ORDNANCE SURVEY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2023

CP 986

Ordnance Survey

SEE > BETTER PLACE

Ordnance Survey Limited Annual Report and Financial Statements

for the year ended 31 March 2023

Presented to Parliament by the
Secretary of State for Science,
Innovation & Technology by
Command of His Majesty.

December 2023.

CP 986

Company information

Registered in England and Wales
under number 09121572.

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Comptroller and Auditor General.

This publication is available at https://www.gov.uk/official-documents

Any enquiries regarding this publication should be sent to us at customerservices@os.uk

ISBN 978-1-5286-3940-8

E02869997 12/23

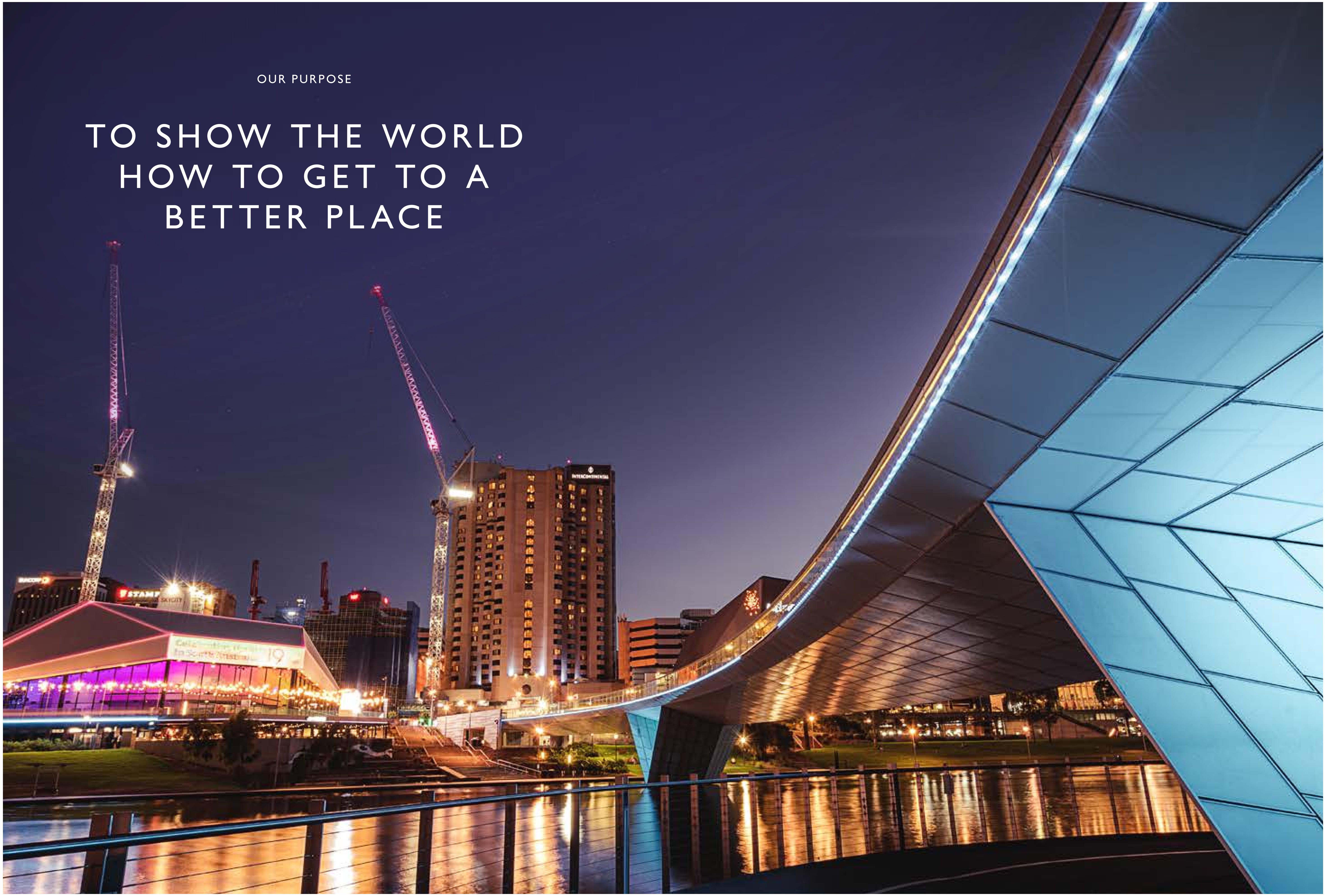
Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

Contents

OUR PURPOSE

TO SHOW THE WORLD HOW TO GET TO A BETTER PLACE



WHEN YOU KNOW A PLACE BETTER THAN ANYONE

YOU CAN HELP MAKE IT BETTER FOR EVERYONE

Group overview

Key Performance Indicators

Group revenue[1]
£182.3m (2021-22 £182.3m)

EBITDA[2]
£36.3m (2021-22 £46.0m*)

Free cash flow[3]
(£3.3m) (2021-22 £10.8m)

Net Promoter Score[4]
+38 (2021-22 +36)

Other financial metrics

Dividend
£10.0m (2021-22 £52.8m)

[1]**Revenue** is the total consolidated Group revenue recognised on the statement of profit or loss.

[2]**EBITDA** is defined as earnings before interest, tax, depreciation, amortisation and minority interest disposal.

[3]**Free cash flow** is defined as total net cash flow with dividend added back.

[4]**Net Promoter 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.

*2021-22 has been restated as described in note 1.21 on page 130.

Message from the Board

Over the last year our focus as a board has been:

The development and security of our geospatial data, which underpins UK economic development and creates positive social impact.

The evolution of OS as an organisation which remains at the forefront of developments in the dynamic geospatial data sector, serving the UK government, whilst also fostering a keen commercial mindset to take advantage of opportunities beyond.

Internationally we were delighted to see that the UK has retained its ranking as the 2nd most geospatial data ready country in the world, and in the UK we are proud of our refreshed brand which connects our purpose and mission to help government and commercial customers to see a better place. The brand campaign demonstrates the many ways in which OS uses location insight for positive impact in our six key areas of; Environment and Sustainability, Energy and Infrastructure, Transport and Mobility, Land and Property, Health and Wellbeing, Resilience and Protection of Life. OS location data helps to solve crime, to save lives, to improve well-being, and to make businesses more successful and efficient.

Internally there is significant investment in new systems, structures and processes as the organisation develops and the implementation and progress of this work is a priority for us.

Governance

The board had been operating with a combined Chair and interim CEO role over the year. We would like to recognise Stephen Lake, for taking on a significant workload when stepping up to the role of interim Chief Executive and Chair. With the support of Steve Showell as CFO, the business has pushed forward with the transformation and development of the five-year plan. We'd like to thank them both for their contribution.

To mitigate the challenges of the interim CEO and Chair arrangement, regular reviews including an external review have been carried out. The governance arrangements put in place, to enable the Chair to act also as interim CEO, with the Senior Independent Director stepping in to chair Board meetings, have proved successful.

We were delighted to welcome Nick Bolton as the new CEO in October 2023 and we are now transitioning from interim arrangements into settled ways of working, coupled with Stephen returning to his role as Chair.

In the year, we welcomed Lynn Mawdsley to the Board and as Chair of our Audit and Risk Committee, and we thank Jacques Cadranel for his commitment to Ordnance Survey.

Dividend

In March 2023 we declared a final dividend to our shareholder of £10.0 million (2021-22 £52.8 million). We have worked closely with our shareholder to ensure payments have the most impact. The additional £40.0 million dividend declared in March 2022 will be paid during this coming financial year in addition to the dividend declared in March 2023.

Investing in our future

We are clear that the diverse talent of Ordnance Survey staff is the cornerstone of our strength. The organisation has adapted to a hybrid

working model and, as a Board, we are supported in assessing the long-term impact of these changes by the investment in Workday Peakon Employee Voice and by meetings with our people. We have also seen significant investment in the sustainability of Explorer House into a sustainability centre of excellence.

In the year to come we look forward to reaping the benefits of the many investments and developments in our people, data and technology that have been undertaken this year.

On behalf of the Board, I'd like to thank all OS employees, partners and customers as we continue to innovate and evolve to ensure that our Geospatial data underpins economic development and plays a vital role in finding solutions to many of the critical challenges that face us all today.

Philippa Hird
Senior Independent Director

13 December 2023






Helping build a modern digital Britain

With valuable location data and expertise, we're maintaining the UK's position as number two in the world for geospatial capability.

We help the Department for Science, Innovation and Technology (DSIT) deliver its mission to deliver improved public services and grow the economy, and we are an active partner of the UK Geospatial Commission.

Delivering key government policy and services

- Faster emergency response
- Effective land registration, planning and conveyancing
- Towards Net-Zero targets

Enabling innovation in the private sector and start-up community

- Supporting entrepreneurs with funding and expertise
- Leading geospatial data science capabilities
- Developing the location services ecosystem in Britain

Providing location analysis and intelligence

- Security planning for major events
- Better customer decisions
- Secure, trusted, data sharing

£800 million per year

estimated value OS is contributing to the UK economy (Boston Consulting Group)

Statement from the CEO

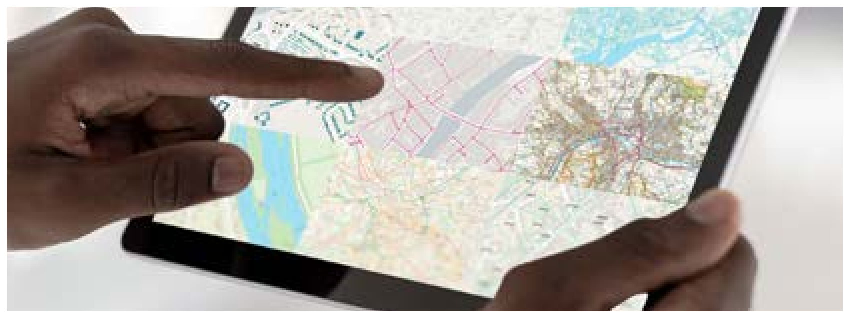
I'm pleased to reflect on an important and successful year for Ordnance Survey in which we delivered significant milestones in the multi-year transformation of our data, technology and people, while simultaneously navigating a challenging economic environment.

"I'm proud we've delivered the most transformative release of OS data to customers in a generation, leading to improved quality, quantity, and easier access to valuable location data."

Delivering for our customers

Our purpose, to show the world how to get to a better place, unites us to deliver for our customers. With this clear purpose we're driven to meet the market demand for geospatial data and services on a national scale. I'm proud we've delivered the most transformative release of OS data to customers in a generation, leading to improved quality, quantity, and easier access to valuable location data. As a result, we're excited to see the creativity of our customers and partners already starting to blossom as they build value with this enhanced data.

I'm also delighted to see OS's involvement in the launch of the National Underground Asset Register (NUAR), building on decades of close relationships with our energy and utility customers to advance secure sharing of critical business information.



Public sector customers have benefited from the work of OS data scientists providing expertise to a wide range of critical public services, such as efficient healthcare, broadband roll-out, crime analysis and pandemic control. We have also advanced our offer to support net-zero goals and the sustainability sector by combining exciting new technologies and collaborating with experts in satellite imagery, sustainability, the commercial world and academia.

We continue to play a leadership role both in the UK and internationally on a range of geospatial related initiatives, all of which help maintain the UK's position as a leading geospatially advanced nation. In 2022, we were proud to host a meeting of leaders from national geospatial organisations across the world, focussing on supporting national programmes of climate action and mitigation strategies.

There has been great progress in ensuring we have a healthy and growing ecosystem of businesses that can use OS data to build innovative products and services, through the launch of an enhanced Partner Channel programme. We continue to support Geovation, our innovation accelerator to drive innovation across the sector and in the economy, resulting in over £130m of cumulative investment and supporting 1,500 new businesses take their first steps.

Alongside our core national mapping services, our investment in the award-winning OS Maps platform and app has led to growth, with over 455,000 paying subscribers, in a year in which digital revenues exceeded paper maps revenues for the first time.

Our data, technology and people transformation

All of our achievements in the year are the result of close customer engagement and a sustained multi-year transformation in data, technology and people. It confirms the investments we've made are the right ones and charts the direction for continued investment over the coming years.

OS operations are underpinned by cutting-edge geospatial technology. Our globally recognised, complex, geospatial systems allow our teams to collect, manage and serve an increasingly broad range of data. Driven by demands for greater detail, currency, accessibility and ease of use, our core systems and processes continue to be a major focus for our investment and innovation.

Over the last 12 months we have introduced new cloud-based data capture systems for our field surveyors and external supply chains; enhanced our core data management environments allowing us to support the demands of data scientists and analysts; and further develop the OS Data Hub, enabling access to a new generation of data services and APIs for our customers and partners.

Alongside these important platform developments, we continue to invest in innovative new processes to extract value from a broad range of information sources available to us – including from satellites. We're benefiting from the use of Artificial Intelligence in developing new machine learning algorithms that allow us to automate the mapping of geographic features, revealing patterns of change and insights to the geography of Great Britain and beyond, that were previously unseen.

Our people are our greatest asset, and to grow our people capability, we've hired 549 people over the last two years with a focus on data scientists and engineers. We've also launched a new data academy to grow our data capability and we have expanded our operational presence to the UK regions through hybrid working to reach new talent pools.

Systems investment

We have continued with the implementation of several new software tools across the business including a new enterprise-wide finance system, Microsoft D365, and Workday Payroll. Following new accounting guidance, the configuration costs of application software under Software as a Service (SAAS) arrangements can no longer be capitalised and therefore costs of £5.0m incurred in the year have been expensed. Note 1.21 describes the Group's updated policy.

Our future

We're pleased to join the new Department of Science, Innovation and Technology (DSIT) in its mission to deliver stronger growth, better jobs and bold new discoveries. DSIT recognises that all future technologies will be underpinned by data about events occurring at a time and place. Location data will be the unifying connection between things, systems, people, and the environment.

The geospatial industry is expected to grow significantly between now and 2030 as recognition in the value of location data increases. This will provide opportunities but also risks, which is why our strategy continues to include investments in data, technology and people.

I'd like to thank all employees, customers, partners and Board members for their continued passion and efforts in the value delivered in the year.

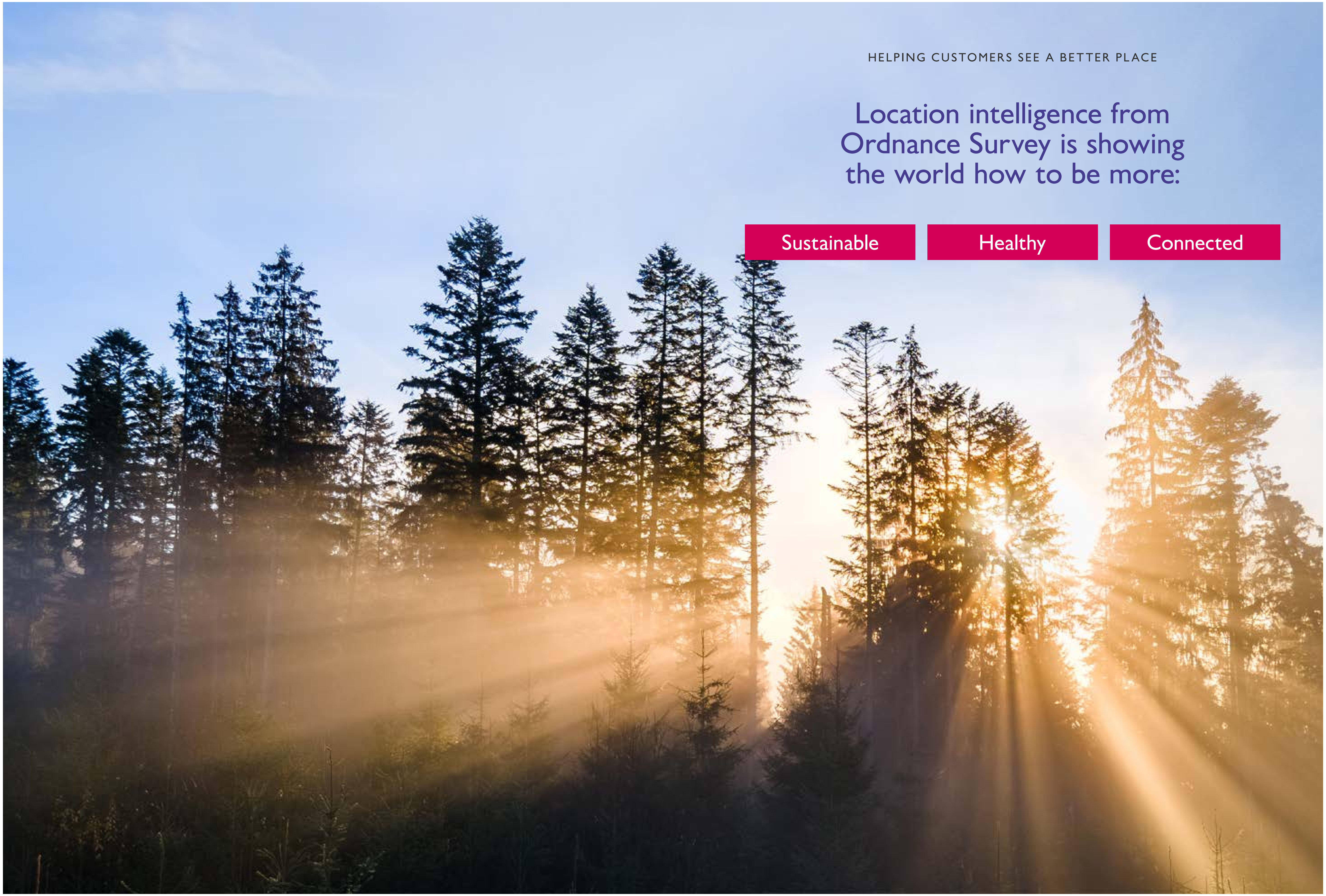
Stephen Lake
Chairman

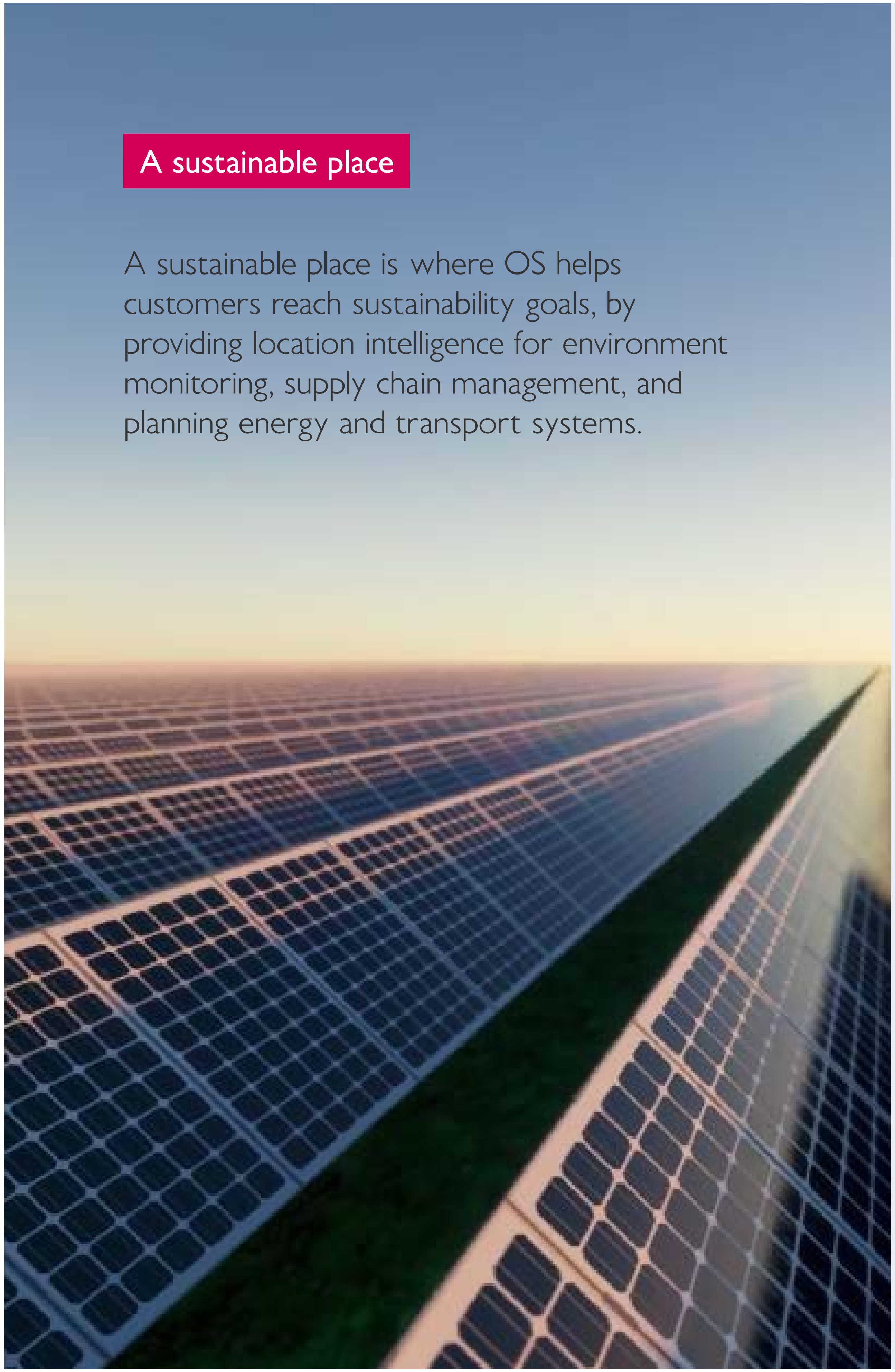
13 December 2023

HELPING CUSTOMERS SEE A BETTER PLACE

Location intelligence from Ordnance Survey is showing the world how to be more:

