Andalucian Realty Limited

Report and Financial Statements

Year ended 31 December 2008

30096612

Andalucian Realty Limited

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 registration number

3009948

Andalucian Realty Limited

Report of the directors for the year ended 31 December 2008

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

Principal activity

The company is a holding company and did not trade during the year. There has been no income and expenditure and no change has arisen in the position of the company. Any expenses have been met by a fellow group company.

Directors

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

F C Bauman (resigned 7 January 2008)
M M Kandel (appointed 7 January 2008, resigned 22 July 2008)
S J Hulme (appointed 22 July 2008)
S Crook

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

Susan Crook

S Crook
Director

Date 8th September 2009

Andalucian Realty Limited

Profit and loss account for the year ended 31 December 2008

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

Andalucian Realty Limited

Balance sheet as at 31 December 2008

	Note	2008 £	2007 £
Fixed assets			
Investment	2	**3,695,627**	3,695,627
Creditors: amounts falling due within one year	3	**(3,728,993)**	(3,728,993)
Net liabilities		**(33,366)**	(33,366)
Capital and reserves			
Called up share capital	4	**2**	2
Profit and loss account		**(33,368)**	(33,368)
Equity shareholders' funds		**(33,366)**	(33,366)

The directors:

(a) confirm that the company was entitled to exemption under subsection (1) of section 249AA(1) of the Companies Act 1985 from the requirement to have its accounts for the year ended 31 December 2008 audited.

(b) confirm that members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 249B(2) of the Companies Act 1985.

(c) acknowledge their responsibility for

   a. ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act; and

   b. preparing accounts which give a true and fair view of the sate of affairs of the company as at the end of the financial year and of its profit or loss for the financial year, in accordance with the requirements of Section 226 of that Act and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board and authorised for issue on 8th September 2009

Susan Crook

S Crook
Director

The accompanying notes form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

2 Fixed asset investments

	Shares in subsidiary undertakings £
Cost and net book amount	
At 31 December 2007 and 31 December 2008	3,695,627

Name of subsidiary	Country of incorporation	Proportion of ordinary shares held	Nature of business
Hewicoon SL	Spain	100%	Property management
Pastor Inmobiliario Insular SL	Spain	100%	Property management

3 Creditors: amount falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	**3,728,993**	3,728,993

4 Share capital

	2008 £	2007 £
Authorised		
100 Ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**2**	2

5 Ultimate parent undertaking

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 the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

6 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.