



SCANDINAVIAN VILLAGE ASSOCIATION
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June 2023

Dear Owner,

1. Here's what happened at last Year's AGM.

1 (a) Attendance. In an attempt to make the AGM more accessible to a wider group of owners we broke from tradition and held the 2022 AGM a week later than normal. This gave us the opportunity to make more accommodation available and for more days rather than just a short weekend. Unfortunately, from an attendance viewpoint it was not successful. Only 33 owners attended the meeting compared to around 65 in previous years.

1 (b) Voting. Whilst owners' attendance at AGMs is disappointing to say the least, I find it much more disappointing when I look at the tiny number of owners who took the trouble to cast their vote on the various resolutions presented. I accept that personal attendance at an AGM can be difficult for many people, but I find it extremely difficult to accept that owners can't be bothered to cast their votes, especially when online voting makes the process so simple. A total of 136 owners cast a total of 301 votes for each resolution. In other words, less than 10% of our membership took the trouble to vote. This presents a dilemma for your Committee. Should we assume that members are not interested in how the Association manages its affairs, or alternatively should we assume that they have so much confidence in the Committee's handling of the Association?

1 (c) Voting Results. Resolutions 1 to 3 which dealt with the Minutes, the Accounts, and the Levy were all passed by between 95% and 100% of the votes cast although they only required a simple majority. Resolutions 4 to 8 all related to proposed changes to the Constitution and they required 90% of all votes cast to be in favour before the Resolution could be passed. In the event, all those Resolutions were carried by votes in favour ranging from 93% to 99%. Resolutions 4, 6, 7, and 8 all related to the removal of the need to have the company's accounts audited, while Resolution 5 dealt with the location of the AGM.

1 (d). Outcomes from the Voting Results. Resolution 5 was carried by 95% of votes in favour. This enables your Committee to hold future AGMs anywhere in Scotland, and no longer restricted to Aviemore. On the strength of that vote your Committee has already decided that the **2023 AGM will be held in Edinburgh on Saturday 28 October 2023**. Hopefully this will encourage more owners to attend. The other outcome from the voting is that the 2022 Accounts will be prepared and examined (but not audited) by Johnson Carmichael, with a sizeable reduction in accountancy fees.

2. Moving forward.

2 (a) Change-over days. Members' responses to the questionnaire about the possibility of spreading change-over to Friday and Saturday were much more encouraging than the AGM voting. Some 40% of members provided feedback to our questionnaire, compared to less than 10% who voted at the AGM. The full results of the questionnaire are being evaluated by our staff, and early indications are that changes can be made that will meet everyone's hopes and expectations.

Over the next couple of months Miriam and her team will be contacting members who indicated a willingness to embrace the change-over. We will let you know how this survey progresses as soon as meaningful information becomes available.

3. Exchange Organisations.

Within the last few days we have signed a non-exclusive affiliation agreement with **Interval International** which will enable our members to exchange their units through the Interval group. We had been asked in the past to affiliate with Interval but had always refused on the grounds that their agreements were subject to the laws of the United States. The current agreement now states that it is subject to United Kingdom law (specifically the Laws of England where their UK head office is based), Interval also recognise that UK and European GDPR laws prevent the transfer of database information without the owner's consent, which SVA cannot and will not give, so initially all communication from Interval to our owners will come through SVL. Staff at Interval International are currently developing a "welcome pack" which will shortly be available to all SVL owners, via our website. We will notify you by email when this is available to view. This agreement will give owners another route for exchange. It is in addition to, and does not replace, existing exchange agreements with RCI, 7Across, and UKRE.

4. Cairngorm Mountain Railway.

The funicular railway is now back in operation after having been closed for several years due to the need for structural repairs.

