

SCANDINAVIAN VILLAGE LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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SCANDINAVIAN VILLAGE LIMITED
COMPANY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

DIRECTORS

Michael Daly
Dawn Macfarlane
Gordon Mejury
Edward Monks
Moir Pollock
Ross Scott

SECRETARY

Ross Scott

REGISTERED OFFICE

1 Scandinavian Village
Aviemore
Inverness-Shire
PH22 1PF
United Kingdom

COMPANY NUMBER

SC070383 (Scotland)

CHARTERED ACCOUNTANTS

Johnston Carmichael LLP
Clava House
Cradlehall Business Park
Inverness
IV2 5GH

SOLICITORS

Balfour & Manson
54-66 Frederick Street
Edinburgh
EH2 1LS

SCANDINAVIAN VILLAGE LIMITED
DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and the unaudited financial statements of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of managing the timeshare owners' residential properties at Scandinavian Village, Aviemore, Inverness'shire.

DIRECTORS

The directors, who served during the financial year and to the date of this report except as noted, were as follows:

Michael Daly
Dawn Macfarlane
Gordon Mejury
Edward Monks
Moirra Pollock
Ross Scott

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:



Ross Scott
Director

Date: 2 June 2023

**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF SCANDINAVIAN VILLAGE LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Scandinavian Village Limited for the financial year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12 from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants of Scotland, we are subject to its ethical and other professional requirements which are detailed at <https://icas.com/icas-framework-preparation-of-accounts>.

It is your duty to ensure that Scandinavian Village Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Scandinavian Village Limited. You consider that Scandinavian Village Limited is exempt from the statutory audit requirement for the financial year.

We have not been instructed to carry out an audit or a review of the financial statements of Scandinavian Village Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

This report is made solely to the Board of Directors of Scandinavian Village Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Scandinavian Village Limited and state those matters that we have agreed to state to you in this report in accordance with the requirements of the Institute of Chartered Accountants of Scotland as detailed at <https://icas.com/icas-framework-preparation-of-accounts>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Scandinavian Village Limited and its Board of Directors as a body for our work or for this report.

Johnston Carmichael LLP

Johnston Carmichael LLP
Chartered Accountants
Clava House
Cradlehall Business Park
Inverness
IV2 5GH
02 June 2023

SCANDINAVIAN VILLAGE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Turnover	1,036,833	992,542
Administrative expenses	(1,134,088)	(1,275,787)
Other operating income	21,723	59,344
Operating loss	(75,532)	(223,901)
Other non-operating (loss)/income	(107,711)	71,563
Loss before interest and taxation	(183,243)	(152,338)
Interest receivable and similar income	39,103	32,933
Interest payable and similar expenses	(9,931)	-
Loss before taxation	(154,071)	(119,405)
Tax on loss	23,864	(7,088)
Loss for the financial year	(130,207)	(126,493)

SCANDINAVIAN VILLAGE LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2022**

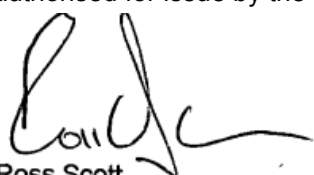
	Note	2022 £	2021 £
Fixed assets			
Tangible assets	3	134,947	168,684
Investments	4	667,013	876,185
		801,960	1,044,869
Current assets			
Debtors	5	54,378	115,989
Cash at bank and in hand		155,145	83,376
		209,523	199,365
Creditors: amounts falling due within one year	6	(571,756)	(589,643)
Net current liabilities		(362,233)	(390,278)
Total assets less current liabilities		439,727	654,591
Creditors: amounts falling due after more than one year	7	(155,000)	(215,792)
Provision for liabilities	8	(18,021)	(41,885)
Net assets		266,706	396,914
Capital and reserves			
Called-up share capital	9	1,000	1,000
Profit and loss account		265,706	395,914
Total shareholders' funds		266,706	396,914

For the financial year ending 31 December 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements of Scandinavian Village Limited (registered number: SC070383) were approved and authorised for issue by the Board of Directors on 02 June 2023. They were signed on its behalf by:


 Ross Scott
 Director

SCANDINAVIAN VILLAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Scandinavian Village Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is 1 Scandinavian Village, Aviemore, Inverness-Shire, PH22 1PF, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts receivable for managing timeshare owner's properties net of VAT and trade discounts.

Employee benefits

Short term benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

SCANDINAVIAN VILLAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20 % reducing balance
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Vehicles	20 % reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Initial purchases of furniture, fixtures and fittings are treated as tangible fixed assets; replacement expenditure is charged to the profit and loss account.

Leases

The Company as lessee

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Impairment of assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Impairment losses are recognised in profit or loss.

Fixed asset investments

Investments held in listed shares are recorded at fair value at each reporting date. Any movements in fair value are recognised in the profit and loss account. Any potential deferred tax liability arising on the notional gain from investments at fair value is recorded at each reporting date.

