



SCANDINAVIAN VILLAGE ASSOCIATION

Scandinavian Village, Aviemore, Inverness-shire PH22 1PF
Telephone: Aviemore (01479) 810500 Fax: (01479) 811604
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May 2018

Dear Owner,

As Chairman of Scandinavian Village Owners Association, it is my pleasure to give you an update on what has been happening at Scandinavian Village since the last AGM in November, the minutes of which are enclosed.

Your committee meet on several occasions throughout the year with the Finance and Facilities Directors attending separate meetings with outside agencies such as Accountants, Auditors, Financial Advisors, Scottish Transport Executive, Scottish Energy Trust, Contractors and Suppliers.

Facilities: You will note from the attached Facilities Directors Report that the programme of upgrading the units continues throughout the Village. A programme of refurbishment as stated in the report has now been authorised by the committee. During the shutdown the severe weather conditions were extremely hazardous causing major disruptions to the programme. Our sincere thanks must go to Miriam Grant our General Manager for overseeing and adjusting the programme to suit the conditions.

The new shopping outlet close to Scandinavian Village now has Home Bargains, Costa and Superdrug open for business, with ALDI, Tiso and Speyside Distillery Company opening soon.

Finance: The annual audit of SVL and SVA accounts has been completed. Copies of the audited accounts can be downloaded from the Member's Section of the website.

Website: Development work continues on our website, with a new portal for the payment of Member's fees. This facility can be found under the Members section and can also be used for pre-payment of fees so units can be banked with exchange companies for future years.

Data Security: The new General Data Protection Regulation (GDPR) comes into effect on 25 May 2018. We take the protection of personal data very seriously and training is in hand for the relevant staff members.

Your personal information will only be used for direct communication between SVL and the owners, and any data we hold will be securely disposed of after use.

In order to ensure we have your latest contact details, can you please complete and return the enclosed contact form by post or email.

Feedback: Awards and good reviews have been received from outside agencies such as RCI, Booking.com, Trip-advisor and Green Tourism Scotland. This could not be achieved without the hard work, dedication and commitment of the General Manager Miriam Grant and all her staff.

Exchange companies: I would remind Owners who are members of an exchange company that they must pay their management fees in advance, prior to placing their weeks with an outside agency, for whatever year they wish to exchange.

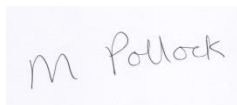
With regards to RCI Points Scheme the policy at SVL is that Owners who have transferred their weeks to the scheme and have not paid their management fees by the due date in any calendar year, that Unit/week will be blocked and therefore unavailable to RCI Points until the said management fees are paid in full. RCI Points will be notified of any defaulters.

Closing comments: The Association Committee consists of 6 members, of which, by rotation, 2 stand for re-election at each AGM. I would like to take this opportunity to remind members that if they would like to stand for election as an Association Committee member, they must be the registered first named person on their Licence. Their nomination should be forwarded to the Secretary of SVA with their curriculum vitae to reach the Secretary by no later than 31 August in the relevant year.

Being a member of the Association Committee is both interesting and rewarding, so please give some thought to joining the Committee and if you have any questions please do not hesitate in contacting me at chairman@scandinavian-village.co.uk

Members who have an e-mail address and have not yet given it to the office could you please consider doing so, as this will reduce our postage costs and allow us to send documents electronically. Similarly, if members could use the Direct Debit System for their annual management fees and complete and return the enclosed mandate form to the office it would be most appreciated.

Yours sincerely,

A handwritten signature in black ink that reads "M Pollock". The signature is written in a cursive style and is placed on a light blue rectangular background.

Moira Pollock,
Chairman of SVA.

Documents Enclosed:

Comparative Statement of Income & Expenditure of SVL for year ended 31 December 2017.

Report by the Finance Director SVL.

Report by the Facilities Director SVL.

SVA – Regulations in regard to the appointment to the Committee.