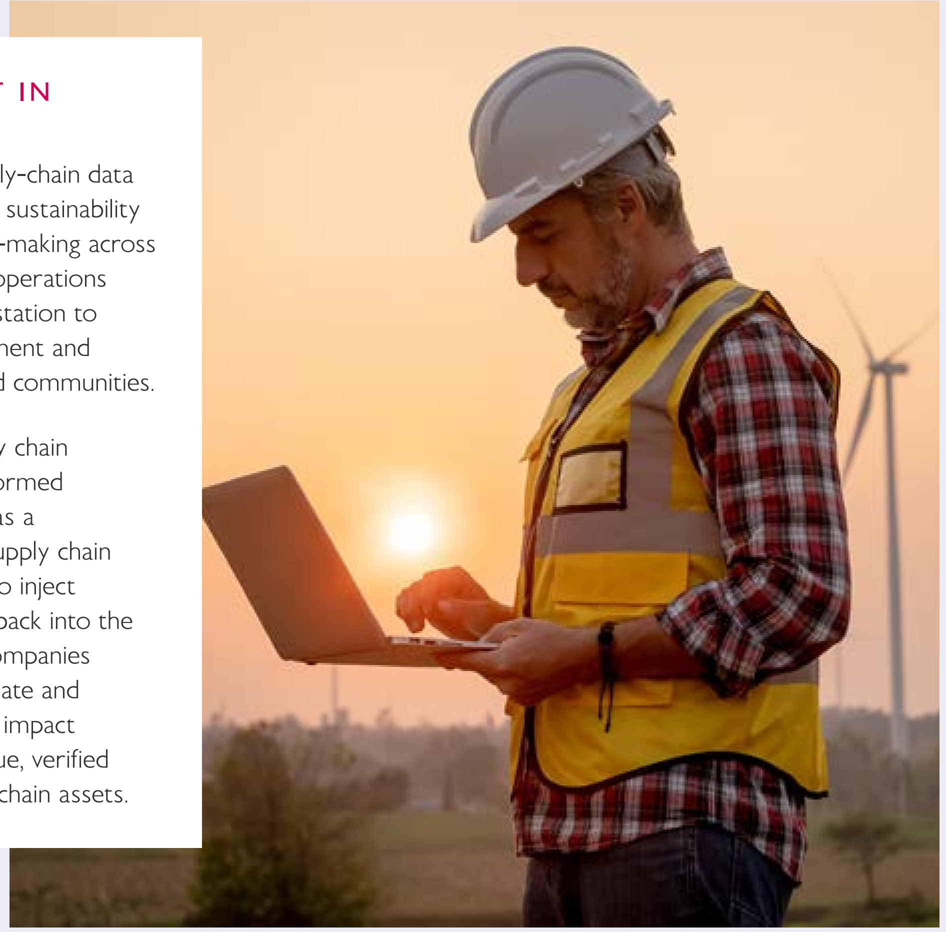
Sustainable | Healthy | Connected





A sustainable place

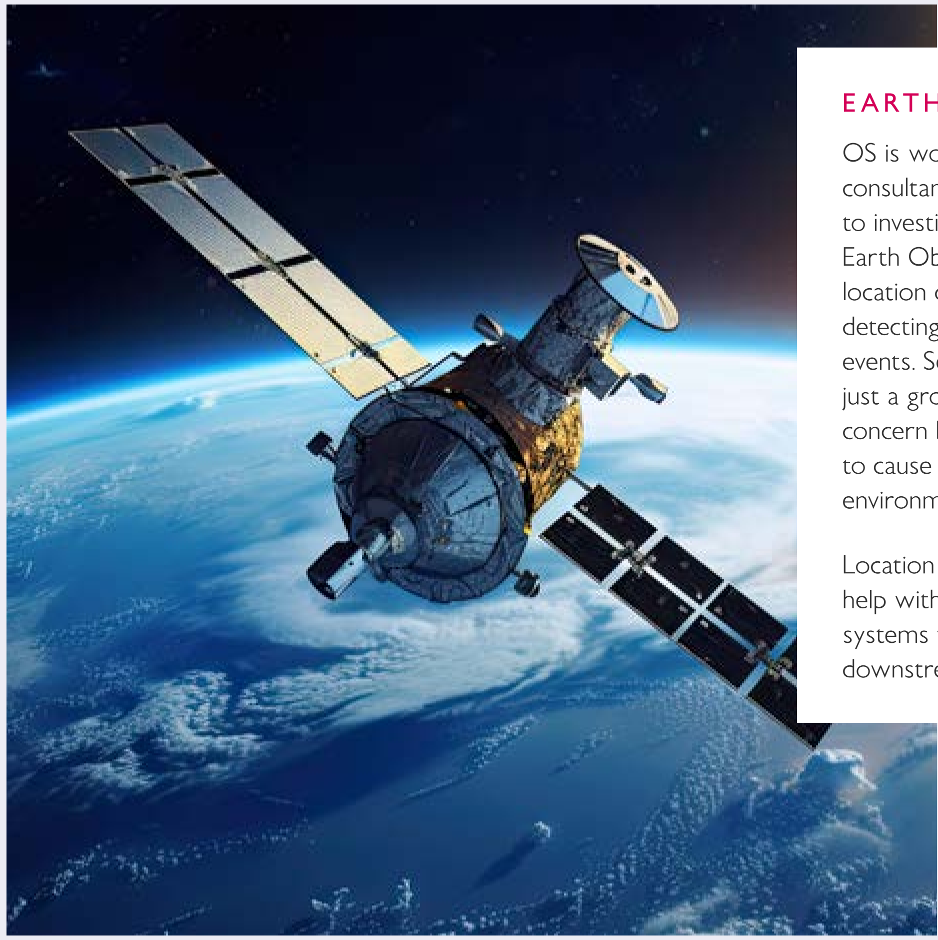
A sustainable place is where OS helps customers reach sustainability goals, by providing location intelligence for environment monitoring, supply chain management, and planning energy and transport systems.



BUILDING TRUST IN SUPPLY CHAINS

Analysing complex supply-chain data is critical for embedding sustainability and climate-led decision-making across an organisation and its operations – from stopping deforestation to ensuring ethical engagement and support for farmers and communities.

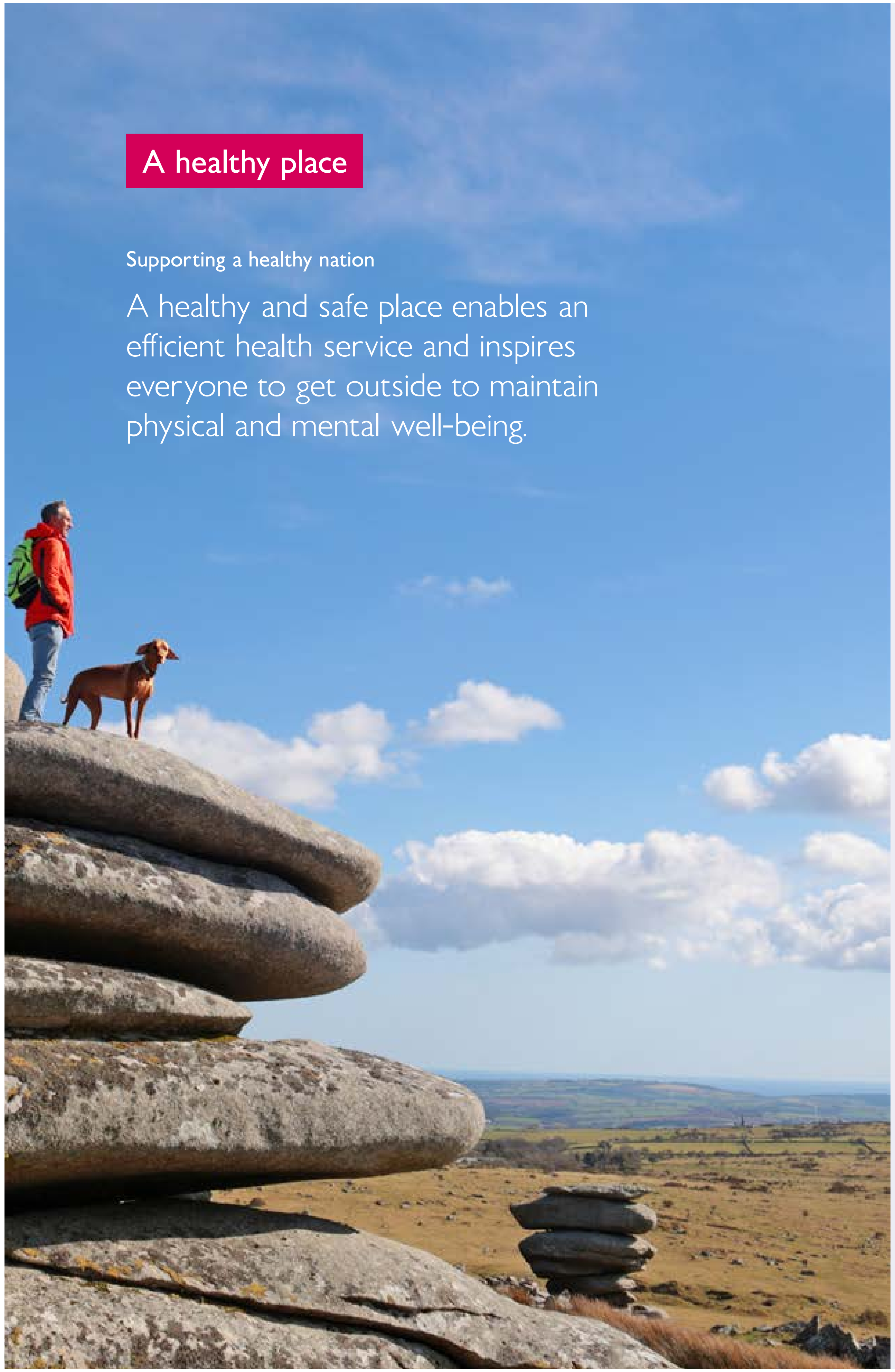
Which is why the supply chain Data Partnership was formed with Ordnance Survey as a founding partner. The supply chain Data Partnership aims to inject transparency and trust back into the supply chain, enabling companies to understand their climate and environmental risks and impact through knowing the true, verified location of their supply chain assets.



EARTH OBSERVATION

OS is working with CGI, the consultancy services company, to investigate the role that Earth Observation and accurate location data can play in detecting and predicting sewage events. Sewage in water is not just a growing public health concern but has the potential to cause harm to the natural environment.

Location data and expertise can help with robust monitoring systems for sewage spills and downstream impact.



A healthy place

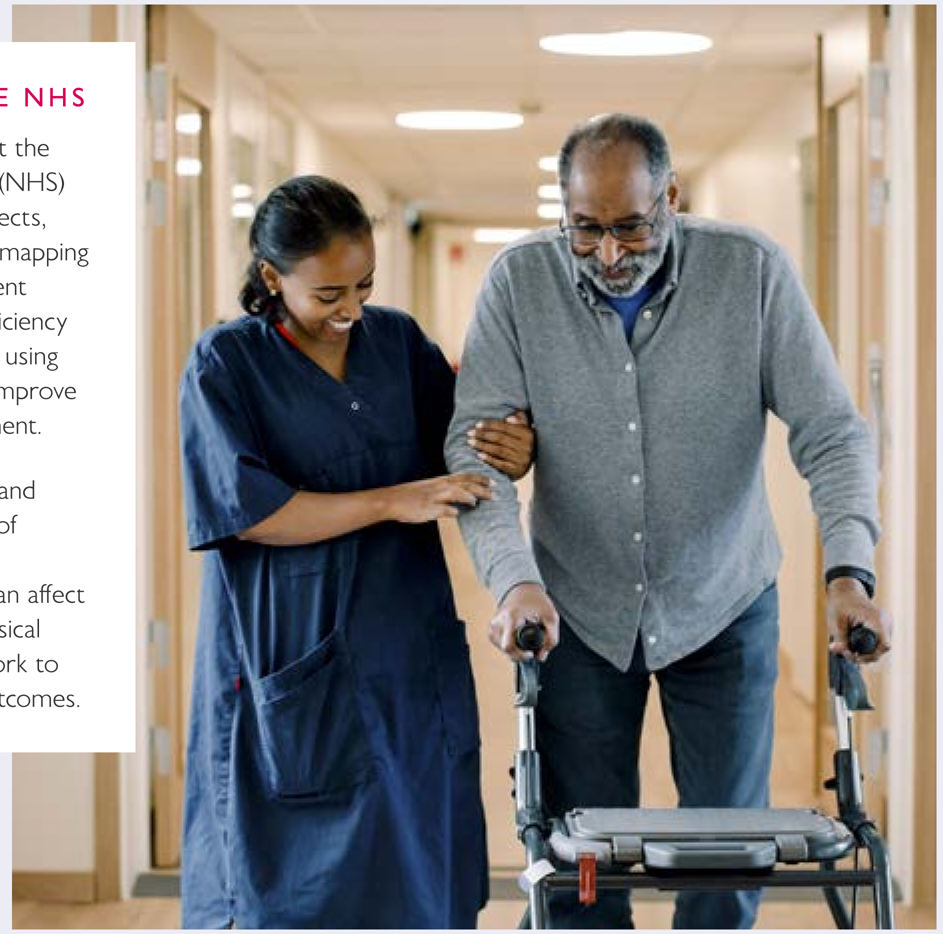
Supporting a healthy nation

A healthy and safe place enables an efficient health service and inspires everyone to get outside to maintain physical and mental well-being.

SUPPORTING THE NHS

OS continues to support the National Health Service (NHS) in a wide variety of projects, such as integrating new mapping solutions to reduce patient delays, improving the efficiency of ambulance fleets, and using our addressing data to improve patient record management.

Our mapping expertise and in-depth understanding of individual locations helps determine how places can affect people's mental and physical health, and therefore work to achieve better health outcomes.

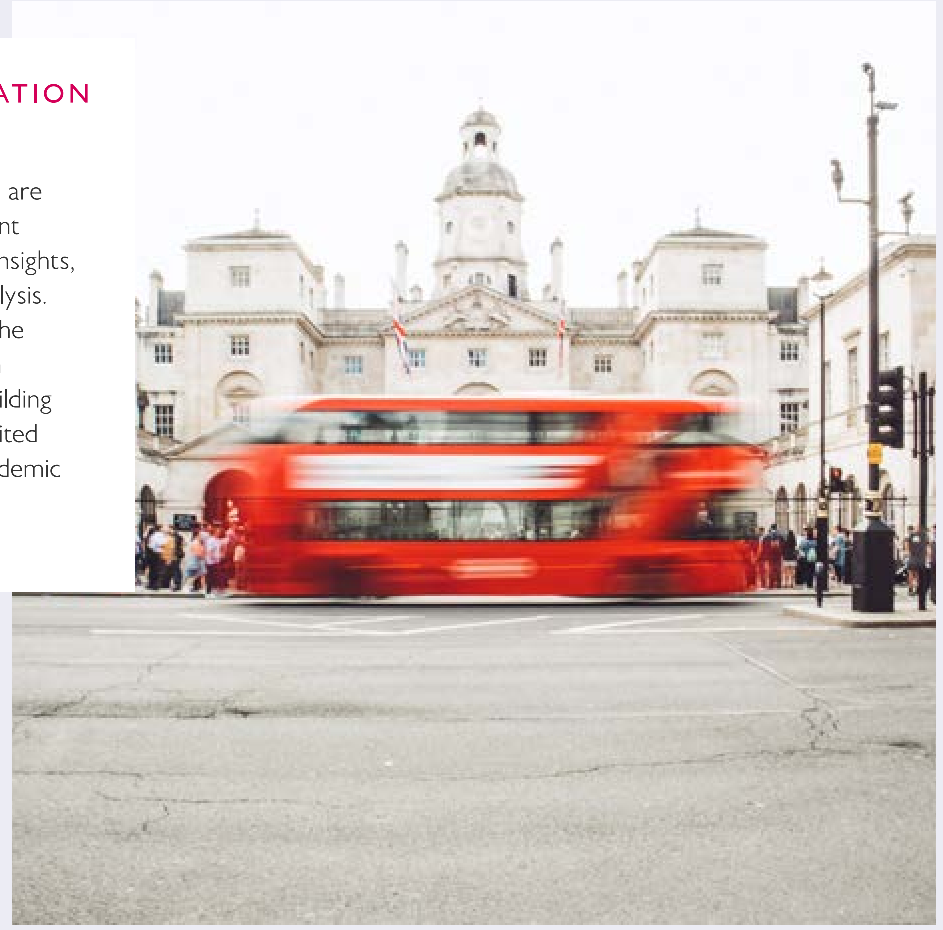


WALKABLE CITIES PROJECT

OS has joined the ongoing exploration of 'neighbourhood walkability' ensuring people can reach essential needs within a 20-minute walk (approx. 800m) of their home using a gridded approach. Our experts generated a grid of 50m squares for the full land extents of England, to calculate walk time to relevant services; healthcare (GP, pharmacies), retail, public transport, and greenspaces.

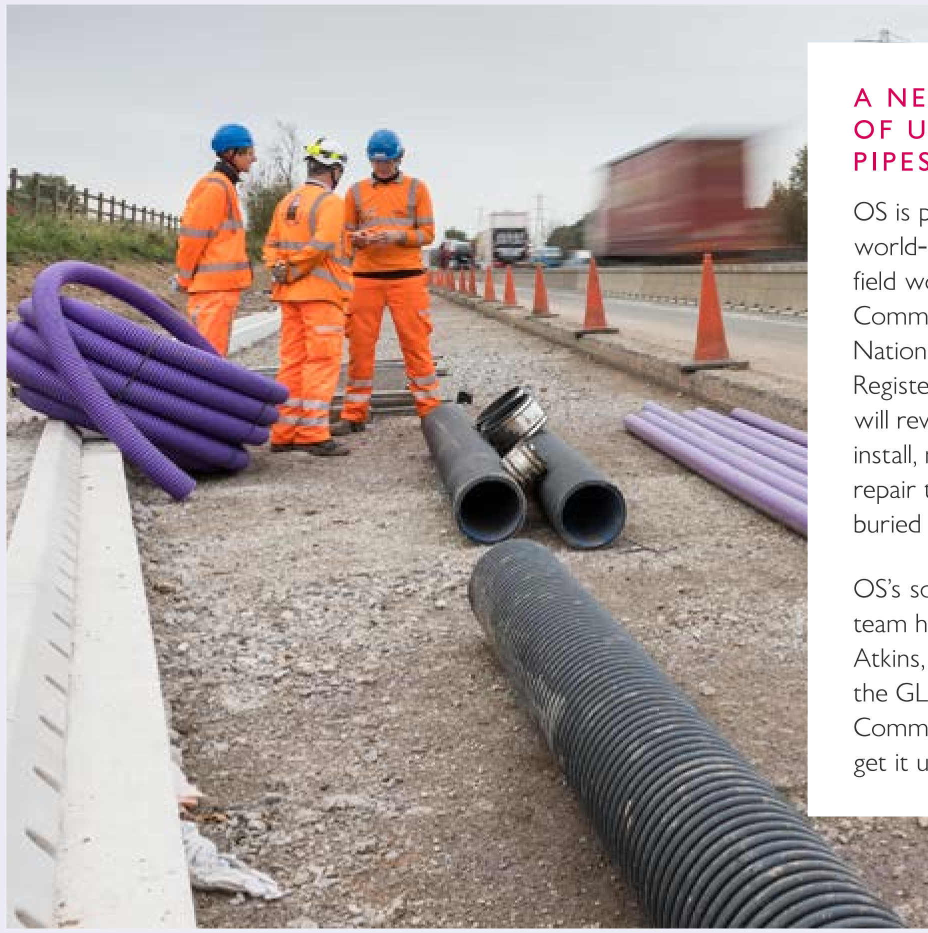
A connected place

A connected place connects people and data to place for insight, intelligence and planning. Our customers are using OS data to connect information from different sources.



PROVIDING LOCATION DATA SCIENCE

OS data science experts are working with government departments to unlock insights, and provide detailed analysis. Departments including the Home Office, UK Health Security Agency, and Building Digital UK have all benefited from crime analysis, pandemic control, and high-speed broadband roll-out.



A NEW DIGITAL MAP OF UNDERGROUND PIPES AND CABLES

OS is part of a supply chain of world-leading experts in their field working for the Geospatial Commission to deliver a National Underground Asset Register. This new digital map will revolutionise the way we install, maintain, operate and repair the pipes and cables buried beneath our feet.

