

Company Registration No. 01175242

**VIAD SERVICE COMPANIES
LIMITED**

Report and Financial Statements

31 December 2013



VIAD SERVICE COMPANIES LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

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VIAD SERVICE COMPANIES LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P B Dykstra
B Healey
E M Ingersoll

SECRETARY

M R Stewart

REGISTERED OFFICE

88 Wood Street
London
EC2V 7AJ

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds

VIAD SERVICE COMPANIES LIMITED

STRATEGIC REPORT

ACTIVITIES

The company acts as the parent company for UK subsidiaries of the ultimate parent company, Viad Corp. In addition, the company trades as SDD|GES and GES Healthcare managing client attendance at trade shows worldwide and as SDD Retail, selling and maintaining Retail Marketing Units (RMU's), customer service desks and kiosks.

BUSINESS REVIEW – FINANCIAL AND NON-FINANCIAL KEY PERFORMANCE INDICATORS

The Directors are pleased with another successful year in a challenging trading environment. SDD|GES have continued to win new clients, as well as achieving organic growth with existing clients, resulting in record sales revenue.

The results of the company show a pre-tax profit of £2.9m (2012: £2.2m) for the year on revenue of £28.8m (2012: £25.5m). The company has a healthy balance sheet position with net assets of £4.6m (2012: £4.4m) and a positive cash balance of £3.3m (2012: £3.2m).

The results of the company continue to develop in line with expectations and deliver sustained growth in revenue and operating income.

PRINCIPAL RISKS AND UNCERTAINTIES

Market risk

The company operates in two distinct markets: exhibitions and retail. Each market has different inherent risks and uncertainties, very few of which overlap. It is the directors' belief that working in these two markets significantly reduces overall risk and uncertainty for the business.

The management of the business and the execution of the company's strategy are subject to a number of risks. These are set out below. Risks are formally reviewed by management and appropriate procedures put in place to monitor and mitigate them.

Renewal of Contracts

The company is in the enviable position of having a substantial amount of its future revenues contracted on a long term basis. The loss of a contract could have a detrimental effect on the company although this could release equipment and resources for use in other exhibitions or events.

Cancellation of an Event at Short Notice

The consequences of the above may mean the loss of revenue and due to short notice, an inability to use the equipment on other projects, thus not generating replacement revenues.

Credit risk

Credit risk is mitigated by ensuring that a significant proportion of a contract's value is collected before the handover of the project to the client.

TREASURY

The company's treasury operates procedures designed to reduce and eliminate financial risk. The policies are approved by the ultimate parent Viad Corp and the use of financial instruments is strictly controlled.

The company's principal financial instruments comprise borrowings, cash, and various items, such as trade debtors and trade creditors that arise directly from its operations. The company does not use interest rate swaps to manage the interest rate risks arising from its operations.

PAYMENT TO SUPPLIERS

It is company policy to agree terms and conditions for its business transactions with suppliers. Payment is made on those terms subject to the terms and conditions being met by the supplier.

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



M R Stewart
Company Secretary
16 September 2014

VIAD SERVICE COMPANIES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

GOING CONCERN

The directors have reviewed the financial position of the company, including consideration of the uncertainties arising from the current economic environment and the consequential impact of this upon trading and financing.

Based on the company's continued revenue performance post year end, and the strength of its balance sheet and positive cash position, and following their review of the forecasts and projections of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

PROPOSED DIVIDEND AND TRANSFER TO RESERVES

During the year, the directors paid a dividend of £2.0m (2012: £1.5m). The profit for the year of £2.1m (2012: £1.6m) has been transferred to reserves.

DIRECTORS

The directors who served during the year and subsequently were as follows:

P B Dykstra
B Healey
E M Ingersoll

DISABLED PERSONS

It is the policy of the group to give full and fair consideration to suitable applications for employment by disabled persons. Opportunities also exist for employees who become disabled to continue in their employment where feasible, or to be trained for other positions within the group. The group does not discriminate against disabled persons in respect of the selection of employees for promotion and career development, although account is taken of the suitability of candidates for the positions available.