SVA – AGM 2017 Minutes

Direct Debit Form

Contact Form

SCANDINAVIAN VILLAGE LIMITED			
BUDGET-FORECAST-ACTUAL COMPARISON 2017			
	Budget	Forecast	Actual
	2017	2017	2017
Management Account			
Income			
Fees & Levy	706,661	706,661	706,661
Rentals Commission	15,500	16,500	17,886
Resales Commission	3,000	3,100	3,343
Assignment Fees	5,000	2,900	3,620
Net Dividends	15,200	19,000	21,288
Bank etc Interest	16,000	17,000	22,517
Electricity	45,000	41,000	40,863
Cleaning Services	5,000	5,500	6,199
Late Payment Penalty	600	600	722
Rent Inc. Flat 66	21,500	24,000	24,080
Solar PV Generation Income	1,400	1,300	1,029
Profit(Loss) on Sale of investments	-	4,375	5,506
Total	834,861	841,936	853,714
Expenditure			
Directors' Fees	34,164	34,164	34,159
Management Salaries	107,513	112,692	111,602
Housekeeping Salaries	138,539	137,034	130,964
Maintenance Salaries	50,571	50,571	53,779
Payroll Oncosts/Healthcare	26,220	27,109	22,502
Electricity	70,500	63,000	66,306
Telephone & Broadband	4,200	3,425	3,353
Print Post Stationery	6,900	6,600	6,194
Advertising	3,000	2,500	1,339
Bookings.com Fees	3,700	4,320	4,380
Cost of Meetings	5,150	5,700	6,445
Professional Fees	12,400	10,700	9,863
Bank Charges	7,500	6,500	6,964
Staff Training/Uniforms & PPE	1,500	800	1,695
Depreciation	8,019	13,430	13,777
Rates	53,515	51,500	54,717
Ground Rent & Common Charge	76,000	81,000	74,156
Insurance	13,310	13,720	12,467
Contract Maintenance	13,383	17,093	17,437
Inventory Replacement	25,000	25,000	24,996
Property Maintenance	22,250	30,460	35,764
Grounds Maintenance	8,500	2,500	4,389
Guest Services costs	1,300	1,000	1,346
Cleaning & Laundry Materials	16,000	15,500	16,556
TV Licences	1,746	1,400	1,750
Miscellaneous	300	790	983
Bad Debts	4,500	4,000	3,144
Invest Mgrs Fees	4,500	4,250	4,641
Refuse Collection	11,000	11,800	10,899
Major Project (see details)	103,300	143,252	159,281
Total Expenditure	834,480	881,810	895,848
Net Surplus/Deficit	381	-39,874	-42,134
Note : The next Week 30A is in 2022			

	Budget	Forecast	Actual
	2017	2017	2017
Major Project Expenditure			
Carpets/Flooring/Lino	10,000	10,000	13,416
Front Door Refurb		1,146	1,146
Replacement of Artex Ceilings		8,300	8,047
Roof tiles/Windows/Fascias	80,000	-	
Decorating		30,000	7,800
Upgrade Plumbing		50,000	86,892
Doors, Fascias, & Skirtings	10,000	4,820	9,492
New Windows		30,000	23,502
Total Maintenance Refurb	100,000	134,266	150,295
Administration Projects			
Computers etc	3,300	500	500
Phone System Upgrade		8,486	8,486
Total Administration	3,300	8,986	8,986
Major Projects expensed	103,300	143,252	159,281
Capitalised Projects			
Laundry Equipment		11,291	11,291
Heating System		15,763	17,500
		27,054	28,791

SCANDINAVIAN VILLAGE LIMITED

FINANCE DIRECTOR'S REPORT ON THE AUDITED ACCOUNTS OF SCANDINAVIAN VILLAGE LIMITED FOR THE YEAR 2017

Introduction. The purpose of this Report is **(a)** to provide a reconciliation between the Audited Accounts for 2017 and the Company's Management Accounts, and **(b)** to explain the major variations between the Management Accounts Actual Results for 2017 and the Forecast Outturn for that year as supplied to you for the AGM last November.

(a). Audited Accounts. Messrs Johnston Carmichael have again acted as our Auditors for the 2017 accounts, and have been appointed to audit the 2018 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.