SCANDINAVIAN VILLAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

SCANDINAVIAN VILLAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	41	52

3. Tangible assets

	Plant and machinery	Vehicles	Total
	£	£	£
Cost			
At 01 January 2022	346,207	26,133	372,340
At 31 December 2022	346,207	26,133	372,340
Accumulated depreciation			
At 01 January 2022	181,972	21,684	203,656
Charge for the financial year	32,847	890	33,737
At 31 December 2022	214,819	22,574	237,393
Net book value			
At 31 December 2022	131,388	3,559	134,947
At 31 December 2021	164,235	4,449	168,684

4. Fixed asset investments

	Listed investments	Total
	£	£
Carrying value before impairment		
At 01 January 2022	876,185	876,185
Disposals	(101,461)	(101,461)
Movement in fair value	(107,711)	(107,711)
At 31 December 2022	667,013	667,013
Provisions for impairment		
At 01 January 2022	-	-
At 31 December 2022	-	-
Carrying value at 31 December 2022	667,013	667,013
Carrying value at 31 December 2021	876,185	876,185

SCANDINAVIAN VILLAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. Debtors

	2022	2021
	£	£
Trade debtors	6,116	-
Other debtors	48,262	115,989
	<u>54,378</u>	<u>115,989</u>

6. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	60,000	59,208
Trade creditors	27,552	20,316
Amounts owed to related parties	96,730	96,730
Other taxation and social security	6,624	-
Other creditors	380,850	413,389
	<u>571,756</u>	<u>589,643</u>

The bank loan is secured by a bond and floating charge over the company's property and undertaking.

7. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	<u>155,000</u>	<u>215,792</u>

The bank loan is secured by a bond and floating charge over the company's property and undertaking.

8. Deferred tax

	2022	2021
	£	£
At the beginning of financial year	(41,885)	(34,797)
Credited/(charged) to the Profit and Loss Account	23,864	(7,088)
At the end of financial year	<u>(18,021)</u>	<u>(41,885)</u>

The provision for liabilities relates solely to the potential deferred tax liability calculated on the notional net gain on investments measured at fair value at each reporting date.

SCANDINAVIAN VILLAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. Called-up share capital

	2022	2021
	£	£
Allotted, called-up and fully-paid		
1,000 Ordinary shares of £1.00 each	1,000	1,000

10. Financial commitments

Other financial commitments

	2022	2021
	£	£
Total commitments under non-cancellable operating leases not provided for in the accounts	4,678,122	4,066,183

The company holds a 99 year lease which is due to expire in 2079.

The lease permits the lessee to build property on the ground being leased for the purpose of the company operating and managing the business of running a timeshare. The timeshare owners own "the joint right of ownership and the exclusive right of occupancy of the time unit". The buildings are not owned by Scandinavian Village Limited nor are they owned by the principal entity Scandinavian Village Association.

11. Related party transactions

Transactions with entities in which the entity itself has a participating interest

	2022	2021
	£	£
Amounts due to parent	96,730	96,730

This loan is interest free, has no fixed terms of repayment and is included in creditors falling due less than one year.

12. Ultimate controlling party

Parent Company:

Scandinavian Village Association

Scandinavian Village, Aviemore, PH22 1PF

The company's ultimate parent undertaking and controlling party own's 100% of the issued share capital of the company.

SCANDINAVIAN VILLAGE LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover			
Sales		1,036,833	992,542
Administrative expenses			
Wages and salaries	3	(374,386)	(370,861)
Employers NI		(25,851)	(19,271)
Directors' salaries		(38,670)	(38,437)
Staff training and welfare		(1,102)	(1,421)
Meeting expenses		(8,545)	(3,214)
Rent re operating leases		(81,167)	(74,000)
Water and Waste Water Charges		(17,156)	(9,919)
Light and heat		(66,149)	(64,222)
Waste disposal		(14,571)	(8,356)
Cleaning		(23,281)	(17,646)
Internet, telephone and fax		(11,882)	(4,536)
Printing, postage and stationery		(6,466)	(6,900)
Bank charges		(15,122)	(13,415)
Insurance		(16,019)	(15,735)
Depreciation		(33,737)	(42,171)
Inventory replacement		(22,428)	(17,344)
Repairs and maintenance	2	(343,748)	(322,420)
Bad debts		(6,865)	-
Audit fees		-	(5,700)
Legal and professional fees		(8,957)	(7,843)
Advertising and PR		(11,190)	(301)
COVID-19 Licence Fee write-backs		-	(227,050)
Investment management fees		(4,872)	(5,033)
Television Licence Fees		(1,908)	(1,896)
Sundry expenses		(16)	1,904
		(1,134,088)	(1,275,787)
Other operating income			
Rent receivable		21,723	3,497
Government grants receivable		-	55,847
		21,723	59,344
Operating loss		(75,532)	(223,901)

SCANDINAVIAN VILLAGE LIMITED
DETAILED PROFIT AND LOSS ACCOUNT (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Other non-operating (loss)/income	1	(107,711)	71,563
Loss before interest and taxation		<u>(183,243)</u>	<u>(152,338)</u>
Interest receivable and similar income			
Bank interest receivable		12,461	11,243
Dividends from investments held at FVTPL		26,642	21,690
		<u>39,103</u>	<u>32,933</u>
Interest payable and similar expenses			
Bank loan interest		<u>(9,931)</u>	<u>-</u>
Loss before taxation		<u>(154,071)</u>	<u>(119,405)</u>

SCANDINAVIAN VILLAGE LIMITED
NOTES TO DETAILED PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. Other non-operating (loss)/income

	2022	2021
	£	£
Change in fair value of financial assets measured at FVTPL	(107,711)	71,563

2. Administrative expenses - Repairs and maintenance

	2022	2021
	£	£
Refurbishment costs	(291,422)	(264,658)
Contract maintenance	(18,847)	(17,526)
Property maintenance	(21,580)	(33,766)
Grounds maintenance	(11,899)	(6,470)
	(343,748)	(322,420)

3. Administrative expenses - Wages and salaries

	2022	2021
	£	£
Wages and salaries	(119,829)	(121,984)
Cleaning & housekeeping wages	(158,857)	(154,557)
Staff pension costs defined contribution	(13,593)	(15,447)
Maintenance salaries	(82,107)	(78,873)
	(374,386)	(370,861)