EMPLOYEE INVOLVEMENT

During the year, the group informed employees about developments in the business. This was carried out, in particular, by giving regular briefings to managers on financial performance, future plans, and other issues of importance.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITOR

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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



M R Stewart
Company Secretary
16 September 2014

VIAD SERVICE COMPANIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIAD SERVICE COMPANIES LIMITED

We have audited the financial statements of Viad Service Companies Limited for the year ended 31st December 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheets, and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and 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 group's and the parent company'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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Feechan

Paul Feechan (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, UK

16 September 2014

VIAD SERVICE COMPANIES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Turnover	1	28,837	25,511
Cost of sales		<u>(22,999)</u>	<u>(20,391)</u>
Gross profit		5,838	5,120
Administrative expenses		<u>(2,991)</u>	<u>(2,935)</u>
Operating profit	3	2,847	2,185
Interest receivable and similar income		<u>17</u>	<u>15</u>
Profit on ordinary activities before Taxation		2,864	2,200
Tax on profit on ordinary activities	4	<u>(728)</u>	<u>(582)</u>
Profit for the year	15	<u><u>2,136</u></u>	<u><u>1,618</u></u>

All the items in the profit and loss account above relate to continuing operations.

VIAD SERVICE COMPANIES LIMITED

CONSOLIDATED BALANCE SHEET 31 December 2013

	Note	£'000	2013 £'000	£'000	2012 £'000
Fixed assets					
Goodwill	6		1,082		1,290
Tangible assets	7		394		404
			<u>1,476</u>		<u>1,694</u>
Current assets					
Stocks	9	1,079		1,633	
Debtors	10	1,503		1,146	
Cash at bank and in hand		3,286		3,212	
		<u>5,868</u>		<u>5,991</u>	
Creditors: amounts falling due within one year	11	<u>(2,794)</u>		<u>(3,271)</u>	
Net current assets			<u>3,074</u>		<u>2,720</u>
Total assets less current liabilities			<u>4,550</u>		<u>4,414</u>
Net assets			<u>4,550</u>		<u>4,414</u>
Capital and reserves					
Called up share capital	13		1,263		1,263
Profit and loss account	14		3,215		3,079
Consolidation reserves	14		72		72
Total shareholder's funds	15		<u>4,550</u>		<u>4,414</u>

These financial statements of Viad Service Companies Limited (registered number: 01175242) were approved by the Board of Directors on 16 September 2014

Signed on behalf of the Board of Directors

B. Healey

B Healey
Director

VIAD SERVICE COMPANIES LIMITED

COMPANY BALANCE SHEET

31 December 2013

	Note	£'000	2013 £'000	2012 £'000
Fixed assets				
Goodwill	6		908	1,074
Tangible assets	7		394	404
Investments	8		1,068	1,068
			<u>2,370</u>	<u>2,546</u>
Current assets				
Stocks	9	1,079		1,633
Debtors	10	1,503		1,146
Cash at bank		3,286		3,212
		<u>5,868</u>		<u>5,991</u>
Creditors: amounts falling due within one year	11	<u>(3,862)</u>		<u>(4,339)</u>
Net current assets			<u>2,006</u>	<u>1,652</u>
Total assets less current liabilities			<u>4,376</u>	<u>4,198</u>
Net assets			<u>4,376</u>	<u>4,198</u>
Capital and reserves				
Called up share capital	13		1,263	1,263
Profit and loss account	14		3,113	2,935
Total shareholder's funds	15		<u>4,376</u>	<u>4,198</u>

VIAD SERVICE COMPANIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the current and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going Concern

The directors have reviewed the financial position of the company, including consideration of the uncertainties arising from the current economic environment and the consequential impact of this upon trading and financing.

Based on the company's continued revenue performance post year end, and the strength of its balance sheet and positive cash position, and following their review of the forecasts and projections of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The group's financial statements consolidate, on an acquisition accounting basis, the financial statements for the year ended 31 December 2013 of the parent company and all subsidiary undertakings. To comply with FRS 10, purchased goodwill has been capitalised and amortised over its useful economic life, a reasonable estimate of which the directors regard as 20 years. Capitalised purchased goodwill in respect of subsidiaries is included within intangible fixed assets.

Goodwill which arose on the acquisition of a business prior to FRS 10 was written off directly to reserves as a matter of accounting policy and remains eliminated in that reserve. Such goodwill will be charged or credited to the profit and loss account as appropriate on the subsequent disposal of the business to which it related.

Cash flow statement

As a wholly owned subsidiary of Viad Corp, the company takes advantage of the exemption from the requirement to produce a cash flow statement.

Turnover

Turnover represents amounts invoiced in the ordinary course of business to outside clients for goods and services provided, excluding VAT. Turnover is only recognised when the exhibitions occur. Amounts invoiced in advance are excluded from turnover. All turnover is derived from the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Motor vehicles	4 years
Computers	3 years
Office equipment	10 years
Short life exhibition assets	3 years
Leasehold improvements	10 years

Investments

Shares in group undertakings are stated at cost less any provision for impairment in value.

