

Diamond Resorts Broome Park Golf Limited

Report and Financial Statements

Year Ended

31 December 2018

Company Number 02762549



Diamond Resorts Broome Park Golf Ltd

Report and financial statements for the year ended 31 December 2018

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Director

S Crook

Secretary and registered office

S Crook, Citrus House, Caton Road, Lancaster, Lancashire, England, LA1 3UA

Company number

02762549

Diamond Resorts Broome Park Golf Ltd

Report of the director for the year ended 31 December 2018

The director presents the report together with the unaudited financial statements for the year ended 31 December 2018.

Principal activities

Following the sale of the golf club business, as discussed in the previous financial statements, the company did not trade during the year. There has been no income and expenditure and any changes in the position of the company have related either to the discharge of brought forward balances and/ or transactions with the parent company.

Results and review of the business

The statement of comprehensive income is set out on page 3 and shows the profit for the year.

As discussed in principal activities, the company did not trade during the year (2017 profit – £44,842). In the prior year the company concluded a sale of the golf club business at Broome Park estate, Canterbury, Kent, for a fee of £107,229. The profit recorded was £95,409.

Director

The director of the company that served during the year was:

S Crook

The director does not have any interest in the share capital of the company. The interests of the director in the share capital of Diamond Resorts (Holdings) Limited are disclosed in the financial statements of that company.

Director's liabilities

The company has granted an indemnity to the director against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the director's report.

Likely future developments in the business of the company

The director does not anticipate any significant change in the company's business for the foreseeable future.

Financial risks and uncertainties

The market for timeshare and hotel accommodation in Europe is highly competitive. The major commercial risk for the business relates to the ability of the Diamond group, as headed by Diamond Resorts (Holdings) Limited, to generate revenue from sales, marketing and rental activities, the latter operation targeted to offset the majority of the carrying costs of unsold resort accommodation held within the stock of that group.

To help the group business mitigate this risk and take corrective action, close attention is directed towards the financial success of converting onsite resort guests to holiday ownership and the rental room rates achieved from a dynamic online market.

Diamond Resorts Broome Park Golf Ltd

Report of the director for the year ended 31 December 2018 (*continued*)

Director's responsibilities

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless she is 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 director is 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, comprising FRS 102, 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 director is 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. She is 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. The director is responsible for the maintenance and integrity of the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

On behalf of the Board

S Crook 

Secretary

Diamond Resorts Broome Park Golf Limited, Citrus House, Caton Road, Lancaster, Lancashire, LA1 3UA

Date 30 August 2019

Diamond Resorts Broome Park Golf Ltd

Statement of Comprehensive Income for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	-	292,436
Administrative expenses		-	(342,815)
Other operating income		-	95,577
		<hr/>	<hr/>
Operating profit	4	-	45,198
Interest payable and similar charges	6	-	(356)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	44,842
Taxation on profit on ordinary activities		-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation for the financial year		-	44,842
		<hr/>	<hr/>

All amounts relate to continuing activities.

Other Comprehensive Income recognised in the year was £nil (2017: £nil).

The notes on pages 6 to 11 form part of these financial statements.

Diamond Resorts Broome Park Golf Ltd

Statement of Financial Position as at 31 December 2018

Company number 2762549	Note	2018 £	2018 £	2017 £	2017 £
Current assets					
Debtors	8	-		18,007	
Cash at bank and in hand		-		18,280	
				36,287	
Creditors: amounts falling due within one year	9	788,785		825,072	
Net liabilities			(788,785)		(788,785)
Capital and reserves					
Called up share capital	10		391,423		391,423
Profit and loss account	11		(1,180,208)		(1,180,208)
Shareholders' deficit			(788,785)		(788,785)

Audit Exemption Statement


For the year ending 31 December 2018 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476: and
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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 director and authorised for issue on 30 August 2019

S Crook 
Director
 Company number 2762549

The notes on pages 6 to 11 form part of these financial statements.

Diamond Resorts Broome Park Golf Ltd

Statement of changes in equity for the year ended 31 December 2018

	Share capital £	Profit and loss account £	Total equity £
1 January 2018	391,423	(1,180,208)	(788,785)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
31 December 2018	391,423	(1,180,208)	(788,785)
	<hr/>	<hr/>	<hr/>

	Share capital £	Profit and loss account £	Total equity £
1 January 2017	391,423	(1,225,050)	(833,627)
Comprehensive income for the year:			
Profit for the year	-	44,842	44,842
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	44,842	44,842
	<hr/>	<hr/>	<hr/>
31 December 2017	391,423	(1,180,208)	(788,785)
	<hr/>	<hr/>	<hr/>

The notes on pages 6 to 11 form part of these financial statements.

Diamond Resorts Broome Park Golf Ltd

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

Diamond Resorts Broome Park Golf Ltd is a private company limited by shares and 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 director's 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- The requirements of Section 7 Statement of Cash Flows
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement of Section 33 Related Party Disclosures, including compensation of key management personnel.