The major difference between the Audited Accounts and the Company's Management Accounts lies in the Valuation of Listed Investments & FRS 102. I have previously explained 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. Last year I further explained that the position had moved on since 2008 due to the UK Accountancy bodies having decided to adopt Financial Reporting Standard 102 (FRS 102). In summary this now means that since 2016 all investments have to be shown at market value rather than the historical book cost, and the change in market value during the year has to be reflected in the Profit & Loss Account. You will see from the attached **Management Accounts** that the Company shows a loss of £42,134 while the **Audited Accounts** show a loss of £2,009, a difference of £40,125. This additional income comes from an audit adjustment of £41,246 in respect of "Change in fair value of financial assets measured at FVTPL", but it is then reduced by a further audit adjustment of £1121 for last year's Corporation Tax. This further adjustment of £1121 should not have been made and it will be corrected in the 2018 accounts. Comparison of the **Balance Sheet** values between the **Audited Accounts** and the **Management Accounts** is even more tortuous, all because of the notional values introduced by FRS102, including a notional taxation liability of £17,635, and I do not propose to go into the detail of this comparison.

Any gains or losses arising from the revaluation of investments under FRS 102 are purely notional as they only become "real" when the assets are realised. Accordingly they are ignored by HMRC in the calculation of Corporation Tax liability. I expressed my personal view of FRS102 in last year's report and I shall not repeat it here.

(b). Management Accounts. Included within these papers you will find a spreadsheet giving a comparison of the **Budget/Forecast/Actual Income and Expenditure for 2017**. 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 each year.

Many points of detail were covered in the report for the AGM last November, and the rest of this report focuses only on the major variances (in excess of £2,000) between the Forecast made last November and the Actual results for the year.

Net Dividends. We opened a second portfolio of stock market investments through Investec in February 2016, and 2017 is the first full year of income from that investment. This, combined with a generally good market performance, has resulted in increased income.

Bank Interest Received. We take a cautious approach to budgeting income from investments, especially bank interest, where we have to predict cash-flow. Nevertheless, we continued our policy of placing temporarily surplus funds with Peer-to-Peer lending institutions and this was much more successful than we had dared to expect.

Housekeeping Salaries. House-keeping salaries depend on two major functions – occupancy levels during the year and the amount of refurbishment work done during the shutdown period. There were major changes to the nature of work done during the shutdown and this impacted on house-keeping costs. The balance was simply due to the Forecast having been over-estimated.

Maintenance Salaries. We employed an additional handyman during November & December to catch up on repairs to patios and pathways.

Payroll Oncosts. This heading covers employer's pension and national insurance contributions etc. The Budget had included a deduction of £3000 for NIC Compensation, but this was inadvertently overlooked when the Outturn was prepared.

Electricity Costs. November and December were colder than expected.

Rates. The overspend is partly due to an increase in the number of claims by owners for Small Business Bonus Relief and also to the fact that the December water bill was wrongly charged twice and the duplicate charge was not noticed until after the accounts had been audited. It has been corrected in 2018.

Ground Rent & Common Charges. When the Outturn was being prepared it was thought that the previous year's Common Charges costs had not been fully taken into account, and additional provision was made for those costs. Further examination at the year-end revealed this was not the case, and the additional provision was not required.

Property Maintenance. New coat hooks and hat-racks were fitted in all units during 2017. This cost was not budgeted.

Major Project costs. Each year we plan to carry out Major Project works to a value of around £120,000 to £150,000 to ensure that the fabric of the buildings is maintained and/or refurbished to a good standard. Most of the work is done during the shutdown period in November/December, and this is some 15 months after the budget for that work was approved. Because of this, the work-plan is deliberately kept quite dynamic and flexible to enable the Board to react to more pressing matters than those originally budgeted. It is often, therefore, extremely difficult to make a meaningful comparison between the work originally budgeted and the work actually undertaken. Nevertheless, please rest assured the Board always works in the best interests of the members. To meet audit requirements, the costs of the new laundry equipment and the new heating installation were charged to capital. More details of the work done are contained in the Facilities Director's Report.

Eddie Monks
Finance Director

SCANDINAVIAN VILLAGE LIMITED

FACILITIES DIRECTOR'S INTERM REPORT MAY 2018

The shutdown period of 5 weeks in November-December is normally used to carry out major project work and general maintenance, which cannot be completed safely when units are fully occupied.

