

SCANDINAVIAN VILLAGE LIMITED
BUDGET-FORECAST-ACTUAL COMPARISON 2012

	Budget 2012	Forecast 2012	Actual 2012
Management Account			
Income			
Fees & Levy	652,350	652,350	652,350
Rentals Commission	18,060	17,000	16,189
Resales Commission	3,600	2,000	2,550
Assignment Fees	4,400	2,800	3,417
Net Dividends	10,000	10,000	12,262
Bank etc Interest	3,000	4,528	10,077
Electricity	48,000	40,000	45,614
Telephone	150	5	4
Pets Cleaning Charge	4,000	4,500	4,814
Video/DVD Hire	1,100	1,000	851
Late Payment Penalty	1,200	900	846
Rent Inc. Flat 66	11,000	8,400	7,011
Shutdown Rentals	6,000	6,000	3,785
Rental Income Week 30A	-	-	-
Profit(Loss) on Sale of investments	-	1,478	8,021
Profit on Sale of Term Units	-	-	402
Total Income	762,860	748,005	768,193
 Less Total Expenditure (details overleaf)	 763,277	 748,449	 737,325
 Net Surplus/Deficit	 -417	 -444	 30,868
Transfer to/from Reserves	417	444	-30,868
Net Overall Surplus/Deficit	0	0	0
 Major Project Expenditure			
Snow Boards	9,000	5,000	5,000
Carpets/Curtains/Furniture	84,000	74,949	69,234
Members' Lounge area	20,000	22,000	24,717
New Windows		1,000	-
Unit 66 kitchen		4,500	5,595
Total Internals	113,000	107,449	104,546
 Administration			
Other Office Equipment	1,000	829	909
Total Administration	1,000	829	909
 Total Major Projects	 114,000	 108,278	 105,455

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	Budget 2012	Forecast 2012	Actual 2012
Expenditure			
Directors' Fees	31,534	31,534	31,534
Management Salaries	92,672	94,607	91,642
Housekeeping Salaries	107,858	108,164	97,314
Maintenance Salaries	63,306	66,370	63,726
Payroll Oncosts/Healthcare	24,608	24,587	22,778
Electricity	64,500	55,000	62,705
Telephone (Units & Office)	5,135	4,250	4,629
Video/DVD costs	2,000	2,000	2,002
Broadband costs	2,000	1,940	1,942
Print Post Stationery	9,360	7,800	8,168
Advertising	3,700	2,600	2,625
Cost of Meetings	5,400	5,200	4,837
Professional Fees	10,400	9,900	9,444
Bank Charges	6,200	7,400	5,159
Staff Training/Uniforms & PPE	1,200	1,300	1,643
Depreciation	1,375	1,375	1,376
Rates	43,300	47,037	44,534
Ground Rent & Common Charges	59,500	59,500	61,427
Insurance	12,000	12,000	12,486
Contract Maintenance	8,960	7,601	8,144
Inventory Replacement	23,000	22,000	21,523
Property Mtce & Transport	23,100	22,300	26,444
Grounds Maintenance	10,200	9,500	9,962
Welcome Meetings	1,100	650	816
Cleaning & Laundry Materials	16,000	14,000	14,000
TV Licences	1,820	1,820	1,746
Miscellaneous	3,000	2,536	2,814
Bad Debts	3,000	5,000	5,064
Invest Mgrs Fees	2,200	2,200	1,987
Refuse Collection	10,850	10,000	9,399
Major Project (see details)	114,000	108,278	105,455
Total Expenditure	763,277	748,449	737,325

SCANDINAVIAN VILLAGE LIMITED

FINANCE DIRECTOR'S REPORT ON THE AUDITED ACCOUNTS OF SCANDINAVIAN VILLAGE LIMITED FOR THE YEAR 2012

Introduction. The purpose of this Report is to provide a comparison between the figures contained within the Audited Accounts for 2012 with those in the Forecast Outturn for that year as supplied to you for the EGM last November. This is in keeping with the policy adopted since 2011 when the date of the AGM was changed from April to November.

