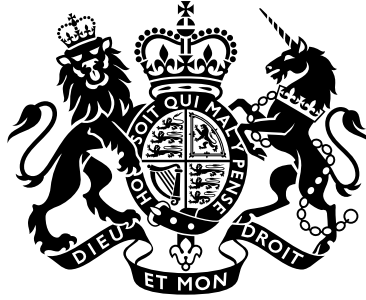




ORDNANCE SURVEY LIMITED

# Annual Report & Accounts 2015–16





# Ordnance Survey Limited Annual Report and Accounts 2015–16

Presented to Parliament  
by the Secretary of State for Business, Innovation & Skills  
by Command of Her Majesty

11 July 2016



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# Directors

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## Executive Leadership team

Executive Statutory Directors

### **Nigel Clifford**

Chief Executive Officer

### **Neil Ackroyd**

Chief Operations Officer and  
Deputy Chief Executive Officer

### **Andrew Loveless**

Commercial Director

### **Clive Mosey**

Chief Financial Officer

Executive Directors

### **Will Davies**

Director of Human Resources

### **Nick Giles**

Director of Marketing & Communications

### **David Henderson**

Director of Products & Innovation

Company Secretary

### **Jon O'Meara**

## Non-Executive Directors and Member

### **Sir Rob Margetts CBE**

Non-Executive Chairman

### **Jacques Cadranel**

Non-Executive Director

### **Mike Carr**

Non-Executive Director

### **Michael Harrison**

Non-Executive Director

### **Stephen Lake**

Non-Executive Director

### **Anne Jessopp**

Non-Executive Member

External Auditors

**The National Audit Office**

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# Chairman's statement

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It's been a significant year for Ordnance Survey (OS) as in April 2015 we moved from being a Trading Fund and Government Agency into a Government-owned Company (the Company).

The more conventional business structure of a Company provides a strong platform for commercial growth, investments and product development. As a Company, OS will be better positioned to maintain its leadership role in our rapidly evolving industry, and encouraged to increase our pace of development, introducing more location-based products, services and solutions to benefit existing and new customers, partners and markets.

We have also established a strong team to lead the organisation into this new phase. I'm pleased that we have achieved a blend of complementary experiences which will be a powerful combination.

Our new Chief Executive Officer Nigel Clifford has been in post for a year, bringing extensive experience of international software, telecoms and services including complex joint venture and public sector enterprises.

We've also welcomed Clive Mosey (Finance), Will Davies (Human Resources), David Henderson (Products & Innovation) and Nick Giles (Marketing & Communications) joining Nigel Clifford, Neil Ackroyd (Chief Operations Officer and Deputy Chief Executive Officer), Andrew Loveless (Commercial) and Jon O'Meara (Company Secretary) to complete the leadership team.

This strong executive team is complemented by a suitably experienced team of Non-Executive Directors – Mike Carr (Senior Independent Director and Chairman of the Remuneration Committee), Stephen Lake (also Chairman of the Audit Committee) and Jacques Cadranel together with Non-Executive Member Anne Jessopp. Both Stephen and Jacques joined in the last year.

With this team in place we're building on the excellent work initiated in 2015 by Neil Ackroyd, refining and starting to implement an expansive strategy featuring the focused delivery of expertise and technology to support the geospatial needs across Great Britain – and the globe – to enable further and faster growth of our organisation.

Over the past decade the significance placed on location data by businesses and governments around the world has grown significantly. It's estimated that the direct value of the geo-services industry in the UK is £2.2bn, with its wider economic impact estimated at being around £26bn. Geo-services is a growing market, projected to advance at a rate which out-performs a range of industries more commonly associated with innovation – including software solutions, mobile communications and video gaming. This represents opportunity for OS and our partners which we believe will help support our financial position in the face of inevitably constrained public sector revenues, which have been subjected to downward pressure by the Comprehensive Spending Review completed in autumn 2015, which signalled lower spends with OS over the term of this Parliament.

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However, more widely, there's no doubt that spatial information is big business and our Geovation Hub is perfectly positioned at the centre of this. It's a free-to-drop-in location-data lab in Clerkenwell, London, initiated by OS and supported by valued fellow sponsors, where innovators can be inspired by easy access to brilliant geospatial data and OS expertise. Already, new ideas have been born and found funding, new talent developed and new collaborations formed.

We put customers and partners at the heart of what we do. In December we launched the first of a suite of new Application Programme Interfaces (APIs), giving users easier access to our data. We also introduced a new Highways Network product as a result of feedback from our Public Sector Mapping Agreement (PSMA) and One Scotland Mapping Agreement (OSMA).

We continue to invest in and support our commercial partners who provide OS with an essential route to market. Our new Partner Programme went live this year, offering more targeted activities across the industry sectors. Our partnerships extend worldwide, with OS International helping governments, agencies and cities around the world be geospatially ready and fit-for-the-future.

Another important area of focus for OS are the fast-growing fields of Smart Cities, Building Information Modelling and the Internet of Things. It's recognised that geospatial data has an important role to play in these developing areas and the need for interoperability and common standards is critical to their long-term success. In addition to these emerging areas, OS will also continue to support development of global standards around the more traditional geospatial themes including Web Map Services and 3D mapping, with a specific focus on day-to-day usability.

While transitioning into an ever more sophisticated data provider, we continue to be committed to our leisure market and the health benefits of accessing the outdoors that we enable. 2015 saw the launch of our #GetOutside campaign – which aims to motivate the general public of all ages and abilities to spend more time outdoors. TV's wildlife presenter Steve Backshall, endurance athlete Sean Conway and the first British woman to conquer Everest, Bonita Norris, were recruited as 'Champions' getting the message out to a wider audience.

Our digital OS Maps app covers the whole of Great Britain, and new versions of our ever-popular leisure maps now come with a mobile download.

More than ever, Ordnance Survey data, services and expertise are being used extensively across the private and public sectors to drive efficiencies, underpin decision making and provide valuable insight and intelligence. It's thanks to the extraordinary commitment of past and present employees moving the business forward that we're in the exciting position we're in today. As always, my sincerest thanks go to them for all their hard work, and at times sheer tenacity.

I joined OS in August 2008 and this time last year I anticipated stepping down from my role as Chairman after seven fascinating years. However, I have in fact stayed to support the first 12 months of our time as a GovCo. And what a year it has been – certainly one of the most exciting and promising in my tenure. But retirement beckons and it's time to hand over the baton to my successor, Kieran Murphy, who brings to OS much relevant and valuable experience. He will be joining and leading a company and team well-equipped for the challenges ahead. It's with sadness I'm leaving, but with excitement I'm looking forward to watching the future progress of such a wonderful organisation.

Sir Rob Margetts CBE  
Non-Executive Chairman  
24 June 2016



# Chief Executive Officer's statement

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I was enormously excited to join OS in June 2015 and remain as excited a year on when I consider what I have learned of OS's reputation, expertise and the role of 'location' in a world that is changing so rapidly.

'Everything happens somewhere' and so location is ready, willing and able to be a powerful unifying force in the world of massive data flows from billions of connected objects, smarter living, autonomous vehicles and, in these times of austerity, where more always needs to be achieved with less resource.

So, we believe the global importance of the geospatial industry will only increase. Location data is playing, and will continue to play, a critical role in most aspects of our daily lives and has become a vital tool for decision making in governments and organisations across the globe.

We are also conscious that, following the conclusion of the 2015 comprehensive spending review, we have to further increase our efficiency.

In the light of these forces, we have developed and are beginning to implement our plans. Our strategy has two strands and is simply described – supporting Great Britain to become digitally 'smart' to the benefit of its Government, entrepreneurs and citizens and extending and sharing this technology and learning to assist cities, states and nations outside Great Britain to realise the same benefits of an effective and efficient location framework.

One example of this approach to delivering excellence, value and real social impact is our work in cities. Cities face many issues such as transport, population growth and ageing, housing and health. Smart and more liveable urban environments including the challenges and opportunities afforded by Building Information Modelling

and the Internet of Things will be one area where OS will demonstrate real value and build Great Britain as a global exemplar. Our work in pilot 'smart city' projects such as Manchester is an example of how we will gather very useful and repeatable learning.

However, we will not be doing this alone and alliances with the right local, national and global partners are a critical plank to our strategy as is a technology renewal programme that will start in earnest in 2016–17.

During 2016–17 we will also be participating in two reviews:

- Firstly, as stated in the Chancellor's Autumn Statement, to consider the options for private capital to be introduced into OS before 2020. This review is underway, led by UK Government Investments and BIS.
- Secondly, announced in the Budget 2016, an exercise to develop options for an authoritative address register that is open and freely available.

The outcome of the United Kingdom referendum on the 23 June 2016 with a majority in favour of leaving the European Union is not expected to have a substantial direct impact on the operations and strategy of Ordnance Survey. Our main market is Great Britain and the majority of international opportunities are expected to lie outside the European Union. Similarly, most of Ordnance Survey's supply chain is based either inside Great Britain or outside the European Union. The wider impact will be influenced by the reaction of the general market, the United Kingdom Government (as OS's primary customer and shareholder), and also the Scottish Government.

While revenue growth, careful cost management and investment prioritisation are important challenges, we must not take an 'ivory tower' view from within OS. We have to continue

to ensure we understand the views and needs of key internal and external 'stakeholders' – for example, from fellow geospatial players, government, our partner network, our customers and, very importantly, the employees of OS.

With this in mind I have been keen to both meet as many of these groups as possible and also use qualitative and quantitative surveys to get a wider view of where we do well – and most importantly where we need to improve.

So, during the last year we have established a series of repeatable satisfaction studies that allow the leadership team to understand how well we are doing in meeting the needs of our stakeholders. We now have feedback and insights into the views of our employees (using a new survey which allows us to compare ourselves to a wider range of non-Government employers), partners, users of our website and service centre and key clients.

We have used a number of these surveys to feed into company communication and incentive schemes to ensure that we discuss and prioritise improvement actions in these areas every month and throughout the year.

Closest to home, I would like to thank the people of OS for their warm welcome. As we implement our plans there will inevitably be change for us all and I hope that the changes open up many opportunities for further improving the excellent spirit of OS as well as personal opportunities to contribute to building on the essential contribution that OS has made during the last two centuries to create the skills, culture and ambition to flourish in the waves of change that we are seeing now.

I'm confident that a transformed OS will be an even more amazing place to be. There's a lot of work ahead and I look forward to being part of the next step.

Nigel Clifford  
Chief Executive Officer  
24 June 2016

# Strategic report

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## Commencement of trading

On the basis this is the first year of trade for Ordnance Survey Limited, the financial information reflects that it was a dormant company in the prior period, so all comparatives are nil. However, as Ordnance Survey Limited acquired the continuation of the trade and functions of the Ordnance Survey Trading Fund, the annual accounts make reference to this continuation of trade and function. For history on the trade and functions of Ordnance Survey, please refer to the 2014–15 Trading Fund accounts ‘*Ordnance Survey Annual Report and Accounts 2014–15*’.

On 1 April 2015, the entire functions, business, subsidiaries, operations and assets of the Ordnance Survey Trading Fund were transferred to Ordnance Survey Limited, a limited company wholly owned by the Secretary of State for Business, Innovation & Skills, and the Company commenced trading from this date. The payment for the transfer was £170million, and was initially left outstanding via an interest-free loan from the Secretary of State for Business, Innovation & Skills to Ordnance Survey Limited.

£34million of this loan was repaid via the issue of £34million shares and the remaining balance of the loan of £136million was subsequently released for two additional shares, which created a share premium account in equity of £136million. Subsequent to this the Company undertook a capital reduction which cancelled the share premium reserve and transferred it to the distributable retained earnings account of the Company.

The principal activity of Ordnance Survey Limited is consistent with the Trading Fund before it: The collection, maintenance and distribution of up-to-date geographic information.

These accounts are for the year ending 31 March 2016.

## Business model

Ordnance Survey (OS) is Britain’s mapping agency. It collects, maintains and distributes the most accurate and up-to-date geographic information for Great Britain in accordance with its public task, and this data is used and relied upon by government, businesses and individuals. It provides services to government and businesses to enhance the value they derive from geographic information.

Through its subsidiary, Ordnance Survey International LLP, OS also provides geospatial services to other countries, helping them realise the benefits of good location-based information.

Ordnance Survey Leisure is the Group’s vehicle for selling geospatial products directly to consumers. GeoPlace® is our joint venture with the Local Government Association that oversees the production and maintenance of the national address and street gazetteers.

The OS Board remains accountable to the Secretary of State for Business, Innovation & Skills and the governance arrangements for the Company are set out in a Shareholder Framework Document signed on 31 March 2015 by the Directors of Ordnance Survey Limited and for and on behalf of the Secretary of State for Business, Innovation & Skills.

The majority of revenue is generated through licensing the intellectual property rights, held under Crown copyright, which is inherent in the Ordnance Survey data. Since April 2010, free and unrestricted access to a large range of mapping has been provided to any prospective user via OS OpenData™, a service that underpins a range of applications, while promoting government transparency and encouraging greater use of geographic information.

## Strategy and future outlook

An overriding objective of the transition to a GovCo is to increase our pace of development by introducing more location-based products, services and solutions to benefit existing and new customers, partners and markets. For OS to have a long-term sustainable future, we now benefit from a conventional business structure, which provides the platform for formulating commercial growth, investment and product development.

Over the past decade the importance of location data for businesses and governments around the globe has grown significantly. Today, OS data, services and expertise are being used extensively across the private and public sectors to drive efficiencies, support decision making and provide valuable insight and intelligence.

We aim to be an integral part of the solution for customers facing complex, expensive problems, by providing definitive spatial information relating to critical national infrastructure, city infrastructure and rural landscapes by:

- Continuing to enhance our geospatial intellectual capital in terms of how to collect, manage and maintain content.
- Making the best geospatial database in the world even better – collecting, deriving and creating more unique content.
- Improving access to, and usability of, the content in all its forms.

Our strategic objectives can therefore be summarised as follows:

- *Our shareholders* – To deliver greater value to UK plc through our public task.
- *Our customers* – To provide solutions to governments, businesses and individuals for their big, high value problems.
- *Our partners* – To work in partnership to solve complex business problems.
- *Our employees* – To create a high-performing environment where people are challenged with stimulating work and talent can flourish.

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## Business review

### New map covers – and mobile downloads

We've replaced all 607 of our current leisure paper map titles (OS Explorer, OS Landranger and OS Tour series) with a new design. Each cover has a different photograph of Great Britain taken by members of the public in a competition run by OS, which received more than 10,000 entries.

The paper maps now come with an additional mobile download which users can access for no extra cost.

Routes can be plotted and stored electronically and are available regardless of whether a smart device has a signal or not.

### Shareholding in Dennis Maps

OS and Dennis Maps have signed an agreement so we now have a 25% shareholding in one of the country's most significant large-format lithographic printers.

One of the main objectives of the new partnership is for us to secure the supply of OS paper maps, but together we will develop new strategies and explore future innovations and technological advances within the printing and mapping industries.

The agreement, and investment, by OS highlights our commitment to paper maps and we're looking forward to working with Dennis Maps to further develop our printed products over the coming years.

The future for paper maps looks sustainable and we are confident the new partnership can build on this.

### OS becomes a Company

In April 2015 we completed our transition from a Trading Fund to a government-owned Company.

The Government and Board of Ordnance Survey decided that operating as a Company would put the business in a much better place to respond to rapidly changing markets and remain at the heart of the global geospatial industry.

We remain 100% in public ownership, and the OS Board will remain accountable to the Secretary of State for Business, Innovation & Skills (BIS).

Our customers, partners and stakeholders are ultimately benefiting from a more efficient and focused business aligned to their needs. The transition means we can provide continued commitment and efficiencies in the delivery of our public task, better support the maintenance and quality of geographic data sets, continue to support our OpenData programme and identify where more can be done.

It's improved our ability to recruit and retain skilled employees, particularly for digital, mobile and data management skill sets, which are in great demand; and we now have greater freedom to manage our day-to-day operations.

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## Business update

### Public Sector Mapping Agreement (PSMA) and One Scotland Mapping Agreement (OSMA)

It's our aim to encourage greater public use of our data, and to provide greater value under the PSMA and OSMA.

As of 31 March 2016 there were 4,106 PSMA members, with a net membership growth of 42 from the previous year and 110 OSMA members. Compared to last year, the number of new data orders supplied has increased by 8% (up from 6,238). New orders via the download service have increased by 5% (up from 70%).

We now have 179 public sector related case studies documenting millions of pounds of savings in public expenditure in central government and local authorities, and representing £119.364 million per annum in the current PSMA value model. These are supported by four guest blogs.

There's continuing interest in the presumption to publish process in our licensing policy – widening data sets that can be exempted automatically, reducing the need for reviews by internal governance and making it easier for PSMA and OSMA members to publish their own data sets based on OS data.

As part of our partnerships with government departments, we held nine regional events in the autumn – supported by 390 delegates. We also held *Your Say* sessions in which 85% of those who participated said they were either 'satisfied' or 'extremely satisfied' with the PSMA overall.

### New Highways product

Following feedback from the PSMA community, we've launched a new product – OS MasterMap® Highways Network.

Supported by the Department for Transport, it offers a highly accurate representation of the road network and contains accurate information to allow managing policies, producing statistics, allocating funding and supporting legislation.

It gives GB coverage of the road network with enhanced attributions for England and Wales. It combines GeoPlace data on the National Street Gazetteer and the Trunk Road Street Gazetteer from local authorities, Highways England and other government departments in England and Wales with OS geometry.

### ResilienceDirect

Launched in March 2014, ResilienceDirect™ is a secure web-based platform for the resilience community to share information among all category 1 and 2 emergency responders and agencies for planning, response and recovery.

Commissioned by the Cabinet Office and supported by Ordnance Survey, it was introduced to enhance multi-agency planning and communication, and to enable the resilience community to fulfil its statutory duties under the Civil Contingencies Act 2004 to share information across agencies.

