

Working as a successful Trading Fund

Ordnance Survey completed its initial five-year period as a Trading Fund at the end of March 2004. We remain a separate government department that is now financed through sales and data licensing rather than direct funding from the tax payer. NIMSA was put in place at the start of the Trading Fund and has a separate, transparent accounting process. NIMSA is a not-for-profit government contract to help fund some of the costs of specific activities that are vital to the national interest but which cannot be justified on purely commercial grounds. It is offering government increasingly good value for money due to our cost efficiencies.

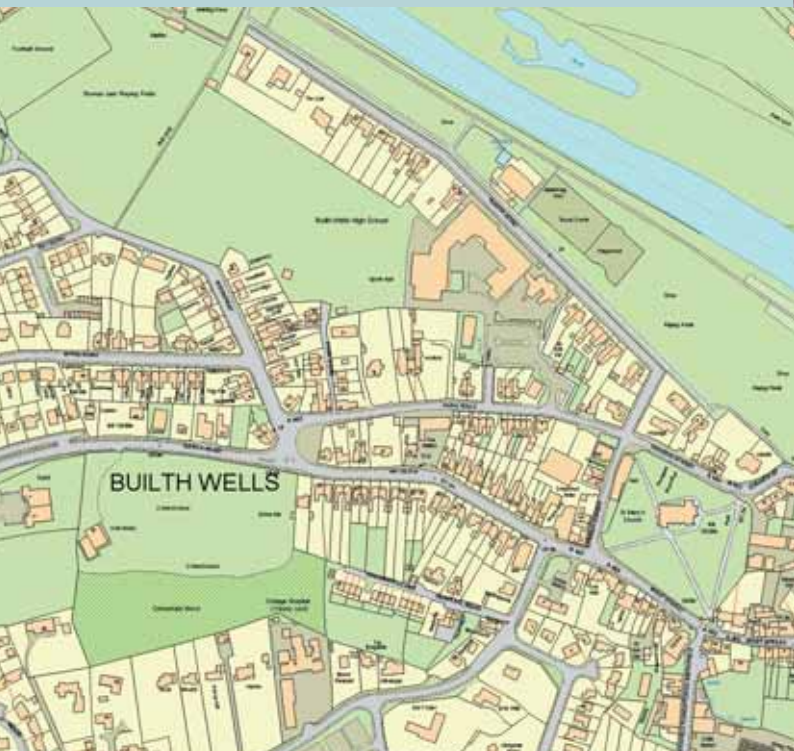
We have returned an overall profit and achieved the 9% ROCE that we were required to make over

the full five-year period. In 2002 the Government confirmed that we would continue to operate as a Trading Fund after the first five years. The successful management of our finances, including effective control on costs and staff numbers, means that at the end of 2004–05 we will demonstrate even greater value for money by beginning to pay a dividend to our sole shareholder – the Government.

Trading Fund status means that while we have responsibility for our own finances and planning, we also have more freedom to develop new initiatives. We can reinvest profits and plan for the longer term rather than on a year-to-year basis. This creates greater stability and confidence that we will deliver what we promise.



We are continuing to supply the underpinning geodetic framework for Great Britain with our new GPS transformation system, offering unprecedented operational efficiency and accuracy across the nation. The transformation service and complementary data are used by all Ordnance Survey field surveyors and are also available online to other surveyors and GPS users across Great Britain.



Customers and partners now have access to a wide range of geographical data, from straightforward overview maps of Great Britain to sophisticated, highly detailed, seamless data from which they can pick and mix as required. Digital data accounts for three quarters of our annual revenue. The data includes street-level information showing details as fine as the shapes of individual properties, their precise locations and their addresses.

Our data offers value-for-money location information to help join up local government departments and public services, and to improve response rates to emergency incidents.

Because our surveyors work to a consistent data collection and maintenance programme, Ordnance Survey offers huge advantages in terms of national standards and data sharing. This is critical in the joining up of local and central government activities through a common geographic referencing framework. More than 500 local government organisations – including county, district and unitary authorities, some emergency services and all national park authorities – have access to a range of our maps and data to support local and strategic decision making and the delivery of cost-effective frontline services.



A number of secondary schools are applying for designation as specialist Humanities schools with geography as a lead or secondary subject.

This is an important development that recognises the importance of geography in modern education. Ordnance Survey is working with the Royal Geographical Society (with The Institute of British Geographers) to assist the first of these schools, both with embedding GIS into their teaching and with the process of disseminating their new expertise to other schools who opt for this status in future.

These schools will provide centres of excellence and expertise in the use of GIS in secondary education.



Joint venture collaborations with strategic partners help to generate new datasets for our customers. For example, our joint venture company, called PointX, develops and markets a points of interest database for Great Britain. It includes more than three million addressable and non-addressable features from more than 150 public- and private-sector suppliers. The database is designed to support a wide range of applications through Internet and mobile service providers, other commercial organisations and government agencies. The release of version 2 of the database in January 2004 has been very well received in the marketplace.

Customers and partners benefit from easier licensing terms and value-for-money pricing. The ease of commercial licensing means that each year literally millions of publications are issued incorporating our data, with many of Great Britain's biggest publishers drawing on our information.