Audited Accounts. Messrs Johnston Carmichael have again acted as our Auditors for the 2012 accounts, and have been appointed to audit the 2013 accounts in due course. A full copy of the audited accounts is available on the Members' Section of our website. If you do not have access to the website but require sight of the full audited accounts then please request a copy from the office.

Valuation of Listed Investments. You may recall that since December 2008 the Board has been obliged to record a change in the value of the Company's listed investments to reflect year-end market values until such time as the losses written off in 2008 have recovered their value. No adjustment is required to the value of the investments held at 31 December 2012, but some investments which had previously been written down in value were sold during 2012 for more than their written down value, and this resulted in a profit of £8021 on disposal of those listed investments.

Accounts for the Year ended 31 December 2012. Included within these papers you will find a spreadsheet giving a comparison of **Budget/Forecast/Actual Income and Expenditure for 2012**. These figures are presented in the format of our monthly management accounts and are in the style in which we present the usual Budget papers to members. The vast majority of figures are directly comparable with those in the Statutory Accounts, but there are a few instances where the auditor has grouped some costs under different headings. Apart from these few presentational issues the two sets of accounts are in harmony. Many points of detail were covered in the report for the EGM last November, and this report focuses only on the major variances (in excess of £2000) between the Forecast made last November and the Actual for the year.

Dividend income was £2262 higher than Forecast. Company dividends can fluctuate widely and are difficult to budget accurately. Unlike 2011, there were no special dividend payments, but simply a general increase in the amount paid across the spectrum.

Every effort is made to secure additional **bank interest** by investing surplus funds. We exceeded our Forecast by £3521 by these investments, and the balance of £2028 was due to an over-accrual by the auditor when he closed off the accounts. This £2028 will be reversed in 2013's accounts.

Electricity income was higher than forecast, but so also was electricity expenditure. When the Forecast was prepared (in August/September 2012) the indications were that our consumption was reducing due to various cost-saving strategies. The last quarter of the year, however, turned out to be much colder than had been anticipated, with the result that consumption and income increased.

The take-up of **shutdown rentals** was not nearly as successful as we had anticipated, no doubt partly due to the economic environment.

Management Salaries contain an allowance for the employment of an additional office assistant during the busier months. The General Manager was able to achieve a salary saving of £2965 within this cost centre. **Housekeeping Salaries** fluctuate with the load-factor on the Resort, and tight controls on the use of Saturday housekeeping staff has enabled a saving of £10850 compared to the Forecast. The saving of £2644 in **Maintenance Salaries** is due to a period of understaffing pending the replacement of the handyman.

By affiliating to the Scottish Tourist Board we were able to negotiate reduced credit card charges, resulting in a saving of £2241 against Forecast. All costs under the heading of **Bank Charges** in fact relate solely to **Credit Card** charges as we had negotiated zero bank charges many years ago.

The two elements that make the **Rates** Budget/Forecast difficult to predict are water charges and the amount of Small Business Bonus Relief claimed by owners. We encourage owners and other guests to be environmentally aware and minimise wastage.

Property Maintenance costs are overspent because we were able to undertake increased general property maintenance in-house (such as redecorating), despite being several weeks without a handyman.

Having criticised the auditor for his over-accrual of bank interest income (see above), I must now compliment him on the fact that when he closed the 2011 accounts he quite correctly accrued charges for **Curtains** (£8984). He duly notified me that he had made this accrual in the 2011 accounts, but when I closed the 2012 accounts I forgot that he had done this. Although the cost of Curtains & Carpets should have been reduced by this £8984, other costs were incurred which resulted in a net saving of £5715. Additional costs were also incurred in creating the Members' Lounge Area.

