Company Registration No. SC070383 (Scotland)

SCANDINAVIAN VILLAGE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

SCANDINAVIAN VILLAGE LIMITED

COMPANY INFORMATION

Directors	E Monks J McKie M Pollock T B Moar J D Doyle J Falconer
Secretary	E Monks
Company number	SC070383
Registered office	1 Scandinavian Village Aviemore Inverness-shire PH22 1PF
Auditors	Johnston Carmichael LLP Clava House Cradlehall Business Park Inverness IV2 5GH
Business address	Scandinavian Village Aviemore Inverness-shire PH22 1PF
Solicitors	Balfour & Manson 54-66 Frederick Street Edinburgh EH2 1LS

SCANDINAVIAN VILLAGE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011.

Principal activities
The principal activity of the company continued to be that of managing the timeshare owners' residential properties at Scandinavian Village, Aviemore, Inverness-shire.

Directors
The following directors have held office since 1 January 2011:

E Monks
J McKie
M Pollock
T B Moar
J D Doyle
J Falconer

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' 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.

SCANDINAVIAN VILLAGE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

E Monks
Secretary
23/3/2012

SCANDINAVIAN VILLAGE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCANDINAVIAN VILLAGE LIMITED

We have audited the financial statements of Scandinavian Village Limited for the year ended 31 December 2011 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SCANDINAVIAN VILLAGE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 and the directors' report in accordance with the small companies regime.

Jamie Waugh (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

27 March 2012

Chartered Accountants
Statutory Auditor

Clava House
Cradlehall Business Park
Inverness
IV2 5GH

SCANDINAVIAN VILLAGE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover		735,736	714,628
Administrative expenses		(843,061)	(801,273)
Other operating income		24,591	8,730
Operating loss	2	(82,734)	(77,915)
Investment income	3	33,154	11,768
Other interest receivable and similar income		6,791	12,971
Amounts written off investments	4	(10,854)	9,708
Loss on ordinary activities before taxation		(53,643)	(43,468)
Tax on loss on ordinary activities	5	-	-
Loss for the year	13	(53,643)	(43,468)

SCANDINAVIAN VILLAGE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	6		6,890		8,611
Investments	7		365,529		349,440
			372,419		358,051
Current assets					
Debtors	8	49,772		37,132	
Cash at bank and in hand		154,450		308,443	
		204,222		345,575	
Creditors: amounts falling due within one year	9	(140,918)		(214,260)	
Net current assets			63,304		131,315
Total assets less current liabilities			435,723		489,366
Creditors: amounts falling due after more than one year	10		(96,730)		(96,730)
			338,993		392,636
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account	13		337,993		391,636
Shareholders' funds			338,993		392,636

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 23 March 2012

E Monks

E Monks
Director

Company Registration No. SC070383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	20% reducing balance

Initial purchases of furniture, fixtures and fittings are treated as tangible fixed assets; replacement expenditure is charged to the profit and loss account.

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Pensions

The company makes contributions into the personal pension funds of certain employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.6 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Operating loss

	2011	2010
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	1,721	2,152
Auditors' remuneration	4,500	4,000
Directors' remuneration	30,000	28,960

3 Investment income

	2011	2010
	£	£
Income from fixed asset investments	33,154	11,768
Bank interest	2,461	7,415
Other interest	4,330	5,556
	39,945	24,739

4 Amounts written off investments

	2011	2010
	£	£
Amounts written off fixed asset investments:		
- diminution in value	10,854	-
Amounts written off investments in prior years written back:		
- fixed assets	-	(9,708)
	10,854	(9,708)

5 Taxation

On the basis of the results in the current and prior years no provision has been made for corporation tax.