It was widely used during the winter 2015 flooding, which affected many parts of the UK, and the winter storms of 2015–16 to share a single view of the crises. Currently, ResilienceDirect has 15,900 users in 2,371 organisations – numbers which are increasing on a weekly basis.

### APIs

We've been making OS data even more accessible by launching a suite of new Application Programme Interfaces (APIs) to sit alongside our existing APIs of OS Places and OS OpenSpace®. OS Property Data API Beta was introduced in December, merging OS data with other third party data sets to make valuing a property easier. OS Maps API – released to existing customers in December – can help government organisations to share data, increase efficiencies and save money using our stunning map data. In the coming financial year we will also roll out OS Names, OS Boundaries and OS Routes in our new API Store.

### AddressBase Islands

We've listened to our customers and are now pleased to provide consistent

geographical addressing wider than Great Britain. AddressBase® Islands works as an add-on to our existing AddressBase products; either AddressBase Plus or AddressBase Premium.

Used together, it provides coverage for GB plus the Isle of Man, the Channel Islands and Northern Ireland.

### OS becomes a strategic member of Open Geospatial Consortium

In May 2015 we raised our Open Geospatial Consortium membership level to become the first Strategic Member outside of the USA – reinforcing our vision to be at the forefront of Standards development.

As a strategic member we'll use our skills and expertise to drive a collective and unified approach to promoting interoperability for the geospatial industry. The new membership will also allow us to represent Europe, at a strategic level, to improve the quality of standards globally and to enable the industry to continue to innovate and grow.

Standards are a key part of achieving our business goals, but we also understand they are vital to the industry as a whole. We expect the new level of strategic membership to deliver significant opportunities to OS and allow us to use our skills and expertise to influence and drive new standards in ongoing and future geospatial trends. We're particularly keen to see greater interoperability in the Smart Cities space.

### Partners

To expand our global reach, we've been growing and developing relationships with our commercial partners. We now have more multi-national partners than ever using our data.

Our Partner Programme launched in March and we're targeting activities in industry groups organised by sector. We've held many webinars on our various products and hope to expand to share other areas of our expertise such as social media.

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We've encouraged joint stands at trade shows such as Digital Construction UK; the Tour of Britain cycling event and a flood risk & insurance event, and we've helped people to host events at our head office in Southampton.

A recent tailored survey of satisfaction with OS revealed very positive results from our partner community.

It's also been the first year of our Partner Advisory Council, through which we've shared thought leadership, explored and tested our thoughts and ideas, and listened to our partners about what they need from us going forward. It's also been an opportunity to share our product road map.

As part of our ongoing commitment to our ethos of Partner First, we're channelling partner involvement in various activities. We've identified that the Financial Services sector is mutually best served by our partners taking the lead, with OS supporting them through the Partner Programme.

The work of our partners touches upon all areas of life: From routing emergency vehicles to town planning; from environmental protection to insuring our homes; from delivering our groceries to getting us out and active through cycling, walking and hiking.

### **New management agreement to benefit location data in the UK and Ireland**

A new three party agreement between Ordnance Survey (GB), Ordnance Survey Ireland (OSi) and Land and Property Services (LPS) Northern Ireland was signed in May 2015 to improve access and availability of mapping services for customers and government users operating across the UK and Ireland.

The agreement will enable each of the national mapping organisations, for the first time, to act as a single point of access for customers choosing to view digital mapping from any of the three organisations via their web service platforms.

It will benefit business and government users of location data – from large

utility and commercial companies to key government departments and media organisations.

### **New GIS Roadmap delivered for Environment Agency – Abu Dhabi**

In support of the Abu Dhabi 2030 Environmental Vision, Environment Agency – Abu Dhabi (EAD), has developed a partnership with OS International and created a new GIS Roadmap.

OS's two centuries of experience in handling geographic information has been instrumental in helping set EAD's GIS Strategy for the next five years. The GIS Roadmap we've jointly created will help EAD step closer to becoming a leader in the use of geospatial information and technology.

### **Geovation**

For another year our Geovation Programme has offered a unique opportunity for developers, innovators and entrepreneurs with bright ideas to be guided through an innovation process. The funded start-up accelerator helps people focus on developing an idea using location information and technology through product creation and commercial realisation, while paid a wage. The altruistic programme, which now runs out of our recently-opened Geovation Hub, is believed to be the first of its kind in Great Britain.

Our ninth Geovation Challenge launched on 1 December 2015, where we offered development funding and places on our Geovation programme for ideas on how to improve the way we use and manage water. The Challenge attracted a total of 51 ideas, from which ten finalists were selected and invited to pitch their ideas to secure extra support and funding through the Geovation Programme.

Those with the best ideas were invited to a Geovation Weekend Camp where the innovators worked on transforming their idea into a prototype venture.

The successfully pitched ventures were:

**Refillable Cities:** Aims to reduce dependency on plastic bottled water with a nationwide roll out of an app

that pinpoints users to free tap water refill points.

**Sustainable Catchments:** Creating building models of sustainable catchment opportunities, which will slow the risk of flooding.

**Fix Our Water:** A smartphone crowdsourcing app, which lets users inform relevant authorities about water problems, including pollution, flooding, overflowing drains and breach hotspots.

### **5G Innovation Centre officially opens at the University of Surrey**

We've partnered with the University of Surrey in opening a state-of-the-art 5G Innovation Centre.

Housing more than 170 researchers and attracting over £70 million of investment, including £12 million from the Higher Education Funding Council for England, the 5G Innovation Centre is the world's largest academic research centre dedicated to next generation mobile and wireless connectivity.

The Centre brings together leading academic expertise and major industry partners to define and develop a global 5G network that will radically change lives across the world.

### **Manchester is world leader in Smart City technology**

In December we were pleased to be part of a public-private consortium celebrating Manchester winning a £10m prize to become the UK's Internet of Things Demonstrator, and a world leader in 'Smart City' technology.

The CityVerve Project aims to test better services using Internet of Things technology, which adds sensors and data analysis to equipment such as street lamps, vehicles and home heating equipment. These 'smart' improvements will help deliver more personal, efficient and flexible products and services.

The prize was awarded by the Department for Culture, Media and Sport.

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## Future trends in digital mapping

Two reports have outlined the part geospatial information will have in our future.

*'Future Trends in geospatial information management: The five to ten year vision'* is the second edition of the international report, which was first published in 2011.

This visionary report presents the thoughts of leaders in the geospatial world as to the future developments in mapping and surveying over the next decade. The new trends included within the report are: Smart Cities and the Internet of Things; Artificial Intelligence & Big Data; indoor positioning and mapping; and integrating statistical & geospatial information.

The *'AGI Foresight Report 2020'* is made up of 60 papers from a diverse range of organisations and industry experts including Tesco®, Imperial College London®, the Met Office and the Office of National Statistics, as well as Ordnance Survey. It states that a truly connected 'Digital Earth' can only be achieved through location intelligence. A common thread through the report is the need for the geographic information community to tackle issues of data quality and management, and to foster a deep understanding of its relationship with digital data.

Again, this report identifies Smart Cities, the Internet of Things and Building Information Modelling as key areas where location intelligence is being used to underpin decisions and address key social, environmental and economic challenges.

## Britain's getting higher

Our latest surveys show that Ben Nevis is taller than originally thought. Britain's highest point will now officially appear on all digital and new paper maps as 1,345m and not 1,344m.

The official increase is not the result of a geological movement. The mountain has 'grown', because the technology OS now uses to survey and measure gives better accuracy than when it was last surveyed, and the recent restoration of its iconic trig

pillar gave OS the perfect opportunity to take fresh measurements.

## OS maps in the new UK Passport

The latest UK passport design was released in November 2015 and we were pleased to see a range of mapping from OS OpenData across the pages.

A new passport design is launched every five years, and the theme for the new design is Creative United Kingdom. It features cultural icons such as William Shakespeare and landmark structures including the Angel of the North. OS maps form a part of the security features, and HM Passport Office have stylised our vector maps to fit within the new design, showing places related to the images on the pages.

The Home Office Minister for Immigration, James Brokenshire, said that it is the most secure passport ever produced for the UK.

## Finding the right address – a matter of life or death

An Ordnance Survey software pilot helped save lives, according to Community First Responders (CFRs) who used it.

The prototype mobile web app was used by a sample of CFRs from across the country over an eight-week period. During this time the sample group were called out to 440 emergency situations, of which the prototype was used on 270 occasions. Of those 270 cases, three involved patients suffering cardiac arrest whose lives were saved following CPR.

CFRs are volunteers who respond to emergencies, particularly in rural areas, providing Basic Life Support to patients before the arrival of an ambulance.

A major difficulty they encounter is finding patients' homes, especially when it's dark or if the home is remote or has neither a number nor a name board.

Mark Norbury, National Ambulance Resilience Unit Coordinator, says: *'There are three people alive today who might well not have been, but for the prototype OS created. In two thirds of cases where the pilot software was used it speeded up the CFRs response to the patient's side. While*

*it is difficult to identify exactly whether the earlier arrival of a CFR improved a patient's outcome, it was clear in two thirds of the cases reviewed that the CFR got to patient quicker with less stress, because of the ease of finding their patient's house. CFRs appear to be getting more and more calls in wider areas than historically and the pilot scheme enabled them to respond with confidence in finding their patient. Finding named houses, especially in the dark, is an absolute life saver.'*

There are approximately 20,000 CFRs supporting communities in Great Britain today, and they respond to around 50,000 emergency calls a year. Each CFR covers an eight mile radius and receives details of the emergency via an SMS. With this information they then search the Internet on their mobile device to try and identify where the address is. The problem CFRs find with Internet mapping is that it only gives an approximation of an address and not an exact location, which, when a life hangs in the balance, loses vital time.

## New partnership with Hexagon Geospatial

In November we announced a new partnership with Hexagon Geospatial. Through the new agreement, OS content – including aerial imagery – will be a part of the Hexagon Smart M.App experience, delivering a wide range of innovative information services.

The Hexagon Smart M.App provides a simplified approach to developing and interpreting analytics, with the potential to address concerns for Smart Cities, migration, security, resilience and environmental changes.

## International

Ordnance Survey International (OSI) works with customers to help them tap into the multi-million pound potential of accurate and up-to-date geographic information. We continue to build strong links with other countries and, to date, OSI has won business on four continents. We have a well-defined strategy in providing customers with accurate and efficient services, and a strong track record of working collaboratively with partners.

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## Innovation

### Research

This year in research has been one of regeneration after 12 months of interim leadership. In April, we recruited a Chief Geospatial Scientist in a new role to lead the Research team. They have led a review of the long-term research direction and aspirations of the business, resulting in a new research strategy, coupled to the wider business strategy.

The three broad focus areas in this strategy are ‘Core GIS & Geomatics’, ‘Smart Systems’ and ‘Humans and Geography’. Two new Principal Research Scientists have been recruited to help deliver this research – one in Data Science, and the other in Smart Cities.

Our work is currently formed principally of co-funded research projects with external research partners, mostly UK universities, and mostly delivered through PhD projects. The present portfolio comprises 15 PhDs at 11 universities plus post-doctoral research at Newcastle and Southampton Universities.

Research runs from the technical, such as machine learning applied to texture maps to extracting 3D building fascia

detail; though to the qualitative, such as ethnographic studies of different communities’ relationships to and labelling of places in a shared built environment. In response to the new research strategy we are investing particularly in new research in Connected and Autonomous Vehicles and the Internet of Things as part of the Smart Systems focus area.

At the end of the summer, the Education team was merged in, to form a new Research and Education team. This will provide additional synergy to connect our work in maintaining GIS in the geography subject area in schools in Great Britain with support for geospatial teaching and learning in higher education.

Beyond the Research & Education team, the business has formed an overarching Innovation Group to enable further strategic alignment of the work of the various innovation and R&D teams, running from the short-term, customer focus of the Consultancy & Technical Services team, through the data capture & management focus of Business Change & Innovation, to the technical innovation focus of the Geovation Hub.

### Mapping Mars

Using NASA open data, we created a one-off paper and digital map of the Martian landscape – to see if Ordnance Survey mapping has potential use for future Mars missions.

The private sector and space agencies are in competition to land the first person on Mars, so we embraced the opportunity to apply our innovative cartography and mapping tradecraft to a different planet.

The new map – which has generated a huge amount of interest from all over the world – covers a 3,672 by 2,721km extent of the Mars surface and has been produced to a scale of 1 to 4 million.

The cartographic style is very different to that of a typical planetary map. It’s identifiable as an OS map due to its soft colour palette combined with the traditional map features such as contours, grid lines and the map sheet layout complete with legend.

# Financial review

As this is the first full year of trading and the Company was dormant all of the prior year, there are no comparatives to the financial information.

## Financial summary 31 March 2016:

	£m
Revenue	146.6
Cost of sales	21.1
Operating costs (excluding depreciation, amortisation & impairment)	83
EBITDA	46.9
EBITDA%	32%
Depreciation, amortisation & impairment	24.5
Corporation tax	4.9
Profit attributable to owners of the Company	18.1
Dividend	12.4
Net assets	174.1

## Earnings before interest tax depreciation and amortisation (EBITDA)

The EBITDA outturn of £46.9m was below expectation due to lower than anticipated revenue growth. This has been driven by challenging market conditions which has resulted in longer sales lead times and time to deliver. Despite this there have been some encouraging contract wins which have seen the commercial contractual order book increase during the year.

## Revenue

Total revenue comprises both trading and non-trading revenue – the latter relating principally to cost recharges to GeoPlace LLP, a joint venture company. It was a challenging year for revenue, which resulted in a small overall growth on the prior year, delivered under the Trading Fund – with OS sales to consumers being more buoyant.

## Operating costs

The major single line of expenditure, direct and indirect employee costs, has been managed within the expectation for the year. This has been achieved at the same time as we've invested in new talent, bringing a number of recruits into senior and technical roles as we prepare for future growth.

## Dividends

We declared a dividend of £12.4m to our shareholder the Department for Business, Innovation & Skills, in March 2016.

## Statement of financial position

### Cash

We generated a net cash inflow of £43.0m from operating activities during the year and a further £5.4m received from joint ventures. Our capital expenditure programme (£29.7m) included the investment in our Geospatial Content Improvement Programme and Multi Resolution Data Programme.

### Non-current assets

Our non-current assets are principally:

**Explorer House:** Our head office in Southampton.

**Geospatial Database Management System:** The operating system central to the entire business is the Geospatial Database Management System. This is the repository for all data content from which all products are derived.

**Geospatial Content Improvement Programme:** The new programme for the improvement of urban content will run over five years. Increasing demand for more features and greater urban detail has made this programme a necessity to maintain OS MasterMap's world-leading, best of class status.



## Other entities

In support of Ordnance Survey's strategic goals, as outlined in the Business review (page 10), Ordnance Survey operates and holds investments in the following subsidiaries and shared ownership entities.

### 100% subsidiaries

#### Ordnance Survey Leisure Limited (OSL)

OSL provides a direct retail offer to consumers who prefer to purchase OS products and services online. Revenue in this business has performed particularly well with strong across-the-board product sales. However, revenue from the enhanced mobile app, OS MapFinder®, which was available for the full year to Android® users as well as to iOS® users, and our Custom Made maps was particularly strong.

Total revenue of £2.8m and the EBITDA of £0.0m.

#### Ordnance Survey International LLP (OSI)

OSI is our nascent International business, which aims to leverage our world-leading reputation in the geospatial industry and sell our expertise to government agencies in other countries with a primary focus in the Middle East. OSI generated turnover of £0.4m and a EBITDA loss of £1.2m. This was a rather disappointing outcome, but with a strong order pipeline going into 2016–17.

### Shared ownership entities

#### GeoPlace LLP (GeoPlace)

GeoPlace, is a 50:50 joint venture with the Local Government Association, which has developed a new addressing product, licensed to the Company. GeoPlace generated a profit share return of £4.3m and £5.3m in cash was returned to the Company during the year.

#### Astigan Limited (Astigan)

Astigan is a 51% owned subsidiary which is consolidated into the Group accounts as it has control of the Board. The objective of the Company is to research new ways of remote data collection. We see this as a medium-term investment and have entered into a joint venture with technical experts in their field. In the year, Astigan made a loss of £1.2m.

#### PointX Limited (PointX)

PointX® is a 50% joint venture with Landmark Information Group®. During the year PointX generated a profit share of £0.1m.

#### Dennis Maps

The Company took a 25% share of Dennis Maps limited in December 2015. The Group profit share generated is nil.

The main objective of the investment is for us to secure the supply of OS paper maps. In addition, we will develop new strategies and explore future innovations and technological advances within the printing and mapping industry. Further information on this investment can be found on page 10.

## Key performance indicators

The group key performance indicators are the primary measures the board use to monitor the Group's performance:

Revenue	£146.6m
EBITDA%	32%
Free cashflow	£21.1m
Net Promotor Score	37

**Revenue** – is the total consolidated group revenue recognised on the statement of profit or loss.

**EBITDA%** – defined as operating profit adding back amortisation, depreciation and impairment divided by revenue as a percentage.

**Free cashflow** – defined as total net cash flow with dividend and tax payments added back (excluding cash from the transfer of trade and assets from the Ordnance Survey Trading Fund).

**Net Promotor Score** – is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It's used as a proxy for gauging the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand.

# Corporate and social responsibility

## Education services

During the 2014–15 school year we ran over 45 teacher training workshops throughout the country. The training enabled teachers to explore the full capabilities of our award winning Digimap for Schools service and let them have some ‘hands-on’ use. In this period, more than 800 primary and secondary teachers have taken advantage of this training opportunity.

The number of schools who are registered users of the Digimap for Schools service has increased to over 2,500 and for the first time we have 1,000 secondary schools subscribed. A major addition to the service has been the inclusion of 1950s data set, courtesy of the National Library of Scotland. With the inclusion of this data, and with the already included 1890s mapping, schools can now look at change in their locality across three eras.