Eddie Monks.
Finance Director

SCANDINAVIAN VILLAGE LIMITED

ADMINISTRATION DIRECTOR'S REPORT MAY 2013

SALE OF LICENCES: The austerity that has enveloped most of Europe has not been kind to the sale of timeshare weeks. From what we know the country most affected by this hardship is Spain where whole timeshare complexes have closed. The SVL policy of putting repossessed weeks into the hands of owners who have the ability to pay the invoice is a contributing factor in allowing me to report that we have been able to re-issue 63 Licences since the 1 January 2013. The contribution made by the staff in the office should not be underestimated and we appreciate their tireless efforts. What visitors do comment on regularly whilst visiting the Village is the condition of the grounds and this could well be another reason that people consider buying, this is a credit to Adrian and his work.

LICENCES: We would like to appeal again to Owners who have Licence(s) that predate the new aligned Licence. If your name, address or other detail has changed, or your Licence is damaged or even destroyed your Licence can be replaced for a new one by contacting the office and it will be issued without charge.

ADVERTISING: Over many years we have used various newspapers and magazines to advertise the weeks we held for sale and also to encourage the rental business. What never became absolutely clear was what affects the advertising had on our rentals. A decision was taken to withdraw from all newspaper and magazine advertising and concentrate on online rentals mainly through our own website and others. However, the Scotsman Newspaper Group approached us with an offer for an advert in their newspapers six days a week and a listing on their website for a year at a very competitive rate which we accepted.

WEBSITE: We do not view the website as an inanimate object and seek to advance the usefulness of it. An Owner has approached us of recent weeks and has generously offered to make a video of the interior and exterior of Scandinavian Village. His offer has been accepted and work has already started to record and edit the video. Upon completion the video will be uploaded to the website and will give visitors to the website, throughout the world, a structured view of the exterior and interiors of the Village. This will be in addition to our webcam that has an uninterrupted view over to the Cairngorm.

GREEN ISSUES: Last year we reported that Green Tourism had awarded Scandinavian Village a Bronze Award. During the past six months Joe Doyle has worked hard and given his time interconnecting with Green Tourism. We are pleased to report that Green Tourism has of recent days confirmed that we now have that coveted Silver Award. Studies show that people who rent timeshare take into consideration the green policies of companies offering rentals and we have treated that as a matter of importance.

TRIPADVISOR: Tripadvisor is the biggest website in the world where people look at the comments of others before planning a holiday. The Scandinavian Village page on the site has many favourable comments. If you have visited to the Village recently, or are planning to come, you could add your comments on the TripAdvisor website.

EXCHANGE COMPANIES: We have numerous contacts with the three main exchange companies throughout the year. The comment has been made before, but worth repeating, that Dial an Exchange has published a report stating that Scandinavian Village is their 7th most requested timeshare resort in Europe.

John Falconer
Administration Director

SCANDINAVIAN VILLAGE LIMITED

FACILITIES DIRECTOR'S REPORT MAY 2013

The few months since the EGM in November 2012 have been relatively quiet in so far as major works are concerned but this does not mean that the staff members are taking it easy.

We have taken the opportunity to carry out various maintenance works, many of which are small in nature and too numerous to cover in this report. A few of the more important tasks include the resealing of shower units; rendering and painting of window surrounds; treating all the outside bench tables with suitable preservative; replacing hinges to the external doors where required.

The Facilities Manager is preparing and training appropriate staff to carry out Portable Appliance Testing (known as PAT Testing), which is a process by which all electrical appliances are routinely checked for safety.

It was our intention, earlier this year, to start the replacement of bed settees but following trials, a few faults were discovered in the opening mechanism. We have therefore decided to change to a new manufacturer and as soon as negotiations are finalised on the product, the replacement programme will start.

We are determined to develop more efficient ways of using energy and utilities. We are carrying out trials with a new room thermostat, which could lead to the replacement of the existing original ones. A new showerhead is on trial and should reduce the amount of water required and less energy to heat it. The tests so far are very encouraging.

We will shortly be upgrading the children's play area with a new surface and additional activity.

The grounds continue to be maintained to a high standard.

The major work planned this year during the shutdown period is the replacement of roof tiles and associated work with fascia boards and gutters. The first phase extends to Villa block 1 (Nos 1 – 9). The remaining blocks will be carried out over the next few years.

John McKie
Facilities Director