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2011 & at 31 December 2011	34,244
Depreciation	
At 1 January 2011	25,633
Charge for the year	1,721
At 31 December 2011	27,354
Net book value	
At 31 December 2011	6,890
At 31 December 2010	8,611

7 Fixed asset investments

	Listed investments £
Cost	
At 1 January 2011	349,440
Additions	54,194
Revaluation	(10,854)
Disposals	(27,251)
At 31 December 2011	365,529
Net book value	
At 31 December 2011	365,529
At 31 December 2010	349,440

	Market value £
At 31 December 2011	376,770
At 31 December 2010	401,799

The directors provided for a diminution in value of investments in 2008 for an amount of £84,102 due to market conditions at the time. A further provision for diminution in value of investments was done this year and as a result there has been a reduction in the value of investments by £10,854. The directors have considered the current valuation of investments previously provided for and have written back £Nil of the provision in the year (2010 - £9,708). The amount of the remaining provision against shares that can be written back to book cost is £44,848.

8 Debtors

	2011 £	2010 £
Trade debtors	4,582	211
Other debtors	45,190	36,921
	49,772	37,132

9 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	31,066	82,523
Taxation and social security	3,977	19,369
Other creditors	105,875	112,368
	140,918	214,260

10 Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Other creditors	96,730	96,730

11 Pension costs

During the year the company made contributions of £4,063 (2010 - £4,329) into certain of its employees' personal pension funds. At the year end £972 (2010 - £940) remained outstanding.

12 Share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

13 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 2011	391,636
Loss for the year	(53,643)
Balance at 31 December 2011	337,993

14 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012:

	2011	2010
	£	£
Operating leases which expire:		
In over five years	55,000	55,000

The company holds a 99 year lease which is due to expire in 2079.

The lease permits the lessee to build property on the ground being leased for the purpose of the company operating and managing the business of running a timeshare. The timeshare owners own 'the joint right of ownership and the exclusive right of occupancy of the time unit.' The buildings are not owned by Scandinavian Village Limited nor are they owned by the principal entity Scandinavian Village Association.

15 Control

The company's ultimate parent undertaking and controlling party is Scandinavian Village Association which owns 100% of the issued share capital of the company.

SCANDINAVIAN VILLAGE LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2011

SCANDINAVIAN VILLAGE LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

		2011		2010
	£	£	£	£
Turnover				
Sales income		735,736		714,628
Administrative expenses		(843,061)		(801,273)
		(107,325)		(86,645)
Other operating income				
Rent receivable		24,591		8,730
Operating loss		(82,734)		(77,915)
Other interest receivable and similar income				
Bank interest - received	2,461		7,415	
Other interest - received	4,330		5,556	
		6,791		12,971
Income from investments				
Dividends received	13,679		9,267	
Profit/(loss) on disposal of listed investments	19,475		2,501	
		33,154		11,768
Amounts written off investments				
Fixed asset investments write down	10,854		-	
Amounts written back on fixed asset investments	-		(9,708)	
		(10,854)		9,708
Loss before taxation	7.29%	(53,643)	6.08%	(43,468)

SCANDINAVIAN VILLAGE LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	£	£
Administrative expenses		
Wages and salaries (excl. N.I.)	85,863	78,997
Directors' remuneration	30,000	28,960
Employer's NI contributions	14,788	14,268
Staff pension costs	4,063	4,329
Staff training	748	651
Meeting expenses	4,980	7,337
Ground rent and common charges	63,845	58,578
Rates	44,349	32,042
Insurance	13,208	11,549
Light and heat	58,808	57,507
Property maintenance	265,444	232,251
Contract maintenance	1,165	6,541
Inventory replacement	26,823	21,984
Maintenance salaries	52,453	50,723
Cleaning & housekeeping wages	97,976	97,206
Cleaning	15,036	14,747
Waste disposal	9,278	9,447
Printing, postage and stationery	7,947	8,509
Advertising	3,247	1,195
Leisure club fees	-	28,138
Computer running costs	5,992	1,603
Telephone	7,801	7,802
Transport costs	117	-
Legal and professional fees	3,369	7,403
Investment management fees	2,173	339
Audit fees	4,500	4,000
Bank charges	5,902	6,281
Bad and doubtful debts	5,013	978
Sundry expenses	6,452	5,756
Depreciation on fixed assets	1,721	2,152
	843,061	801,273