## Corporate charity

In March, 366 OS employees voted for the 2015–16 Corporate Charity. The winner with 42.1% of the votes was Holding Little Hands, a charity supporting Southampton’s neonatal unit. Between 1 April and 31 March we held more than 100 fundraising events for Holding Little Hands. These ranged from simple cake sales, to football tournaments, second-hand map sales, pamper evening, fun Christmas activities and concerts from OS choir *Off The Scale*.

The biggest fundraising events have been:

October 2015	Second-hand map sale	£3,358
October 2015	Ladies’ pamper evening	£1,063
July 2015	Bench sale	£700
April/June/November 2015	<i>Off The Scale</i> concerts	£1,630
December 2015	Christmas activities	£1,500
March 2016	Dinner dance	£2,500

Thanks to everyone’s generosity we raised £20,000 for Holding Little Hands. This is a record-breaking amount for OS.

## Employee match funding

To ensure as many employees as possible benefit from the limited amount of funding available, we will match individual fundraising activities to a maximum of £100 per charity, per employee. Each year a set amount will be available for match funding, which will be allocated on a first come, first served basis.

Since 1 April 2015 we have donated a further £1,265 in employees’ match funding to:

1st Hedge End Brownies	Mary’s Meals
Cancer Research	National Rheumatoid Arthritis Society
Football for Cancer	Poppy Appeal
Hope and Aid Direct	Prostate Cancer UK
Local Community Support	ShelterBox
Local Parish Church	The Brain Tumour Charity
Lordshill 10k	Twyford Waterworks Trust
Lymphoma Research	Williams Syndrome Foundation
Macmillan Cancer Support	Young Enterprise
Makaton	

## Volunteering

Throughout the year, 169 of our employees took a Volunteer Day. These days have been used to support many different charities, causes and projects.

These include: The Nuffield Theatre; St Mary’s Village Hall; Wildlife Trust (Blacka Moor West Sheffield); Pondhead Conservation, and the New Forest National Park to name but a few.

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## Work experience

In 2015 we had interest from 25 potential candidates (four more than last year).

We offered places to 14 students (one more than last year). Two placements were cancelled by the students, six places were declined by OS (due to no space left in the chosen departments) and three applications are still pending.

In addition, four students have completed work experience through a known contact within OS.

We have 20 employees on our database who are willing to take on work experience students for a week in these departments:

- Ordnance Survey Limited
- Content & Data Products
- Programme Delivery Unit
- Information Systems
- Cartography
- Operations
- Remote Sensing
- Business Change
- Marketing
- Creative Design

The Business Centre took over the responsibility for work experience in April 2015, and after an overhaul of the scheme, predicted to increase the numbers of students placed by 10%. This target has been met, with applications still being submitted.

In 2016–17 we again hope to increase the placements by 10%.

This will involve further promotion of work experience and the benefits to OS, which began with a rolling Internal Communications programme.

We already work closely with the local education business partnership (EBP South).

We're looking to further enhance the scheme, and are considering the following:

- Contacting careers services directly (if necessary).
- Introducing an optional interview (either on or off site) so the process has an 'authentic' feel.
- Introducing a pre-placement chat as standard, so the student isn't overwhelmed on their first day.
- Organising building tours with the Head of Building & Property Services.

## Community use of the OS Business Centre

Over the last 12 months we've had 28 (six less than last year) bookings from the community. Infant schools, universities, Hampshire Fire & Rescue, and Hampshire Constabulary are just a few government organisations who have benefited from our facilities at Explorer House.

We offer our rooms and AV support free of charge. The community bookers must pay for the catering costs, but registration, name badges and technical support are provided at no cost.

We send out feedback forms to all bookers after their events and we are delighted with the high praise and compliments we receive on our building, facilities and customer service.

# Employee information

## Equality and diversity

We have a diversity and equal opportunities policy which is regularly reviewed and which can be found in our Employee Handbook on our Intranet for employees.

Human Resources continue to work closely with managers on health and attendance issues. Referrals are made to our occupational health provider for expert advice when appropriate.

Reasonable adjustments (long- and short-term) continue to be made in the workplace to enable employees to continue in their roles. These include changes to equipment as well as working practices.

## Employee ratio

The table below provides a breakdown of employees by career level and gender as at 31 March 2016.

Career Level	Male	Female	Total
Non-Executive Director and board members	4	1	5
Executive Leadership team	8	0	8
Senior Manager	20	6	26
Professional Leader	25	7	32
Other roles	809	318	1,127
TOTAL	866	332	1,198

## Employee sickness and absence

Employee absence is monitored and return-to-work interviews are held to ensure appropriate support or adjustments can be offered. The data below is for 2015–16 as at 31 March 2016.

OS, total days lost due to sickness	OS, average sickness days lost per employee	External, average days lost per employee
5,034	4.2	8.3

## Health and Safety

Encouragingly, recorded accidents have been reducing year-on-year; compared with 2013, overall recorded accidents have reduced by 20%. The two major causes of accidents – 1) *vehicle accidents* and 2) *slips, trips and falls* have both reduced by 45%.

Vehicle accidents and slips, trips and falls are mainly reported by those working in the field, at times in difficult conditions and terrains. With roads increasingly becoming busier and with the increase in new house builds which require surveys, we believe the on-going downward trend in recorded accidents shows a progressive and positive attitude to health and safety.

## Off-payroll engagements

As required by the Alexander review, we disclose all off-payroll engagements which exceed six months. We use the services of contractors provided by third-party organisations to cope with peaks of demand on resources and comply with the recommendations outlined in the Alexander review. Assurance is provided annually to BIS that in all cases we have sought and gained legally binding assurance that individual contractors have and will pay the right amount of tax and National Insurance.

Off-payroll engagements as at 31 March 2016 for more than £220 per day and that last for more than six months are as follows:

	31 March 2016
Number of existing engagements	104
Number that have existed for less than one year at time of reporting	62
Number that have existed for between one and two years at time of reporting	39
Number that have existed for between two and three years at time of reporting	3
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0
Number of new engagements, or those that reached six months in duration, between 1 April and 31 March	36
Number of the above, which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	34
Number for whom assurance has been requested	22
Number for whom assurance has been received	22
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being received	0

The further 14 assurances have been requested post 1 April 2016.

# Sustainability

As Ordnance Survey Limited acquired the continuation of the trade and functions of the Ordnance Survey Trading Fund, the Sustainability information presented makes reference to the continuation of the trade and function through use of comparatives.

Ordnance Survey Limited is in the final stages of creating a new Environmental Management System aligned to ISO14001:2015. This will set new targets to increase resource efficiencies and decrease emissions in line with the incumbent Greening Government Commitments 2020, international agreements, such as COP21 and the UN's Sustainable Development Goals. Ordnance Survey Limited is coming under increasing pressure from its stakeholders, including customers and suppliers, to attain an array of sustainable development criteria.

Ordnance Survey Limited is a growing organisation with aspirations to have a more international reach. A careful balance between OS's environmental impact and climate change mitigation efforts must be struck when potentially more emissions will be generated from OS's business activities.

The reader will note that the previous five years have been included, with the data from the old head office at Romsey Road omitted (FY 2009–10 and 2010–11). This makes for commensurate comparisons between accounting years.

## Greenhouse gas emissions

Operational assets and functions of Ordnance Survey that impact the environment via emissions, waste and resource depletion are included in the scope of this report (buildings, fleet vehicles and travel).

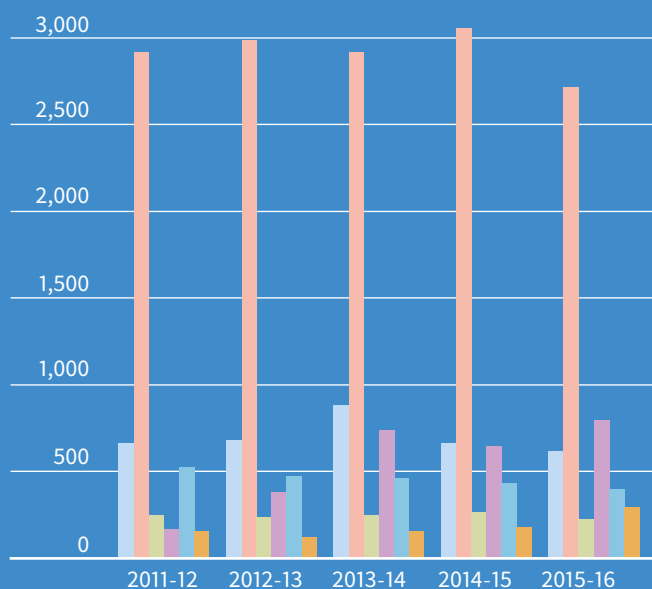
The graph right and table opposite show that electricity consumption at Explorer House has the highest environmental impact of all OS's emissions. The emissions associated with electricity usage dropped by 12% in 2015–16 due to two factors; more efficient running of plant and a more favourable emission factor due to coal fired power stations closing (less carbon intense electricity production). In real terms, the amount of electricity consumed only dropped by 5%.

Scope 1 emissions have fallen this year (13%) for the second time in a row. This reflects less business car miles being travelled and the ground source heat pump working at capacity (negating the need to fire the gas boilers).

However, business travel-related emissions have risen by 22% compared with 2014–15. This is the result of more international travel, as OS is expanding into international markets. Interestingly, the number of domestic flights has decreased by 28% in comparison to last year, illustrating the international aspect of strategic focus. Scope 3 emissions relating to the surveying aircraft have risen sharply, due to the drive to capture more aerial data.

Energy consumption at Explorer House and the Gloucester Data Centre decreased by 3% and 1% respectively, with kWh/m<sup>2</sup> values falling at both sites. As last year, heating requirements have been relatively low due to another mild winter. Less IT load is attributable to the 1% decrease at the Gloucester Data Centre.

Greenhouse gas emissions tCO<sub>2</sub>e



- Total Scope 1 emissions (gas, fuel for fleet cars and fugitive emissions from air chillers).
- Total Scope 2 emissions (off-site electricity generation).
- Total Scope 3 emissions (transmission loss of electricity).
- Emissions attributable to Scope 3 official business travel (rail, taxi, air, underground).
- Emissions attributable to Scope 3 Managed Assets (Gloucester Data Centre, including fugitive emissions and electricity consumption).
- Emissions attributable to Scope 3 Managed Assets (Cessna surveying aircraft).

## Greenhouse gas emissions

Absolute metrics	Scope/emission/energy use	2011-12	2012-13	2013-14	2014-15	2015-16
Non-financial indicators (tCO <sub>2</sub> e)	Total Scope 1 emissions (gas, fuel for fleet cars and fugitive emissions from air chillers)	660.1	676.0	883.9	663.2	613.6
	Total Scope 2 emissions (off-site electricity generation)	2,916.8	2,987.0	2,915.6	3,054.4	2,713.2
	Total Scope 3 emissions (transmission loss of electricity)	249.3	236.0	249.3	267.1	224.0
	Total emissions attributed to electricity consumption (Scope 2 and 3)	3,166.0	3,222.9	3,164.9	3,321.4	2,937.2
	Emissions attributable to Scope 3 official business travel (rail, taxi, air, underground)	166.3	381.8	734.6	647.1	793.2
	Emissions attributable to Scope 3 Managed Assets (Gloucester Data Centre, including fugitive emissions and electricity consumption)	524.1	470.6	462.7	430.1	398.3
	Emissions attributable to Scope 3 Managed Assets (Cessna surveying aircraft)	153.1	119.9	152.6	177.8	291.3
	<b>TOTAL EMISSIONS (ALL SCOPES)</b>	<b>4,674.4</b>	<b>4,876.1</b>	<b>5,403.4</b>	<b>5,244.5</b>	<b>5,033.6</b>

Related energy consumption (kWh)	Electricity (Mains 'Green' Tariff – EH and GDC)	7,518,130	7,439,107	7,499,346	6,977,842	6,663,798
	Gas	447,319	480,274	979,967	483,972	579,692
	<b>TOTAL kWh Consumption</b>	<b>7,965,449</b>	<b>7,919,381</b>	<b>8,479,313</b>	<b>7,461,814</b>	<b>7,243,490</b>

Financial indicators (£)	Expenditure on energy (gas, electricity, BUS fuel, GDC electricity, Cessna fuel)	£363,908	£356,061	£1,336,830	£1,103,110	£1,064,692
	Expenditure on CRC (including fees and allowance)	£24,308	£24,380	£46,877	£57,721	£53,487
	Expenditure on official business travel (rail, hire cars, taxis, air, BUS leasing)	£2,226,708	£2,625,968	£2,604,372	£2,204,954	£2,335,830
	<b>TOTAL expenditure on energy, CRC and official business travel</b>	<b>£2,614,924</b>	<b>£3,006,409</b>	<b>£3,988,080</b>	<b>£3,365,786</b>	<b>£3,454,009</b>

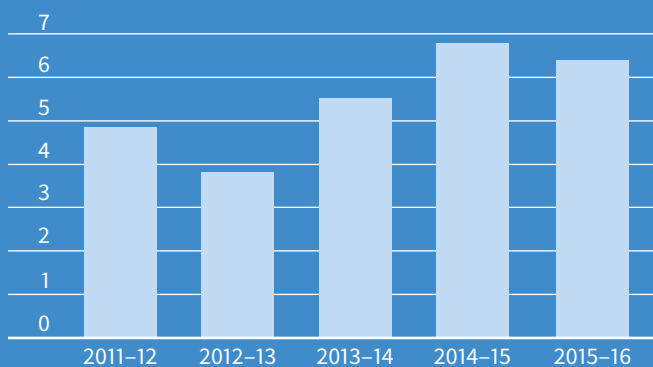
Normalised metrics	Asset	2011-12	2012-13	2013-14	2014-15	2015-16
kWh/m <sup>2</sup>	Explorer House	457.1	461.9	498.5	441.4	427.3
kWh/m <sup>2</sup>	Gloucester Data Centre	4,866.7	4,319.5	4,358	3,645	3,623
g CO <sub>2</sub> e/km travelled	BUS mileage (kilometres)	168.19	161.42	155.45	159.66	156.19
g CO <sub>2</sub> e/km travelled	Hire vehicles mileage (kilometres)	185.58	186.73	178.35	164.89	80.98
Number of instances	Domestic flights	373	268	438	445	321
kg CO <sub>2</sub> e/passenger-flight	Domestic flights	25.1	260.0	288.9	260.2	260.5
kg CO <sub>2</sub> e/passenger-flight	Short-haul flights	899.8	340.4	309.8	269.8	295.2
kg CO <sub>2</sub> e/passenger-flight	Long-haul flights	1,549.6	1,787.3	2,380.5	2,299.7	2,161.3
kg CO <sub>2</sub> e per journey	Domestic rail travel	7.8	6.6	11.7	10.9	10.9

Financial breakdown of business travel	BUS lease	n/a	n/a	£1,546,040	£1,569,901	£1,484,166
	BUS fuel costs	n/a	n/a	£332,350	£316,578	£217,207
	Hire car costs	n/a	n/a	£142,547	£39,721	£54,874
	Domestic rail travel (including underground)	n/a	n/a	£231,437	£243,352	£297,136
	Domestic flights	n/a	n/a	£63,186	£77,210	£49,524
	Short-haul flights	n/a	n/a	£55,855	£55,018	£128,170
	Long-haul flights	n/a	n/a	£193,730	£184,419	£280,392
	Domestic taxis	n/a	n/a	£39,223	£35,330	£41,568
	<b>TOTAL</b>	<b>–</b>	<b>–</b>	<b>£2,604,372</b>	<b>£2,521,532</b>	<b>£2,553,037</b>

### Finite resource consumption: water and paper

Water consumption has fluctuated year-on-year and reflects the staffing levels at head office. In comparison with 2014–15, there has been a 4% reduction in absolute terms and 6% as an FTE metric. About 28% of the water consumed at Explorer House comes from the rainwater harvester, but when both mains (Scope 2 water) and rain water (Scope 1 water) usage is combined, OS achieved a ‘poor practice’ benchmark of 6.39m<sup>3</sup> per FTE in 2015–16.

#### Total water consumed per FTE



Further work is needed to confirm exactly how the additional water is being utilised before new targets can be set. Sub-metering the water supply will provide the required level of detail.

Water footprinting (‘embedded water’ or ‘Scope 3 water’) methodologies are still in their infancy and OS awaits guidance from Government before it starts quantifying the indirect impacts of water usage (energy used in abstraction, treatment and transportation of water and the embedded water usage of and in products).

Paper consumption has decreased by 34% compared with last year. Some of this reduction can be attributed to having less printers in head office. However, heavy grades of paper are being used by the digital print services, which fall outside the reporting scope (80–100g/m<sup>2</sup>). Therefore, less light weight paper is being procured and used. Conversely, FSC virgin papers are primarily used in the digital print service, which has a potentially larger environmental impact than using recycled paper. So, we are in a position where despite our paper procurement decreasing, we are using heavier and non-recycled papers in lieu of recycled alternatives.

### Waste minimisation and management

Total waste arisings have reduced significantly compared with 2014–15. This will mostly be due to more accurate weight figures being provided by the waste contractor. Recycling rates have also increased, due to better recycling capability of our waste contractors. What is notable is the reduction of waste going to incineration and landfill. This is reflective of the waste industry diverting more waste into the recycling streams.

OS ran a series of waste promotions in 2015–16 to help the separation of waste at source. However, more needs to be done to limit the waste arisings and increase recycling rates as per the Waste (England and Wales) (Amendments) Regulations 2014. This will reduce the amount of emissions associated with the transport, processing and decomposition of wastes and reduce the need for extracting virgin raw materials.

### Sustainable procurement

The Procurement team has included specific questions about management and monitoring of environmental issues in tendering documentation sent to potential suppliers and onward supply chains. These questions cover carbon footprint, energy reduction, staff travel and recycling targets. Operationally our print supplier is required to print all our maps on paper that is either approved by Forest Stewardship Council or Pan European Forest Council, and wherever possible we use Government Framework contracts where Greening Government Commitments are in place.