OS's software development team have worked alongside Atkins, ISpatial, GeoPlace, the GLA and the Geospatial Commission on the platform to get it up and running.

Our strategic vision

To be recognised as world leaders in geospatial services; creating location insight for positive impact.

Our strategy

To enable the digital infrastructure critical to innovation, growth in the wider economy, and better societal outcomes – driving increased value for our customers, our shareholder, and our people.

Strategic objectives

To operate as a sustainably profitable commercial organisation

To provide world-leading geospatial services

To deliver sustainable profit with purpose

How we deliver value to customers

Licensed data

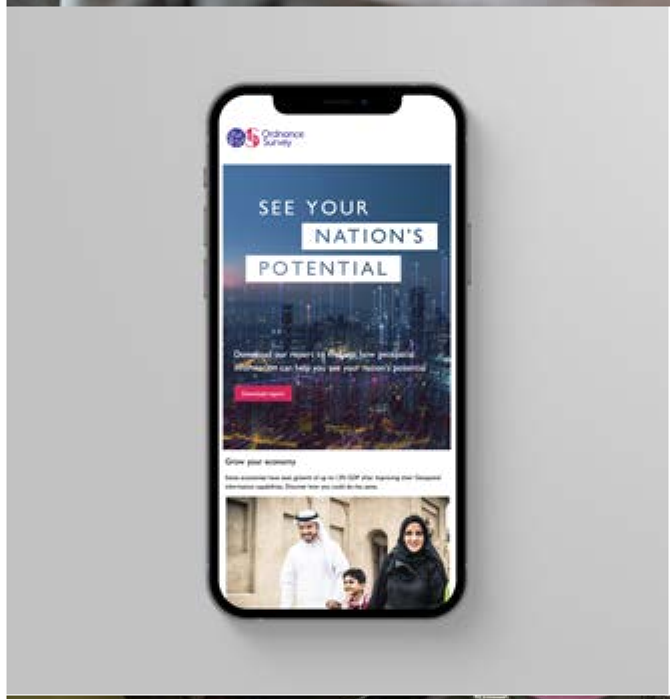
An expanded range of Geospatial Data Products delivered via the OS DataHub.

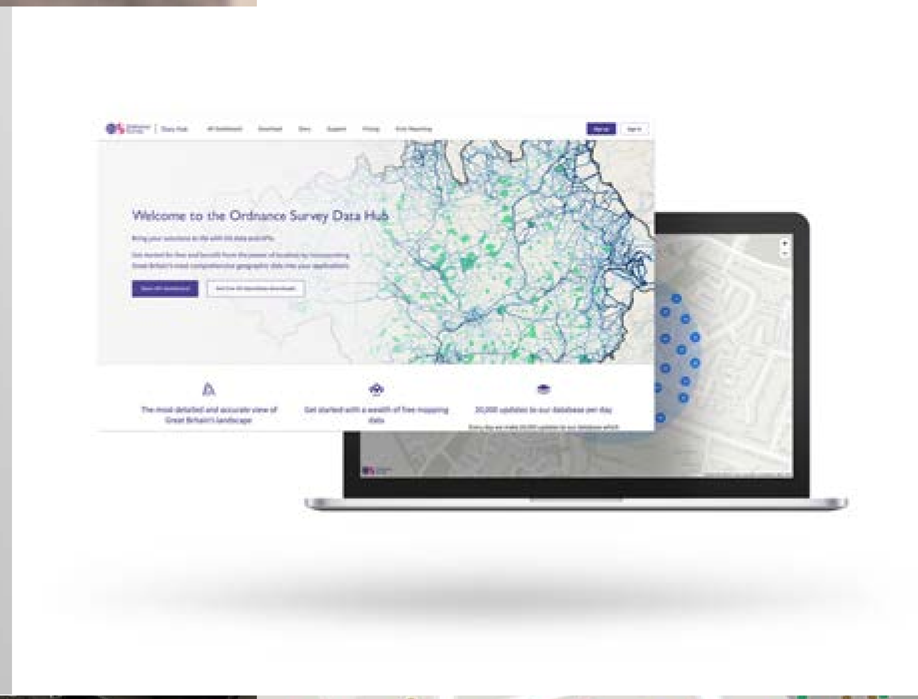
Knowledge services

Knowledge services using OS people's expertise and deep understanding to solve market problems with geospatial data.

Data services

The combination of software with OS and third-party data to create scalable solutions that address market needs.



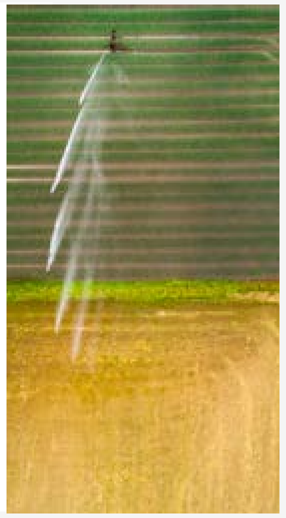


Areas of focus

With OS data and expertise, our customers are creating efficiencies, gaining insight and building critical data infrastructures across a wide range of sectors.

Environment and sustainability

OS provides customers the ability to verify and demonstrate transparency for land-based environmental projects, supply chains, and the protection of assets.

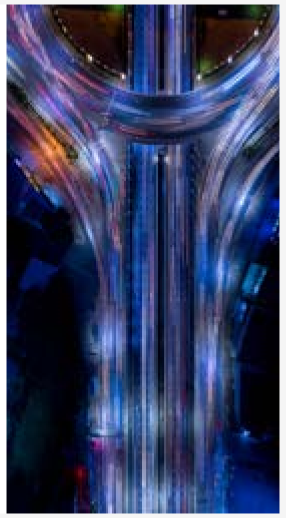


Energy and infrastructure

OS data streamlines the decision-making process and enables organisational growth through the location, distribution, and management of critical assets.

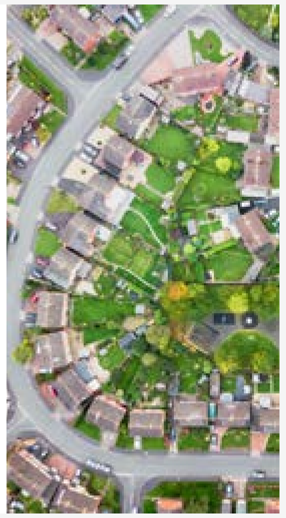
Transport and mobility

OS helps planners create a future transport system that is sustainable, efficient and safe for all modes of transport.



Land and property

OS creates assurance for customers when determining accurate locations and addresses, and provides a range of data services such as access to public services, or flood risks.

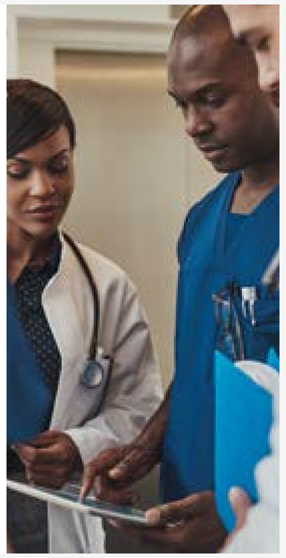


Health and wellbeing

OS supports critical health services through location data-driven solutions; while also encouraging the improvement of mental and physical health by helping our customers get outside more often.

Resilience and protection of life

OS partners with the emergency services by providing a Mapping for Emergencies service and security planning for significant events such as the G7 Summit and Commonwealth Games.



Our customer profile

Ordnance Survey has a wide range of customers across government, business and consumer markets.

6,126
Public sector customers
Up 5% on last year
(2021–22: 5,836)

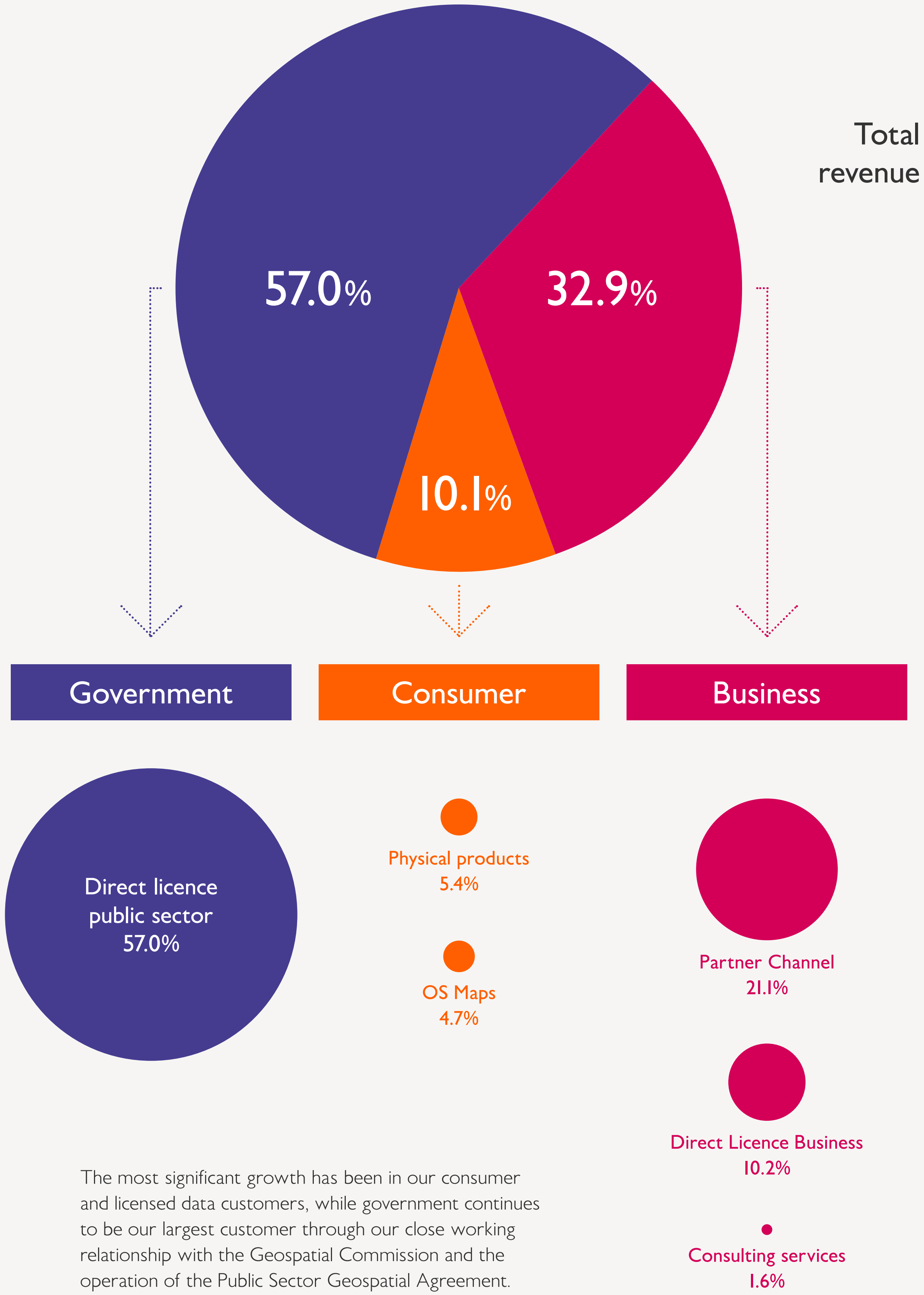
2,000
Premium Data users

450
Licensed Partners

Some of the customers we serve

amazon · CGI · Microsoft · sky · vodafone

NHS · Home Office · Hampshire County Council · Department for Transport · The Scottish Government



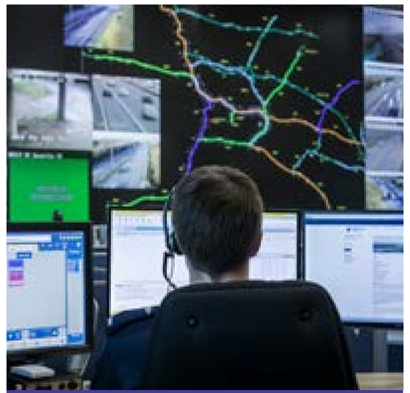
The most significant growth has been in our consumer and licensed data customers, while government continues to be our largest customer through our close working relationship with the Geospatial Commission and the operation of the Public Sector Geospatial Agreement.

Our work for the Public Sector

We serve over 6,000 public sector customers with location data and expertise, helping deliver more efficient public services such as transport, healthcare, housing and much more.

The launch of direct access to the OS National Geographic Database (NGD), has been the biggest deliverable achieved under the Public Sector Geospatial Agreement this year. Access is via the OS Data Hub, which is now the portal for most of the public sector to access OS data.

Mapping for Emergencies supported 35 events including the Commonwealth Games and the Queen’s funeral planning



What is the Public Sector Geospatial Agreement (PGSA)?

The Public Sector Geospatial Agreement (PSGA) is the foundation of our national mapping services, for Great Britain. It provides access to OS location data and expertise for the public sector and the wider economy.

IDENTIFYING CRIME HOTSPOTS

Tackling a range of crime types is a policy focus and operational interest for the Home Office. To better understand geographical variations in offending and victimisation, the department has explored opportunities for combining crime data with location-based data.

The Home Office approached Ordnance Survey to provide location expertise and data to provide a full picture of what was happening where.

OS data scientists supported critical government departments in England & Wales

Our transformation journey

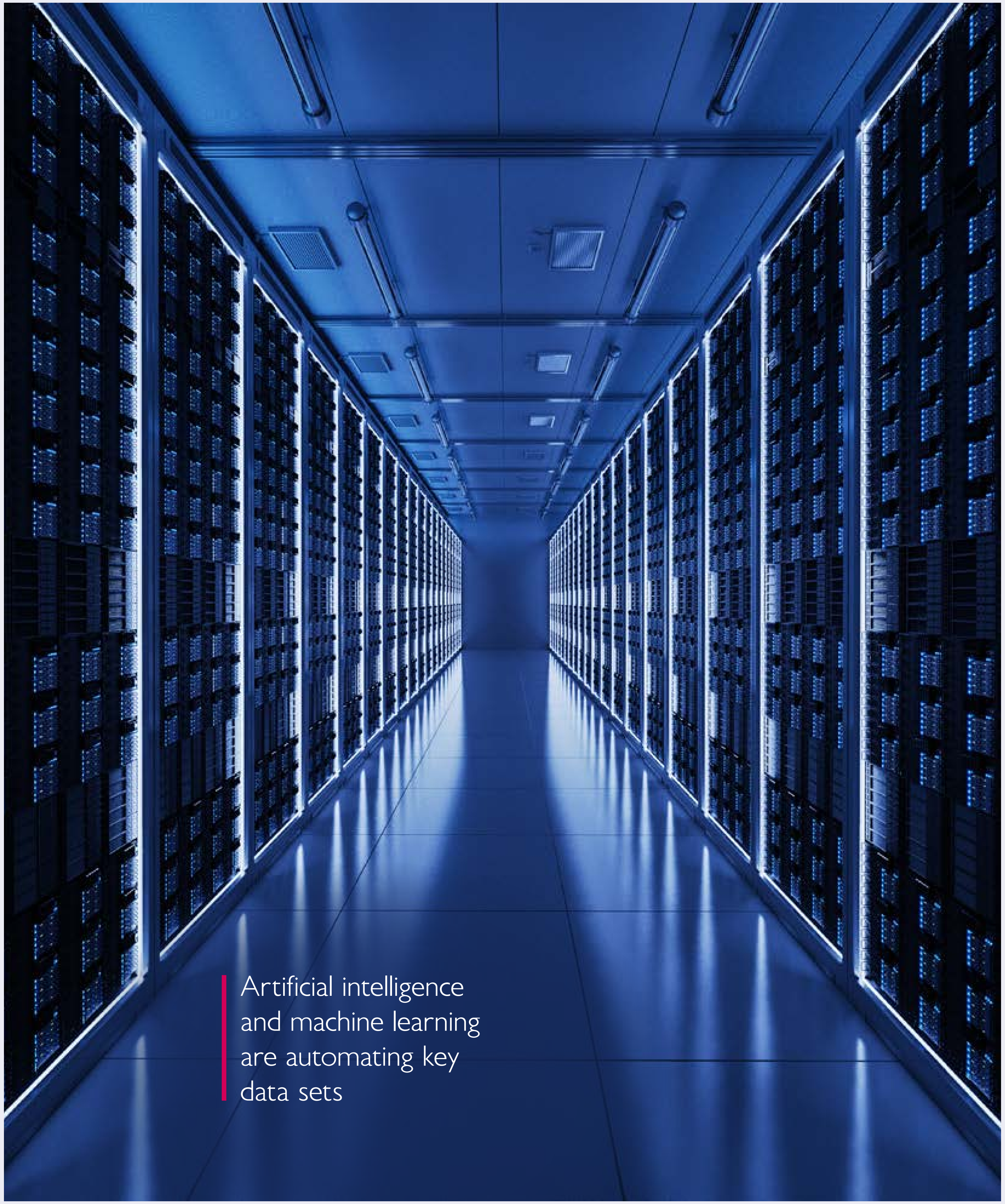
We've delivered the biggest step change in access to OS data in a generation with DataHub customers using a new download tool and API's.

The uptake and increase in data transactions continues, resulting in more customers building innovative new services.

1.2 billion
customer transactions through the OS Data Hub

766.5 million
premium paid customer transactions

396.1 million
open data transactions



Artificial intelligence and machine learning are automating key data sets

Our data and technology evolution

We've invested in technology that will serve our customer's needs into the long-term. This includes the launch of a new data production platform using cutting edge machine-learning to serve up the data more quickly. This new enhanced data is housed in the National Geographic Database (NGD) – Britain's most detailed location dataset.

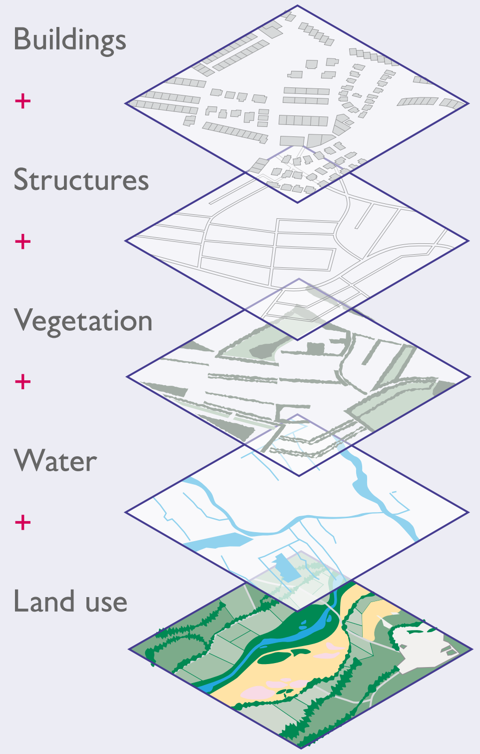
This investment in our transformation means more customers from a wider range of sectors can benefit from valuable location data.

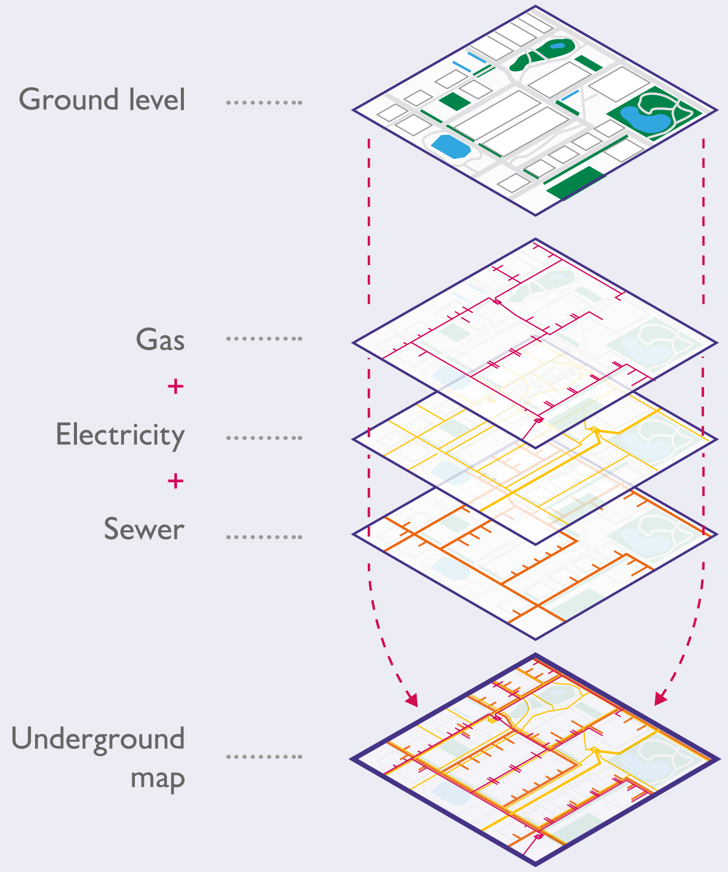
The National Geographic Database

33 million
residential addresses

500 million
location features

20,000
updates everyday





Launch of digital map

for National Underground Asset Register (NUAR)

£2.4 billion

Estimated economic cost of accidental strikes on underground pipes and cables per year

£350 million

Estimated economic benefits

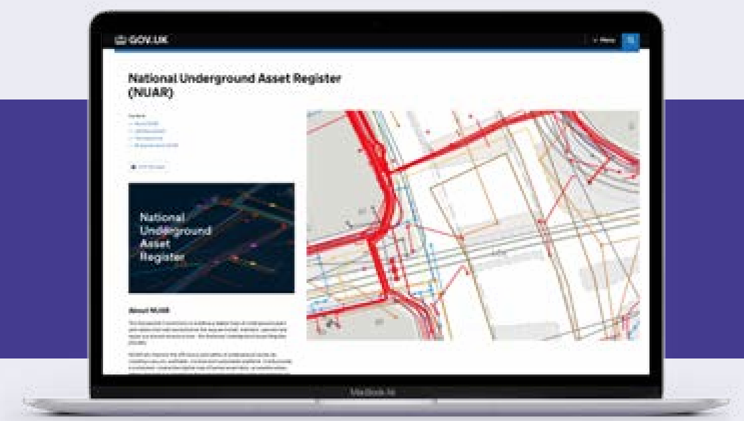
Secure data sharing

Built on OS's position as a trusted data aggregator, secure data sharing solves the technical, security and legal challenges encountered when bringing together critical data from multiple organisations. It delivers a single, harmonised view of information through an easy-to-use platform that allows governments and businesses to address complex challenges which couldn't be tackled without the data being brought together.

