations, Inc. as the management company's controlling party.

ELECTION OF A MEMBER DIRECTOR TO THE BOARD

This year Michael Chambers will have completed his first three-year term of office and, in accordance with the Articles of Association of Diamond Resorts European Collection Limited, offers himself for re-election. Michael is standing unopposed.

Michael Chambers

Firstly, it has been an honour and privilege to represent you as a Non-Executive Director. I have certainly tried to do that to the best of my abilities, consistently speaking up for the membership as a whole, and individual members experiencing problems. My previous background as a senior finance professional for many years has certainly helped in this position.

As when first elected, I see the main issues for the foreseeable future in simple **ABC** terms:

Availability: This is a perennial problem, and does not feel for members that it is improving. The Board on occasions been able to secure additional inventory from the Developer which helps but never solves all the issues experienced. I have spent a lot of time digging deep into the ownership model that we exist in, to better understand and explain the reality. This helped identify the key metrics that myself and Julia McNaney have fed back to us as board members, so we can see and prove that members are getting all they are entitled to and hopefully more.

Budgets: Having come out of the pandemic and utilised the accumulated reserves to subsidise fees or purchase additional accommodation, we are hopefully now in a more stable and regular position. Although I cannot predict the future, I can assure you we have a robust overview of the cost structure that enables greater scrutiny and challenging of budgets.

Communications: As a small cog in the bigger HGV machine, general communications could be better. As NEDs we constantly try to put information out to you either by News articles or “ask the Director” and frequently utilise social media to assist, and holding frequent on-site member meetings whenever possible.

I would appreciate your support in representing you, the members – the very heart of our Club, one more time.

FOR INFORMATION PURPOSES ONLY – Not relating to financial statements
Diamond Resorts Management Division
Income and expenditure account (unaudited)

	Note	Unaudited 2023 Actual (£)		Unaudited 2022 Actual (£)	
Income					
Points Club Owners	1	22,395,925		21,841,331	
Diamond Resorts (Europe) Limited	2	16,689,956		14,210,095	
Interest / LPP income		23,529		14,456	
VAT Rebate		1,263,210		-	
Equalisation from Diamond Resorts		751,308		-	
Fractional Owners Club		-		-	
Other Income		-		1,740	
		41,123,928		36,067,622	
Expenditure					
Management Fees:	3		No. of weeks	(£)	No. of weeks
Pine Lake		3,473,145	5,365	3,004,259	5,365
Woodford Bridge		2,954,734	4,490	2,499,452	4,490
Los Amigos Beach Club		521,484	988	515,712	988
Pueblo Quinta		596,238	1,068	564,639	1,068
White Sands Beach Club		1,594,780	2,868	1,503,917	2,865
Club Del Carmen		1,214,717	2,507	1,181,007	2,507
Alpine Club		1,427,631	2,199	1,195,384	2,199
Royal Sunset Beach Club		1,354,363	3,103	1,264,087	3,103
Sunset Harbour		1,413,173	3,362	1,411,202	3,362
Sunset Bay		1,960,473	5,264	1,910,045	5,264
Sahara Sunset		1,543,391	3,367	1,466,733	3,367
Santa Barbara		3,146,971	6,754	3,045,341	6,748
Royal Tenerife Country Club		1,390,959	2,252	1,308,671	2,252
Sunset View		225,112	466	221,565	466
Kenmore		2,227,588	2,305	1,696,077	2,305
Club Mougins		1,916,987	2,958	1,853,735	2,958
Vilar Do Golf		2,668,342	3,111	2,463,639	3,111
Wychnor Park		2,214,708	2,244	1,927,534	2,244
Palazzo Catalani		1,338,156	1,734	1,320,906	1,734
Cala Blanca		1,275,118	2,718	1,238,992	2,718
Royal Regency		1,113,842	1,314	1,180,568	1,314
Thurnham Hall		806,885	1,147	704,203	1,152
Cromer Country Club		1,181,815	1,796	1,019,544	1,796
Cypress Pointe		-	5	-16,448	5
Anderton Marina		402,904	396	377,791	396
Jardines Del Sol		187,081	306	180,714	306
Gala		169,102	255	165,821	255
Eden Bay		1,873,801	2,338	1,595,758	2,338
External Resorts		260,250	523	360,848	736
Developer Space released for Points Members		639,230	1,027		
Sub total		41,092,980	68,230	37,161,696	67,412
AGM costs		14,853		26,594	
Audit fees		14,638		13,959	
Bank charges		175,004		252,709	
Administration costs		287,015		295,739	
Total expenditure		41,584,490		37,750,697	
2023 Profit / (Loss)		(460,562)		(1,683,075)	
Profit carried forward		(460,562)		(1,683,075)	