### Biodiversity Action Plan and Climate Change Adaptation Plan

OS does not have an official Biodiversity Action Plan or Climate Change Adaptation Plan. We are aiming to bring these under the remit of the new EMS. The unmanaged ‘wild’ area consisting of native British flora to the east of Explorer House can be used to directly increase the biodiversity at the Head Office site.

### Future improvements in sustainability

OS will be launching its new EMS, which will have a more comprehensive scope and new targets, taking a life-cycle perspective of its emissions. We intend to scrutinise our supply chain more to manage our emission/resource reduction efforts and refresh our approach to social responsibility. It is proposed that an Integrated Reporting framework is used to report environmental and social KPIs to the business to evaluate its sustainable development performance.

## Finite resources consumption – water and paper procured

Absolute metrics			2011-12	2012-13	2013-14	2014-15	2015-16
Non-financial indicators (m <sup>3</sup> )	Water consumed (m <sup>3</sup> )	Mains water supply (Scope 2)	5,234	4,185	4,559	5,708	5,341
		Harvested rainwater used (Scope 1)	812	1,007	1,538	1,445	1,492
		<b>TOTAL CONSUMPTION</b>	<b>6,046</b>	<b>5,192</b>	<b>6,096</b>	<b>7,153</b>	<b>6,832</b>
Normalised metrics	Water consumed (m <sup>3</sup> )	Mains water supply per FTE	4.85	3.81	4.13	5.41	5.00
		Harvested rainwater used per FTE	–	–	1.39	1.37	1.40
		<b>TOTAL CONSUMPTION per FTE</b>	<b>4.85</b>	<b>3.81</b>	<b>5.52</b>	<b>6.78</b>	<b>6.39</b>
Absolute metrics	Paper procured (tonnes)	Procurement (through Banner GGC)	5.41	7.03	6.04	5.91	3.93
		Procurement through FM contractor	n/a	n/a	15.8	4.54	3.00
		<b>TOTAL PAPER PROCURED</b>	<b>5.41</b>	<b>7.03</b>	<b>21.84</b>	<b>10.46</b>	<b>6.92</b>
Financial indicators (£)	Water consumed (£)	Mains water supply and treatment	£15,516	£14,383	£15,258	£17,990	£18,495
		Used harvested rainwater treatment	–	–	£1,482	£3,215	£3,416
		<b>TOTAL WATER SUPPLY AND TREATMENT</b>	<b>£15,516</b>	<b>£14,383</b>	<b>£16,741</b>	<b>£21,206</b>	<b>£21,911</b>

## Waste

Absolute metrics			2011-12	2012-13	2013-14	2014-15	2015-16
Non-financial indicators (tonnes)	Total waste arisings (tonnes)		229	232	128.30	86.53	71.61
	Non-hazardous waste	Waste recycled/reused (excluding ICT)	175	189	90.17	56.20	54.45
		ICT equipment reused/recycled externally	n/a	2.25	6.92	10.92	0.68
		Waste composted	0.08	0.21	4.32	4.33	4.47
		Waste sent to incinerator/landfill	54	41	25.14	14.43	11.53
	Hazardous waste	Batteries (recycled)	n/a	n/a	0.10	0.07	0.09
		HCFC equipment (fridges and other electrical equipment)	n/a	n/a	1.01	0	0.15
		Fluorescent lamps (recycled)	n/a	n/a	0.08	0.08	–
		Toner cartridges (recycled)	n/a	n/a	0.5	0.45	0.18
		Sanitary waste (not recycled)	n/a	n/a	0.06	0.06	0.05
Financial indicators (£)	Total disposal costs (£)		£25,195	£15,832	£32,915	£29,821	£22,905
	Non-hazardous waste	<b>TOTAL NON-HAZARDOUS WASTE COSTS</b>	Inclusive	£15,832	£27,717	£24,849	£18,764
		Waste recycled/reused	Inclusive	£15,832	£13,729	£13,210	£14,655
		ICT equipment reused/recycled externally	n/a	n/r	£10,588	£8,365	£1,190
		Waste composted	nil	nil	nil	nil	nil
		Waste sent to landfill	Included in total waste cost (same as waste recycled/reused)				
	Hazardous waste	<b>TOTAL HAZARDOUS WASTE COSTS</b>	n/a	n/a	£5,197	£4,971	£4,141
		Batteries (recycled)	n/a	n/a	£427	£183	£187
		HCFC equipment (fridges and other electrical equipment)	n/a	n/a	£135	–	£110
		Fluorescent lamps (recycled)	n/a	n/a	£150	£75	–
		Toner cartridges (recycled)	n/a	n/a	£175	£600	£379
Sanitary waste (not recycled)		n/a	n/a	£4,311	£4,113	£3,464	



# Principal risks and uncertainties

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The Ordnance Survey Audit and Risk Committee (OSARC) and the Strategy Board reviewed the principal risks and uncertainties facing the business and has summarised them as follows:

- Lack of scalability and pace reduces competitiveness in an increasingly global market.
- The rapid change of Government policy could result in a mismatch with Ordnance Survey's long term strategy.
- Increasing cyber and data corruption risks in a data-led environment could interrupt business or lead to reputational damage.
- Opportunities to gain full value from existing and future intellectual property are not realised.
- Attraction and retention of appropriate people and skills to maximise capability and knowledge.

Further details on risks are included in the Governance statement on page 25.

Approved by the Board and signed on its behalf by:

Nigel Clifford  
Chief Executive Officer  
24 June 2016

# Governance statement

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## Scope of responsibility

As Chief Executive Officer of Ordnance Survey (OS) I fulfil the role of Accounting Officer. I have responsibility for maintaining a sound system of internal control that supports the achievement of OS's policies, aims and objectives, while safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

## The purpose of the Governance statement

The Governance statement, for which I, as Accounting Officer take personal responsibility, is intended to give a clear understanding of the dynamics of the business and its control structure. It explains how OS has complied with the principles of good governance and reviews the effectiveness of its governance arrangements.

## The Governance framework

Roles and high-level responsibilities within the governance framework include the following:

**Shareholder Executive:** OS reports to BIS through the Shareholder Executive which advises BIS ministers on the management of the Government's interest in OS, and a Shareholder Executive representative sits on the OS Board. From 1 April 2016 Shareholder Executive was merged with UK Financial Investments to become UK Government Investments.

**OS Board of Directors:** Comprises a Non-Executive Chair and up to four other Non-Executive Directors in addition to the Executive Directors and it meets at least six times a year. Its role is to challenge and support the Executive team in determining the OS long-term strategy and vision to ensure OS and its group businesses remain relevant and effective and deliver against the public task, policies and objectives set for it by Ministers. The OS Board is the principal oversight body for OS. It receives submissions from each part of the organisation and group businesses to monitor performance against key performance indicators including the business plan and budget. The key performance indicator data is provided via established and appropriately controlled systems and financial performance and forecasts are reviewed at each meeting providing appropriate oversight and assurance to the OS Board.

**Accounting Officer and Chief Executive Officer:** As Chief Executive Officer I am responsible for the day-to-day leadership of OS. I have responsibility for the proper, effective and efficient use of public funds and the stewardship of OS assets. I am accountable to the Minister for the performance of OS in accordance with the Shareholder Framework document, the corporate strategy and OS performance monitors.

**Executive Committee:** Responsible for all operational matters at a corporate or multi-group level; ensuring the implementation of the strategy agreed by the Board; managing the resulting operations efficiently and effectively; and making strategic recommendations to the Board as and when appropriate. The Executive Committee is chaired by the Chief Executive Officer and meets once a week.

**Audit and Risk Committee (OSARC):** Is responsible for providing assurance to me as Accounting Officer that the organisation's system of governance, risk management and internal control is operating effectively. It is chaired by a Non-Executive Director supported by a further two Non-Executive Directors. The Chair annually assesses whether the Committee has discharged its responsibilities effectively, in accordance with its terms of reference.

**Remuneration Committee:** Is responsible for reviewing and recommending Executive Directors' and Senior Manager Heads' salaries, performance-related pay, taxable benefits and agency bonuses. It is chaired by a Non-Executive Director. Further information on the work of the Remuneration Committee can be found in the report on Directors remuneration on page 33.

**Nomination Committee:** Is responsible for agreeing Executive and Non-Executive appointments and terminations, reviewing succession plans for Executives and Non-Executives, recommending remuneration packages and other terms and conditions for approval by the Remuneration Committee and undertaking an annual skills audit of the Non-Executive Directors to ensure there is an appropriate mix of skills. It is chaired by a Non-Executive Director.

Attendance at Board and Committee meetings in 2015–16 was as follows:

Name and Title	OS Board		OSARC		Remuneration & Nominations Committees	
	Number of meetings	Attendance	Number of meetings	Attendance	Number of meetings	Attendance
Financial year period 1 April 2015 – 31 March 2016						
<b>Non-Executive Directors</b>						
Jacques Cadranel, Non-Executive Director (from June 2015)	6	6	3	3	0	0
Mike Carr, Non-Executive Director, Remuneration Committee Chair	6	6	3	3	6	6
Michael Harrison, Shareholder Executive (from January 2016)	2	2	1	1	2	2
Stephen Lake, Non-Executive Director, OSARC Chair (from June 2015)	6	6	3	3	0	0
Craig Lester, Shareholder Executive (to January 2016)	5	5	0	0	5	5
Sir Rob Margetts CBE, Non – Executive Chair, Nomination Committee Chair	6	6	0	0	6	6
Rob Varley, Non-Executive Director (to June 2015)	1	1	1	1	0	0
Piers White MBE, Non-Executive Director, OSARC Chair (to June 2015)	1	1	1	1	0	0
<b>Executive Directors</b>						
Neil Ackroyd, Executive Director	6	6	3	3	0	0
Nigel Clifford, Chief Executive Officer (from June 2015)	6	6	3	3	6	5
Andrew Loveless, Executive Director	6	6	1	1	0	0
Clive Mosey, Executive Director (from November 2015)	3	3	1	1	0	0
Ian Nunn, Executive Director (to August 2015)	2	2	1	1	0	0

During the year the members of the Executive Leadership team and the Non-Executive Board also attended meetings as required.

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## Board effectiveness

There have been a number of changes to the Board membership this year with my appointment as the new Chief Executive Officer in June 2015, the appointment of four new members to the Executive leadership team.

The board is planning to conduct an annual Board effectiveness and performance evaluation in the coming year. This evaluation will cover the frequency, methods of working and arrangements for meeting, as well as the governance arrangements, the balance of agenda items, topics for discussion, development of strategy and depth of debate.

The Chair of OSARC provides me with an annual report on the effectiveness of the Committee in discharging its responsibilities.

All of the Directors bring their own judgement to the major matters affecting OS and each of the Non-Executive Directors is considered by OS to be independent, with the exception of Michael Harrison and Craig Lester who are the shareholder representatives on the Board.

## Compliance with the UK Corporate Governance Code

With effect from April 2015 the entire functions, business and assets of the OS Trading Fund were transferred to Ordnance Survey Limited, a private company limited by shares and wholly owned by the Secretary of State for Business, Innovation & Skills. OS has considered the *UK Corporate Governance Code* in designing its governance processes and arrangements to align with best practice as far as is possible. A review of Governance processes against best practices was conducted by Internal Audit in 2015–16.

The review noted a need to ensure the Board formally agrees and publishes its terms of reference to demonstrate appropriate discharge of its duties. In addition and as noted above in the Board effectiveness section, an annual Board performance and effectiveness evaluation has not been carried out this financial year.

## Protecting personal data

During 2015–16 any data compromise and data loss incidents were logged and investigated, but were not considered to present substantial harm or distress to the data subject, so were not reported to the Information Commissioner's Office.

The Information Assurance and Security team seeks to ensure OS continues to understand its obligations to comply with the Data Protection Act 1998.

## The Risk and Internal Control Framework

Our strategy for risk management is designed to achieve a cost-effective balance between mitigation and acceptance of risk. Risks are pro-actively identified, assessed and managed at all levels of the organisation so that exposure to risk, including information risk, is captured, reported and maintained at an acceptable level. Risk management is supported through the key governance and decision-making groups. Senior management takes responsibility for embedding a consistent risk and control framework throughout the organisation. The Internal Audit team assesses the systems of governance, risk and control via a planned programme of assurance work.

Strategic risks are regularly reviewed at Executive Committee to assess the relevance, completeness and adequacy of mitigating controls. The Chief Financial Officer in his role as Chief Risk Officer is responsible for monitoring risk, reporting to OSARC and the Board on the adequacy of the strategic risk management process. The Internal Audit team has used the strategic risk register to inform its risk-based internal audit programme and conducted a series of Risk Maturity reviews across different business functions to evaluate the effectiveness of the risk management process. This work identified a number of areas of good practice with some improvements recommended to the risk management processes across the business.

Maintaining and demonstrating a strong control environment is an important part of ensuring the business meets its objectives and goals. During 2015–16 the Head of Risk and Assurance introduced a control self-assessment and annual assurance statement process to provide me with assurance that the risk management, governance and control systems established by business units are reliable and effective. It has also provided a framework for management to review, assess and validate the operational effectiveness of their internal controls.

The assessment conducted in 2015–16 was responded to positively and was successful in realising a number of benefits for the business such as:

- Improved awareness of risk and controls among management and staff;
- Structured approach to improving the controls framework through the organisation;
- Enhanced responsibility and accountability for risks and controls among management and staff;
- Highlighted best practices and opportunities to improve business performance; and
- Provided a focus on areas requiring management and/or Internal Audit attention.

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## Summary risk profile

OSARC reports to the Board and is satisfied OS is managing its risk profile appropriately. This opinion has been formed in conjunction with the Risk and Assurance function.

The following high-level themes have been included within the risk profile during the year:

### Scalability and pace

Scalability and pace are important in ensuring OS has the ability to create competitive advantage and value from new and existing customers, products and services in an increasingly global market. Our strategy is geared to developing our capabilities to secure alternative revenue sources.

### Government policy

OS has limited influence on government policy. Changes in government policy (including European Directives) could impact the organisation's ability to deliver overall business strategy and would require plans and strategies to be revised appropriately. OS seeks to maintain a dialogue with our ministers, UKGI and other stakeholders to ensure the impact of agreed policy or open consultations is understood.

### Cyber security

The increase in frequency and complexity of cyber-attacks and their focus on financial gain requires the organisation to be highly vigilant. OS continues to develop and implement actions such as the Critical Controls Improvement Programme and the Technology Platform Strategy to keep pace with the rapidly changing cyber landscape and strengthen our defence against cyber-attack. Cyber Essentials PLUS accreditation was gained in 2015.

### Intellectual property

To maximise its revenue earning potential from products and intellectual capital, OS needs to take steps to protect its investments. The business is improving its configuration to be able to 'sell' its knowledge and to grow new revenue streams. OS needs to be able to identify how to maximise revenue generating opportunities.

### Investment portfolio

The strategy adopted by the business requires significant change, much of it predicated on investment in change projects. If the wrong projects are chosen through a failure to prioritise correctly or projects do not deliver the planned benefits to agreed time, cost and quality measures, the strategy is risked.

Work has been done to mitigate this risk – and the 2016–17 budget planning process has clarified the budget to run the current business and the transformation programme to deliver our 2020 model. In the 'Run the Existing' portfolio change initiatives have been prioritised and selected having taken into account benefits, capacity and capability. These changes have been agreed and communicated to the business and so the inherent risk or starting point for this risk is now a lower likelihood than it has been in recent years.

### Attracting and retaining appropriate people skills

An over-reliance on critical roles creates single points of failure and limits our capacity to deliver. If left for a prolonged period it negatively effects employee engagement and productivity. There are roles which require a depth of knowledge and understanding of our products, data and technologies which can be difficult to find in the market, it's acknowledged that OS needs to grow our own geospatial expertise to deliver the business strategy. Mitigating actions such as talent and succession planning, though longer-term, are being realised.

## People and tax assurance

As an organisation with significant intellectual property, working in a constantly evolving industry, OS is reliant on the skills, knowledge and integrity of our employees. We need to be able to respond quickly to new and emerging requirements, while maintaining the efficiency and effectiveness of operations. We do this by training our employees, providing adequate opportunities for development, career progression and financial reward. These risks are addressed through appropriate recruitment activities, talent identification with tailored training programmes, graduate schemes, internships and recognition schemes.

We use the services of contractors to cope with peaks of demand on resources and comply with the recommendations outlined in the HM Treasury *Review of the tax arrangements of public sector appointees*.

## Information security

OS considers the confidentiality, integrity and availability of its information to be of high importance. The Senior Information Risk Owner is an Executive Director who is responsible for the management of information risk at Board level. The Senior Information Risk Owner is supported by Executive Director Information Asset Owners, who own and address risks to their information assets. The Information Assurance and Security team provide assurance to stakeholders that governance structures, policies and processes are in place to protect the confidentiality, integrity and availability of the organisation's information.

As noted above, OS achieved Cyber Essentials PLUS accreditation during 2015–16.

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## Internal Audit Opinion

The Head of Risk and Assurance provided an annual opinion that OS has adequate and effective internal control and governance processes to manage the achievement of its objectives. Where weaknesses were identified through the internal audit work, management agreed appropriate corrective actions and a timescale for improvement.

In 2015–16 Internal Audit published 24 assurance reports. Four limited assurance audit reports were issued and 16 positive assurance opinions reported. Four advisory based reviews were also undertaken which did not provide a formal opinion. No reviews were undertaken in 2015–16 that warranted an unsatisfactory assurance opinion.

The follow-up programme confirmed 91% of recommendations had been implemented by the agreed due date. Extension dates were agreed for all overdue recommendations. There were no high priority recommendations not receiving adequate management attention.