OS is part of a supply chain of world-leading experts in their field working for the Geospatial Commission to deliver a National Underground Asset Register. This new digital map will revolutionise the way we install, maintain, operate and repair the pipes and cables buried beneath our feet. OS's software development team have worked alongside Atkins, ISpatial, GeoPlace, the GLA and the Geospatial Commission on the platform to get it up and running.

What is NUAR

NUAR is an interactive, digital map of underground pipes and cables.



New OS Maps platform

71%
customer satisfaction

The OS Maps app was launched to inspire adventures, enable experiences and help make memories. This year for the first time, digital app sales overtook paper map sales. This milestone shows how OS Maps is helping more people engage with the outdoors through the power of technology.

As the business grows, we've invested in new product ranges including guidebooks, outdoor accessories and software development. We've also created new partnerships with Mountain Rescue England and Wales and launched a new Duke of Edinburgh Award service which gives over 400,000 young people from across the UK access to OS Maps.

Recognition also grows with three awards won in the year, including The Great Outdoors' prestigious Walkers' app of the year award, and the biggest yearly rise of 18pts in customer satisfaction to 71%. These endorsements show that OS Maps is enjoyable, accessible and safe for all ages and abilities.

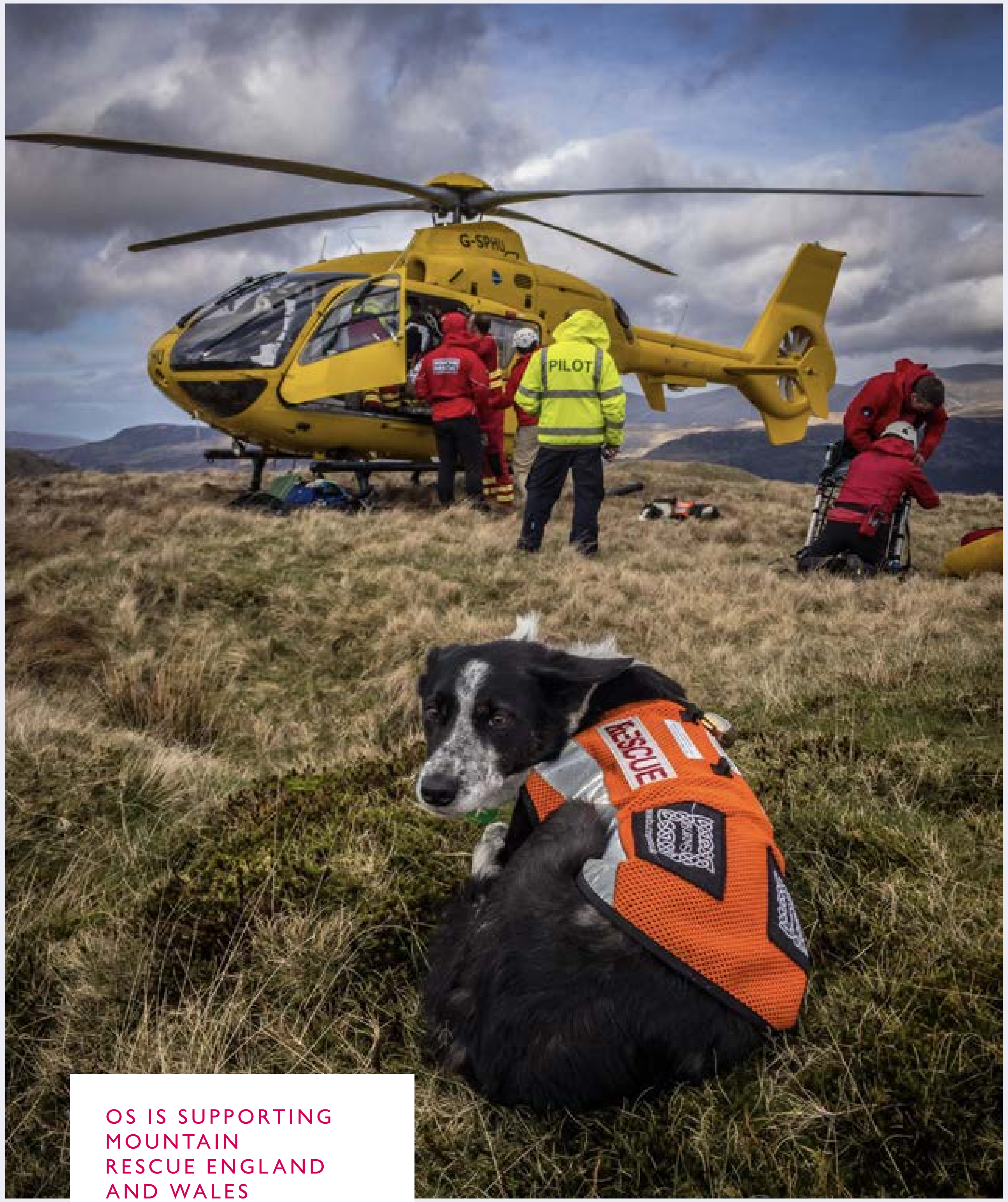
Voted best accessible walks app for Disability and Inclusion

21% growth
in OS Map subscriptions

+7 million
routes across Great Britain

5 million + downloads
of OS Maps since launch

THE GREAT OUTDOORS AWARDS 2022
Trail Running WINNER 2022
UK OUTDOOR INDUSTRY AWARDS 2022 WINNER DIVERSITY & INCLUSION



OS IS SUPPORTING MOUNTAIN RESCUE ENGLAND AND WALES

OS and Mountain Rescue are working together to ensure rescue volunteers have free access to OS Maps when responding to emergency callouts. The new partnership will also emphasise the importance of navigation skills and having the right equipment when enjoying days out in the hills, mountains and countryside.

> OS Maps is the best app out there for navigation, given its heritage and resources, and we recommend it. This partnership means that our volunteers have access to accurate and comprehensive mapping.
>
> Mike Park, CEO Mountain Rescue England & Wales

Our commercial transformation

Major commercial contracts secured

We secured major contracts with energy and infrastructure customers demonstrating the value we provide and the enduring relationship we have with this sector. OS data and solutions supports asset planning and maintenance, and efficient customer service provision.

Major commercial contracts secured with

We have secured several international contracts including with Dubai Municipality.

International consultancy services

OS advises governments on location based services that help drive economic growth, technological innovation, and sustainable development.

International governments face challenges from population growth and urbanisation, to climate change and pandemics. Geospatial information is a crucial tool to help nations navigate these challenges effectively.

Location experts in sustainability

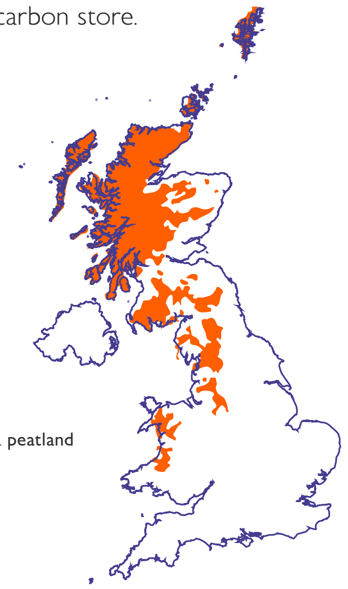
As more customers turn to location expertise to support sustainability strategies, we're responding by developing propositions that combine Earth Observation and location intelligence to deliver environmental reporting and insight which helps private and public sector organisations deliver net-zero and land monitoring goals.

OS VeriEarth®

A new offer developed in the year is OS VeriEarth®, a service for customers who need to baseline and verify nature restoration projects for high integrity carbon credits.

Supporting peatland restoration

Healthy peatlands are an important way for the UK to achieve net-zero. Working with Natural England and Durham University, OS VeriEarth® is being used to produce a detailed carbon model for an area of Humberhead Peatlands National Nature Reserve and facilitate the regeneration of this vital carbon store.

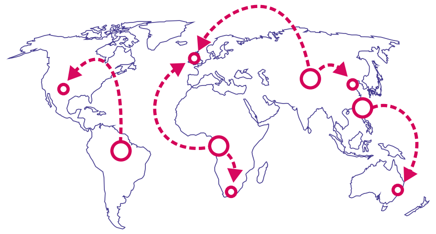


UK peatland

Solutions in development

Transparency in supply chains

We have established a supply chain data partnership which focuses on the potential for location to deliver trust in global supply chains. This will support the need for companies to understand their climate and environmental risks and impact by providing the verified location of their supply chain assets.

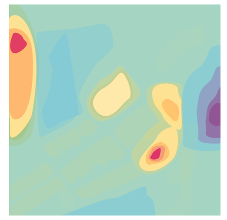


Pollution monitoring

OS is working with CGI to investigate the role that Earth Observation and accurate location data can play in detecting pollution release into waterways.

Heat event mapping

In a project backed by the UK Space Agency, OS is collaborating with the National Centre for Earth Observation to monitor and map heat in urban areas. The aim is to provide insights for policymakers to manage the impacts of climate change.



Our leadership role

International engagement

During the year OS continued to represent the UK in several influential international forums such as the United Nations and international standards organisations.

This activity reinforces our credibility as a world-leading national mapping service. We work closely with the Geospatial Commission, Department of Science Innovation and Technology, and the Foreign Commonwealth and Development Office to raise the visibility and value that geospatial information plays in the UK economy and to explore opportunities for international development work.

The Cambridge Conference brings together senior leaders of national geospatial organisations globally, to bring a focus to national climate action.

The Cambridge Conference makes a major contribution to the climate debate

Education

To support the teaching profession, 1600+ teachers and trainees attended OS-led training on using maps and GIS in line with curricula and syllabuses. We've also expanded online teaching resources; one focused on supporting map skills in early years won a Geographical Association publishing award.

Our first Geospatial Virtual Work Experience Programme in July 2022 saw 175 students experience the geospatial industry over five days, and it recently won a Government Geography Profession Award in the 'Contribution to Public Sector Geography' category.

The first Virtual Work Experience Programme reaching thousands of pupils and teachers

Geovation has helped create
1,500 jobs*

British innovation

Geovation sits at the heart of the geospatial ecosystem, connecting industry challenges with startup solutions. Enabling innovation is one of the missions of the UK Geospatial Strategy, and Geovation is enabling open innovation through challenges, hackathons and accelerator programmes creating positive impact on people, planet and profit.

GEOVATION

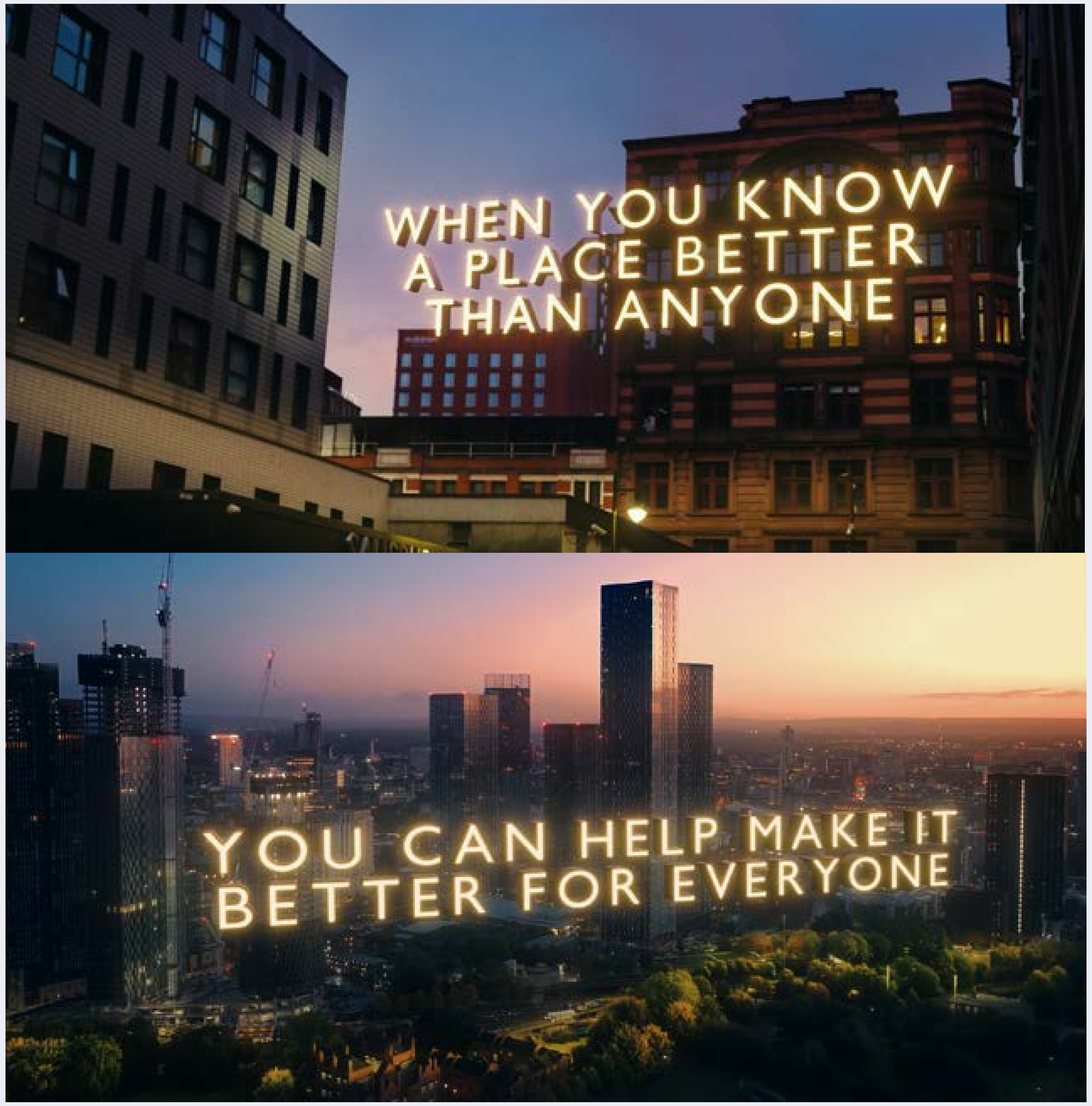
from Ordnance Survey

Geovation has helped secure
£130 million
of investment*

*since launch in 2015.

Our Partner ecosystem

Our Partners range from global corporates to entrepreneurs and start-ups, and they all use our location data to create innovative products and services. In the year, we launched a new OS Channel Partner Programme for closer collaboration to support the Partner lifecycle, from on-boarding to market development through to increased sales.



See A Better Place campaign launched

To help Ordnance Survey evolve from being known to understood, we launched a new campaign to emphasise the importance of location data.

By demonstrating that location intelligence, real-world data and geospatial technology have a positive impact, we're educating the wider public of OS's value. From monitoring the environment, to promoting active and healthy lifestyles, and connecting communities to vital services, location intelligence is helping to illuminate a new path.

Think customer

Thrive together

Stay ahead

Seize the moment

Our people, values and culture

Our people really are our greatest asset.

Delivering on our purpose and helping our customers to see a better place is a key motivator for our people. During 2022 we continued to embed our four values.

And we continued to focus on the critical role played by our people leader community through the Six Great Things People Leaders Do – a development programme centred around our values that equips each leader with the confidence and capability to create an environment where our values thrive, and teams are empowered to do extraordinary work.

Employee experience (EX)

During 2022 we worked with our people to define the uniquely OS employee experience, translating the things that matter most to them into three EX principles:

Purposeful – seeing the connection between our actions and their real-world impact. Finding OS simple to navigate and knowing each action is intentional.

Stimulating – enjoying opportunities to learn, grow, challenge, and be challenged. Moving at pace and celebrating success in a dynamic environment.

Empowering – feeling trusted to make decisions and valued for who you are. Being part of an organisation that welcomes difference and diverse perspectives.

These EX principles are now the standards we strive for as we improve the way our employees experience day-to-day life at OS through our products, systems and services.

Championing our values is the commitment our employees make to us. Delivering an experience that's purposeful, stimulating, and empowering is the commitment we're now making to them.

Hybrid working

In Autumn 2022 we restated our commitment to hybrid working with the launch of our hybrid hub – a virtual hub where our employees can learn about hybrid working and explore topics such as the value of asynchronous connection, better meetings, and team agreements.

Our progressive approach to hybrid working is centred around our employees feeling supported and empowered to work in a way that enables them to thrive in their role, but to recognise delivering great outcomes is rarely a solo effort this is underpinned by the agreement we have within each of the teams we're part of – a set of expectations we have of each other to stay connected and work successfully together.

We will continue to champion the value of team agreements to recognise differences in each team's work.

Inclusion and diversity

We define diversity as the mix of all of us – all people and the differences among us to include things like our experiences, perspectives, and the many ways we choose to live our lives. Inclusion is not just acknowledging, celebrating and respecting diversity, it's about how we apply it when we collaborate, problem solve and innovate.

Clarity around definitions has formed a key part of our strengthened approach to inclusion and diversity this past year, which has included the development and internal publication of the steps we're taking to improve inclusion and diversity at OS across areas such as attraction and selection, leadership, and measuring and reporting. And during 2023 we'll be launching our allyship programme where we'll explore topics such as the difference between inclusive and exclusive behaviours and the importance of compassion and perspective taking, culminating in how we can each take clear, supportive action as allies.

Building our OS skills and capability

To strengthen our future capability and complement our existing graduate programme, last year we successfully launched our Data Academy, with our first cohort now busy working towards their Level 4 Data Analyst Apprenticeships, gaining valuable experience working with data in different areas of our business.

As part of our commitment to Think Customer, we've been developing a transformative programme to unify and strengthen our consultative led approach to sales, paving the way for the launch of our Sales Academy in 2023.

Alongside our focus on academies, we've continued to strengthen our core learning offer to drive growth at an individual, team, and organisational level and recognise the many ways we learn – from formal, to informal. The launch of our coaching and mentoring framework, and mentoring network being one great example of how we can learn from one another.

268
new joiners

270
people leaders engaged with our leadership development programme

Wellbeing

Alongside our always-on Wellbeing Hub and Employee Assistance Programme, 2022 saw us launch a series of seasonal webinars focusing on topics such as nutrition and exploring how our lifestyle choices can impact our mood and general wellbeing.

In 2023 we'll be reviewing our approach to wellbeing with the aim of developing an integrated approach focused on the domains of health, values, social, good lifestyle choices, good work, personal growth, and financial wellbeing.

Employee voice

One of the ways in which we monitor how people are feeling is through our engagement pulse survey, and during 2022 we moved to Workday Peakon Employee Voice to support our employee centric approach. As a result of the move, we now pulse monthly with a shorter survey and encourage people leaders to use the platform as a constant source of insight to enrich their day-to-day conversations with their teams.

Using Peakon in this way has enabled us to quickly respond to emerging themes and raise awareness of employee experience via Peakon's employee Net Promoter Score (eNPS). We are delighted to have maintained a survey participation rate that's consistently above benchmark, and at a corporate level we've noted real improvement in the areas of management support and social wellbeing, with the areas of career path, strategy, and workload being prioritised areas of focus.

2022 saw us continue with the popular 'Ask Me Anything' sessions, where members of our Executive Committee held open chat sessions on topics to include location strategy and pay and reward. Alongside this we continue to maintain positive and constructive relationships with both the PCS and Prospect Trade Unions.

£51,091
raised for our charity partner Rose Road Foundation

Giving back to our communities

Raising money and volunteering has always been an important way for OS employees to engage with our communities. For the last three years, our partnership with the Rose Road Foundation raised £51,090.79. From 2023, our colleagues chose Mental Health UK, to be our new corporate charity partner.

We have also match funded 22 colleagues, with over £2,000 supporting various charities including Oak Haven Hospice, Diabetes UK, SANDS, Parkinson's UK and Macmillan. Individual fund-raising by colleagues has raised over £21,868.00 for their charities.

