

SCANDINAVIAN VILLAGE ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

SCANDINAVIAN VILLAGE ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCANDINAVIAN VILLAGE ASSOCIATION

Opinion

We have audited the financial statements of Scandinavian Village Association (the 'Association') for the year ended 31 December 2019 which comprise the Income and Expenditure Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2019 and of the Income and Expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SCANDINAVIAN VILLAGE ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCANDINAVIAN VILLAGE ASSOCIATION (continued)

Responsibilities of the Committee

As explained more fully in the Statement of the Committee's Responsibilities on page 4, the Association Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.

SCANDINAVIAN VILLAGE ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCANDINAVIAN VILLAGE ASSOCIATION (continued)

- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Association's members, as a body in accordance with our engagement letter. 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.

ADalton

**Allison Dalton (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP**

4 June 2020

**Chartered Accountants
Statutory Auditor**

**Clava House
Cradlehall Business Park
INVERNESS
IV2 5GH**

SCANDINAVIAN VILLAGE ASSOCIATION

BALANCE SHEET

31 DECEMBER 2019

	2019 £	2018 £
Assets Employed		
Investment in Scandinavian Village Limited	1,000	1,000
Loan to Scandinavian Village Limited	96,730	96,730
Current Assets		
Cash at Bank	-	-
Current Liabilities		
Creditors	-	-
Net Current Assets	<u>-</u>	<u>-</u>
Funds Employed	<u>97,730</u>	<u>97,730</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.

..... *M Pollock*

Maira Pollock, Chairman

Approved by the Committee on *22nd May 2020*

SCANDINAVIAN VILLAGE ASSOCIATION
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£	£
Income		
Levy	<u>356,774</u>	<u>334,702</u>
Expenditure		
Gift to Scandinavian Village Limited	<u>356,774</u>	<u>334,702</u>
(Deficit)/Surplus for the year before taxation	-	-
Taxation	-	-
	<u>-</u>	<u>-</u>

SCANDINAVIAN VILLAGE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the Association. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principle accounting policies are set out below.

1.1. Levy income

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.

1.2. Fixed Asset Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the Income and Expenditure account.

2. Employees

There are no employees within Scandinavian Village Association.

Six of the Committee members, namely E Monks, M Pollock, M Harrop, R Scott, M Daly and G Mejury are currently appointed as Directors to Scandinavian Village Limited.

SCANDINAVIAN VILLAGE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2019

3. Fixed asset investments

	2019	2018
	£	£
Investment in Scandinavian Village Limited	<u>1,000</u>	<u>1,000</u>

Movement in fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2019 and 31 December 2019	<u>1,000</u>
Carrying amount	
At 31 December 2019	<u>1,000</u>
At 31 December 2018	<u>1,000</u>

4. Debtors

	2019	2018
	£	£
Loan to Scandinavian Village Limited	<u>96,730</u>	<u>96,730</u>

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 for repayment.