## Review of effectiveness

As Accounting Officer I have responsibility for conducting an annual review of the effectiveness of the system of governance, risk management and internal control. This review is informed by OSARC, the oversight and work of the Executive Directors and senior managers, the control self-assessment process implemented during 2015–16, the annual assurance statements received from Heads and Executive Directors, the work of the Risk and Assurance function and the external auditors, the National Audit Office, all of whom have a role in ensuring the OS risk management, governance and internal control structures are adequately designed and operating effectively. The Governance statement represents the end product of that review.

I have been advised on the implications of the result of my review of the effectiveness of the system of governance and agreed plans to address weaknesses and to ensure continuous improvement of the system of internal control.

## Management certification

I have considered all of the evidence provided during the preparation of this annual Governance statement and have concluded that the organisation's overall governance and internal control structures are effective.

Approved by the Board and signed on its behalf by:

Nigel Clifford  
Chief Executive Officer  
24 June 2016

# Directors' report

**Company number: 09121572**

The Directors present the Annual Report and Accounts of Ordnance Survey Limited (the Company) and its subsidiaries (together the Group) for the year to 31 March 2016.

On 1 April 2015 the assets and liabilities of the Ordnance Survey Trading Fund were transferred to the Company. Details of this transfer are described within the Strategic report on page 9. The principal activity of the Company in the year to 31 March 2016 was the collection, maintenance and distribution of up-to-date geographic information.

## Results and dividends

The results are set out in the statement of profit or loss on page 38 and the Directors declared a dividend of £12.4m (2014–15: nil). No dividends were paid during the year.

## Directors

The following Directors held office during the year ended 31 March 2016.

<b>Jacques Cadranel</b>	Non-Executive Director (appointed 1 May 2015)
<b>Mike Carr</b>	Non-Executive Director
<b>Michael Harrison</b>	Non-Executive Director (appointed 11 January 2016) Employed by BIS
<b>Stephen Lake</b>	Non-Executive Director
<b>Craig Lester</b>	Non-Executive Director (resigned 11 January 2016) Employed by BIS
<b>Sir Rob Margetts CBE</b>	Non-Executive Chairman
<b>Piers White MBE</b>	Non-Executive Director (resigned 30 June 2015)
<b>Neil Ackroyd</b>	Director of Operations
<b>Nigel Clifford</b>	Chief Executive Officer (appointed 1 June 2015)
<b>Andrew Loveless</b>	Commercial Director
<b>Clive Mosey</b>	Chief Financial Officer (appointed 16 November 2015)
<b>Ian Nunn</b>	Chief Financial Officer (resigned 28 August 2015)

## Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors, which were made during the year and remain in force at the date of this report.

## Research & Development, and future developments

These areas are dealt with in the Strategic report.

## Financial risk management

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

## Credit risk

Credit risk manifests itself in the trade receivables balance, which is spread over a large and diverse customer base. The group monitors the financial position of customers on initial application and on an ongoing basis. Provision is made for debts, which are considered doubtful. At the year end, the Directors do not consider there to be any material unprovided credit risk.

## Cash flow risk

The group monitors cash flow risk by maintaining cash flow forecasts and ensuring that adequate unutilised cash facilities are maintained.

## Treasury management

Most Group business is transacted in sterling although one large contract was transacted in US\$. The International subsidiary also receives some payments in foreign currencies that are converted into sterling at the earliest opportunity. Forward cash flows under the US contract are hedged to the extent that the Board consider necessary to protect the Group financial exposure.

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## Political contributions

No political donations were made in the year by the Company or Group.

## Branches outside the UK

The Group has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK as follows:

- Abu Dhabi
- Bahrain
- Singapore

## Going concern

After making enquiries, the Directors of the Company concluded that it has adequate resources to continue in operational existence for the foreseeable future. The Company therefore adopts the going concern basis in preparing its financial statements.

## Disabled employees

Applications for employment by disabled people are always fully considered, bearing in mind the skill set of the person against the criteria of the role. In the event of members of staff becoming disabled, every effort is made to ensure their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled people should, as far as possible, be identical to that of other employees.

## Employee consultation

Ordnance Survey views employees as, by far, its most valuable asset. As such, the organisation has developed a broad range of employee communications channels and mechanisms to make sure employees are informed, involved and engaged on everything concerning the current and future business. Employee engagement through communication ranges from broadcast communications, such as an e-magazine (The Grid), a daily updated Intranet (Business Today), and an internal social media channel (Yammer at OS) through to dialogue-focused events such as town halls, CEO briefings, yearly surveys and regular listening sessions.

## Independent auditors

So far as the Directors are aware, there is no relevant audit information, (that is, information needed by the Company's auditors in connection with preparing their report), of which the Company's auditors are unaware. The Directors have taken all steps to make themselves aware of any relevant information and to establish that the Company's auditors are aware of that information. The National Audit Office has indicated its willingness to continue in office and a resolution to confirm their appointment will be proposed at the Ordnance Survey Audit & Risk Committee.

## Authority of issue of financial statements

The Directors gave authority for the financial statements to be issued on 24 June 2016. Neither the Company's owner nor others have the power to amend the financial statements after issue.

Approved by the Board and signed on its behalf by:

Nigel Clifford  
Chief Executive Officer  
24 June 2016



# Directors' responsibility statement

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The Directors are responsible for preparing the Annual Report and the financial statements to meet legal requirements and regulations.

By law, Directors should prepare financial statements for each financial year.

Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of Ordnance Survey Limited 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 apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable IFRS standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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. These records help to ensure that the financial statements comply with the Companies Act 2006. The Directors 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Directors' remuneration

## Policy

The remuneration for the Executive Directors is set under the terms of the Shareholder Framework Document signed on 31 March 2015 and 2015–16 has seen the formalisation of the OS Executive Directors Reward Framework.

The overall strategy for the Executive Directors' Reward Structure is to reflect a commercial pay model where a greater degree of an individual's total reward package is 'at risk' and focused on strategic financial achievements.

## Remuneration Committee

The Remuneration Committee is currently chaired by the Non-Executive Director, Mike Carr, and meets at least annually to agree remuneration policy for Executive Directors and other senior staff. The Committee also advises on the direction of the overall remuneration strategy for all staff. The Non-Executive Chairman, Sir Rob Margetts CBE and Non-Executive Directors, Craig Lester (April–December 2015) and Michael Harrison (January–March 2016) also serve or have served on the Remuneration Committee this year. The Committee is supported and advised by Anne Jessopp from The Royal Mint, the Chief Executive Officer (Nigel Clifford) and the Human Resources Director (Will Davies).

Those applicable are not present for discussions on matters concerning their own remuneration.

## Payment for loss of office

In the event of an early termination of a Director's contract, there is a six-month notice period and the Director may be eligible for a redundancy payment.

## Statement of Directors remuneration

	2015–16				
	Salary and fees	Performance related pay	Benefits in kind <sup>1</sup>	Value of pension benefits <sup>2</sup>	Total
	£'000	£'000	£	£'000	£'000
Nigel Clifford <sup>3</sup> (from 1 June 2015)	205–210 (FYE 245–250)	25–30	5,700	0	240–245 (FYE 280–285)
Neil Ackroyd	170–175	25–30	13,000	36	250–255
Ian Nunn (left 31 August 2015)	60–65 (FYE 150–155)	0	400	14 (FYE 34)	75–80 (FYE 185–190)
Andrew Loveless	160–165	15–20	1,200	36	210–215
Clive Mosey <sup>4</sup> (from 16 November 2015)	50–55 (FYE 145–150)	5–10	2,300	5 (FYE 14)	65–70 (FYE 165–170)

<sup>1</sup> Taxable benefits are captured through P11D submission. Benefits in kind are presented to the nearest £100.

<sup>2</sup> Neil Ackroyd, Ian Nunn and Andrew Loveless are members of a defined benefits pension scheme and Clive Mosey is a member of the Group personal pension scheme.

<sup>3</sup> Nigel Clifford is in receipt of cash allowance in lieu of employer pension contribution. A deferred performance related pay amount has been calculated per the Directors' long term bonus plan for the period 1 June 2015 to 31 March 2016, which is payable in April 2018, subject to final approval.

<sup>4</sup> Clive Mosey was appointed as Chief Financial Officer effective from 16 November 2015.

Salary and fees includes gross salary and any other taxable allowances and payments. The payment of legitimate expenses is not part of the salary.

Total remuneration includes base salary, non-consolidated performance related pay, cash allowances/earnings, benefits in kind and the value of the pension contributions.

## Performance-related pay

Up to 20% of gross salary for each Director is available as an additional annual payment based on Company and individual performance, with the exception of the Chief Executive Officer who is not eligible for this short term incentive plan.

The Executive Directors' performance-related pay assesses performance against OS group business targets and against individual performance measures as defined in the tables below.

Group Business Targets	Definition	Weighting Directors	Weighting SMHs*	Threshold		Mid-point		Maximum**	
				Perf	% of Award	Perf	% of Award	Perf	% of Award
EBITDA Margin %	EBITDA Vs Revenue	17.5%	15.0%	31%	50%	33%	75%	35%	100%
Revenue	OS Group Revenue	17.5%	15.0%	£145m	50%	£151m	75%	£157m	100%
Free Cash	(Income-payments) + (JV dividends-capex)	17.5%	15.0%	£21.8m	50%	£24.05m	75%	£26.3m	100%
Customer Satisfaction	Net Promoter Score	17.5%	15.0%	+5%	50%	+10%	75%	+15%	100%

\* Senior Management Head

\*\* Performance between the defined performance levels will attract a relative award between the defined award levels.

Individual Performance	Definition	Weighting Directors	Weighting SMHs	Rating = % of Award				
				1	2	3	4	5
Objectives & Competencies	Performance Rating	30%	40%	100%	75%	50%	25%	Cancels all bonus

### Value of pension benefits

The total value of pension represents the real increase in pension multiplied by 20 plus the real increase in any lump sum, less contributions made by the Director. Where this results in a decrease, no value is added.

### Benefits in kind

This is the monetary value of benefits in kind provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

### Fair pay disclosure

Reporting bodies are required to disclose the relationship between the salary of the most highly paid Director in their organisation and the median earnings of the organisation's workforce.

The salary and taxable benefits of the most highly paid Director on a full year equivalent basis in the financial year 2015-16 was £283,355 which was 8.31 times the median salary and taxable benefits of the workforce, which was £34,114.

No employees received remuneration in excess of the highest paid Director.

## Directors' defined benefit pensions audited

	Real increase in pension and related lump sum at age 60	Total accrued pension at 60 at 31 March 2016 and related lump sum	Cash Equivalent Transfer Value (CETV) at 31 March 2016	CETV at 31 March 2015	Real increase in CETV after adjustment for inflation and changes in market investment factors
	£'000	£'000	£'000	£'000	£'000
Neil Ackroyd	2.5-5 plus 0-2.5 lump sum	45-50 plus 5-10 lump sum	624	526	46
Ian Nunn	0 - 2.5	5-10	(PCSPS) 104 (alpha) 18	101	14
Andrew Loveless	2.5-5	5-10	(PCSPS) 26 (alpha) 40	24	29

The Directors in the table above are members of the Principal Civil Service Pension Scheme (PCSPS). Details of the scheme are contained in note 4 to the Accounts and further details can be found at: [www.civilservicepensions.gov.uk](http://www.civilservicepensions.gov.uk)

Neil Ackroyd is a member of the classic plus scheme. Ian Nunn and Andrew Loveless were members of the nuvos pension scheme at the start of the period and members of alpha at the end of the reporting period.

The table above shows the member's Cash Equivalent Transfer Value (CETV) accrued at the beginning and the end of the reporting period and the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their current appointment. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Director. It is worked out using common market valuation factors for the start and end of the period.

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## Non-executive Directors

The Non-Executive Directors are appointed by the Minister responsible for Ordnance Survey Limited on the recommendation of the Chairman of the Selection Board, and any others the Minister may wish to consult. Their remuneration and terms of appointment are agreed at the time of their appointment, which is normally for three years with the option for this to be extended for a further three years. By exception and on completion of the three year optional period, any further extension is offered under mutually agreed terms.

### Payments to Non-Executive Directors (audited)

Ordnance Survey Non-Executive Directors are not Ordnance Survey employees and are not members of the Principal Civil Service Pension Scheme nor the OS Group Personal Pension Plan. Their remuneration is paid after deduction of PAYE and NIC through the Ordnance Survey Limited payroll.

Remuneration paid to Non-Executive Directors was as follows:

	2015–16
	£'000
Sir Rob Margetts CBE	50–55
Piers White MBE	5–10 (FYE 20-25)
Mike Carr	20–25
Stephen Lake	20–25
Jacques Cadranel	15–20 (FYE 15-20)

- Piers White left 30 June 2015.
- Jacques Cadranel joined 1 May 2015.
- Craig Lester and Michael Harrison were Non-Executive Directors during the year, but no remuneration was paid for their services.

A further payment of £10,000 per annum is made to Ensus Limited in respect of office services for Sir Rob Margetts CBE.

The inclusion of a Directors' remuneration report containing information about the salary and benefits of the senior managers and key decision makers of Ordnance Survey is voluntarily reported. The actual salary, performance related pay and benefits details of each Director form the audited elements of this report, as referred to in The Audit Opinion, which can be found on page 37 of the Annual Accounts. The remaining elements are unaudited.

Nigel Clifford  
Chief Executive Officer  
24 June 2016

# Audit report

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## Independent auditor's report to the Shareholder of Ordnance Survey Limited

I have audited the financial statements of Ordnance Survey Limited for the year ended 31 March 2016 which comprise the Consolidated Statement of Profit or Loss and Other comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the Parent Company Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the International Financial Reporting Standards as adopted by the European Union and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### Respective responsibilities of the Directors and the auditor

As explained more fully in the Directors' responsibility statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My 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 me and my staff 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 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 I 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 me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2016 and of the group's profit for the year then ended; and
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

### Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the requirements of the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for my audit have not been received from branches not visited by my staff; or
- the 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
- I have not received all of the information and explanations I require for my audit.

Hilary Lower (Senior Statutory Auditor)

For and on behalf of the  
Comptroller and Auditor General (Statutory Auditor)  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# Financial statements

## Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2016

	Notes	31 March 2016 £'000	31 March 2015 £'000
Revenue	2	146,649	-
Cost of sales		(21,099)	-
<b>Gross profit</b>		<b>125,550</b>	<b>-</b>
Operating costs	3	(107,571)	-
Share of results of joint ventures	11	4,320	-
Other income		40	-
<b>Operating profit</b>		<b>22,339</b>	<b>-</b>
Finance income	5	9	-
Finance cost	6	(10)	-
<b>Finance costs – net</b>		<b>(1)</b>	<b>-</b>
<b>Profit before income tax</b>		<b>22,338</b>	<b>-</b>
Income tax expense	7	(4,850)	-
<b>Profit for the period</b>		<b>17,488</b>	<b>-</b>
<b>Profit is attributable to:</b>			
Owners of the company		18,103	-
Minority interest		(615)	-
		<b>17,488</b>	<b>-</b>

All the activities of the Group are classified as continuing.

In the year ended 31 March 2015 the Company was dormant. On 1 April 2016, the entire functions, business, subsidiaries, operations and assets of the Ordnance Survey Trading Fund were transferred to Ordnance Survey Limited, a limited company wholly owned by the Secretary of State for Business, Innovation and Skills, and the Company commenced trading from this date.

## Consolidated statement of financial position as at 31 March 2016

	Notes	31 March 2016 £'000	31 March 2015 £'000
<b>Non-current assets</b>			
Intangible assets	12	85,242	-
Property plant and equipment	13	31,518	-
Interests in joint ventures	11	2,209	-
Deferred tax asset	14	407	-
		<b>119,376</b>	-
<b>Current assets</b>			
Inventories	15	1,885	-
Trade and other receivables	16	21,920	-
Cash and cash equivalents	17	83,055	-
		<b>106,860</b>	-
<b>Total assets</b>		<b>226,236</b>	-
<b>Current liabilities</b>			
Trade and other payables	18	(27,107)	-
Current tax liability	19	(2,457)	-
Provisions	20	(1,067)	-
Deferred Revenue	21	(10,899)	-
		<b>(41,530)</b>	-
<b>Net current assets</b>		<b>65,330</b>	-
<b>Non-current assets plus net current assets</b>		<b>184,706</b>	-
<b>Non-current liabilities</b>			
Provisions	20	(446)	-
Deferred Revenue	21	(10,141)	-
<b>Total liabilities</b>		<b>(52,117)</b>	-
<b>Net assets</b>		<b>174,119</b>	-
<b>Equity</b>			
Share capital	22	34,000	-
Retained earnings	24	141,270	-
<b>Capital and reserves attributable to owners of the Company</b>		<b>175,270</b>	-
Non-controlling Interest		(1,151)	-
<b>Total equity</b>		<b>174,119</b>	-

The Financial Statements were approved by the Board of Directors and authorised for issue on 24 June 2016.  
They were signed on its behalf by

Nigel Clifford  
Chief Executive Officer  
24 June 2016

The notes on pages 44 to 64 are an integral part of these Financial Statements.



## Company statement of financial position as at 31 March 2016

	Notes	31 March 2016 £'000	31 March 2015 £'000
<b>Non-current assets</b>			
Intangible assets	12	85,242	–
Property plant and equipment	13	31,489	–
Investments	10	400	–
Interests in joint ventures	11	2,209	–
Deferred tax asset	14	401	–
		<b>119,741</b>	–
<b>Current assets</b>			
Inventories	15	1,885	–
Trade and other receivables	16	22,446	–
Cash and cash equivalents	17	82,278	–
		<b>106,609</b>	–
<b>Total assets</b>		<b>226,350</b>	–
<b>Current liabilities</b>			
Trade and other payables	18	(27,003)	–
Current tax liability	19	(2,451)	–
Provisions	20	(1,067)	–
Deferred revenue	21	(10,699)	–
		<b>(41,220)</b>	–
<b>Net current assets</b>		<b>65,389</b>	–
<b>Non-current assets plus net current assets</b>		<b>185,130</b>	–
<b>Non-current liabilities</b>			
Provisions	20	(446)	–
Deferred revenue	21	(10,221)	–
<b>Total liabilities</b>		<b>(51,887)</b>	–
<b>Net assets</b>		<b>174,463</b>	–
<b>Equity</b>			
Share capital	22	34,000	–
Retained earnings	24	140,463	–
<b>Capital and reserves attributable to owners of the Company</b>		<b>174,463</b>	–

The Financial Statements were approved by the Board of Directors and authorised for issue on 24 June 2016.  
They were signed on its behalf by

Nigel Clifford  
Chief Executive Officer  
24 June 2016

The notes on pages 44 to 64 are an integral part of these Financial Statements.