The financial statements have been prepared on a going concern basis, notwithstanding the deficiency in net assets, because of an undertaking by Diamond Resorts International Inc. to provide or procure sufficient financial support for the foreseeable future to enable liabilities to be met as they fall due.

Going Concern

As discussed in the report of the director the company ceased trading during the year as a result of the prior period disposal of the golf club management business and trading assets. The majority of balances remaining in the statement of financial position relate to intercompany transactions with fellow Diamond group companies. These will remain until a decision is taken on the company's future status.

The following principal accounting policies have been applied:

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Diamond Resorts Broome Park Golf Ltd

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Turnover

The turnover shown in the statement of comprehensive income represents annual membership fees for the year exclusive of value added tax as well as green fees charged in the year.

Reserves

The Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Profit and loss account reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3 Turnover

The turnover in the prior year arose solely within the United Kingdom.

4 Operating profit

	2018 £	2017 £
This is arrived at after charging/(crediting):		
Profit on disposal of tangible assets	-	(95,409)
Depreciation of tangible fixed assets	-	3,763
Operating lease expense	-	24,251
	<hr/>	<hr/>

The audit fee for the company was £nil (2017: £10,000) and was borne in the prior year by a fellow group undertaking, Diamond Resorts (Europe) Limited.

Diamond Resorts Broome Park Golf Ltd

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

5 Director and employees

The director is employed and paid by a fellow group company, Diamond Resorts (Europe) Limited. The director did not receive any emoluments for services to the company during the year (2017 - £Nil).

6 Interest payable and similar charges

	2018 £	2017 £
Interest payable on finance leases	-	356

7 Taxation on profit on ordinary activities

The tax assessed for the period is lower than the standard rate of corporation tax in the UK applied to the profit before tax.

	2018 £	2017 £
Profit on ordinary activities before tax	-	44,842
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%)	-	8,632
Effect of: Permanent differences	-	(8,632)
Current tax charge for the year	-	-

There was no deferred tax asset recognised at 31 December 2018 due to group relief.

The Government announced that it intends to reduce the rate of corporation tax to 17% with effect from 1 April 2020. The legislation has been given effect by Finance Bill 2016 which was substantively enacted on 6 September 2016.

Diamond Resorts Broome Park Golf Ltd

Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

8 Debtors

	2018 £	2017 £
Prepayments and accrued income	-	18,007
	<u>-</u>	<u>18,007</u>

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	30,517
Amounts owed to group undertakings	788,785	774,840
Taxation and social security	-	19,715
	<u>788,785</u>	<u>825,072</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

None of the above items are secured (for details of financial commitments see note 14).

10 Share capital

	2018 £	2017 £
<i>Allotted, called up paid fully paid</i>		
391,423 ordinary shares of £1 each	<u>391,423</u>	<u>391,423</u>

Called up share capital represents the nominal value of the shares issued.

11 Reserves

	Profit and loss account £
At 1 January 2018 and 31 December 2018	<u>1,180,208</u>

Profit and loss account reserve represents cumulative profits or losses, net of dividends paid.

Diamond Resorts Broome Park Golf Ltd

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

12 Financial Instruments

2018	Carrying amount £	Total contractual undiscounted cash flow £	Within 1 year or on demand £
Financial assets			
Financial assets that are debt instruments measured at amortised cost	-	-	-
	-	-	-
Financial liabilities			
Financial liabilities measured at amortised cost	788,785	788,785	788,785
	788,785	788,785	788,785
2017	Carrying amount £	Total contractual undiscounted cash flow £	Within 1 year or on demand £
Financial assets			
Financial assets that are debt instruments measured at amortised cost	18,280	18,280	18,280
	18,280	18,280	18,280
Financial liabilities			
Financial liabilities measured at amortised cost	805,357	805,357	805,357
	805,357	805,357	805,357

Financial assets measured at amortised cost comprise cash and trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors, obligations under finance leases, amounts owed to group undertakings and accruals.

Cash flow interest rate risk

Except for the company's intercompany liability with fellow Diamond group members, it has no external borrowings.

Diamond Resorts Broome Park Golf Ltd

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

13 Ultimate parent company and parent undertaking of larger group

The immediate parent undertaking is Diamond Resorts (Europe) Limited.

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 director regards BRH Holdings GP Limited, a company incorporated in the Cayman Islands, a British overseas territory, as the company's ultimate controlling party. Registered office: c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Cayman Islands KY1 9005.

14 Financial commitments

- (1) The company is party to a cross guarantee, registered 24 April 2007, which secures the revolving credit facility provided by Diamond Resorts Corporation, a fellow member of the group headed by Dakota Holdings, Inc., at the balance sheet date, to the subsidiary companies. The amount outstanding at the year-end was £65,359,000 (2017 - £65,359,000). The debenture provides a fixed and floating charge over the undertaking and all the assets of the company.
- (2) The company is party to a composite banking arrangement. Under this agreement all indebtedness incurred by the Diamond group companies is secured by a cross guarantee enabling credit balances and deficit balances within the Diamond group to be offset