5. Committee Membership. Every year we appeal for owners to come forward for election to Committee, and in the majority of cases our pleas fall on deaf ears. **Let's see if this year can be different.** SVA is run by a committee of 6 elected members, who are also appointed to the Board of the Management Company, SVL. Two of the six elected members retire annually and need to be replaced - either by re-election or by new candidates. Please give some thought to standing for election at the 2023 AGM in October. Any owner who wishes to stand for election as an Association Committee member, must be the registered first-named person on the Licence. All nominations should be forwarded to the Chairman of SVA with a curriculum vitae (limited to about 250 words) to reach the Chairman by no later than 31 August of the year in which the owner wishes to stand for election. Owners can self-nominate. There is no need to find a proposer or seconder. The Regulations covering the appointment to committee are shown in the Members' Section of the website. Being a member of the Association Committee is both interesting and rewarding. Please give it some thought, and if you have any questions please don't hesitate to get in touch by e-mailing me at chairman@scandinavian-village.co.uk.

6. Finance & Facilities.

Reports from the Finance Director and the Facilities Director are included in this pack, together with an overview of the previous year's completed accounts.

7. Accommodation in November.

For many years we've given members the opportunity to have a short holiday in Aviemore while attending the AGM. Given that the AGM will be held in Edinburgh this year, and before the site shuts down for the annual winter maintenance/refurbishment, your Committee felt that it would still be a good idea to make accommodation available for a few days immediately following the end of week 44. Accordingly, a limited number of Villas and Apartments will be available to rent on a first-come/first-served basis for the nights of Saturday 11 November, Sunday 12 November, and Monday 13 November. The charge will be £50 per night for a Villa and £35 per night for an Apartment, with a minimum charge of 2 nights' fee (i.e. £100 for a Villa and £70 for an Apartment). Electricity and Pets charges will also be applied. Week 44 Owners who wish to extend their stay beyond 11 November 2023 have no automatic right of occupancy and will need to apply within the first-come, first-served rule. Invitations to apply will be issued with the AGM papers around the end of September.

8. Constitution. The Constitution has now been updated to reflect the changes approved at last year's Annual General Meeting, and a copy is enclosed with these papers or can be accessed through the members' section of the Website.

9. Appreciation: Our staff work hard to keep the place clean, tidy and well managed, and I wish to place on record my appreciation of everyone's hard work.

Yours sincerely,



Eddie Monks
Chairman of SVA.

SCANDINAVIAN VILLAGE LIMITED
FINANCE DIRECTOR'S REPORT ON THE ACCOUNTS
OF SCANDINAVIAN VILLAGE LIMITED FOR THE YEAR 2022

At the AGM last November, it was agreed that there was no longer a need to have the company's accounts audited. Accordingly, Messrs Johnston Carmichael have prepared, but not audited, Statutory Accounts for the year ended 31 December 2022. A full copy of the accounts is available on the Members' Section of our website. If you do not have access to the website but require sight of the accounts, then please request a copy from the office.

The December Management Accounts for SVL showed a loss of £14,431. At the AGM, I advised that I anticipated our expenditure exceeding our income by around £27,000. In reality, our loss at the end of the year was a little more than half of the sum forecast. The 2022 budget put forward at the 2021 AGM showed Income totalling £1.057m and Expenditure totalling £1.095m with a shortfall of £38,000 to be met from reserves. The year end figures were Income of £1.130m and Expenditure of £1.144m.

The additional income (ie that in excess of budget) was generally in response to the high occupancy rates throughout 2022 and came primarily from Rentals Commission (£6k); Week 30A Rentals (£9k); Cleaning Charges (£9k); Electricity Income (£6k) and Dividends (£4k). We also had profits from the sale of Investments (£32k) and terminations (£7k) – these are two items that due to their unpredictability we do not budget for. The additional expenditure was incurred mainly on Cleaning and Laundry Costs (£5k); Bank Charges (£6k); our Covid 19 Business Interruption Loan Interest which was mistakenly omitted from the budget (£10k); and Refurbishment (£48k). Despite maintaining our high standard of housekeeping, we did have an underspend on housekeeping salaries and wages as we had, and still have, difficulty recruiting staff (£18k).