299 people used their Volunteer Day, which was over 2,308 hours in the community.

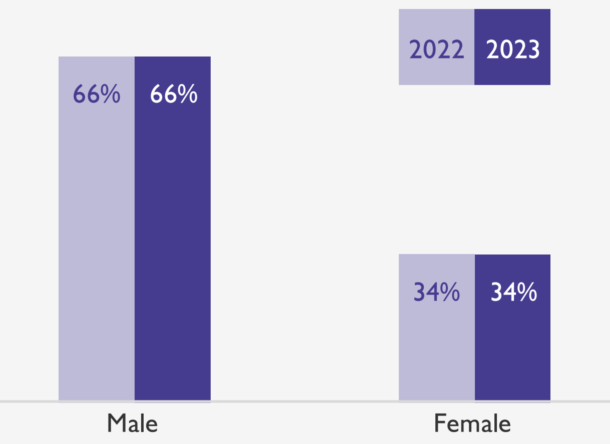
Gender and career level breakdown

The table below provides a breakdown of employees by career level and gender as at 31 March 2023. We are addressing the gender imbalance by promoting a culture where everyone feels welcome and valued, including in recruitment and leadership coaching.

	31 March 2023			31 March 2022		
	Male	Female	Total	Male	Female	Total
Career Level						
Non Executive	3	3	6	3	2	5
Executive Leadership Team	8	1	9	7	3	10
Heads	15	3	18	11	3	14
Senior Managers/Professionals	114	47	161	92	33	125
Other roles	816	436	1252	771	400	1,171
Total	956	490	1446	884	441	1,325

Gender

Employee gender mix April 2022 vs April 2023.



Attrition

	March 2023	March 2022
Annualised attrition	13.8%	12.7%

Employee sickness absence

We monitor employee sickness absence and return-to-work interviews are held to ensure appropriate support or adjustments can be offered. We also reference external benchmarks to understand how our levels of sickness compare within similar UK organisations. According to figures from the Office of National Statistics, UK 2022 sickness absence rates are an average 5.7 days per worker.

Employee sickness absence	Total days lost due to sickness	Average sickness days lost per employee
2022-23 total	8,067	5.6
Non-Covid-19 related absences	8,067	5.6
Covid-19 related absences	—	—
2021-22 total	7,436	5.6
Non-Covid-19 related absences	6,413	4.8
Covid-19 related absences	1,023	0.8

Off-payroll engagements

We disclose all off-payroll engagements which exceed six months and £245 per day. We use the services of contractors provided by third-party organisations to cope with peaks of demand on resources. Off-payroll engagements are managed in compliance with IR35 legislation.

As at 31 March 2023, off-payroll engagements for more than £245 per day and that last for more than six months are as follows:

	31 March 2023	31 March 2022
Number of existing engagements as at date	57	42
Number that have existed for less than one year at time of reporting	25	16
Number that have existed for between one and two years at time of reporting	11	12
Number that have existed for between two and three years at time of reporting	11	11
Number that have existed for between three and four years at time of reporting	10	3

	31 March 2023	31 March 2022
Number assessed as relevant to IR35	0	0
Number assessed as not relevant to IR35	57	42
Number engaged directly and on payroll	0	0
Number of engagements reassessed for consistency/assurance purposes during the year	57	42

	31 March 2023	31 March 2022
Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility through the financial year	0	0
Number of individuals on payroll and off-payroll that have been deemed Board members, and/or senior officials with significant financial responsibility, during the financial year	18	22

Financial review

	2022–23	2021–22 (restated)
Revenue	£182.3m	£182.3m
Cost of sales	£32.5m	£32.4m
Operating costs (excluding depreciation, amortisation and impairment)	£124.6m	£113.9m
EBITDA	£36.3m	£46.0m
EBITDA %	20%	25%
Depreciation, amortisation and impairment	£17.0m	£20.6m
PBIT	£19.2m	£25.3m
PBIT %	11%	14%
Corporation tax	£3.9m	£4.0m
Profit attributable to owners of the Company	£8.5m	£21.5m
Dividend	£10.0	£52.8m
Net assets	£126.6m	£121.4m

Revenue

Total revenue comprises both trading revenue and other operating activities. Revenue was flat from 21-22 to 22-23 which was reflective of growth in the partner channel offsetting the decline in our consumer business where both 20-21 and 21-22 experienced upside due to international travel restrictions.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

EBITDA changed by £9.7m year on year driven by an increase in the operating costs reflecting our continued investment in our future to build our underlying infrastructure, geospatial capabilities, and products and services that will benefit us in future years.

Profit Before Interest and Tax (PBIT)

Combining EBITDA, lower amortisation costs, with a slight increase in profit share from GeoPlace led to a PBIT outturn of £19.2m (2021–22: £25.3m).

Dividends

In March 2023, we declared a final dividend to our shareholder, the Secretary of State for Science, Innovation and Technology, of £10.0m (2021-22 £52.8m). The additional dividend of £40.0m declared in March 2022 was not paid in 2023 at the request of our Shareholder and is anticipated to be paid in 2023-24.

Net Promoter Score

We have seen a strong increase in our Net Promoter Score which closed the year at +38, up from +36 in the prior year.

Statement of financial position

Cash

We generated a net cash inflow of £17.1m (2021-22 £31.6m) from operating activities during the year and a further £9.0m (2021-22 £9.1m) received from joint ventures. Our investment expenditure programme of £23.9m (2021-22 £25.9m) included the investment in our Enterprise Resource Planning system (ERP) and our geospatial production system, as we continually invest in ways to best serve our customers.

Non-current assets

Our non-current assets are principally:

Explorer House: Our Head Office in Southampton.

Assets under construction: Comprises development activity supporting our commercial strategy as well as development of corporate systems and infrastructure.

Prior period adjustments

As detailed in note 1.21 we have adjusted prior periods as a result of changes to the capitalisation of costs of configuring application software under Software as a Service (SAAS) arrangements.

Group entities

In support of Ordnance Survey's strategic goals, 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 Ordnance Survey products and services online. Total revenue of £12.9m (2021-22 £11.9m) and PBIT of £4.8m (2021-22 £4.3m), both reflect the continued consumer migration to online purchasing during the year. 2022-23 highlights of the business are outlined in the Leisure section on page 42.

Ordnance Survey International Services Limited (OSI)

OSI is our international business, which aims to leverage our world leading reputation in the geospatial industry and sell our expertise to government agencies in other countries (the business is included within International as outlined on page 44). OSI generated revenue of £1.5m (2021-22 £1.4m) and a loss of £1.7m (2021-22 £1.1m).

Shared ownership entities

GeoPlace LLP (GeoPlace)

GeoPlace is a 50:50 joint venture with the Local Government Association, responsible for collating, managing and maintaining the primary UK authoritative geospatial address and street data, which are licensed to customers via Ordnance Survey. GeoPlace generated a profit share return of £9.4m (2021-22 £8.9m), and £9.0m in cash was returned to the Company during the year (2021-22 £9.0m).

PointX Limited (PointX)

PointX® is a 50% joint venture with Landmark Information Group®. PointX provides national location information for UK businesses, government, local authorities, emergency services and the commercial sector. During the year PointX generated a profit share of £0.1m (2021-22 £0.1m) and a dividend of nil (2021-22 £0.1m) was paid to the Company. The company disposed of it's interest in PointX Limited in November 2023.

Dennis Maps Limited

The Company took a 25% share of Dennis Maps Limited in December 2016. The main objective of the investment is for the Group 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. The Group share of loss generated in year is £0.1m (2021-22 0.1m profit).

Astigan Limited (Astigan)

Following the cessation of Astigan in 2019-20, the company was formally dissolved in 2022-23 and consequently the non controlling interest recognised of £6.7m at 31 March 2022 has been written off in the year.

Key performance indicators

The Group key performance indicators (KPIs) are the primary measures the Board use to monitor the Group's performance. These KPIs are key to assessing the current performance of the business as well as being a lead indicator on future performance.

	2022–23	2021–22 (restated)
Revenue	£182.3m	£182.3m
EBITDA	£36.3m	£46.0m
Free cash flow	(£3.3m)	£10.8m
Net Promoter Score	38	36

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

EBITDA – defined as earnings before interest, tax, depreciation, amortisation and minority interest disposal.

Free cash flow – defined as total net cash flow with dividend added back.

Net Promoter 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.

Sustainability report

At OS we recognise the potential to enhance the environment through the management of our own business processes, and the creation of innovative geospatial solutions to address the complex climate change and environmental issues our planet is facing.

We are committed to supporting HM Government's target to reach net zero carbon by 2050 and we have a clear focus on nature recovery through our biodiversity strategy for our head office, Explorer House.

We are also developing commercial propositions to support our customers deliver against their own environmental goals. Our authoritative geospatial data is at the heart of trusted change detection and verification, a core capability for decisive action against climate change.

Taskforce for Climate-related Financial Disclosures (TCFD)

OS has made climate-related financial disclosures consistent with the TCFD recommendations. This includes the eleven recommended disclosures against the four themes of governance, risk management, strategy, and metrics and targets. All of the disclosure information is included within this document, and the following table details where in the report each element can be found. This is the first year of disclosure consistent with TCFD, and OS will work to further integrate climate change risk management.

Key

Risk impact on gross margin

- ● High
- ◐ Medium
- ○ Low

Theme	TCFD Recommended Disclosure	Risk rating	Ordnance Survey Disclosure
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	●	a) Governance structure inclusive of regularity of Board oversight included.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	●	b) Management's role in assessing and managing risks and opportunities is described in the Governance Statement. This methodology extends to climate-related risks and opportunities.
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	●	a) The climate-related risks come under the following key themes: policy and legal, market, technology, reputation, and both acute and chronic physical risks. The climate-related opportunities identified cover resource efficiency, energy source, resilience, products/services, and markets.
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	○	b) Climate-related risks and opportunities considered as part of strategic and operational planning can be seen in the sustainability Governance section.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	●	c) We have identified the potential materiality over the short, medium, and long term for a 1.5°C scenario and a scenario where we are in excess of 2°C.
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks.	○	a) OS' processes for identifying and assessing risks, inclusive of climate-related risks, are described in the sustainability Governance section.
	b) Describe the organisation's processes for managing climate-related risks.	○	b) OS' processes for managing risks, inclusive of climate-related risks, are described in the sustainability Governance section.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	○	c) The climate-related risks identified are encompassed by a broader climate change risk which is one of the organisation's principal risks and uncertainties as detailed within this report.
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities In line with its strategy and risk management process.	●	a) OS uses greenhouse gas emission metrics to assess, monitor and manage our exposure to climate-related risks, along with compliance with ISO 14001 certification to mitigate against non-compliance with policy and legal risks.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.	●	b) Organisational emissions are disclosed within the Sustainability section of this report, with comparison against previous years to show progression.
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	●	c) OS is committed to the UK Government's target to achieve Net Zero Carbon by 2050 and is working to develop Scope 3 understanding to accelerate this timeline. OS is also aligned to the targets set out in the Greening Government Commitments.

Governance

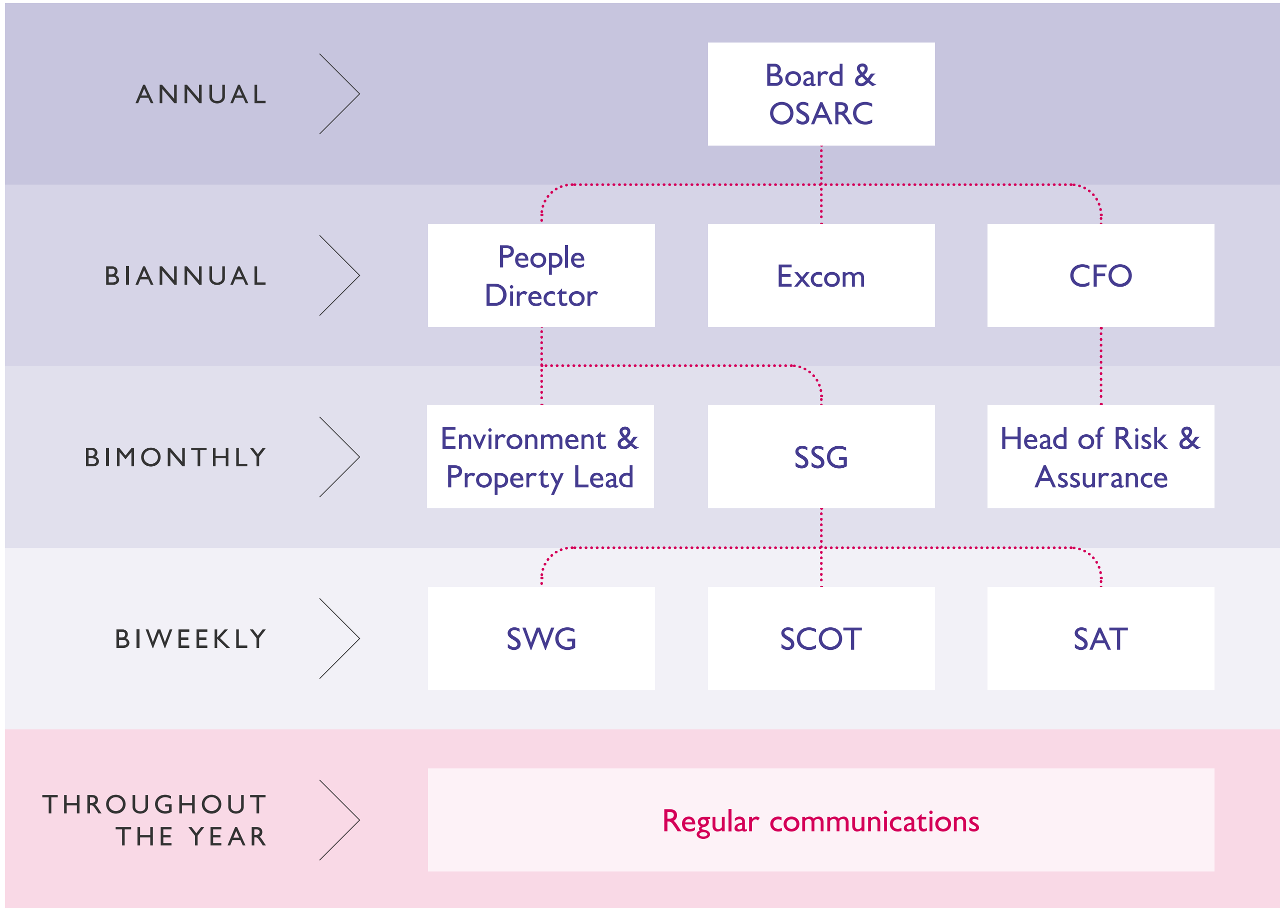
The sustainability governance structure for OS includes four sustainability groups; the Sustainability Steering Group (SSG), the Sustainability Working Group (SWG), the Sustainability Action Team (SAT) and the Sustainable Commercial Opportunities Team (SCOT).

There are three key routes for sustainability engagement at Board level. Sustainability updates are included within the monthly board report, sustainability decision papers are taken to Board when required by the SSG, and a full performance review and outcomes session is delivered to the Board by the Sponsoring Executive Director and the Environment and Property Lead annually.

The last annual review at Board was in June 2022, which included a full review of our sustainability governance and our sustainability targets for 2022-23 and beyond. This included a review of our continued accreditation and performance against the ISO 14001 standard, our performance in relation to scope 1 and scope 2 emissions, and the actions being taken to progress our scope 3 understanding. At the same time it also included Board input into our Sustainability Commercial Opportunities.

The SSG meet on a bi-monthly basis, and conduct an annual management review in accordance with the requirements of the ISO 14001 standard. The SSG provide the leadership, and executive endorsement of sustainability at OS.

The SWG, SAT and SCOT are delivery focused teams each with a specific remit. The SWG delivers project work in support of the ISO 14001 certification with a strong Scope 1 and Scope 2 facilities focus. The SAT delivers employee led initiatives and is open to employees to attend and contribute. The SCOT work within innovation and lead the development of products and services which support our customers to deliver against their sustainability objectives. The following table shows the routes of information flows between the groups and additional key stakeholders.



As described in more detail within the Governance Statement, management are heavily involved in strategic and operational risks, of which climate change risk is included. ExCom receive climate change risk updates ensuring sound strategic risk management across the business. Ordnance Survey Audit and Risk Committee (OSARC) also receive an update on the status of strategic risks, including climate change, at each meeting. Finally, these strategic risks are reported into each Board meeting as part of the performance management report.

Climate-related risks and opportunities (strategy and risk management)

The climate-related risks and opportunities identified by OS can be seen in the tables below. This includes the associated TCFD category for each risk, the potential impacts identified, the potential materiality in the short, medium and long term, as well as the strategic response for ensuring resilience. The opportunities identified have significantly impacted the OS strategy, with a focus on commercial product and service development to support sustainable development. This is explored within this section under ***Innovation: Supporting our Customers*** and in the published report ***Location Intelligence, How location is supporting environmental programmes***.

The process for identifying, managing and mitigating climate-related risks is the same as for all strategic risks and is described within the Governance Statement. The risks and opportunities below were, according with the process, shared with ExCom for review and comment on development, and are shared with OSARC and OS Board at the intervals described in the Statement.

Key
Risk impact on gross margin
High
Medium
Low

TCFD Category	Risk identified	Potential impact	Scenario	Potential materiality: Short term (0-5)	Medium term (5-10)	Long term (10+)	Strategic response resilience
Transition: Policy & legal and Market	Non Compliance Regulatory Standards	• Litigation • Penalty Payments/ Fines • Loss of Business through reputation damage and failing of supply chain due diligence requirements	>2°	High	High	High	• Robust environmental legal review procedure for assessment of upcoming legislative requirements • Audited externally via our certified ISO 14001 management system
			1.5°	High	High	High	
Transition: Technology	Availability of components and ethical supply	• Business Disruption; associated (financial or reputational) costs of delayed contract deliverables • Increased costs of high demand, low availability • Additional costs if administering ethical supply	>2°	Medium	High	High	• Diversify supply chain • Building relative items into Due diligence to reduce future administrative burden
			1.5°	Low	Medium	Medium	
Transition: Market and Reputation	Changing stakeholder behaviour and expectations	• Diminished competitive position • Limitations of commercial growth • Reduced demand • Increased costs to adapt to new demands • Not meeting Customer expectations	>2°	Medium	Medium	Low	• Lead Market with Sustainability reporting standard • Use of Annual Reports as market research for desired data solutions • New commercial propositions in response to new demands • Employer of choice status
			1.5°	Medium	Low	Low	
Physical Risks: Acute & Chronic	Increased frequency of extreme weather	• Increased insurance and repair costs • Damage to local infrastructure • Business disruption including data collection (Data Towers and Flying Programme)	>2°	Medium	High	High	• Transition to hybrid working to increase flexibility following location specific extreme weather events • Enhanced data collection when good weather permits to exceed collection targets
			1.5°	Low	Medium	High	
Physical Risks: Chronic	Extreme Heat & Drought	• Reduced workforce productivity • Increased energy consumption for cooling activity • Increased maintenance due to overheating (data servers at risk) • Business and local infrastructure disruption	>2°	Medium	High	High	• Flexible working policies to enable employees to avoid the hottest part of the day • Transition to hybrid allows people to work where they feel comfortable in extreme heat • Ground Source Heat Pump used to provide air conditioning to Head Office • Business continuity planning
			1.5°	Low	Medium	High	

Key	
Opportunity impact on gross margin	
●	High
◉	Medium
○	Low

TCFD Category	Opportunity	Potential impact	Scenario	Potential materiality: Short term (0-5)	Medium term (5-10)	Long term (10+)	Strategic response resilience
Resource Efficiency, Energy Source and Resilience	Sustainable estate	• Reduce energy cost • Increased energy source independence • Reduce water usage • Reduce Scope 1 & 2 emissions • Enhance stakeholder awareness	>2°	Medium	High	High	• Renewable electricity and green gas tariffs • On site solar PV generation, potential to review additional on site generation • Energy efficient technologies e.g. GSHP, LED lighting, rainwater harvester, efficient taps and hand dryers etc. • 100% recycled paper used on-site • Internal carbon offset strategy to be developed
			1.5°	Medium	Medium	High	
Products/ Services & Markets	Commercial growth through sustainable propositions	• Market Growth • Positive reputation as a market leader • Preferred supplier • New revenue stream • Efficiencies from re-purposing existing products and services • Reducing CO_2 emissions of customer base	>2°	Low	High	High	• Sustainable commercial opportunities team work on developing new propositions • Use of Annual Reports as market research for desired data solutions
			1.5°	Low	Medium	High	

Powering head office with clean energy

We have spent the past two years upgrading our already BREEAM Excellent rated head office, Explorer House, into a sustainability centre of excellence. With PV panels installed at the end of March 2022, we have now had a full year of on-site generation. In January 2023 we completed a two-year, phased project to fully refit all lighting at Explorer House to LEDs. The final stage involved a complex solution for our challenging three storey high atrium. These projects have been funded by the Government Property Agency through the Net Zero Programme, and have combined to deliver a 12.9% reduction in kWh of electricity used at Explorer House, despite an increase in average occupancy.