## Consolidated statement of changes in equity for the year ended 31 March 2016

	Share capital	Retained earnings	Share premium	Total	Non-controlling	Total
	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 2015	-	-	-	-	-	-
Profit for the year	-	18,103	-	18,103	(615)	17,488
<b>Total comprehensive income for the period</b>	-	<b>18,103</b>	-	<b>18,103</b>	<b>(615)</b>	<b>17,488</b>
<b>Transactions with owners in their capacity as owners</b>						
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax	34,000	(185)	135,752	169,567	(536)	169,031
Capital reduction	-	135,752	(135,752)	-	-	-
Dividends payable	-	(12,400)	-	(12,400)	-	(12,400)
<b>As at 31 March 2016</b>	<b>34,000</b>	<b>141,270</b>	-	<b>175,270</b>	<b>(1,151)</b>	<b>174,119</b>

The notes on pages 44 to 64 are an integral part of these Financial Statements.

## Company statement of changes in equity for the year ended 31 March 2016

	Share capital	Retained earnings	Share premium	Total
	£'000	£'000	£'000	£'000
As at 1 April 2015	-	-	-	-
Profit for the year	-	17,111	-	17,111
<b>Total comprehensive income for the period</b>	-	<b>17,111</b>	-	<b>17,111</b>
<b>Transactions with owners in their capacity as owners</b>				
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax	34,000	-	135,752	169,752
Capital reduction	-	135,752	(135,752)	-
Dividends payable	-	(12,400)	-	(12,400)
<b>As at 31 March 2016</b>	<b>34,000</b>	<b>140,463</b>	-	<b>174,463</b>

The notes on pages 44 to 64 are an integral part of these Financial Statements.

## Consolidated cash flow statement for the year ended 31 March 2016

	Notes	31 March 2016 £'000	31 March 2015 £'000
Profit before income tax		22,338	–
Amortisation of intangible assets		19,202	–
Depreciation of tangible fixed assets		3,832	–
Impairment of intangible assets		1,500	–
Share of joint venture results		(4,320)	–
Interest		1	–
Movements in working capital			
Inventories		(217)	–
Trade and other receivables		(4,763)	–
Trade and other payables		(1,052)	–
Provisions for liabilities and charges		(1,079)	–
Deferred revenue		10,395	–
<b>Cashflow from operations</b>		<b>45,837</b>	<b>–</b>
Income taxes paid		(2,800)	–
<b>Net cash inflow from operating activities</b>		<b>43,037</b>	<b>–</b>
Cash flows from investing activities			
Interest received		9	–
Purchase of plant, property and equipment		(993)	–
Purchase of intangible assets		(28,738)	–
Cash received on the transfer of trade and assets from Ordnance Survey Trading Fund		64,785	–
Loans to associate undertaking		(400)	–
Receipt of dividends		5,365	–
<b>Net cash used in investing activities</b>		<b>40,028</b>	<b>–</b>
Cash flows from financing activities			
Interest paid		(10)	–
<b>Net cash used in financing activities</b>		<b>(10)</b>	<b>–</b>
<b>Net increase in cash and cash equivalents</b>		<b>83,055</b>	<b>–</b>
Cash and cash equivalents at beginning of year		–	–
Cash and cash equivalents at end of year	17	83,055	–

The notes on pages 44 to 64 are an integral part of these Financial Statements.

## Company cash flow statement for the year ended 31 March 2016

	Notes	31 March 2016 £'000	31 March 2015 £'000
Operating profit		21,961	–
Amortisation of intangible assets		19,164	–
Depreciation of tangible fixed assets		3,818	–
Impairment of intangible assets		1,500	–
Share of joint venture results		(4,320)	–
Interest		1	–
Movements in working capital			
Inventories		(217)	–
Trade and other receivables		(3,153)	–
Trade and other payables		(1,012)	–
Provisions for liabilities and charges		(1,079)	–
Deferred revenue		10,275	–
<b>Cashflow from operations</b>		<b>46,938</b>	<b>–</b>
Income taxes paid		(2,800)	–
<b>Net cash inflow from operating activities</b>		<b>44,138</b>	<b>–</b>
Cash flows from investing activities			
Interest received		9	–
Purchase of plant property and equipment		(984)	–
Purchase of intangible assets		(28,901)	–
Cash received on the transfer of trade and assets from Ordnance Survey Trading Fund		64,061	–
Loans to associate undertaking		(400)	–
Loans to group companies		(1,000)	–
Receipt of dividends		5,365	–
<b>Net cash used in investing activities</b>		<b>38,150</b>	<b>–</b>
Cash flows from financing activities			
Interest paid		(10)	–
<b>Net cash used in financing activities</b>		<b>(10)</b>	<b>–</b>
<b>Net increase in cash and cash equivalents</b>		<b>82,278</b>	<b>–</b>
Cash and cash equivalents at beginning of year		–	–
Cash and cash equivalents at end of year	17	82,278	–

The notes on pages 44 to 64 are an integral part of these Financial Statements.

# Notes to the consolidated financial statements

## 1 Principal accounting policies

Ordnance Survey Limited (the Company) is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 5. The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in note 11 and in the Strategic report on pages 9 to 14. These financial statements are presented in pounds sterling, because that is the currency of the primary economic environment in which the Group operates.

The net assets of the Ordnance Survey Trading Fund were transferred to the Company on 1 April 2015 and the Company commenced trading from this date. These accounts are for the year ended 31 March 2016. The principal activity of the Company is consistent with the Trading Fund before it, the collection, maintenance and distribution of up-to-date geographic information. As this is the first year of trading for Ordnance Survey Limited, this is the first year all the following policies have been adopted as from incorporation on 8 July 2015 to 31 March 2015 the Company was dormant

### 1.1 Basis of preparation

#### (i) Compliance with IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Standard Interpretation Committee (IFRIC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB).

Where IFRS permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the specific circumstances of Ordnance Survey Limited ('Ordnance Survey') for the purpose of giving a true and fair view has been selected. The policies adopted are described below. They have been applied consistently unless otherwise stated in dealing with items that are considered material to the financial statements.

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account.

#### (ii) Going concern

The financial statements have been prepared on a going concern basis.

#### (iii) Historical cost convention

The financial statements have been prepared under the historic cost convention except for the following:

- Financial assets and liabilities (including derivative instruments) – measured at fair value.
- Assets held for sale – measured at fair value less cost of disposal.

#### (iv) New and amended standards adopted by the Group

As the first set of financial statements for the Group since trading commenced all accounting policies are first time adoptions. All accounting policies are compliant with IFRS effective as of 1 April 2015.

The Group has elected to early adopt IAS 27 amended by Equity Method in Separate Financial Statements (Amendments to IAS 27). This amendment allowed the Company to use the equity method to account for investments in joint ventures and associates in their separate financial statements.

#### (v) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2016 reporting periods and have not been early adopted by the Group.

The new revenue standard (IFRS 15 Revenue from Contracts with Customers) has now been published and is mandatory for financial years commencing on or after 1 January 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (for example, 1 April 2017), that is, without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

Management is currently assessing the impact of the new rules and has identified the following areas that are likely to be affected:

- Consignment sales where recognition of revenue will depend on the passing of control rather than the passing of risks and rewards.
- The balance sheet presentation of rights of return, which will have to be grossed up in future (separate recognition of the right to recover the goods from the customer and the refund obligation).

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next 12 months.

The following standards are not expected to have a material impact on the Group:

IFRS 9 Financial Instruments – IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules

for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. This must be applied for financial years commencing on or after 1 January 2018

## 1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenditure are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## 1.3 Acquisition policy

After the transfer of assets and liabilities from the Ordnance Survey Trading Fund to the Company, the ultimate beneficial owner continues to be the Secretary of State for Business, Innovation & Skills on behalf of HM Government. The transaction is therefore exempt from IFRS 3 business combinations. Predecessor accounting has been used to account for the acquisition of the trade and assets of the Ordnance Survey Trading Fund and the identified assets and liabilities recorded at book value

## 1.4 Joint ventures

Joint ventures are entities over which the Group has significant influence but does not control.

The Group accounts for investments in joint ventures using the equity method of accounting, recording the investment initially at cost. Adjustment is made in the Group accounts to ensure consistent application of Group accounting policies.

## 1.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is

responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

The Group reports its results and Statement of Financial Position as a whole entity as it does not have separately identifiable reporting segments as defined by IFRS.

The Board receives an analysis of revenue by channel and operating segments and this is presented in note 2.

Costs are not analysed by channel or segment as the Group does not match its costs to any revenue classification.

## 1.6 Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the dates of the transactions. Exchange rate differences are charged to the statement of profit or loss as incurred. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date.

## 1.7 Investments

Investments held as non-current assets are stated at cost less provision for permanent diminution in value.

## 1.8 Property, plant and equipment

Property, plant and equipment held for use in the supply of goods or services, or for administration purposes, are stated in the statement of financial position at costs less any accumulated depreciation.

The depreciable amount of an asset is calculated by deducting its residual value from its initial cost. The residual value of an asset is the estimated amount that the Group would obtain from the disposal of the asset after deducting the estimated cost of disposal.

Depreciation is charged so as to write off the costs of assets less their residual value over their estimated useful lives, using the straight-line method.

The depreciation policy applied to property, plant and equipment details the following useful lives to be applied to tangible fixed assets:

Freehold land	not depreciated
Freehold buildings	40 years from acquisition or remaining useful economic life
IT Equipment	3 to 5 years
Equipment, facilities and fixtures	2 to 15 years
Vehicles	4 years
Assets under construction	not depreciated

The minimum level for capitalisation of property, plant and equipment is £5,000 with the exception of information technology (IT) and support systems hardware, which is £1,000. All IT workstations (office computers and laptops) bought together are grouped as one asset.

### 1.9 Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Internally generated intangible assets are capitalised if an asset has been created which can be identified and meets the following criteria:

- It is probable that the asset will give rise to future economic benefit.
- The original cost can be reliably measured.
- It is technically feasible that the asset can be completed for use.
- There is the intention to complete and use it.
- There is the ability to use it.
- Resources are available to complete the development.

These assets are capitalised at the cost of development.

Amortisation is charged on a straight line basis in order to write down the asset over its useful life. Useful lives are reviewed on an annual basis and adjustments, where applicable, are made on a prospective basis. The useful lives of intangible assets are expected to fall within the following limits:

Data content	5 to 10 years
Software	3 to 10 years
Assets under construction	not amortised

The Group's internally generated intangible assets consist of:

#### a) Data content

Data content represents the core geographic data sets from which the business provides its products and services.

#### b) Software

The costs of data delivery and business systems include all directly attributable costs including the cost of purchased computer software licences used to develop the systems.

#### c) Assets in course of construction

Assets in course of construction are capitalised at cost and carried at cost less any recognised impairment loss. Cost includes all directly attributable costs including professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Amortisation of these assets commences when the assets are ready for their intended use.

### 1.10 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed annually to consider whether there have been any events or changes in circumstance that indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets which have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### 1.11 Inventory and work in progress

Inventories and work in progress are stated at the lower of cost and net realisable value. Cost is determined using the weighted average costing method.

Cost comprises design costs, direct materials, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less applicable variable selling expenses.

### 1.12 Financial assets and liabilities

The Group has classified its financial instruments as follows:

#### a) Financial assets

- Fixed deposits including funds held with banks and trade receivables are classified as cash at bank and receivables respectively
- Investments (other than joint ventures) and short-term deposits are classified as available for sale

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less a provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the debt will not be recoverable according to the original terms of the receivables. The amount of the impairment provision will be based on the difference between the asset's receivable amount and the present value of future estimated cash flows. Any impairment is recognised in the statement of profit or loss.

Cash and cash equivalents include cash at bank, cash in hand and any amounts on short-term deposit, typically less than six months.

Assets classified as available for sale financial assets are initially measured at fair value plus any transaction costs. They are subsequently measured at fair value. Unrealised gains and losses arising from changes in fair value are recognised in the Statement of Comprehensive Income.

#### *b) Financial liabilities*

- Trade payables and borrowings are classified as loans and receivables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost adjusted for fair value movements.

Loans are initially recognised at fair value on the trade date, and subsequently measured at amortised cost using the effective interest method. These are included within current liabilities, unless expected maturity is more than 12 months after the balance sheet date.

### **1.13 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event. It is probable that the Group will be required to settle that obligation and that a reliable estimate can be made of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation and are discounted to present value, where material.

### **1.14 Employee benefits**

#### *a) Pensions – legacy schemes*

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPS); details are outlined in note 4 of the pension schemes of which the Company staff are members.

From 1 October 2002, the Trading Fund staff could have joined one of three statutory based final salary defined benefit schemes (Classic, Premium, and Classic Plus). New entrants after 1 October 2002 chose between membership of the premium scheme and joining a defined contribution scheme with a significant employer contribution (partnership pension account). These schemes were closed to new entrants on 29 July 2007.

All new employees who joined the Trading Fund on or after 30 July 2007 could choose between membership of the Nuvos scheme and a partnership pension account. The defined benefit schemes were closed to employees on 31 March 2015.

All employer pension contributions payable are charged to the statement of profit or loss for the financial year as incurred, on the basis that the schemes are multi-employer and the Company is unable to identify its share of the underlying assets and liabilities.

#### *b) Pensions – Horizon scheme*

From 1 April 2015, all new Company employees were offered the opportunity to join the Horizon defined contribution pension

scheme. For this scheme the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### *c) Early release costs*

A provision is recognised in the financial year for the full cost of the pension contributions of employees who have been identified at the discretion of the Company and agree to take early retirement under restructuring arrangements before the balance sheet date (excluding actuarially reduced retirement and medical retirement) until they reach normal pensionable age.

The full cost of funding early leavers prior to 31 March 2015 has been provided for in earlier years. Funds are released from the provision annually to fund payments for pensions and related benefits to the retired employees until normal retirement age. Under the different funding arrangements, which applied between October 1994 and 31 March 1997, 80% of the costs were met centrally from the Civil Superannuation Vote (CSV).

The requirement of IAS 37 Provisions, Contingent Liabilities and Contingent Assets has been adopted to state the early release and pension commitment provision at a discounted amount where the time value of money is material. The provision for the estimated payments has been discounted by the HM Treasury discount rate of 1.37% in real terms. The discount is unwound over the anticipated duration of the provision.

### **1.15 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable for the delivery of mapping goods and services, which comprises mapping data, information, customer tailored services and copyright revenue, in the ordinary course of business. Revenue is shown net of VAT and discounts.

The Group recognises revenue once the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific other criteria are met for each of the activities shown below.

**OS OpenData** revenue is recognised over the length of the agreement with the customer, reflecting the obligation of ongoing supply and to maintain accurate data sets.

**Public Sector Mapping Agreement (PSMA)** revenue is recognised each year at the amount agreed with HM Government, reflecting customer usage and the Group's obligation of ongoing supply and to provide updates.

**Direct Licences** – Licences which allow the customer to use the Group data for internal purposes only. The revenue deriving from these licences is recognised over the length of the licence



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agreement (usually 12 months) as this reflects the usage of the data by the customer and the Group's obligation of ongoing supply and to provide updates.

**Partner Licences** – Licences which enable the customer to add value to the Group data and resell the product to third parties. Revenue from royalty fees is recognised when the Group becomes entitled to receive a royalty from an onward sale of the Group data.

**Paper maps** – Revenue from paper map sales is recognised when the risks and rewards of ownership pass to the customer.

**Services** – Revenue from services are recognised at the point at which the services are performed by the Group.

**Rental** – Rental income is recognised on a monthly basis and any revenues received in advance or arrears are deferred or accrued as appropriate.

Unpaid invoices for licence fees which relate to periods after the balance sheet date are included in the trade receivables balance. The net invoiced value relating to revenue to be recognised in the period after the balance sheet date is recorded in current and long-term creditors as deferred income.

## 1.16 Leases

### a) Operating leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss on a straight line basis over the length of the lease.

### b) Finance leases

Leases are classified as finance leases when the terms of the lease transfer substantially all risks and rewards of ownership to the Group. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased item and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance cost is charged to the statement of profit or loss over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

## 1.17 Taxation

### Current taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Group establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## 1.18 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand pounds unless otherwise stated.

### 1.19 Critical accounting estimates and judgements

In applying the Group's accounting policies set out above, management is required to make certain estimates and judgements concerning the future. These estimates and judgements are regularly reviewed and updated as necessary. The estimates and judgements that have the most significant effect on the amount included in these financial statements are as follows:

*Development costs* – The Group capitalises development costs when the project meets certain criteria. Costs are only capitalised if they can be reliably measured and the project has been approved by the Investment Group within the Group. Prior to this approval all project costs are expensed.

*Revenue recognition* – The Group recognises royalty revenue based on returns from partners. These returns are provided on a timely basis, usually quarterly, thus limiting the timeframe of the estimate. See note 2 for the breakdown of revenue by channel, segment and geography.

*Impairment of assets* – Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and, where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared with the current net asset value and, if lower, the assets are impaired to current value.

