

**SCANDINAVIAN VILLAGE ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

## **SCANDINAVIAN VILLAGE ASSOCIATION**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF SCANDINAVIAN VILLAGE ASSOCIATION**

We have audited the financial statements of Scandinavian Village Association for the year ended 31 December 2010 which comprise the statement of income & expenditure, the balance sheet and the related notes. These financial statements have been prepared in accordance with the applicable accounting policies set out therein.

This report is made solely to the Association's members, as a body. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of the Committee and Auditors**

The Association Committee's responsibilities for preparing the financial statements in accordance with the Association's rules are set out in the Statement of the Committee's Responsibilities on page 3.

Our responsibility is to audit and express an opinion on the financial statements in accordance with 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 association'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.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the Association at 31 December 2010 and of the Income and Expenditure for the year then ended.

**SCANDINAVIAN VILLAGE ASSOCIATION**

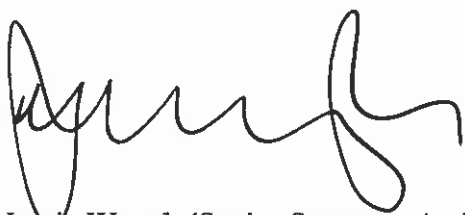
**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF SCANDINAVIAN VILLAGE ASSOCIATION (continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where best practice 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.



Jamie Waugh (Senior Statutory Auditor)  
For and on behalf of Johnston Carmichael  
Chartered Accountants  
Statutory Auditor

Dated: *21 March 2011*

Clava House  
Cradlehall Business Park  
Inverness  
IV2 5GH

**SCANDINAVIAN VILLAGE ASSOCIATION**

**BALANCE SHEET**

**31 DECEMBER 2010**

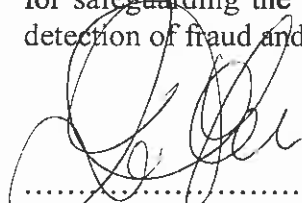
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Assets Employed</b>		
Investment in Scandinavian Village Limited	1,000	1,000
Loan to Scandinavian Village Limited	96,730	96,730
<b>Current Assets</b>		
Cash at Bank	-	-
<b>Current Liabilities</b>		
Creditors	-	-
<b>Net Current Assets</b>	<u>-</u>	<u>-</u>
<b>Funds Employed</b>	<u><b>97,730</b></u>	<u><b>97,730</b></u>

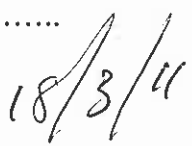
**Statement of the Committee's Responsibilities**

The Constitution of the Association requires the Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing these financial statements, the committee is required to:

- (i) Select suitable accounting policies and then apply them consistently;
- (ii) Make judgements and estimates that are reasonable and prudent;
- (iii) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Association. They are also responsible for safeguarding the assets of the Association and taking reasonable steps for the prevention and detection of fraud and other irregularities.

  
.....  
John Falconer, Chairman

Approved by the Committee on 

**SCANDINAVIAN VILLAGE ASSOCIATION**

**INCOME AND EXPENDITURE ACCOUNT**

**YEAR ENDED 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Levy	<u>332,071</u>	<u>336,443</u>
<b>Expenditure</b>		
Gift to Scandinavian Village Limited	<u>332,071</u>	<u>336,443</u>
(Deficit)/Surplus for the year before taxation	-	-
Taxation	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

# **SCANDINAVIAN VILLAGE ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2010**

### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable law and United Kingdom Accounting Standards.

#### **Levy**

The levy income shown in the income and expenditure account represents amounts received during the year exclusive of Value Added Tax.

This levy is gifted annually to our Management Company Scandinavian Village Limited.

### **2. Assets: Loan to Scandinavian Village Limited**

This is the residual amount remaining after the construction and sale of the timeshare units and continues as a loan to Scandinavian Village Limited on an interest free basis. There are no fixed terms of repayment.

### **3. Related party transactions**

Six of the Committee members, namely J McKie, E Monks, T B Moar, M Pollock, J D Doyle and J Falconer are currently appointed as Directors to Scandinavian Village Limited.