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.
4. Included in points club owner revenues are fees not paid by delinquent owners. This shortfall has been settled by Diamond Resorts Europe Limited and the amount paid in 2023 being £2.9m (2022: £3.2m).
5. External Resorts includes non-DRECL space purchased at external resorts - Village Heights 523 weeks.

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

		Total Costs (£)	% of Total	Total Costs (£)	% of Total
	Note	2023	2023	2022	2022
Total Resort Costs					
Payroll & related expenses	1	11,170,652	27%	10,132,920	27%
Utilities	2	4,021,515	10%	3,779,273	10%
Housekeeping & laundry	3	2,788,806	7%	2,192,225	6%
Rent, insurance & local taxes	4	2,997,042	7%	2,696,707	7%
Accountancy & administration	5	5,751,937	14%	5,706,620	16%
Repairs & maintenance	6	1,431,240	3%	1,212,715	3%
Management company fee	7	4,231,066	10%	3,675,934	10%
External fees	8	2,269,545	6%	1,600,136	4%
Sinking Fund	9	7,063,787	17%	6,479,477	18%
Reserve Fund	10	295,987	1%	399,354	1%
Other Income	11	(928,597)	-2%	-713,665	-2%
Total		41,092,980	100%	37,161,696	100.00%

Notes:

1. **Payroll & 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 & laundry** - laundry charges, cleaning materials, cleaning equipment, housekeeping equipment, housekeeping consumables, housekeeping contracts, housekeeping kitchen materials, welcome packs.
4. **Rent, insurance & local taxes** - Business rates (local taxes), office rentals, community fees, insurance, bad debt charges.
5. **Accountancy & 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 taxes.
6. **Repairs & 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. 2023 includes additional Developer space rented to EU Collections.
9. **Sinking Fund** - Represents actual contribution in the year and budgeted sinking fund repairs in 2022 and 2023.
10. **Reserve Fund** - Movements across European resorts relate to operating profits/losses within the year.
11. **Other Income** - Occupancy related revenues at resorts.

VOTING OPTIONS

You may cast your vote in any **one** of the following ways:

1. You can attend in person and vote at the AGM.
2. If you are unable to attend the AGM, you may use one of the following voting options:
 - i. You may submit your vote online by logging into the hiltongrandvacations.com website; the link is then available in the Member area. Online voting will be available from midnight on 18 September 2024 and all votes must be submitted by 1.30pm on 14 October 2024 to be valid.
 - ii. Complete the ballot form below and return by email to EUHOAManagement@hgv.com or by post to James Dickinson, Company Secretary, at Diamond Resorts European Collection Ltd., Caton Road, Lancaster, LA1 3UA, United Kingdom.

Ballot forms must be received no later than 1.30pm on Monday 14 October 2024 to be valid.

BALLOT FORM

Name of Member(s):	VOTE – please indicate your choice by placing an “x” in the appropriate box		
Address:	Agenda item 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 2023	FOR <input type="checkbox"/> <input type="checkbox"/>	AGAINST <input type="checkbox"/> <input type="checkbox"/>
Membership No:			
Number of Points owned:			
Signature of Member(s) 	4. To elect RSM UK Audit LLP as Auditors and to authorise the Directors to fix the remuneration of the Auditors 5. To elect the following candidate as a Member Director of the Board for a term of three years: Michael Chambers	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>