Stocks

Goods for resale are stated at the lower of cost and net realisable value. Work in progress balances represent costs incurred on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less payments on account not matched with turnover.

VIAD SERVICE COMPANIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

1. ACCOUNTING POLICIES (CONTINUED)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at average rates. Amounts receivable and payable in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences are dealt with in the profit and loss account.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual instalments over the period of the lease.

Pensions

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is contributions payable in the year.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2013 £'000	2012 £'000
Directors' emoluments		
Directors' remuneration	223	211
Pension scheme contributions	40	82
	<u>263</u>	<u>293</u>

All the directors' emoluments were paid to the highest paid director. No director is a member of a defined benefit pension scheme (2012: none). Two of the directors of the company are remunerated by other companies within the group. It is not practicable to ascertain what proportion of their remuneration relates to this company and therefore there are no disclosures within these financial statements.

	No.	No.
Number of employees		
Design	11	9
Project management	22	17
Administration	8	8
	<u>41</u>	<u>34</u>

VIAD SERVICE COMPANIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	2013 £'000	2012 £'000
Staff costs during the year (including directors)		
Wages and salaries	2,505	2,495
Social security costs	312	314
Pension costs	189	215
	<u>3,006</u>	<u>3,024</u>

3. OPERATING PROFIT

	2013 £'000	2012 £'000
Operating profit is after charging:		
Depreciation	161	152
Rentals under operating leases:		
Other	98	98
Goodwill amortisation	208	208
Foreign exchange loss	54	-
	<u></u>	<u></u>

The analysis of auditor's remuneration is as follows:

	2013 £'000	2012 £'000
Fees payable to the Company's auditor for the audit of the company's annual accounts	19	19
Total audit fees	<u>19</u>	<u>19</u>
Taxation services	4	4
Total non-audit fees	<u>4</u>	<u>4</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge in the year

	2013 £'000	2012 £'000
Current tax		
UK corporation tax at 23.25% (2012: 24.5%)	730	606
Adjustment in respect of prior years	(2)	2
Total current tax	<u>728</u>	<u>608</u>
Deferred taxation		
Origination and reversal of timing differences	(12)	(12)
Effect of rate change	12	(13)
Adjustment in respect of prior years	-	(1)
Total deferred taxation	<u>-</u>	<u>(26)</u>
Tax on profit on ordinary activities	<u>728</u>	<u>582</u>

VIAD SERVICE COMPANIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

4. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The difference between the total current tax shown on the previous page and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	2,864	2,200
Tax on profit on ordinary activities at standard rate of 23.25% (2012: 24.5%)	667	540
Effects of:		
Expenses not deductible for tax purposes	50	53
Capital allowances in excess of depreciation	13	14
Movement in other timing differences	-	(1)
Under/(over) provided in prior years	(2)	2
Current tax charge for the year	728	608

The Finance Act 2013, which provides for a reduction in the main rate of UK corporation tax to 21% effective from 1 April 2014 and 20% from 1 April 2015, was enacted in July 2013. As this legislation was substantively enacted prior to the balance sheet date, the closing deferred tax asset has been revalued at 20% at 31 December 2013.

5. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year amounted to £2,178,232 (2012: £1,663,500).

6. GOODWILL

	£'000
Group	
Cost	
At 1 January 2013	4,158
At 31 December 2013	4,158
Accumulated amortisation	
At 1 January 2013	2,868
Charge for the year	208
At 31 December 2013	3,076
Net book value	
At 31 December 2013	1,082
At 31 December 2012	1,290

VIAD SERVICE COMPANIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2013

6. GOODWILL (CONTINUED)

Company	£'000
Cost	
At 1 January 2013	3,302
At 31 December 2013	3,302
Accumulated amortisation	
At 1 January 2013	2,228
Charge for the year	166
At 31 December 2013	2,394
Net book value	
At 31 December 2013	908
At 31 December 2012	1,074

7. TANGIBLE FIXED ASSETS

	Leasehold Improvements £'000	Motor vehicles £'000	Office Equipment £'000	Total £'000
Company and group				
Cost				
At 1 January 2013	364	238	436	1,038
Additions	50	61	51	162
Disposals	-	(55)	-	(55)
At 31 December 2013	414	244	487	1,145
Accumulated depreciation				
At 1 January 2013	133	117	384	634
Charge for the year	76	44	41	161
Disposals	-	(44)	-	(44)
At 31 December 2013	209	117	425	751
Net book value				
At 31 December 2013	205	127	62	394
At 31 December 2012	231	121	52	404