Major project work that were due to be carried out included the fitting of the remaining kitchens, bedrooms, and Velux windows, decorating of units following completion of plumbing work and general maintenance that was identified during the inspection of units and grounds.

Due to the extremely poor weather conditions that were prevalent during the shutdown period the work on the windows had to be postponed. This work will be completed over the coming months as and when units can be released by the General Manager. The decorating programme was cancelled due to problems that became apparent during the pilot scheme.

The pilot scheme was initiated by the committee starting late September 2017 to ascertain the costs, time required and feasibility of the tasks to which we are aiming to achieve. The pilot scheme involved units 5, 9, 34, 43, general office and facilities block. The following projects were to be included: lowering of the ceilings, new heating system, decorating of units and replacement of internal doors, fascias and skirting's.

Due to the success of the pilot schemes in identifying problem areas and the benefits in carrying out the work as a complete refurbishment of each unit, your committee has decided to begin Phase1 of the refurbishment programme starting 2018 shutdown.

Going forward a schedule of works will now be put in place for the replacement of the existing heating system with Herschel Infrared Heating, up-grading and repositioning of the electric power points and hard wiring of the smoke alarms, replacement of existing internal doors with 30 minute Solid Oak Fire Doors, replacement of fascias and skirting's, lowering of ceilings and the installation of new plasterboard to all internal walls. (The final item has been included due to the problems incurred during the re-decoration phase of the pilot scheme).

The following are tasks successfully undertaken during 2017 shutdown:-

- Complete refurbishment of units 2 & 28 as stipulated in the previous paragraph. (This is now the benchmark for the refurbishment of all units).
- Replacement of the decking, wheel chair ramp and hand rails at the reception entrance. A further hand rail was fitted to the ramp at Block1 car park.
- All pathways checked for uneven or broken paving slabs and steps, replacing and re-aligning where necessary.
- Plumbing work to the villas that was programmed for later in the year was brought forward due to cancellation of decorating which means that the programme for the completion of re-plumbing is ahead of schedule. (by the end of May all villas will have been re-plumbed)
- General maintenance internal and external repairs identified during site inspection.
- General housekeeping ensuring that all units are standardised.

The programme for inventory replacement is an ongoing process and we should be proud of the standards that we maintain throughout the year. The housekeeping staff are performing well as is the grounds and maintenance personnel. All should be congratulated for their hard work which is reflected in the continued above average contribution towards the silver crown award from RCI.

Joseph Doyle
Facilities Director



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SCANDINAVIAN VILLAGE ASSOCIATION

REGULATIONS IN REGARD TO APPOINTMENT TO COMMITTEE

Each Member listed on the Scandinavian Village Association ("the Association") Register at the date upon which Notices are despatched will be entitled to nominate another Member or Members of the Association or him or herself as a Member of the Committee of the Association for any vacancy then occurring. Such nomination should be made to the Secretary of the Association for the time being, by no later than the 31 August in such year. If a nominating Member nominates a third party, then a form of consent shall be signed by the Member who is nominated. With each nomination details of the *curriculum vitae* of the nominated Member shall be provided.

When formal notice of the Annual General Meeting of the Association is given then copies of the details of each candidate shall be supplied to the Membership and a Voting Paper & Form of Proxy will be sent to each Member of the Association to permit the Members who are unable to attend the meeting to vote upon those who have been nominated as prospective Members of the Committee. If the Voting Paper & Form of Proxy has not been returned to the Secretary to arrive by no later than 48 hours before the meeting or such has been incorrectly completed it will be invalid. The determination of the Secretary of the Association for the time being shall be final as to the competence of any such Voting Paper & Form of Proxy returned.

Any candidates nominated for appointment to the Committee will attend the Annual General Meeting and may be asked by the Chairman to address the Members.

No canvassing of Members will be permitted.

Those who fall to be elected shall be those receiving the largest number of votes.