Our electric vehicle charging provision was increased with four charging bays introduced for visitors in addition to the 30 charging bays installed previously for employee usage. In the 2022-23 financial year we have delivered more than 7,200 hours of charging to employees and visitors from Explorer House.

7,200+
hours of charging to employees and visitors from Explorer House

Environmental Management System

We have had a successful year of continuing to deliver against our Environmental Management System. Since our certification to ISO 14001 by BSI under certificate number EMS 741488 in August 2021 we have had three successful audits. These audits continue to focus our sustainability ambition and embed rigour into our processes.

A sustainable supply chain

We embed sustainability within our procurement process through the incorporation of sustainability questions as standard into our tendering documentation, and into our Supplier Due Diligence Questionnaire. Over the past year we have worked to enhance these questions and the robustness of our processes, including the addition of a Climate Clause to our Supplier Code of Conduct documentation.

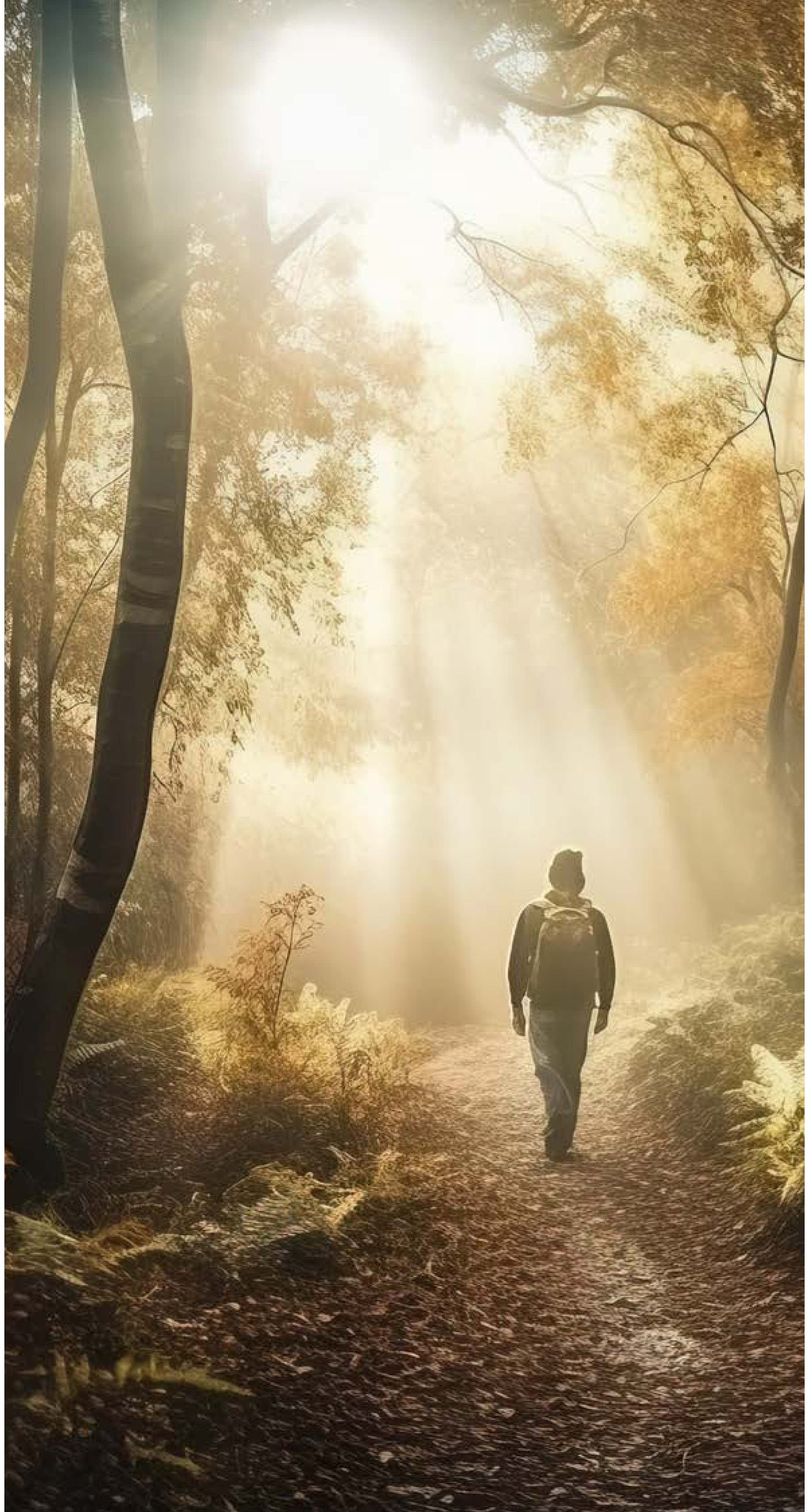
In the 2022-23 financial year we started our journey with CDP, a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Our goal in working with CDP is to develop our supply chain emissions understanding for the development of a robust carbon target and to gain clarity on how we can support our suppliers.

We requested a CDP carbon questionnaire response from our 175 top spend suppliers. We made the decision to exclude royalties from this process based on a review of the GHG Protocol Scope 3 Supplementary Guidance, therefore all following data excludes royalties. These top 175 suppliers accounted for 98% of total spend for the financial year. We had a response rate of 37%, which, due to prioritisation of high spend suppliers, accounted for 76% of total spend. In order to calculate emissions attributable to each responding supplier, we selected the CDP recommended calculation methodology on a case-by-case basis: Self-Reported, Manually Calculated, or Sectoral Averages. This calculation resulted in a total 3,455.68 tCO2e associated with 76% of spend.

	Number of suppliers	Proportion of spend (excl. royalties)	Calculated emissions (tCO2e)
Requested	175	98%	—
Submitted	65	76%	3,455.68

We aim to increase our response rate in the 2023-24 financial year to consolidate our understanding of our supply chain emissions. It should be noted that where data from the CDP carbon questionnaire is reported, it is for the previous financial year due to the time taken to collate and process the disclosures.

OS achieved a C score for our 2022 disclosure. This is consistent with the average of our activity group, and we aim to increase our score in the future.



Engaging our people

We continue to deploy a three-tiered governance structure for sustainability. The steering group offers direction and drive, the working group delivers the day-to-day projects, and the action team encourages employee engagement. The Sustainability Action Team is an open, voluntary, employee led group aimed at delivering critical local initiatives. Throughout the year the team have created numerous resources to inform and educate our dispersed employee base on how they can be more sustainable, whether they work in our head office or from home. They have also driven an exciting Hedgehog survey conducted solely by OS employees which encouraged over 15 volunteers to get involved. They are looking to the year ahead, planning a series of in person and hybrid sustainability talks by passionate local and national professionals.

Biodiversity: Nature Recovery Plan

As a public corporation, OS is signed up to the Greening Government Commitments. In accordance with target E 'Nature recovery – making space for thriving plants and wildlife' we have worked with local ecology experts to conduct onsite ecology surveys. These surveys have informed the creation of a Nature Recovery Plan which includes exciting opportunities for enhanced grasslands and wild water provision at Explorer House. Volunteering opportunities will be offered to OS employees to get involved with these developments which will aim to be informed and additive. This will include the creation of another two insect hotels to join the two which were made in 2021.

Greenhouse gas emissions*

Absolute metrics

	Scope/emission/energy use	2022-23	2021-22	2020-21
Non-financial indicators (tCO2e)	Total Scope 1 emissions (gas, fuel for fleet cars and fugitive emissions from air chillers)	472.3	590.9	438.6
	Total Scope 2 emissions (off-site electricity generation for E.H)	**11.7	**287.1	910.2
	Total Scope 3 emissions (transmission loss of electricity)	60.8	72.8	78.3
	Total emissions attributed to electricity consumption (Scope 2 and 3)	125.6	359.9	988.5
	Emissions attributable to Scope 3 official business travel (rail, taxi, air, underground)	653.9	277.5	89.7
	Emissions attributable to Scope 3 Managed Assets (Gloucester Data Centre, inc. fugitive emissions and electricity consumption)	—	91.8	123.2
	Emissions attributable to Scope 3 Managed Assets (Cessna surveying aircraft)	335.4	305.8	350.8
	Total emissions (all scopes)	1587.3	1,625.9	1,990.9
Self generated energy consumption (kWhth)	Heat from renewable sources (Ground source heat pump) – Scope 1	861,200	1,064,200	1,067,200
Related purchased energy consumption (kWh)	Electricity (Mains 'Green' Tariff – E.H. , G.D.C. & Dennis Maps)	3,434,746	4,364,453	4,474,224
	Gas (E.H. & Dennis Maps)	675,248	608,761	548,552
	Total kWh consumption	4,109,994	4,973,214	5,022,776
Financial Indicators (£)	Expenditure on Energy (Gas, Electricity, BUS fuel, G.D.C. electricity, Cessna fuel)	£1,115,657	£899,229	£768,124
	Expenditure on CRC (including fees and allowance)	—	—	—
	Expenditure on official business travel (rail, hire cars, taxis, air, vehicle leasing)	£2,893,669	£1,912,466	£1,466,798
	Total expenditure on energy, CRC and official business travel	£4,009,326	£2,811,695	£2,234,922

*The Scope 1 emissions from gas at Explorer House have been calculated using a market-based conversion factor provided by our supplier of 125.28 gCO2e per kWh. If a location-based calculation methodology were used, the Scope 1 emissions total would be 506.0 tCO2e.

**The Scope 2 emissions from electricity at Explorer House have been calculated using a market-based conversion factor provided by our supplier of 0 gCO2e per kWh. If a location-based calculation methodology were used, the Scope 2 emissions total from electricity utilities would be 664.2 tCO2e.

*** We are working to improve our reporting year on year and now that we have substantial ULEV numbers in our fleet we have introduced Scope 2 emissions reporting from ULEVs. We have also included 25% of electricity utility emissions associated with Dennis Maps. Previous years included in this report have been updated accordingly.

Energy

We continue to utilise a 100% renewable electricity tariff at Explorer House and have been provided by a green gas tariff since 1st April 2022. We have also had a full year of benefiting from on-site generation from our solar PV panels. The introduction of solar PV, and the use of LED lighting throughout Explorer House has delivered a 12.9% reduction in kWh of grid electricity usage compared to the 2021-22 financial year. We have also seen a 20.1% reduction in Scope 1 emissions including on-site gas, fuel for fleet cars, and fugitive emissions from air chillers. We have simultaneously seen an 80.1% reduction in our Scope 2 emissions. This is predominantly due to a full year of being supplied by a renewable electricity tariff, where in the last financial year it was introduced part way through the year.

12.9% ▼

Electricity reduction

(against 2021-22)

20.1% ▼

Scope 1 reduction

(against 2021-22)

The Ordnance Survey fleet

This year we have started to use Earth Observation satellite data to create efficiencies within our fleet. The data is used to inform a field surveyor whether a site is ready for a visit which saves unnecessary trips. We have also continued our transition to a ULEV fleet with 91.6% of ULEVs ordered and 73.7% of the fleet now actively using their ULEVs. This transition has been slowed due to lack of availability of critical parts in the supply chain, however we are committed to delivering a fully ULEV fleet as soon as we are able.

Now that the proportion of our fleet which is ULEV is significant, we have included electricity for fleet vehicles within our reporting, calculated using the UK Government electricity for EV conversion factors, and also calculated retrospectively for 2020-21 and 2021-22 for clarity. This means that the reported figures for the previous two financial years have been updated and will not be the same in the past Annual Report. Through this transition, we have seen an 12.7% reduction in Scope 1 and 2 emissions from fleet, on a 0.7% reduction in mileage.

Business travel

As customer engagement and business collaboration activities returned post-pandemic, we saw an increase to our levels of business travel. However, overall levels are still lower than pre-pandemic, as we make greater use of online meeting tools. As international business travel returned, we saw an increase in long-haul flights.

We continue to see an increase in the number of flights being taken as we engage in more international business and continue to see the effects of the pandemic on business travel ease. We have seen an increase in emissions associated with business travel of 135.6% since the last financial year, but are still less than pre-pandemic levels (2019-20) by 18.5%. This increase can be seen in all areas including domestic, short-haul, and long-haul flights, with the most significant increase seen in long-haul flights. The emissions attributed to hire vehicles have been included within Scope 1 rather than business travel due to the length of hire, in excess of 8 months, and utilisation as a fleet vehicle.

Waste and water

Harvested rainwater has increased this year along with mains water usage. This was expected due to the direct relationship between occupancy in the building and water usage, however usage is still significantly lower than pre-pandemic levels. We will be installing motion sensor taps in the 2023-24 financial year to reduce the unnecessary usage which comes with a push tap.

Paper consumption has reduced by 31.6% at Explorer House compared to the 2021-22 financial year. Waste however has continued to increase as occupancy has increased. We have seen a 18.9% increase in waste compared to the 2021-22 financial year. Our residual waste to landfill remains low at 3.7%, and recycling rates have remained reasonably consistent at 49.4%. We have increased waste and recycling bin signage at Explorer House and carried out a waste campaign to ensure OS employees are streaming waste correctly, we will continue this campaign work into the next financial year.

Finite resources consumption - water and paper procured

Absolute metrics

			2022-23	2021-22	2020-21
Non-financial indicators (m^3)	Water Consumed (m3)	Mains water supply (Scope 2)	2,286	1,936	972
		Harvested rainwater used (Scope 1)	552	455	463
	Tonnes CO2e	Mains water tCO_2e	0.8	0.7	0.3
		Waste water tCO_2e	2.0	1.7	1.0
		Total tCO_2e	2.8	2.4	1.4
		Total consumption in m^3	**2,838**	**2,391**	**1,435**
Normalised metrics	Water consumed (m^3)	Mains water supply per FTE	2.31	1.95	0.98
		Harvested rainwater used per FTE	0.56	0.46	0.47
		Total consumption per FTE	**2.86**	**2.41**	**1.45**
Absolute metrics	Paper procured (tonnes)	Procurement (through Banner GGC)	0.09	0.05	0.1
		Procurement through FM contractor	1.66	2.51	1.72
		Total paper procured	**1.75**	**2.56**	**1.82**
Financial indicators (£)	Water consumed (£)	Mains water supply and treatment	£9,016	£7,314	£3,692
		Used harvested rainwater treatment	£1,133	£1,023	£1,067
		Total water supply and treatment	**£10,150**	**£8,337**	**£4,759**

Innovation: supporting our customers

We have undertaken several ground-breaking initiatives this year to understand how we can help our customers see a sustainable future. One such initiative is to understand how we can support landowners to undertake large scale landscape restoration projects supported by green carbon financing. Working with Natural England and Durham University, and using our core know-how in data collection, we have created models to enable the baselining of a site to calculate the carbon credit potential of a degraded peatland. We have also developed a Monitoring, Reporting and Verification system that uses a blend of Earth Observation and geospatial data that can sit alongside a restoration project to provide high integrity carbon credits and transparency for investors.

Working with CGI under their SEEDS initiative we are jointly testing the art of the possible and creating new models to monitor and trace pollution events, such as sewage discharges in the UK. This research was showcased at COP26 and we are now extending the project to test the outputs in the real world and assess how it can be used to reduce such events in the future.

We have also established the supply chain Data Partnership which focuses on the potential for location to deliver transparency and trust back into global supply chains. Throughout 2023 we are working with the funding partners to create a Proof of Concept for testing which will enable us to focus on how we can collaborate on the creation of a new global verified location asset register. This will support the need for transparency in global commodity supply chains but the underlying system will also be applicable for disclosure reporting.

Under the Public Sector Geospatial Agreement there are a wide range of data enhancements that will benefit customer's sustainability use cases being developed and delivered over the next one to three years. This includes significant enhancements to our buildings data to enable customers to evaluate building stock, measure building energy and thermal efficiency to support Decarbonisation and Net Zero policies, and enable identification of sites for solar energy and green roof installations. Enhancements to land cover and land use data will support customers such as Defra and ONS in understanding change to the natural and built environment, monitoring, and reporting statistics to government related to sustainability, net zero and climate change. Sustainability is also a major driver in the transport sector and OS is making improvements to the richness and coverage of data to better support customers in designing sustainable networks. To support the government's net zero strategy, significant investment in the EV charging infrastructure is required and OS data can help identify charging locations and where to focus investment. This is key if governments, local authorities, and businesses are to meet their ambitious targets and address public hesitation about the convenience and affordability of transitioning to electric vehicles.

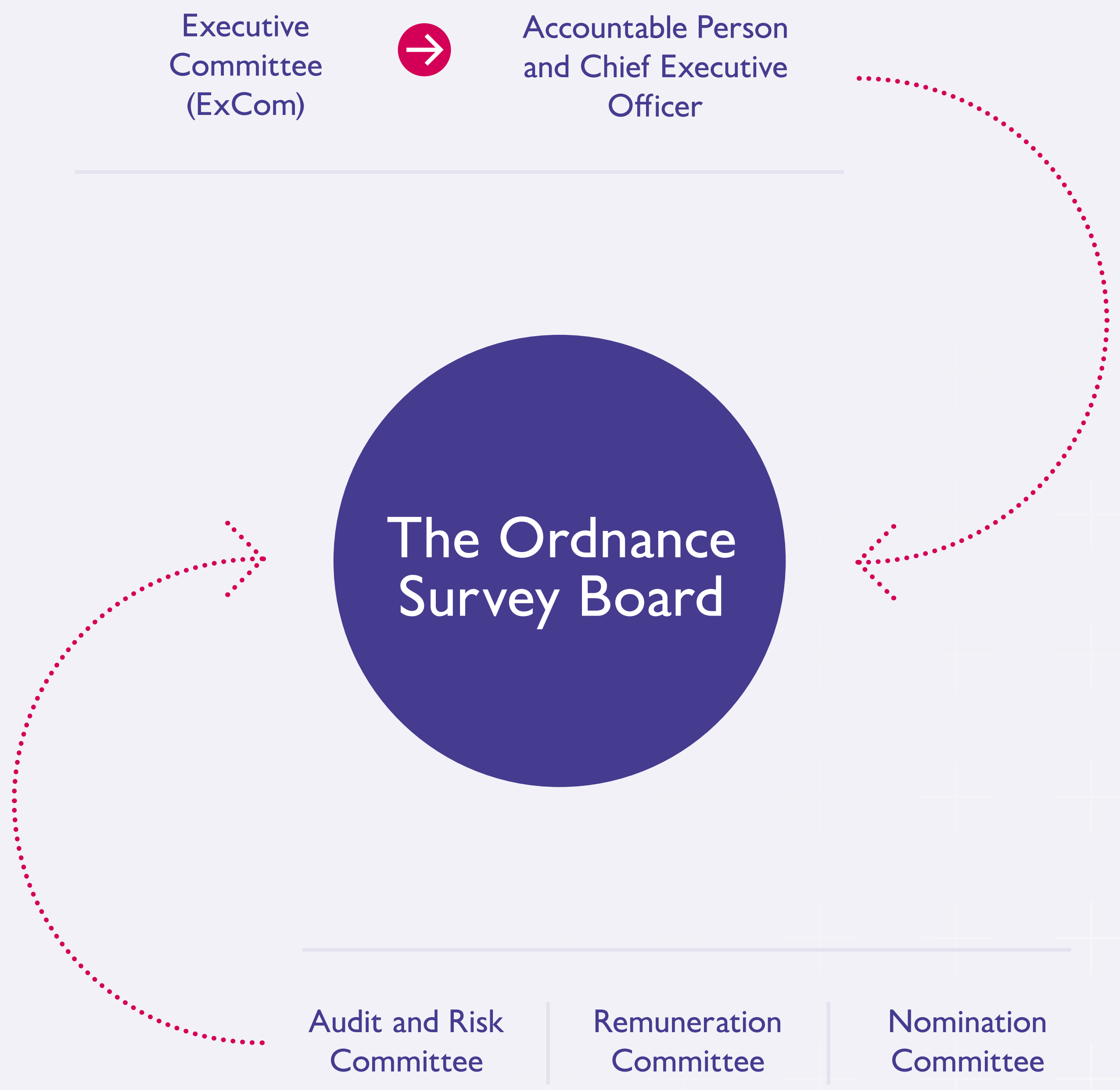
Absolute metrics

			2022-23	2021-22	2020-21
Non-financial indicators (tonnes)		**Total waste arisings (tonnes)**	**60.28**	**50.71**	**29.75**
	Non-hazardous waste	Waste Recycled/reused (excl. ICT)	26.49	23.58	12.01
		ICT equipment reused/recycled externally	3.01	3.56	—
		Waste composted	3.23	0.79	2.94
		Toner cartridges (recycled)	0.26	0.26	0.26
		Waste sent to incinerator (energy recovery)	24.23	19.98	11.9
		Residual waste sent to landfill	2.26	0.62	1.58
	Hazardous waste	HCFC equipment (fridges etc.)	—	—	—
		Fluorescent lamps (recycled)	—	—	1.01
		Sanitary waste (not recycled)	0.06	0.06	0.06
		WEEE (Including batteries)	0.75	1.87	—
		Engine oil	—	—	—
Financial indicators (£)		**Total disposal costs (£)**	**£37,623**	**£25,903**	**£20,052**
	Non-hazardous waste	**Total non-hazardous waste costs**	**£31,939**	**£20,762**	**£15,787**
		Waste recycled/reused	£16,779	£16,342	£14,330
		ICT equipment reused/recycled externally	£11,231	£1,282	—
		Toner cartridges (recycled)	£200	£616	£114
		Waste composted / anaerobic digestion	£807	£817	£933
		General waste skips	£2,922	£1,705	£410
		Waste sent to incinerator (energy recovery)	*	*	*
		Residual waste sent to landfill	*	*	*
		Metal waste	—	—	—
	Hazardous waste	**Total hazardous waste costs**	**£5,683**	**£5,141**	**£4,265**
		HCFC equipment (fridges etc.)	—	—	—
		Fluorescent lamps (recycled)	—	—	£251
		Sanitary waste (not recycled)	£3,698	£3,698	£4,014
		WEEE (Including batteries)	£1,985	£1,442	—
		Engine oil	—	—	—

Our governance

Company status and shareholding

Ordnance Survey Limited is a private company whose sole shareholder is the Secretary of State for Science, Innovation and Technology on behalf of HM Government. UK Government Investments Limited (UKGI) act as the Shareholder Representative, advising the Secretary of State on the management of their shareholder interest, and a UKGI representative sits on the Ordnance Survey Board as Shareholder Director. As a wholly owned government company, Ordnance Survey is classified as 'public corporation' meaning it operates as a trading body controlled by central government with substantial day-to-day operating independence.