The Statutory Accounts and Management Accounts present our Profit and Loss in slightly different formats. Whereas our Management Accounts show a loss of £14,431, the Statutory Accounts report a loss in 2022 of £130,207. There are two presentational differences:

- (i) in the Management Accounts we recognise any loss or gain on the sale of investments (ie the sum we sold investments for less what we paid for them whereas the Statutory Accounts show an adjustment in accordance with Financial Reporting Standard 102 (FRS 102) which adjusts the Balance Sheet value of investments to show them at fair value. This adjustment includes realised gains or losses arising on disposal of investments. In recent years this adjustment has been favourable and has either increased the annual profit or, as in 2021, reduced the loss. In 2022, due to the financial climate, this adjustment reduced the value of our investments and hence increased our loss.
- (ii) we provide for Deferred Tax in the Statutory Accounts - this is an adjustment to reflect the Corporation Tax that would be payable had the fair value adjustment been realised but as no payment is made, Deferred Tax has no impact on the Management Accounts. As the FRS102 adjustment in 2022 was a reduction, our Deferred Tax liability was reduced and hence our loss in the Statutory Accounts was abated.

The loss of £14,431 in the Management Accounts can be reconciled to the loss shown in the Statutory Accounts as follows:

Income:	£
Turnover per Statutory Accounts	1,036,833
Add Other Operating income per Statutory Accounts	21,723
Add Interest receivable and similar income per Statutory Accounts	39,103
Add Gain on sale of Investments per Management Accounts	31,929
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Total income per Management Accounts	1,129,588
Expenditure	£
Administrative expenses per Statutory Accounts	1,134,088
Interest payable and similar expenses	9,931
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Total Costs per Management Accounts	1,144,019

Reconciliation of Net Profit/Loss	£
Loss per Statutory Accounts	130,207
Less Change in Fair Value of Investments (FRS 102)	107,711
Add Deferred Tax	23,864
Deduct Real Gain on sale of Investments	<u>31,929</u>
Loss per Management Accounts	14,431

If you have any questions regarding either the Management Accounts or the Statutory Accounts for the year ended 2022, please do not hesitate to contact me by email at General.Manager@scandinavian-village.co.uk.

Ross Scott
Finance Director

June 2023

SCANDINAVIAN VILLAGE LIMITED

FACILITIES REPORT

JUNE 2023

Introduction. The purpose of this report is to update Owners on works completed since the AGM and to provide general information from around the Scandinavian Village.

Staffing: The site team have continued to work to maintain the high standards of the village and are grateful for the continued co-operation and engagement of the owners and guests, especially around changeover day where our challenges continue. We are happy to receive feedback and would encourage each owner or guest to let us know if there are any improvements that we can make, or indeed if there are any areas where we are doing well.

Update since the AGM Report:

The major projects planned for November 2022 were completed as planned. Full details of the work carried out, and what is planned for this year, are contained in the Facilities Report for the AGM 2022. Thus far we have:

- Completed the refurbishment of the bathroom in Unit 28, upgrading all fittings and fixtures, installing wet wall throughout and replacing the shower over bath with a shower enclosure. This project will be a model for renovating the rest of the villa bathrooms commencing in 2024.
- New smart TVs have been installed in units 1 to 9.
- The main office area has been refurbished with the emergency escape access improved.

New boundary fencing has been erected on the north of the site, blending aesthetically with existing fencing and discouraging non-residents accessing our site via the new Bynac Mor development and re-routed orbital path.

Our scheme for removing food waste continues, please use these facilities where possible. The Waste Centre signage has been improved and we would encourage all to use the correct rubbish receptacle.

The new Fibre optic broadband is working well, we are currently investigating using the network to improve site security via upgraded CCTV.

We have agreed our new Ground rent for 2022 to 2029 with McDonald Hotels, the final amount being less than both the original increase proposed by the landlord and RPI over the period.

A Proposal of Planning Notice on behalf of Macdonald for a residential development to the South and East of our site has been submitted by their agent GH Johnston Building Consultants Ltd. I have collated our objections to these proposals and registered these both with the agent and Highland Council. I will keep all concerned appraised of these proposals as they progress.

The latest available Scottish Ministerial decision on the A9 dualling project is that it should be reviewed to determine the best procurement route for the remainder of the programme. The A9 Dualling Programme will not be completed as originally planned in 2025.

Summary:

I continue to have weekly telephone calls with the Facilities Co-Ordinator and regularly visit the site.

Finally, I hope all SVL Staff, owners, guests, and their families continue to enjoy their time spent at Scandinavian Village and continue to stay safe and well.

Gordon Mejury
Facilities Director.