*Intangible asset lives* – The determination of asset lives for amortisation purposes is reviewed on a regular basis. Assessing the useful economic life of an asset is based on management judgement taking into account historical experience and the impact of technological change. Consequently this represents a source of estimation uncertainty. See note 12 for the breakdown of intangible assets classified as software, data & content and assets under construction.

## 2 Revenue

	2015–16	2014–15
	£'000	£'000
Trading revenue	145,272	–
Other operating activities	1,372	–
Property rental income	5	–
	<b>146,649</b>	–

### Trading revenue

	2015–16	2014–15
Channel	£'000	£'000
Direct licences	104,085	–
Partner licences	28,218	–
Paper maps	7,828	–
Services	5,141	–
	<b>145,272</b>	–

	2015–16	2014–15
Segment	£'000	£'000
Business to government	87,655	–
Business to business	47,742	–
Business to consumer	9,875	–
	<b>145,272</b>	–

	2015–16	2014–15
Geography	£'000	£'000
United Kingdom	139,110	–
Other European countries	1,141	–
Rest of world	5,021	–
	<b>145,272</b>	–

Revenues are attributed by country, based on the location of the entity to whom the Group provide the product or service. No details are available of the location of the ultimate end user.

Costs are not analysed by channel or segment as the Group does not match its costs to any specific revenue classification. The Directors routinely receive a breakdown of revenue as shown above. Accordingly the profitability of revenue channel and segments is not analysed. For the same reason, it is not possible to segment the balance sheet.

During the year one customer (Department for Business, Innovation & Skills) accounted for more than 10% of turnover. The revenue received from this customer is secured under separate long-term agreements.

The Group's operating revenue is principally generated by sales of mapping data, information, customer-tailored services and copyrights or copyright material.

### 3 Operating costs

	Note	2016 £'000	2015 £'000
Operating profit for the year has been arrived at after charging:			
Staff costs	4	48,754	–
Amortisation of intangible assets	12	19,202	–
Depreciation of tangible fixed assets	13	3,832	–
Research and development		1,097	–
Operating lease charges – buildings		723	–
Operating lease charges – PPE		1,484	–
Fees payable to auditor for audit of the statutory annual accounts		95	–
Other operating charges		32,384	–
		<b>107,571</b>	–

The Company's auditor is The National Audit Office. No payments were made to our auditors for the provision of non-audit services. The subsidiary's auditor is Deloitte. The fee payable to Deloitte for the current year audit is £49k. Payments to Deloitte for non-audit services during the year were £527k.

### 4 Staff numbers and costs

#### Total staff costs

	2016 £'000	2015 £'000
Wages and salaries – permanent employees	41,576	–
Social security costs	3,705	–
Pension costs	8,435	–
Additional early release costs in year	983	–
Temporary/agency contract labour costs	11,868	–
	<b>66,567</b>	–
Capitalised permanent labour	(8,986)	–
Capitalised temporary/agency contract labour	(8,827)	–
	<b>48,754</b>	–

#### Special payments

Included in the additional early release costs in year, special payments of £736k were paid during the year. No special payments greater than £300,000 were made during the year.

	2016	2015
Total number of special payments	16	–
Total value of special payments	736	–

#### Total permanent staff numbers, including Directors

The average monthly number of full time equivalent persons during the year was as follows:

	2016	2015
Operations	915	–
Sales and Marketing	179	–
Corporate Services	101	–
	<b>1,195</b>	–

#### Total temporary/agency staff

The average monthly number of full-time equivalent temporary/agency/contract persons employed by the Group during the year was as follows:

	2016	2015
Operations	116	–
Sales and Marketing	2	–
Corporate Services	15	–
	<b>133</b>	–

## Directors' emoluments

	2016 £'000	2015 £'000
Salaries and other short-term employee benefits	762	–
Pension contribution charged in year – defined benefit	87	–
Pension contribution charged in year – defined contribution	5	–
Highest paid Director	242	–

At 31 March 2016 two Directors were members of defined benefit schemes and one Director was a member of a defined contribution scheme. The Principal Civil Service Pension Scheme (PCSPS) is a multi-employer scheme. The associated pension contributions have been presented in accordance with accounting policy 1.14.

## Employee benefits

IAS 19 'Employee benefits' states that a liability exists where an employee has provided services in exchange for employee benefits to be paid in the future and an expense should be recognised when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

This results in the need to provide for holiday pay that has been accrued, but has not yet been taken as at the year end.

The Group's holiday year runs from April to March and the payroll records were reviewed to ascertain the amount of holiday accrued, but not yet taken, as at 31 March 2016.

The figure above for wages and salaries includes a charge of £4,000 in respect of additional annual leave earned, but not taken, as at 31 March 2016. The total liability of £857,000 is included within other payables within note 18 of these Financial statements.

## Pension costs – defined benefit

For 2015–16, employer's contributions of £8,435,000 were payable to the PCSPS at one of four rates in the range 20.0% to 24.5% of pensionable pay, based on salary bands. The scheme actuary reviews employers' contributions every four years following a full scheme valuation. The contribution rates are set to meet the costs of the benefits accruing during 2015–16 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

PCSPS is an unfunded multi-employer defined benefit scheme, but the Group is unable to identify its share of the underlying assets and liabilities due to pooling of the assets and liabilities being paid out of this pool. A full actuarial valuation was carried out at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)). No information is available regarding the overall surplus or deficit of the scheme.

In 2015–16, there was one retirement on ill-health grounds amounting to an additional accrued pension liability in the year of nil.

The Group employees are members of one of the following: The Classic or Classic Plus schemes, the Premium scheme, the Partnership Pension Account or Nuvos.

Career Average pension arrangements were introduced on 1 April 2015 and the majority of Classic, Premium, Classic Plus and Nuvos members joined the new scheme. Further details of this new scheme are available at <http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/>.

The defined benefit schemes were closed to new entrants on 31 March 2015.

## Pension costs – defined contribution

All employees who joined after 1 April 2015 were given the option to join the Company Personal Pension Plan, Horizon, a defined contribution scheme.

## Early release costs provided for in financial year

The statement of profit or loss includes a charge of £944,000 in respect of new leavers identified in 2015–16. This charge reflects the costs of leavers identified and confirmed by 31 March 2016.

Early release package cost band	2015–16	2014–15
Less than £10,000	–	–
£10,000–£25,000	3	–
£25,000–£50,000	6	–
£50,000–£100,000	6	–
<b>Total number of exit packages</b>	<b>15</b>	–
<b>Total cost £'000</b>	<b>983</b>	–

Redundancy and other departure costs have been paid by the Group in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme under the Superannuation Act 1972. Early release costs are accounted for as described in note 1.14. Where the Group has agreed early retirements, the additional costs are met by the Group and not by the Civil Service Pension Scheme. All leavers exited under voluntary terms.

## 5 Finance income

	31 March 2016 £'000	31 March 2015 £'000
<b>Finance income</b>		
Interest received	9	–

Astigan Limited generated a loss before tax of £1,188,000. On this loss no amounts are due in respect of Corporation Tax. The Company has estimated tax losses of £2,894,000 available to carry forward against future profits of the same trade. No deferred taxation asset has been recognised due to uncertainty over the timing of taxable profits.

## 6 Finance cost

	31 March 2016 £'000	31 March 2015 £'000
<b>Financing cost</b>		
Unwind of provision discount	(10)	–

Finance Act 2015 included reductions to the UK main rate of corporation tax from 20% to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. Deferred tax has been valued based on the substantively enacted rates at the balance sheet date at which it is expected to reverse.

A decrease to 17% with effect from 1 April 2020 was announced in the UK 2016 Budget. This further reduction had not been substantively enacted at the balance sheet date and its effect is therefore not included in these financial statements.

## 7 Taxation

As set out in the Strategic report, on 1 April 2015, Ordnance Survey Limited acquired the entire functions, business, subsidiaries, operations and assets of the Ordnance Survey Trading Fund. The Trading Fund was outside the scope of UK Corporation Tax whereas Ordnance Survey Limited is a fully taxable entity. The subsidiaries and joint ventures of Ordnance Survey have throughout been subject to UK Corporation Tax.

(a) Income tax expense	2016 £'000	2015 £'000
Current tax		
Current tax on profits for the year	5,257	–
<b>Total current tax expense</b>	<b>5,257</b>	<b>–</b>
Deferred income tax		
Decrease (increase) in deferred tax assets (note 14)	(407)	–
<b>Total deferred tax credit</b>	<b>(407)</b>	<b>–</b>
<b>Income tax expense</b>	<b>4,850</b>	<b>–</b>
(b) Reconciliation of income tax expense	2016 £'000	2015 £'000
Profit before income tax expense	22,338	–
<b>Tax on profit at the standard rate of 20% (2015: 21%)</b>	<b>4,468</b>	<b>–</b>
<b>Reasons affecting charge for the period:</b>		
Impact of expenses not deductible	144	–
Current year loss not recognised	238	–
<b>Income tax expense</b>	<b>4,850</b>	<b>–</b>

## 8 Dividends

Amounts recognised as distributions to equity holders in the year:	2015–16 £'000	2014–15 £'000
Dividend for the year ended 31 March 2016 at £0.36 per share.	12,400	–

The full dividend for 2015–16 is £12,400,000 which was not paid during the year.

## 9 Acquisition of functions, business, operations and assets of the Ordnance Survey Trading Fund

Acquisition	£'000
Cost	
Acquired in the year	169,752

The entire functions, business, operations and assets of the Ordnance Survey Trading Fund were transferred to Ordnance Survey Limited on 1 April 2015, a limited company wholly owned by the Secretary of State for Business, Innovation & Skills. The consideration for the transfer was £169,752,000, and was initially left outstanding via an interest free loan from the Secretary of State for Business, Innovation & Skills to Ordnance Survey Limited, for £169,752,000. £33,999,999 of this loan was capitalised via the issue of 33,999,999 shares of £1 each and the remaining balance of the loan of £135,752,001 was subsequently released for the consideration of two additional shares of £1 each, which created a share premium account in equity for £135,751,999. See note 23 for details.

## 10 Investments and loan

Ordnance Survey Trading Fund Assets and Liabilities transferred to the Company at 1 April 2015:

<b>Fixed assets</b>	£'000
Tangible assets	33,717
Intangible assets	77,611
Investments	4,156
<b>Total fixed assets</b>	<b>115,484</b>
<b>Current assets</b>	
Stock	1,668
Trade debtors	7,866
Prepayments	2,778
Other debtors	6,747
Bank	64,061
<b>Total current assets</b>	<b>83,120</b>
<b>Current liabilities</b>	
Trade creditors	(674)
Accruals	(11,149)
Other creditors	(5,519)
Deferred revenue	(10,645)
Corporation tax	-
<b>Total current liabilities</b>	<b>(27,987)</b>
<b>Non-current liabilities</b>	
Provisions for liabilities & charges	(865)
<b>Total non-current liabilities</b>	<b>(865)</b>
<b>Net assets</b>	<b>169,752</b>

	2016 £'000	2015 £'000
Value of shares at beginning of period	-	-
On the transfer of trade and assets from the Ordnance Survey Trading Fund	400	-
<b>Value of investments at end of period</b>	<b>400</b>	<b>-</b>
Value of loans at beginning of period	-	-
On the transfer of trade and assets from the Ordnance Survey Trading Fund	500	-
Additions	1,400	-
Impairment	(1,000)	-
<b>Value of loans at end of period</b>	<b>900</b>	<b>-</b>
<b>Value of investments and loan</b>	<b>1,300</b>	<b>-</b>

During the year a 25% shareholding was taken in Dennis Maps (25 shares at £1 a share). At the point of investment a loan was provided to Dennis Maps of £400,000.

## 11 Subsidiaries and investments

Details of the Company's subsidiaries at 31 March 2016 are as follows:

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ordinary shares held
Ordnance Survey Leisure Limited	Consumer web	England and Wales	100%
Ordnance Survey Services Limited	Dormant	England and Wales	100%
Ordnance Survey GB Limited	Dormant	England and Wales	100%
Astigan Limited	Research	England and Wales	51%
Ordnance Survey Partners Limited	Non-trading holding company	England and Wales	100%
Ordnance Survey International LLP	International consultancy	England and Wales	100%
Ordnance Survey GeoIntelligence Limited	Dormant	England and Wales	100%

Details of the Company's joint ventures at 31 March 2016 are as follows:

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ordinary shares held
GeoPlace LLP	National addressing	England and Wales	50%
PointX Limited	Point of Interest database	England and Wales	50%
Dennis Maps Limited	Map printers	England and Wales	25%

### Joint ventures

The share of results of joint ventures is as follows:

	2016	2015
	£'000	£'000
GeoPlace LLP	4,275	-
PointX Limited	42	-
Dennis Maps	3	-
	<b>4,320</b>	<b>-</b>

The share of net assets of joint ventures is as follows:

	2016	2015
	£'000	£'000
GeoPlace LLP	2,078	-
PointX Limited	128	-
Dennis Maps	3	-
	<b>2,209</b>	<b>-</b>

### Material other investments – GeoPlace LLP

The investment in GeoPlace LLP at 31 March 2016 is as follows:

	2016	2015
	£'000	£'000
Share of gross assets	3,048	-
Share of gross liabilities	(970)	-
Loan	-	-
<b>Net assets</b>	<b>2,078</b>	<b>-</b>

The operating results for GeoPlace LLP for the financial year

	2016	2015
	£'000	£'000
Revenue	13,180	-
Operating costs	(7,480)	-
<b>Operating profit</b>	<b>5,700</b>	<b>-</b>
<b>Ordnance Survey 75% share</b>	<b>4,275</b>	<b>-</b>

GeoPlace LLP is a joint venture limited liability partnership set up in 2010–11 to develop and market a national addressing product. GeoPlace LLP commenced trading on 1 April 2011 and is not subject to UK Corporation Tax. GeoPlace LLP does not have share capital. Ordnance Survey appoints 50% of the Board Members of the LLP and has a 75% profit share in accordance with a members' agreement.

The registered office of GeoPlace LLP is Adanac Drive, Southampton, Hampshire, SO16 0AS.

## 12 Intangible assets

Group	Software	Data content	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
1 April 2015	–	–	–	–
On the transfer of trade and assets from the Ordnance Survey Trading Fund	53,146	6,085	17,975	77,206
Additions	7,553	13,317	7,868	28,738
31 March 2016	60,699	19,402	25,843	105,944
Amortisation				
1 April 2015	–	–	–	–
Amortisation	16,517	2,685	–	19,202
Impairment	1,500	–	–	1,500
31 March 2016	18,017	2,685	–	20,702
<b>Book value at 31 March 2016</b>	<b>42,682</b>	<b>16,717</b>	<b>25,843</b>	<b>85,242</b>
Book value at 1 April 2015	–	–	–	–

Assets under the course of construction include developments to the Multi Resolution Data Programme with net book value of £9,033,000.

On recognition of fixed assets transferred from the Trading Fund, the assets were assessed and £606k of assets classified as intangibles in the acquisition accounts were reclassified to tangibles due to the nature of the underlying asset. An additional £34k of existing fixed assets were reclassified to tangibles during the year due to the nature of the underlying assets.

Company	Software	Data content	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
1 April 2015	–	–	–	–
On the transfer of trade and assets from the Ordnance Survey Trading Fund – see note 9	52,949	6,081	17,975	77,005
Additions	7,712	13,321	7,868	28,901
31 March 2016	60,661	19,402	25,843	105,906
Amortisation				
1 April 2015	–	–	–	–
Amortisation	16,479	2,685	–	19,164
Impairment	1,500	–	–	1,500
31 March 2016	17,979	2,685	–	20,664
<b>Book value at 31 March 2016</b>	<b>42,682</b>	<b>16,717</b>	<b>25,843</b>	<b>85,242</b>
Book value at 1 April 2015	–	–	–	–

Assets under the course of construction include developments to the Multi Resolution Data Programme with net book value of £9,033,000.

On recognition of fixed assets transferred from the Trading Fund, the assets were assessed and £606k of assets classified as intangibles in the acquisition accounts (see note 9) were reclassified to tangibles due to the nature of the underlying assets.



### 13 Property, plant and equipment

Group	Land	Buildings	IT Equipment	Equipment, facilities and fixtures	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
1 April 2015	–	–	–	–	–
On the transfer of trade and assets from the Ordnance Survey Trading Fund	6,300	22,208	4,135	1,714	34,357
Additions	–	336	648	9	993
31 March 2016	6,300	22,544	4,783	1,723	35,350
Depreciation					
1 April 2015	–	–	–	–	–
Depreciation	–	625	2,524	683	3,832
Impairment	–	–	–	–	–
31 March 2016	–	625	2,524	683	3,832
<b>Book value at 31 March 2016</b>	<b>6,300</b>	<b>21,919</b>	<b>2,259</b>	<b>1,040</b>	<b>31,518</b>
Book value at 1 April 2015	–	–	–	–	–

On recognition of fixed assets transferred from the Trading Fund, the assets were assessed and £606k of assets classified as intangibles in the acquisition accounts were reclassified to tangibles due to the nature of the underlying assets. An additional £34k of existing fixed assets were reclassified to tangibles during the year due to the nature of the underlying assets.

Company	Land	Buildings	IT equipment	Equipment, facilities and fixtures	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
1 April 2015	–	–	–	–	–
On the transfer of trade and assets from the Ordnance Survey Trading Fund – see note 9	6,300	22,208	4,134	1,681	34,323
Additions	–	336	648	–	984
31 March 2016	6,300	22,544	4,782	1,681	35,307
Depreciation					
1 April 2015	–	–	–	–	–
Depreciation	–	626	2,523	669	3,818
Impairment	–	–	–	–	–
31 March 2016	–	626	2,523	669	3,818
<b>Book value at 31 March 2016</b>	<b>6,300</b>	<b>21,918</b>	<b>2,259</b>	<b>1,012</b>	<b>31,489</b>
Book value at 1 April 2015	–	–	–	–	–

On recognition of fixed assets transferred from the Trading Fund, the assets were assessed and £606k of assets classified as intangibles in the acquisition accounts (see note 9) were reclassified to tangibles due to the nature of the underlying assets.