Nominations should be sent to the Registered Office of Scandinavian Village Limited, addressed as follows:

The Secretary
Scandinavian Village Association
c/o Scandinavian Village Limited
Scandinavian Village
AVIEMORE
Inverness-shire
PH22 1PF

SCANDINAVIAN VILLAGE ASSOCIATION

MINUTES OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING HELD SATURDAY 11 NOVEMBER 2017 IN THE AVIEMORE COMMUNITY SCHOOL

Present: Michael Daly, Joe Doyle, Marilyn Harrop, Eddie Monks, Moira Pollock (Chairman), Ross Scott.

The Chairman, Moira Pollock, opened the meeting by warmly welcoming the 60 members in attendance and then clarifying domestic arrangements.

As it was Armistice Day, attendees were invited to participate in a one-minute silence.

1. Apologies: The Chairman advised that she had received 7 apologies. Any member requiring a response would be contacted.

2. Chairman's Report: The Chairman highlighted the Resort's continued success: the retention by the resort of the RCI Silver Crown and Green Tourism Scotland Silver Crown Awards for 2017-18, augmented by the DAE Resort of Excellence Award for 2018.

3. Matters arising from the Minutes of the Thirty-sixth Annual General Meeting, held on Saturday 12 November 2016: The minutes had been circulated earlier in the year and no questions or comments had been received.

4. Matters arising from Accounts of Scandinavian Village Association for the year ended 31 December, 2016: The audited accounts of the Association had been circulated earlier in the year.

There was a question from V. Turnbull regarding the number of Directors. The Finance Director informed him that there were two Executive and four non-Executive Directors.

5. Matters arising from the Audited Accounts of Scandinavian Village Limited for the year ending 31 December 2016: The audited accounts of Scandinavian Village Limited had been circulated earlier in the year and there were no questions or comments.

6. Facilities Report: This was presented by Joe Doyle, who outlined future development and current pilot schemes. He was questioned about kitchen equipment and mixed crockery designs. These aspects would be looked into. In response to members, the Facilities Director also clarified details regarding the piloting of infra-red heating and agreed to inspect villa steps regarding a proposal for handrails.

7. Finance Report including statement of Forecast Outturn for the year ending 31 December 2017: This was presented by Eddie Monks. He responded to questions regarding the cost of the Employee Health Scheme (12.8%), the level at which The People's Pension Scheme comes into play (£20,000) and clarified the withdrawal of Small Business Rates Relief.

8. Consideration of Budget for 2018: The Budget for 2018 was approved. There was a query regarding the level of the "Bank etc Interest" item. The Finance Director explained that surplus funds were invested in peer-to-peer lending schemes.

9. Consideration of proposed Levy for 2018: This was approved without comment.

10. Announcement of Results of Voting on the AGM Resolutions:

RESOLUTIONS	FOR	AGAINST	ABSTAIN	PROXY	FOR+ PROXY
1: AGM Minutes 2016	276	3	3	23	299
2: SVA Accounts 31/12/16	276	3	3	23	299
3: Approval of Levy 2018	245	33	4	23	268
4: Approval of Licence Terminations					
Sub resolution 4a	275	3	4	23	298
Sub resolution 4b	275	3	4	23	298
Sub resolution 4c	275	3	4	23	298
Sub resolution 4d	275	3	4	23	298
Sub resolution 4e	275	3	4	23	298

11. AOCB: i) There was a question about availability of villas for rental over the AGM period and the speed with which they sold out. It was agreed that this would be investigated in conjunction with the General Manager. ii) There was a suggestion that with increasing costs, CPI should be used instead of RPI in financial calculations. The Constitution does not allow for this. iii) There was a query as to what would happen to Scandinavian village at the end of the 99 year lease period. The response was that the lease would be renegotiated. iv) A question was asked regarding how close the A9 dualling would come to Scandinavian Village boundaries. The response was three metres. v) In response to a question on low season weeks, it was stated that these were determined by RCI, whose rules had to be adhered to if members wished to exchange weeks. vi) In answer to a question about unpaid fees and unwanted weeks, it was stated that such weeks could be exchanged, put up for rent or for sale. The Board was keeping this matter under review. vii) Concern was expressed over possible development on land adjacent to Scandinavian Village.

The Meeting closed at 12.18

A Direct Debit Form can be downloaded from the Member's Section of the Website.