Ordnance Survey structure

The Ordnance Survey Board has responsibility for long-term strategy and vision; monitoring the external business environment; and challenging performance to ensure the strategy remains relevant and effective. It also establishes that the company purpose, vision, values and culture are aligned.

Accountable Person and Chief Executive Officer is responsible for day-to-day leadership and proper, effective, and efficient use of public funds plus stewardship of Ordnance Survey resources.

Executive Committee (ExCom) is the Senior Executive team, led by the Chief Executive Officer, responsible for leading delivery and development of the Strategic Plan and budget, including assessing and managing strategic and operational risks to the achievement of objectives.

Audit and Risk Committee (OSARC) has responsibility for the independent appraisal of the Company's control environment, financial reporting, risk management and effectiveness of corporate governance, and for providing advice and challenge on company risks.

Remuneration Committee develops the Company's Remuneration Policy and approves Director and designated senior executive remuneration in line with the policy. See page 102.

Nomination Committee reviews the structure, size, and composition of the Board, and makes candidate recommendations for approval to fill Board vacancies.

Governance statement

The governance statement outlines the control structure, explains how Ordnance Survey has complied with the principles of good governance and reviews the effectiveness of its governance arrangements.

UK Corporate Governance Code

Ordnance Survey Limited is a private company limited by shares and wholly owned by the Secretary of State for Science, Innovation and Technology on behalf of HM Government. The Shareholder Framework Document requires Ordnance Survey Limited to operate corporate governance arrangements that accord with corporate governance best practice. The Board believes in strong governance and recognises the value of the 2018 UK Corporate Governance Code and therefore where possible it aligns its governance processes and arrangements with the best practices outlined in its principles and provisions.

Board effectiveness

An independent Board effectiveness review was undertaken between July and December 2022. The review concluded the Board takes its governance responsibilities seriously and operates in a professional manner, compliant with the principles of the Code as they apply to this government owned business.

The review made several recommendations to help realise the potential of new Board membership, and enable the Board to add more value to the development of strategic plans for the organisation across three themes to:

- enable the Board to meet the expectations of its shareholder
- support scrutiny of the future development of the business and delivery of public value
- increase efficiency of Board operations

The Chair of OSARC (Ordnance Survey Audit and Risk Committee) provides the OS Board and CEO with an Annual Report on the effectiveness of the Committee in discharging its responsibilities.

Managing conflicts of interest

The Board agrees and documents an appropriate system to record and manage actual and potential conflicts of interest.

Shareholder framework document

The Ordnance Survey Shareholder Framework Document (SFD) sets out the relationship between the Company, DSIT (Department for Science, Innovation and Technology) as the Shareholder, and UK Government Investments as the Shareholder Representative. The Board operate in accordance with the SFD which details the Company's core responsibilities to the Shareholder and describes the Company's overall governance and accountability framework. The SFD also sets out how the day-to-day relationships works in practice.

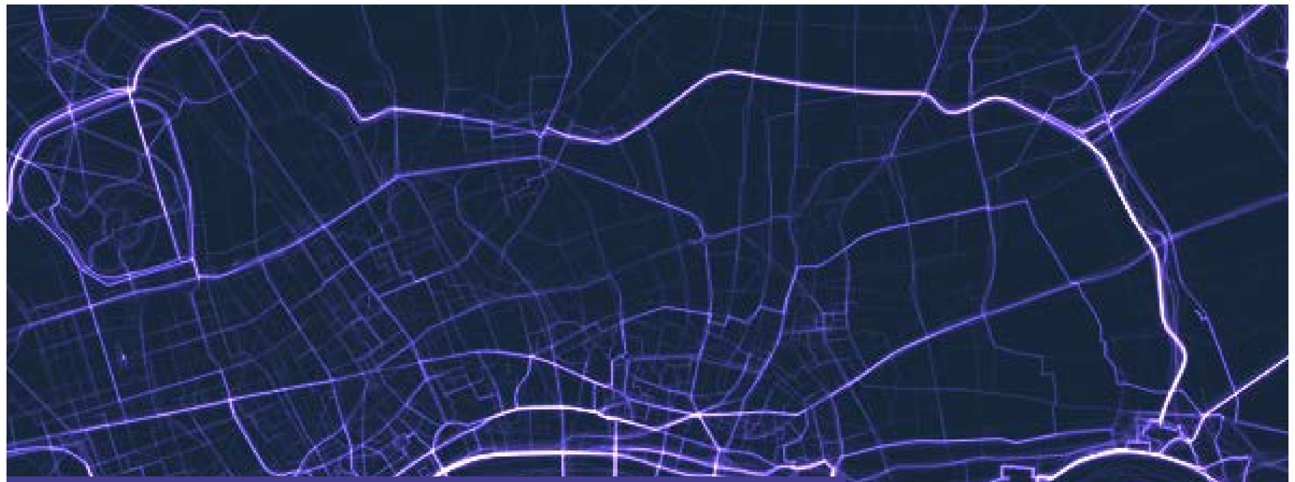
[Read the full shareholder framework document]

The SFD includes a statement of the Company's Strategic Objectives; to provide world-leading geospatial services and data in the UK and internationally, which involves delivery of the Public Task as required under the PSGA (Public Sector Geospatial Agreement). The Strategic Objectives also include operating as a sustainably profitable commercial organisation, on a self-financing basis, with the aim of decreasing the net cost to the public sector of the Company.

The Geospatial Commission was established in 2018 as an independent, expert committee responsible for setting the UK's geospatial strategy and coordinating public sector geospatial activity.

Its aim is to unlock the significant economic, social, and environmental opportunities offered by location data and to boost the UK's global geospatial expertise.

Ordnance Survey supports the Geospatial Commission in its role to provide strategic oversight of the UK's geospatial ecosystem.



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Ordnance Survey supports the Geospatial Commission in its role to provide strategic oversight of the UK's geospatial ecosystem.

The Commission has a mandate and budget to drive and deliver changes by working in partnership with others to:

- **Provide strategic oversight** of the geospatial ecosystem in the UK, setting geospatial strategy, policy, and standards.
- **Hold the budget** for the public sector's largest investment in geospatial data.
- **Make targeted investments** in data projects that accelerate innovation and adoption of geospatial data applications.

The Geo6

The Geospatial Commission has a formal relationship with six, core partner bodies (the Geo6) and Ordnance Survey plays a leading role in supporting the delivery of the UK's National Geospatial Strategy.

Attendance at Board and Committee meetings in 2022-23 was as follows:

Board and Committee Composition and Attendance	Committee Membership	Ordnance Survey Board	OSARC	Remuneration Committee	Nomination Committee
Total number of meetings		19	4	14	6
Stephen Lake Chair and Interim Chief Executive	• Nomination • Remuneration	19/19	4/4	13/14	6/6
Jacques Cadranel Non-Executive Director and OSARC Chair (to July 2022)	• OSARC • Nomination	3/3	2/2	—	1/2
Philippa Hird Senior Independent Director, Remuneration Chair and Nomination Committee Chair	• Nomination • Remuneration	19/19	—	14/14	5/6
Ron Mobed Non-Executive Director	• Nomination • Remuneration	17/19	—	14/14	5/6
Carol Potter Non-Executive Director	• OSARC • Nomination	19/19	3/4	—	5/6
James Coppin Non-Executive Director, UKGI representative	• OSARC • Nomination • Remuneration	19/19	4/4	14/14	6/6
Lynn Mawdsley Non-Executive Director and OSARC Chair (from August 2022)	• OSARC • Nomination	9/14	2/2	—	2/4
Steve Showell Chief Financial Officer	—	18/19	4/4	—	—

Notes

i. The Board held additional meetings during the year to ensure robust monitoring, governance and decision-making for the Saudi MLS project.

ii. The Board meeting on 15 November 2022 decided the Pension Committee was not a decision-making committee and would become a management committee instead of a Board committee. It was agreed the CEO, CFO (Chief Financial Officer) and Director of People would comprise the Pension Committee, report to the Board annually and notify the Remuneration Committee of any issues requiring consideration and a decision.

Principal risks and uncertainties

The Risk and Internal Control Framework

Our system of internal control and strategy for risk management is designed to achieve a cost-effective balance between mitigation and acceptance of risk. The risk management framework applies the HM Treasury Orange Book principles to ensure risks are pro-actively identified, assessed, and managed at all levels of the organisation so that exposure, including information risk, is captured, reported, and maintained at an acceptable level. The Chief Financial Officer acting as Chief Risk Officer is responsible for monitoring risk, reporting to OSARC and the Board on the adequacy of the strategic and operational risk management process. Risk management is supported through the key governance and decision-making groups.

ExCom receive strategic risk updates to maintain the profile and importance of sound risk management across the business and ensure focus and engagement in decision making. The meetings challenge, modify and rationalise the risks.

OSARC receive an update on the status of strategic risks at each meeting in addition to conducting periodic Deep Dive reviews of specific risks. Strategic risks are also reported to each Board meeting as part of the performance management report.

The Risk and Assurance team work across all OS business unit and expert functions to ensure risks of all kinds are identified, managed, reported, and mitigated effectively. They encourage compliance with the risk management policy and framework and identify areas of the business where risk management practices require strengthening. In support of this, risk management training sessions are delivered to raise awareness of the value of risk management and offer practical advice on implementing effective management actions to mitigate risk.

Summary risk profile

Strategic risks are identified and evaluated against a defined set of criteria to consider the likelihood of occurrence and potential impact on the business, facilitated by the Ordnance Survey risk management framework.

The strategic risk profile changes as the business evolves and was constantly reviewed by OSARC and the Board during the year. The review highlighted the following strategic risks and opportunities to achieving the OS strategy.

	Overview	Mitigation	Focus Areas for 2023-24
Cyber Security	Prevention or response to a data breach or cyber-attack that may adversely impact our reputation, resulting in significant fines, business disruption, loss of information for our customers, employees, or business and/or loss of stakeholder and customer confidence.	• Dedicated Information Security function, with multidisciplinary specialists • Information security obligations included in appropriate third-party contracts and a risk-based assurance programme to monitor our exposure • Information security and data protection policies in place, with a mandatory training programme for all colleagues • Active detection of our threat environment, with continued improvement in controls, policies, and procedures • Cross Business Ransomware Incident Response Plan	• Keeping pace with, and monitoring evolving threats • Continued investment in cyber defences, including cyber team and technology • CE+ re-accreditation • ISO 27001 accreditation
PSGA	The delivery of PSGA key delivery milestones, added value services and securing any new PSGA extensions is important in meeting both revenue and government expectations.	• PSGA Readiness Programme • PSGA Governance • Delivery and Resourcing Plans • Programme Structure and Approach • Production systems to meet operational needs • Roles and responsibilities • Regular monitoring of KPIs and reporting process • Monitoring of PSGA contractual obligations • Change control	• Data Engineering skills uplift • Quarterly temperature checks • Geo-Production optimisation • Agreement and contract change control
Organisational Change	Development of senior leadership capacity and capability coupled with a significant change programme is fundamental to the future success of the business.	• Organisational change management approach • Embedding Employee Experience in all people touch points • Six Great Things for People Leaders development programme • Senior Leadership team effectiveness support	• Appointment of new Chief Executive • Organisational effectiveness programme • Mature strategic change management capability • Senior Leadership Team development and succession planing

	Overview	Mitigation	Focus Areas for 2023-24
Fit for Purpose Data	The foundation of the business is based on trusted and accurate data; reputational and commercial damage is risked by data being unfit for purpose.	• Chief Geospatial Officer accountable for geospatial data strategy and geospatial data quality • Development of Enterprise Data Programme to address interdependent aspects of data quality and data governance	• Identify and assess critical business and customer challenges regarding the health of our data asset and prioritise data improvements • Develop and roll-out Data Strategy • Review data governance • Consolidation and review of past, present, and future errors and omissions, and data enhancements • Review organisational bottlenecks, resource constraints, and explore additional mechanisms/ required investment • Federation of key data roles within the CGO to ensure alignment to data strategy and realisation of key strategic outcomes/benefits
Capability and Capacity	Our ability to source, build, develop and retain the required talent, and look after their well-being is key to delivering the PSGA and other contracts, succeeding with commercial opportunities and increasing operational efficiency.	• Employee Value Proposition • Talent attraction and employer brand • Strategic workforce planning • Internal talent management • Learning and development strategy • Focus on employee engagement	• Remuneration strategy review • Refreshed employer brand marketing for campaign and social channels • Mature talent marketplace and our internal career hub • Refresh our holistic wellbeing offer
Technology and Digital Capability	Simplify and improve core technology, enhance digital capabilities, and reduce dependency on legacy systems to keep pace with market competition and customer expectations, increasing commercial opportunities and transformation.	• Further investment in technology and digital innovation and capabilities to generate new products for customers and efficiency gains for colleagues • Continue the shift to cloud-based technology • Ongoing collaboration with our technology partners to drive our delivery • Ongoing focus on technology risk, assurance maturity and roll-out of a structured IT control methodology	• A technology strategy, supported by prioritised investment and aligned with Group and individual business strategies • Continued investment in legacy removal programmes • Quarterly benefits tracking of key programmes in line with spend targets and value outcomes

The OS Climate change risks are detailed in the Sustainability report on page 60

The accountable person

The Chief Executive Officer fulfils the role of Accountable Person. Together with the OS Board, they have responsibility for maintaining a sound system of internal control. This supports the achievement of OS's policies, aims and objectives, while safeguarding the public funds and departmental assets for which they are responsible in accordance with the responsibilities assigned to them as Accountable Person under Managing Public Money, and for which the Board are responsible individually and collectively in accordance with the Companies Act.

Senior management assurance

As part of the year end process the Head of Risk and Assurance conducted a control self-assessment and annual assurance statement exercise whereby ExCom provide the CEO, as the Accountable Person, with written assurance on the reliability and effectiveness of:

- Strategic and Annual Operating Plan and Budget delivery
- Performance reporting
- Risk management
- Arrangements for conveying and living the OS values
- Health and safety awareness, training, and reporting
- Arrangements for reporting instances of fraud, bribery, or corruption
- Reporting non-compliance with legislation
- The control environment and activities established to meet business objectives
- Information security awareness, training, and reporting

People

As an organisation with significant intellectual property, and working in a constantly evolving industry, OS is reliant on the skills, knowledge, and integrity of our employees. OS needs 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 reward. These risks are addressed through appropriate recruitment activities, talent identification with tailored training programmes, graduate schemes, internships, and recognition schemes.

OS uses the services of contractors to cope with the peaks of demand on resources and complies with the recommendations outlined in the HM Treasury Review of the tax arrangements of public sector appointees.

Fraud and whistleblowing

No instances of fraud have been reported to the Head of Risk and Assurance during the year.

OS has established appropriate arrangements for raising concerns and reporting fraud which we consider to be effective. These arrangements include:

- Whistleblowing and counter-fraud policy and procedures
- The Head of Risk & Assurance as a named independent person to whom to report any concerns
- Additional independence with the Chair of OSARC as a named Non-Executive to report to
- The National Audit Office as an alternative independent party
- Mandatory training to ensure all employees and contractors remain aware of the whistleblowing and counter-fraud policies.

Anti-slavery policy

Our Anti-Slavery Policy Statement, available on our website, sets out how we ensure that modern slavery or human trafficking is not taking place within our business or supply chain. This includes supplier and supply chain reviews specifically centred on the Modern Slavery Act by our Procurement Category Management teams. In addition, completion of a Modern Slavery digital course is required for all OS employees to promote awareness.

Information security

OS considers the confidentiality, integrity, and availability of its information to be of high importance. We continue to invest resources, both technical and people, to manage and mitigate cyber risk.

Our Information Security team led by the Chief Information Security Officer (CISO) work with the business providing project security advice, cyber security operations, policies & standards, and training.

OS continued to achieve Cyber Essentials PLUS accreditation which demonstrates information security compliance to our stakeholders. We also completed the annual HM Government Departmental Security Heath Check to assess compliance with the minimum-security standards for four technical areas including Cyber. The report confirmed continuous improvement in meeting the Standards but also recognised further action is required to address the always evolving cyber risk landscape.

Following the ISO 27001 gap analysis exercise in 2021-22 and a review undertaken in 2022-233 by the NCC Group to review OS information security controls against best practice the CISO has established a programme of activity to attain full ISO 27001 accreditation as a priority within the next 12-24 months.

Protecting personal data

Information security risk is a key element of our GDPR (General Data Protection Regulation) compliance arrangements.

During 2022-23, all data compromise and data loss incidents were logged and investigated.

The Data Protection Officer has sought to ensure OS continues to understand its obligations to comply with GDPR.

OS Audit and Risk Committee Report

The Audit and Risk Assurance Committee supports the Board in executing its responsibilities for issues of risk, control, and governance and as such is responsible for the independent appraisal of the OS control environment, the effectiveness of corporate governance, and for providing advice and challenge on the management of risks that may impact the organisation.

Four meetings were held during the year; all meetings were quorate.

OSARC effectiveness

The Committee confirmed it acted in accordance with its terms of reference and it ensured the independence, objectivity, and independence of the internal and external auditors.

The new Chair maintained a regular dialogue with the Head of Risk & Assurance, the external auditors (NAO), Chief Executive & Accountable Person and Chief Finance Officer to provide the opportunity for independent discussions relating to the effective discharge of the Committee's responsibilities.

The Committee reviewed the risks and issues brought to it and reported any issues requiring attention to the Board and/or Accountable Person. The Committee reviewed the nature and status of strategic risks, along with details of mitigating actions being taken. Key strategic risk areas were reviewed in detail, to better understand the management of

those risks, particularly information security risks (as a standing agenda item presented by the CISO), cyber incident response and business continuity and data governance.

The Head of Risk & Assurance attends each Committee meeting, providing a summary of internal audit findings and an update on progress against the plan. The Committee also reviews the status of implementation of internal audit actions.

The Head of Risk & Assurance reports to the Chief Financial Officer but maintains direct and regular communication with the OSARC Chair outside of Committee meetings.

Going forward the Committee will continue to acknowledge and embrace its role in supporting the Board by providing an independent appraisal of the OS control environment, financial reporting, risk management and effectiveness of corporate governance, and for providing advice and challenge on risks that may adversely affect the business.

Internal Audit opinion

Internal Audit assessed the systems of governance, risk management and internal control based on a programme of work reviewed and agreed by OSARC. The results of Internal Audit reviews, including assurance opinions and progress with implementing recommendations arising from that work, were reviewed at each OSARC.

The Head of Risk and Assurance provided an annual opinion that limited assurance can be provided over the adequacy and effectiveness of OS's systems of governance, risk management and internal control.

For 2021-22 the Head of Risk and Assurance provided an annual opinion that partial assurance can be provided over the adequacy and effectiveness of OS's systems of governance, risk management and internal control.

Internal Audit published ten assurance opinion-based reports (comprising one unsatisfactory, three limited, four partial and two substantial opinions) and five advisory and support-based assignments. The key themes emerging from the internal audit work and that of other assurance providers related to weaknesses in data governance, cloud management and security and project management.

Management acknowledged the weaknesses in control highlighted by internal audit and OSARC and in noting the change in opinion from 2021-22, have closely monitored and noted the positive progress management have taken to address the internal audit actions.

Internal Audit actions are tracked with status information provided to the CEO by the Head of Risk and Assurance. All high priority recommendations are receiving adequate management attention.

Significant Governance and Control Issues

During 2022-23 the Chair continued in the role of Interim CEO. The UK Corporate Governance Code advises against the same person holding both Chair and CEO positions, even on an interim basis. However as in 2021-22 appropriate mitigations were put in place including:

- Board meetings being Chaired by a Senior Independent Director
- Roles and responsibilities clearly outlined in the Interim CEO's letter of appointment.
- Agreed timelines for Interim CEO appointment to run concurrently with the recruitment process for the CEO position.
- Independent Board members holding meetings without the Interim CEO being present.
- Completing independent Board effectiveness review together with an additional independent review of the interim governance arrangements.