## 14 Deferred tax

Deferred tax is provided in full on temporary differences under the liability method using a tax rate of 20% (2014: 21%).

Group	Fixed assets £'000	Total £'000
1 April 2015	–	–
(Charged)/credited to the statement of profit or loss	407	407
<b>31 March 2016</b>	<b>407</b>	<b>407</b>

Company	Fixed assets £'000	Total £'000
1 April 2015	–	–
(Charged)/credited to the statement of profit or loss	401	401
<b>31 March 2016</b>	<b>401</b>	<b>401</b>

### Ordnance Survey Leisure Limited

Ordnance Survey Leisure Limited generated a current year loss before tax of £156,000 (2014–15: £366,000), which has been Group relieved to Ordnance Survey Limited. Ordnance Survey Leisure Limited has estimated tax losses of £7,523,000 (2014–15: £7,523,000) available to carry forward against future profits of the same trade. No deferred taxation asset has been recognised due to uncertainty over the timing of taxable profits.

### Astigan Limited

Astigan Limited generated a loss before tax of £1,188,000 (2014–15: £1,030,000). On this loss no amounts are due in respect of Corporation Tax. The Company has estimated tax losses of £2,894,000 (2014–15: £1,706,000) available to carry forward against future profits of the same trade. No deferred taxation asset has been recognised due to uncertainty over the timing of taxable profits.

## 15 Inventories

Company and Group	2016 £'000	2015 £'000
Finished goods	2,138	–
Provision for obsolete stock	(253)	–
	<b>1,885</b>	<b>–</b>

During the year, Ordnance Survey wrote off stock carried at £286,000.

## 16 Trade and other receivables

Group	2016 £'000	2015 £'000
Trade receivables	11,070	–
Allowance for doubtful debts	(503)	–
	<b>10,567</b>	<b>–</b>
Other receivables	606	–
Taxation and social security receivable	23	–
Accrued income	6,172	–
Prepayments	4,552	–
	<b>21,920</b>	<b>–</b>

A breakdown of intra-government receivables is given in note 25.

Bad debts totalling £18,000 were written off in the year.

The fair value of trade and other receivables is not materially different to the book value above. Receivables less than three months past due are not considered for impairment unless specific circumstances give rise to indication of impairment as historical experience shows these amounts as recoverable. Receivables are reviewed on a regular basis to assess the recoverability of the debt and a provision is made against them based on estimated recoverable amounts from the sales of goods/services determined by reference to past default experience. The value of receivables past due is shown in note 29.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on a regular basis.

<b>Company</b>	2016	2015
	£'000	£'000
Trade receivables	10,885	–
Allowance for bad debts	(465)	–
	<b>10,420</b>	–
Other receivables	606	–
Accrued income	6,131	–
Prepayments	4,458	–
Loans owed by Group undertakings	500	–
Trade receivables owed by Group undertakings	331	–
	<b>22,446</b>	–

## 17 Cash and cash equivalents

<b>Group</b>	2016	2015
	£'000	£'000
Balance held at Paymaster General's Office	61,242	–
Balance held in commercial banks and cash in hand	21,813	–
	<b>83,055</b>	–

<b>Company</b>	2016	2015
	£'000	£'000
Balance held at Paymaster General's Office	60,885	–
Balance held in commercial banks and cash in hand	21,393	–
	<b>82,278</b>	–

## 18 Trade and other payables

<b>Group</b>	2016	2015
	£'000	£'000
Trade payables	1,309	–
Taxation and social security payable	1,505	–
Other payables	1,166	–
Accruals	10,727	–
Dividend payable	12,400	–
	<b>27,107</b>	–

<b>Company</b>	2016	2015
	£'000	£'000
Trade payables	1,244	–
Taxation and social security payable	1,648	–
Other payables	1,138	–
Accruals	10,354	–
Dividend payable	12,400	–
Intercompany payable	219	–
	<b>27,003</b>	–

The fair value of trade and other payables is not materially different to the book values above. A breakdown of intra-government payables is given in note 25.

## 19 Current tax liability

<b>Group</b>	31 March 2016	31 March 2015
	£'000	£'000
Corporation Tax	2,457	–

<b>Company</b>	31 March 2016	31 March 2015
	£'000	£'000
Corporation Tax	2,451	–

## 20 Provisions for liabilities and charges

Group and Company	Early release provision	Other	Total
	£'000	£'000	£'000
As at 31 March 2015	-	-	-
On the transfer of trade and assets from the Ordnance Survey Trading Fund – see note 9	2,511	81	2,592
Additional provision in year	166	-	166
Utilisation of provision	(1,222)	(34)	(1,256)
Financing charges – unwind of provision discount	11	-	11
<b>As at 31 March 2016</b>	<b>1,466</b>	<b>47</b>	<b>1,513</b>

	2016	2015
	£'000	£'000
Included in current liabilities	1,067	-
Included in non-current liabilities	446	-
	<b>1,513</b>	<b>-</b>

The above amount is estimated as falling due as follows:

	Current liabilities	Non-current liabilities
	£'000	£'000
2016–17	1,067	-
2017–18	-	274
2018–19	-	129
2019–20	-	38
2020–21	-	5
Other provisions	-	-
	<b>1,067</b>	<b>446</b>

Provisions are discounted at 1.37% in accordance with HM Treasury guidance.

In the other provisions balance is a provision for onerous leases as a result of regional office closures of £47,000 which covers residual commitments to lease expiry, after application of a risk-factored allowance for anticipated sublet rental income, together with other sundry provisions.

## 21 Deferred revenue

Group	2016	2015
	£'000	£'000
Current deferred revenue	10,899	-
Non-current deferred revenue	10,141	-
	<b>21,040</b>	<b>-</b>
<b>Company</b>	<b>2016</b>	<b>2015</b>
	£'000	£'000
Current deferred revenue	10,639	-
Intercompany current deferred revenue	60	-
Non-current deferred revenue	10,141	-
Intercompany non-current deferred revenue	80	-
	<b>20,920</b>	<b>-</b>

## 22 Equity share capital

Group and Company	2016 £'000	2015 £'000
Balance at 1 April 2015	–	–
Issue of shares on the transfer of trade and assets from the Ordnance Survey Trading Fund – see note 9	34,000	–
<b>Balance at 31 March 2016</b>	<b>34,000</b>	–

## 23 Share premium

Group and Company	2016 £'000	2015 £'000
Balance at 1 April 2015	–	–
Issue of shares – note 9	135,752	–
Capital reduction	(135,752)	–
<b>Balance at 31 March 2016</b>	<b>–</b>	–

The share premium reserve was recreated as part of the acquisition of the trade and assets of the Ordnance Survey Trading Fund, see note 9 for details. On 22 March 2016 the Company undertook a capital reduction. In total £135,751,999 of shareholders' funds in the share premium reserve was cancelled and transferred to the profit and loss reserve of the Company.

## 24 Retained earnings

Group	2016 £'000	2015 £'000
Balance at 1 April 2015	–	–
Profit for the year	18,103	–
	<b>18,103</b>	–
Dividend payable	(12,400)	–
On the transfer of trade and assets from the Ordnance Survey Trading Fund	(185)	–
Capital reduction – see note 23	135,752	–
<b>Balance at 31 March 2016</b>	<b>141,270</b>	–

Company	2016 £'000	2015 £'000
Balance at start of year	–	–
Profit for the year	17,111	–
	<b>17,111</b>	–
Dividend payable	(12,400)	–
Capital reduction – see note 23	135,752	–
<b>Balance at 31 March 2016</b>	<b>140,463</b>	–

## 25 Intra-government balances

### Group

31 March 2016	Receivables: falling due within one year	Payables: falling due within one year	Payables: falling due after more than one year
	£'000	£'000	£'000
Balances with:			
Other central government bodies	755	2	-
Local authorities	28	154	-
NHS trusts	-	-	-
Public corporations and trading funds	-	-	-
	<b>783</b>	<b>156</b>	-

### Group

31 March 2015	Receivables: falling due within one year	Payables: falling due within one year	Payables: falling due after more than one year
	£'000	£'000	£'000
Balances with:			
Other central government bodies	-	-	-
Local authorities	-	-	-
NHS trusts	-	-	-
Public corporations and trading funds	-	-	-
	-	-	-

## 26 Operating lease commitments

Group and Company	2016	2015
	£'000	£'000
Minimum lease payments under operating leases as an expense in the year	2,684	-

At 31 March 2016, the Company has future minimum lease payments under non-cancellable operating leases as set out below:

Group and Company	2016	2015
	£'000	£'000
Within one year	2,456	-
Between two and five years	3,387	-
	<b>5,843</b>	-

## 27 Contingent liabilities and contingent assets

No significant contingent assets or liabilities noted for current year.

## 28 Capital commitments

No significant capital commitments noted for current year.

## 29 Financial instruments

The Group's financial instruments comprise cash deposits and other items such as trade receivables, receivables owing from joint ventures, trade payables, provisions and loans. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the Group's financial instruments are credit, liquidity and interest rate risks. The Group's policies for managing these risks are set to achieve compliance with the regulatory framework. The Group follows Government Accounting rules, negotiating contracts with suppliers or contractors in sterling or major international currencies such as the euro. The Group's policy during the year on routine transactional conversions between currencies (for example, the collection of receivables and the settlement of payables) remained that these should be affected at the relevant spot exchange rate.

### Credit risk

The Group is exposed to credit risk through its trade receivables over a number of sectors. The Credit Policy has a deemed level of risk acceptance for commercial business and higher credit risks are subject to credit checking using external sources such as Dun & Bradstreet® and Experian®.

Generally payment terms are 30 days from date of invoice except in the consumer sector, where payment terms of 60 or 90 days prevail. The profile of past due debt not impaired is shown below:

	2016 £'000	2015 £'000
Past due 0–30 days	10,463	–
Past due 31–60 days	216	–
Past due 61–90 days	43	–
Past 90 days	249	–

In arriving at the provision against trade receivables the following have been taken into account:

- An individual account-by-account assessment of debt based on past credit history.
- A statistical approach to determine the historical allowance rate for each debt tranche, applying this to the debt tranche at the end of the period.
- Any prior knowledge of debtor insolvency or other credit risk.

### Interest rate risk

The Group finances its operations through equity and retained profits thus is not exposed to interest rate risk.

### Liquidity risk

The Group has maintained short-term liquidity throughout the year by management of its cash deposits.

## Foreign exchange risk

The Group's activities expose it primarily to the financial risks of changes in foreign currencies.

The sensitivity analysis below has been determined based on the exposure to foreign exchange on the financial instrument balances at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

An increase of 5% of the US dollars versus sterling would result in a reduction of the Group's profit by £153,000.

## Fair value hierarchy

IFRS 7 requires that an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value observable is given. The levels are as follows:

- Level 1** Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2** Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3** Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial instruments, recognised at fair value, all fall into the level 3 categorisation.

## Interest rate risk profile

The interest rate profile of the Group's financial assets at 31 March 2016 are set out below. There are no financial liabilities. All balances are held in sterling:

Financial assets	2016			2015		
	Fixed rate £'000	Floating rate £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Total £'000
Cash at bank	-	83,055	83,055	-	-	-

## Derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria, they are classified as 'held for trading' for accounting purposes below. The Group has the following derivative financial instruments:

	2016 £'000
Current liabilities	
Forward foreign exchange contracts – held for trading	(164)

## Derivatives

### (i) Classification of derivatives

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

### (ii) Fair value measurement

The only class of derivative held by the Group at year end were forward foreign exchange contracts. These have been valued using a marked to market methodology as defined by HM Treasury.



### 30 Related parties

All transactions with actual or potential related parties are carried out at an arm's length basis.

The Company is wholly owned by the Secretary of State for Business, Innovation & Skills, which is a ministerial department of HM Government. The Secretary of State for Business, Innovation & Skills is regarded as a related party as it has both an ownership and customer role.

In the course of its normal business the Group provides mapping data and licences to both the private and public sectors. During the year the Group had a significant number of material transactions with other governmental departments and central government bodies. Most of these transactions have been with the Department for Business, Innovation & Skills, Land Registry®, the Scottish Government and GeoPlace LLP.

No other Board member, senior management or other related party has undertaken any material transactions with Ordnance Survey during the year. Compensation paid to management in the ordinary course of Group operations is given in the Remuneration report.

Ordnance Survey Leisure Limited is 100% owned by the Company. The Directors of Ordnance Survey Leisure Limited at 31 March 2016 were Nigel Clifford, Craig Lester and Helen Webb.

Ordnance Survey International LLP is a joint venture in which the Company indirectly controls 100% of voting rights. At 31 March 2016, The Company was represented on the Board of Ordnance Survey International LLP by Andrew Loveless, Neil Ackroyd and Nigel Clifford.

Astigan Limited is 51% owned by Ordnance Survey. The Directors of Astigan Limited at 31 March 2016 representing the Company were Mike Carr, Neil Ackroyd and Clive Mosey.

GeoPlace LLP is a joint venture LLP with Local Government Association. At 31 March 2016, The Company was represented on the Board of GeoPlace by Will Davies and John Kimmance.

The Company and PointX Limited are related parties. At 31 March 2016, Daniel Dukes and Clive Mosey represented the Company as Directors of PointX Limited.

The Company and Dennis Maps Limited are related parties. At 31 March 2016, Nick Giles, Neil Ackroyd and Clive Mosey represented the Company as Directors of Dennis Maps Limited.

The results of Ordnance Survey Leisure Limited, Ordnance Survey International LLP, Astigan Limited, GeoPlace LLP, PointX Limited and Dennis Maps Limited are included in the consolidated financial statements as described in the accounting policies.

### Remuneration of key management staff

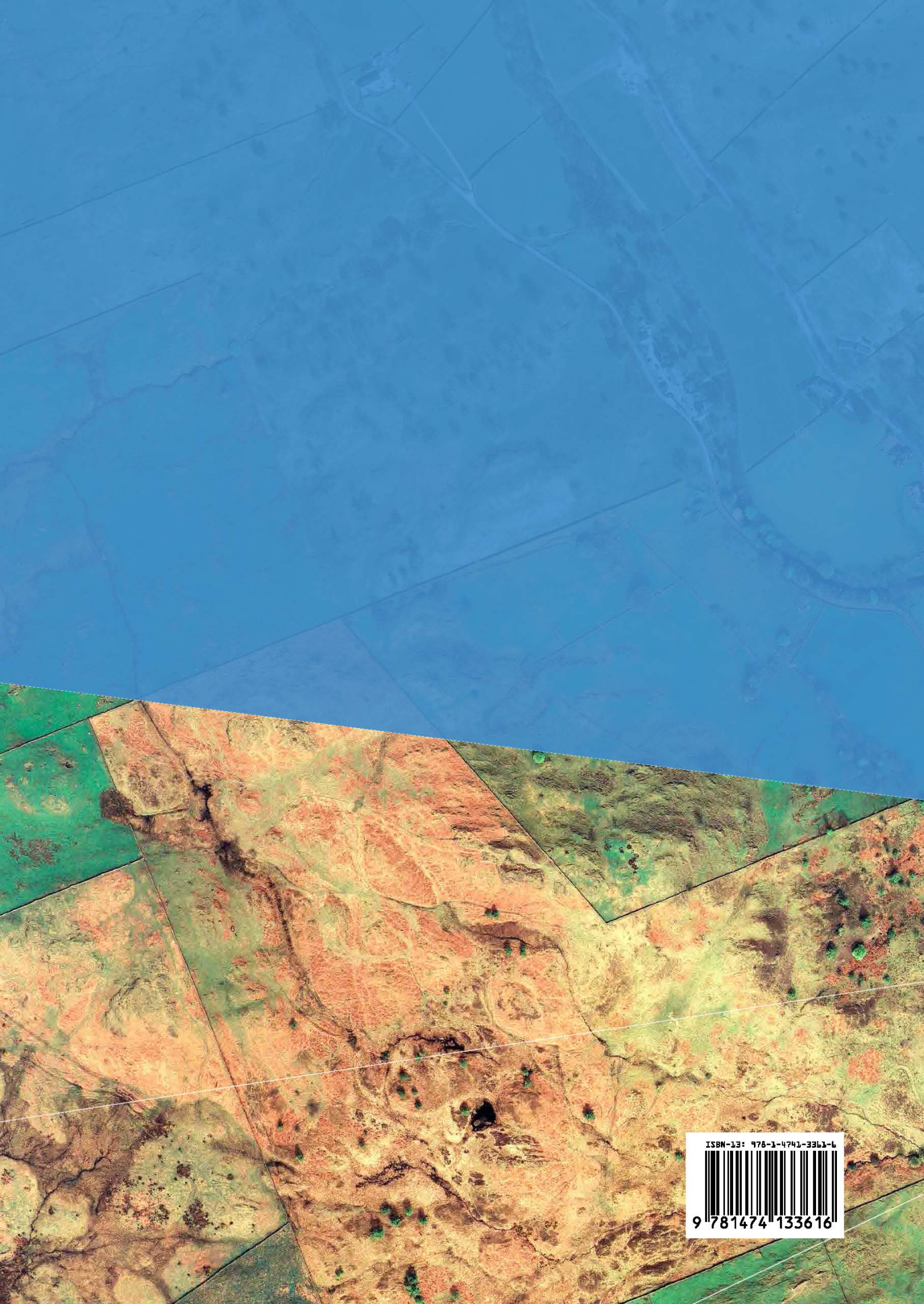
Key management staff are considered to be the Company's Executive Leadership team.

Remuneration of key management staff is set out below:

	2016 £'000	2015 £'000
Salaries and other short-term employee benefits	1,106	-
Pension contribution charged in year	154	-
	1,260	-

### 31 Control

The immediate parent undertaking and ultimate controlling party of the Company is the Secretary of State for Business, Innovation & Skills on behalf of HM Government.



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