VIAD SERVICE COMPANIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

8. INVESTMENTS

Company	Shares in group undertakings £'000
At cost	
At 1 January 2013	1,068
At 31 December 2013	1,068

Information regarding investments

The subsidiary undertaking is unlisted, directly owned and is registered in England and Wales. The holding is as follows:

	Class of shares	Percentage of shares owned by Viad Service Companies Limited at 31 December 2013	Class of business
SDD Exhibitions Limited	£1 ordinary shares	100%	Dormant

9. STOCKS

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Work in progress	1,673	2,402	1,673	2,402
Less payments on account	(1,296)	(1,412)	(1,296)	(1,412)
Excess payments on account transferred to creditors	702	643	702	643
	<u>1,079</u>	<u>1,633</u>	<u>1,079</u>	<u>1,633</u>

The directors believe that there is no material difference between the balance sheet value and the replacement cost of stocks.

10. DEBTORS

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Trade debtors	811	606	811	606
Amounts owed by parent undertaking	60	18	60	18
Amounts owed by other group companies	-	4	-	4
Deferred tax asset (note 12)	61	61	61	61
Other debtors	418	386	418	386
Prepayments and accrued income	153	71	153	71
	<u>1,503</u>	<u>1,146</u>	<u>1,503</u>	<u>1,146</u>

VIAD SERVICE COMPANIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Excess payments on account	704	645	704	645
Trade creditors	750	969	750	969
Amounts owed to fellow subsidiary undertakings	-	-	1,068	1,068
Amounts owed to other group companies	6	1	6	1
Corporation tax	376	301	376	301
Other taxation and social security	107	191	107	191
Accruals and deferred income	851	1,164	851	1,164
	<u>2,794</u>	<u>3,271</u>	<u>3,862</u>	<u>4,339</u>

12. DEFERRED TAXATION ASSET

	£'000	
Group and Company		
Deferred taxation as at 1 January 2013 (note 10)		61
Charged to the profit and loss account		-
Deferred taxation asset at 31 December 2013 (note 10)		<u>61</u>
Analysis of deferred taxation	2013	2012
	£'000	£'000
Depreciation in excess of capital allowances	55	56
Other timing differences	6	5
	<u>61</u>	<u>61</u>

13. CALLED UP SHARE CAPITAL

	2013	2012
Group and Company	£'000	£'000
Authorised, called up, allotted and fully paid: 1,262,803 ordinary shares of £1 each	<u>1,263</u>	<u>1,263</u>

14. RESERVES

	Group	Company
	£'000	£'000
Profit and loss account		
Balance at 1 January 2013	3,079	2,935
Profit for the year	2,136	2,178
Dividend (Note 20)	(2,000)	(2,000)
Balance at 31 December 2013	<u>3,215</u>	<u>3,113</u>
Consolidation reserves		Goodwill write-off reserve
		£'000
Balance at 1 January 2013		<u>72</u>
Balance at 31 December 2013		<u>72</u>

VIAD SERVICE COMPANIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Profit for the year	2,136	1,618	2,178	1,661
Dividend	(2,000)	(1,500)	(2,000)	(1,500)
Net increase in shareholder's funds	136	118	178	161
Opening shareholder's funds	4,414	4,296	4,198	4,037
Closing shareholder's funds	4,550	4,414	4,376	4,198

16. FUTURE COMMITMENTS

(a) Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2013	2012
	Land & buildings	Land & buildings
	£	£
Operating leases which expire:		
Within one year	-	-
Within two to five years	122	98
After five years	-	-
	122	98

(b) Group capital commitments

At 31 December 2013, neither the group nor the company had any capital commitments (2012: £nil).

17. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No 8 "Related Party Disclosures", transactions with other undertakings within the Viad Corp group have not been disclosed in these financial statements.

18. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent and controlling company is Viad Corp, which is incorporated in the United States of America. The parent company of the smallest and largest group of undertakings for which consolidated financial statements are drawn up and of which the company is a member is Viad Corp. Copies of the consolidated financial statements of Viad Corp are available from Dial Tower, Phoenix, Arizona, 85077, United States of America.

19. PENSION SCHEME

During the current and prior period, the group has contributed to personal pension schemes only. The cost of these is charged to the profit and loss account in the period in which it is incurred. The total pension cost for the company in the year was £189,412 (2012: £215,000).

20. DIVIDENDS

	2013	2012
	£'000	£'000
Dividends paid - £1.58 per share (2012: £1.19 per share)	2,000	1,500