Looking ahead

Going forward the Board and ExCom will continue to work on developing the risk management and governance arrangements at OS. We will continue to review those strategic risks to achieving our strategic goals at ExCom and the Board with a view to considering the timeliness of implementation and success of mitigating actions.

We will continue to integrate the strategy and business planning, budgeting, performance management and risk management processes as being fundamental to delivering the OS strategy with OSARC and Board oversight.

Review of effectiveness

As Accountable Person, the CEO has responsibility for conducting an annual review of the effectiveness of the system of governance, risk management and internal control.

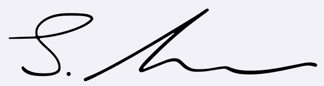
This review is informed by:

- OS Audit and Risk Committee
- The oversight and work of the Executive Directors and senior managers
- The annual control self-assessment process and annual letters of assurance received from OS senior management and Executive Directors confirming their responsibilities in relation to OS strategy and values, risk management, internal control, and security
- The work of the Risk & Assurance function
- The external auditors, the National Audit Office

All the above have a role in ensuring the OS risk management, governance and internal control structures are adequately designed and operating effectively. This Governance Statement reflects the result of the CEO's review, and he is satisfied with the effectiveness of the system of governance and the agreed plans to address weaknesses and ensure continuous improvement of the system of risk management and internal control.

Management certification

The CEO considered all the evidence provided during the preparation of this annual Governance Statement and has concluded that the organisation's overall governance, risk management and internal control structures are effective.



Stephen Lake
Chairman
13 December 2023

Parliamentary accountability and audit report

The Parliamentary Accountability and Audit Report brings together the key accountability documents, detailing the regularity of expenditure, so that Parliament can be assured that funds have been expended in the manner intended.

Regularity of expenditure (subject to audit)

Ordnance Survey's Accounting Officer, the Chief Executive Officer, is the person on whom parliament calls to account for stewardship of its resources. The standards the accounting officer is expected to deliver cover Governance, Decision-making and Financial Management.

Ordnance Survey complies with the HM Treasury guidance "Managing Public Money", which in short covers the principles as to how Government bodies handle public funds with probity and in the public interest. The Financial Memorandum sets out the specific financial framework, within which Ordnance Survey is required to operate. This is complemented by the Scheme of Delegation which is the means a statutory body authorises its employees to carry out certain of its functions.

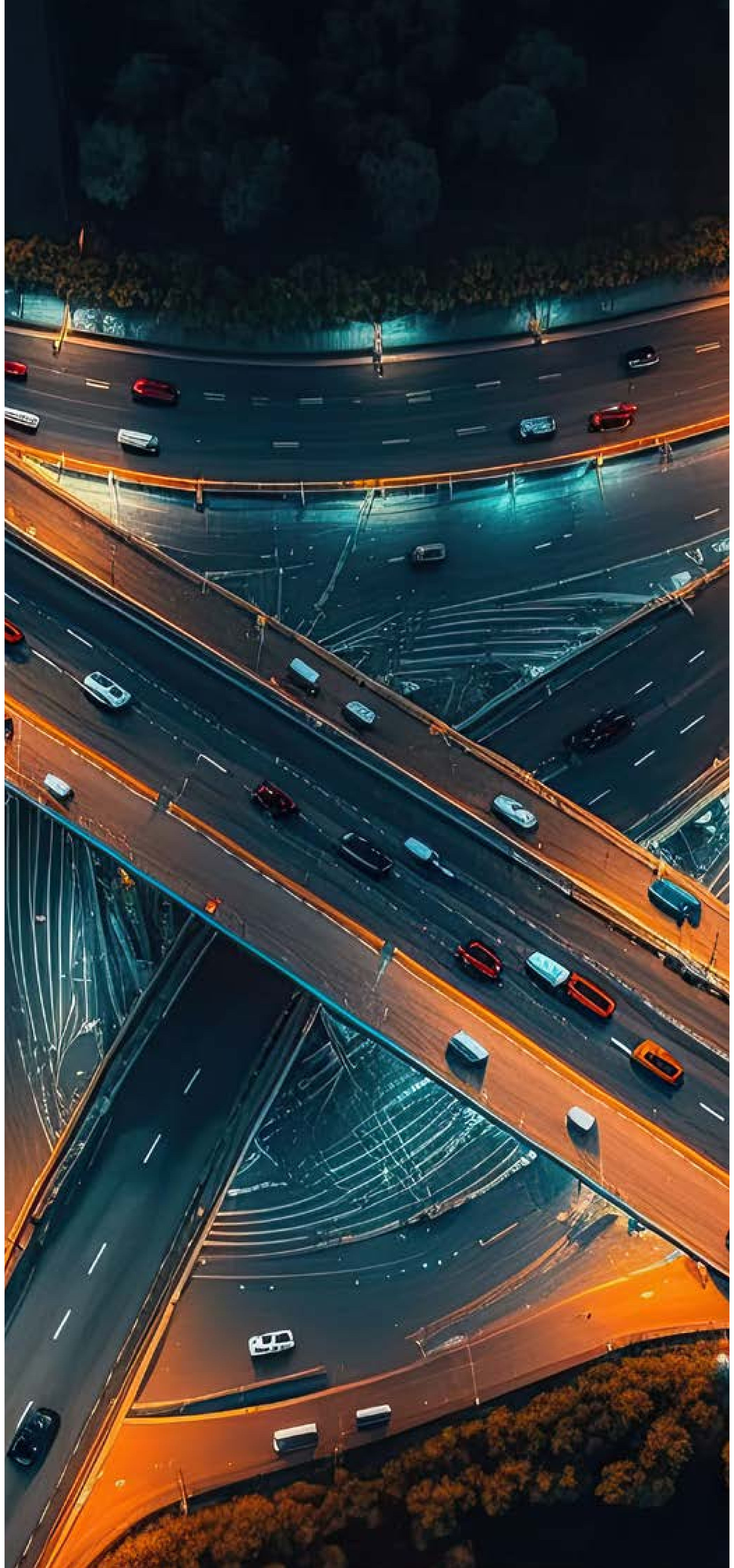
Under the Government's transparency agenda, expenditure is published monthly on all transactions over £25k and Government Procurement Card spend over £500. An annual audit of the Ordnance Survey Accounts is undertaken by the National Audit Office (NAO).

In addition to this is an ongoing internal audit programme which helps to provide assurance to our Chief Executive/Accounting Officer as well as our Audit and Risk Assurance Committee that finances are being handled appropriately and with propriety.

All of the above give us assurances that our finances are being handled with regularity. For 2022/23 Ordnance Survey can report that there were no losses or gifts incurred during the year that exceeded £300k.

Remote contingent liabilities (subject to audit)

As at 31 March 2023 Ordnance Survey held no remote contingent liabilities.



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 2023. The company is domiciled and incorporated in the United Kingdom, the parent and ultimate controlling party of the Company is the Secretary of State for Science, Innovation and Technology.[1]

The principal activity of the Company in the year to 31 March 2023 was the collection, maintenance and distribution of up-to-date geospatial information.

Financial highlights are included on pages 58-59.

[1]Pursuant to Statutory Instrument SI 2023 / 424, the parent and ultimate controlling party of the Company changed with effect from 3 May 2023 from the Secretary of State for Business, Energy and Industrial Strategy to the Secretary of State for Science, Innovation and Technology.

Results and dividends

The results are set out in the statement of profit or loss on page 113. The Directors declared a final dividend to our shareholder of £10m. (2021-22 £52.8m) in line with the dividend policy in the Shareholder Framework Document, to declare annual dividends of 50% profit after tax.

Directors

The following Directors held office during the year ended 31 March 2023 and to the date of signing this report:

Stephen Lake	Chairman
Philippa Hird	Senior Independent Director, Nomination Committee Chair, Remuneration Committee Chair
Lynn Mawdsley	Non-Executive Director, OSARC Chair (from August 2022)
Ron Mobed	Non-Executive Director
Carol Potter	Non-Executive Director
Fiona Strens	Non-Executive Director (from July 2023)
Michael Yorwerth	Non-Executive Director (from July 2023)
James Coppin	Shareholder Director
Steve Showell	Chief Financial Officer
Nick Bolton	Chief Executive Officer (from October 2023)
David Henderson	Director (from July 2023)
Jacques Cadranel	Non-Executive Director, Pensions Committee Chair, OSARC Chair (until 31 July 2022)

Executive Directors

The following are Executive Directors, although they are not statutory Company Directors in accordance with the Companies Act 2006:

Paul French	Chief Commercial Officer
Richard Gifford	Chief Technology Officer (from September 2022)
Nick Giles	Managing Director of OS Consumer
David Henderson	Chief Geospatial Officer
Hazel Hendley	People Director
John Kimmance	Managing Director of National Mapping Services
Jon O'Meara	General Counsel and Company Secretary
Leanne Upson	Director of Customer and Marketing (from April 2023)
Jo Shannon	Director of Technology and Design (until October 2022)
Rebecca Paterson	Director of Customer and Marketing (until January 2023)

Further information about the Directors' interests is provided in the Directors' remuneration report.

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 on pages 6 to 60.

Corporate governance

These areas are dealt with in our governance section on pages 80 to 107.

Sustainability

Sustainability, including greenhouse gas emissions, is dealt with in the sustainability report on pages 60 to 79.

Risk profile

These areas are dealt with in the our governance section on page 87.

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 under utilised cash facilities are maintained.

Supplier payments

During the year average days from invoice date to payment date for the Company was 34.2 days (2021-22: 31.5 days).

Treasury management

Most Group business is transacted in sterling although there are some large contracts transacted in US$. The international subsidiary also receives some payments in foreign currencies. The Group monitors the fluctuations on foreign currencies and will consider the use of cash flow hedges if a material risk is identified.

Political and Charitable contributions

No political donations were made in the year by the Company or Group. Charitable donations are reported on page 55.

Branches outside the UK

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

- United Arab Emirates
- 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 employees 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 collaboration

Ordnance Survey 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 the daily updated intranet (Business Today) and an internal social media channel (Yammer at OS) through to dialogue focused events such as CEO and Executive Director briefings, regular employee surveys and regular listening sessions. Ordnance Survey recognises and works alongside Prospect and PCS trade unions. More details are contained within the Strategic Report.

Corporate governance

The Company's statement on corporate governance can be found in the governance statement of this Annual Report.

Related parties

Their are no Directorships or significant interests held by any Director which may conflict with their management responsibilities to the group.

Post balance sheet events

The company disposed of it's interest in PointX Limited in November 2023. There are no other events after the end of the reporting period requiring disclosure in or adjustment to the financial statements.

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. Our framework document requires us to invite the Comptroller and Auditor General to be the external auditor, and the Comptroller and Auditor General has indicated his willingness to continue in office.

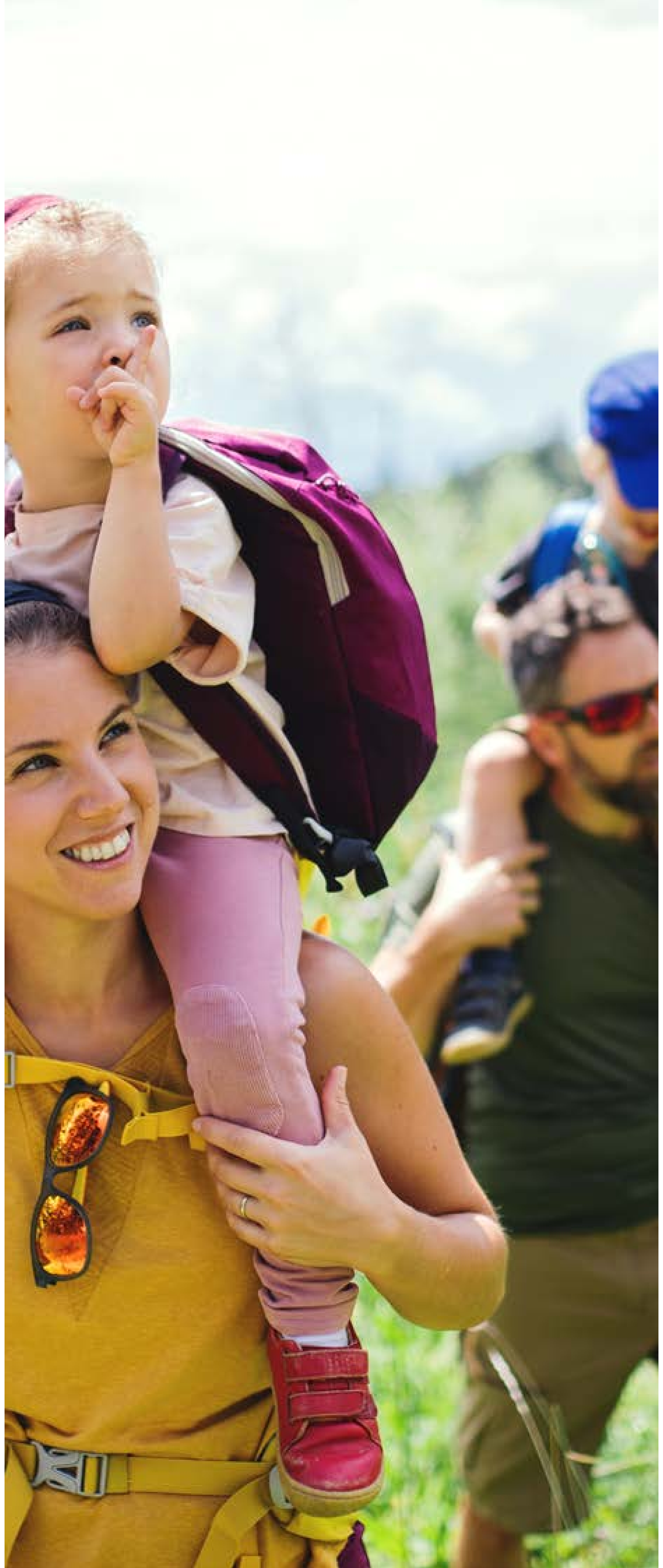
Authority of issue of financial statements

The Directors gave authority for the financial statements to be issued on 13 December 2023. 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:

Stephen Lake
Chairman

13 December 2023



Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted International Accounting Standards and the requirements of the Companies Act.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. Having taken advice from the Audit Committee, the Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Duty to promote the success of the company

Under section 172 of the Companies Act 2006, the Directors of the Company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the members as a whole, and in doing so have regard to various factors, including the following:

- The likely consequences of any decision in the long-term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct

The Strategic Report and Governance statement explain and provide various examples of how the Board of Directors have aimed to comply with this section 172 duty. In summary the Directors have given regard to the above factors via the following means.

As a general practice, all Board papers seeking formal decisions and all Board agendas include specific reference to and consideration of the section 172 duty and the various factors.

In terms of having regard to the likely consequences of any decision in the long-term:

- The Shareholder Framework Document sets the Company's overall control framework for decisions which could have material long-term consequences. In turn the Board have set internal financial delegations, reviewed and updated in November 2022, which provide the Board with a control mechanism for any decision which could have material long-term implications.
- The Board has a five year strategy which is reviewed and updated annually, and this included a detailed review and refresh of the strategy. A further review and update of the strategic plan was performed during 2022-23. This also included the long-term implications for the success of the Company in relation to the PSGA.

The Board has considered the interests of the workforce and other stakeholders as part of board discussions and decisions. In relation to employee engagement, the Board has:

- Had regular engagement with the Director of People and her team in relation to our employee experience, including our location strategy and ways of working, our company wide employee surveys and workshops, and also in relation to our regular and ongoing engagement with Prospect and PCS, who are the recognised Trade Unions representing OS employees.
- Considered ways in which the employee's voice can be enhanced in the Boardroom, including identifying opportunities for all Non-Executive Directors to engage across the employee population. This included Board engagement sessions with members of the company's sustainability working group and Women's Development Network.

The ways of engaging with employees have included the following:

- Quarterly engagement surveys for all employees hosted by Glint, and moving during the year to monthly engagement surveys hosted by Workday Peakon.
- Ongoing consultation with Trade Unions, including on pay and also projects such as the roll-out of electric vehicles.
- Various employee groups enabling community-led involvement and decision-making to inform policy. Groups include Women+ Development Network, LGBT+, Disability Awareness, Neuro Diversity Network, Ethnic Minorities Network, Religion and Belief Network and Sustainability Community.
- Employee representatives involved on strategic projects, for example graduate representation on the Sustainability Steering Group.
- Employee action teams to lead initiatives aligned to our strategy deliverables.
- Online events including discussions hosted by Directors, where employees can ask questions directly (for example the annual strategy launch and monthly 'ask us anything' sessions).

In terms of how we have engaged with and fostered our relationships with suppliers, customers and others, we explain elsewhere in this Strategic Report about our various engagement activities, which have included the following:

- Our engagement throughout the year with the Geospatial Commission in relation to the PSGA.
- Our regular engagement activities with our Licensed Partners, including our Licensed Partner conference held in person at our HQ, Explorer House in March, together with regular Licensed Partner Advisory Council meetings held during the year.
- Facilitated customer closeness and listening sessions held between our leadership team and representative customers from our Licensed Partner and Public Sector customer communities.
- Engaging with our suppliers through our Procurement and Contract Management activities and processes, including supplier days and monitoring via KPIs (e.g. creditor payment days).

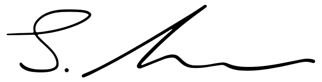
In terms of how we have regard to the impact of the company's operations on the community and the environment, more detail is in our sustainability committee report on pages 60-79, but in summary:

- Ordnance Survey is an active participant in the community, both through our corporate charity and through encouraging all staff to utilise their volunteer days in local projects, with engagement monitored via a KPI.
- We have maintained our ISO14001 accreditation and continued to develop our Environmental Management Systems.

As to the desirability of the company maintaining a reputation for high standards of business conduct, the Board have maintained a focus on this through:

- Our Annual Assurance Statement process (as described on page 90).
- Maintaining a whistleblowing policy, supported by staff awareness campaigns (as described on page 91).
- The various internal audits conducted during 2022-23 (as described on page 92).

The Strategic Report was approved by the Board and signed on its behalf by:



Stephen Lake
Chairman

13 December 2023

Remuneration overview

Ordnance Survey's remuneration policy outlines a set of criteria and corporate governance best practice in relation to pay and employment conditions.

Decision-making processes

The Remuneration Committee (RemCo) develops the overall Remuneration Policy for the Company, in line with the remuneration parameters and criteria set by the Shareholder Framework Document, and the policy is subsequently approved by the Board.

The Remuneration Policy sets out the overall principles and governance for remuneration, and the Remuneration Committee applies this in approving the remuneration for Directors and designated senior roles, as well as seeking Shareholder and HM Treasury approval as required.

RemCo takes into consideration the pay and employment conditions across the wider workforce and the remuneration parameters and criteria set by the Shareholder Framework Document and is responsible for considering and recommending approval in relation to the annual pay award for all employees, which is subsequently formally approved by the Board.

The Committee meets on a regular basis, as often as is necessary and twice per year as a minimum, to be informed about, debate and decide on matters such as:

- Appropriate measures and targets for variable pay plans at the start of the year; and then outcomes achieved at the end of the year
- Pay review budgets
- Gender Pay Gap reporting and activities
- Remuneration and performance of the senior team

Remuneration committee

Remuneration committee members	Role
Philippa Hird	Non-Executive Director, Committee Chair
James Coppin	Shareholder Non-Executive Director
Ron Mobed	Non-Executive Director

The committee was supported by Hazel Hendley (People Director) and Stephen Lake in his capacity as Interim CEO.

None of the above were present for discussions or involved in decisions concerning their own remuneration.

Reward principles

- We support the delivery of the Ordnance Survey Strategy by ensuring we can recruit, retain and engage the right people
- We demonstrate value for the public purse, ensuring we spend our resources effectively and manage risk with effective controls
- We use all aspects of total reward and the employee experience as part of a rounded, competitive offer
- We recognise that the ability to invest in pay is achieved through our commercial success
- We ensure that all pay processes and decisions are inclusive, free from discrimination and bias, and deliver consistent and transparent outcomes across our workforce
- We embrace best practice as set out in the UK Corporate Governance Code and are mindful of public sector pay policy

Terms of appointment

Non-Executive Directors have a three-year fixed-term tenure. Executive Directors who are appointed as Statutory Directors are engaged via Directors' service contracts which are open ended until they reach retirement age. Their notice period is six months.

Statement of Directors' remuneration (audited)

2022-23	Salary and fees	Performance-related pay	Benefits in kind*	Value of Employer pension contributions	Value of exit package payments	Total
	£'000	£'000	£	£'000	£'000	£'000
Stephen Lake**	114	—	—	—	—	114
Steve Showell	205	—	—	22	—	227

* Benefits in kind is the monetary value of benefits in kind provided by the employer and treated by HM Revenue and Customs as a taxable emolument.
** Stephen Lake's full remuneration package for 2022-23 was £164k which covers both his roles as Chair and Interim CEO. Stephen Lake's payments in respect of services as a Non-Executive Director can be found on page 107.

2021-22	Salary and fees	Performance-related pay*	Benefits in kind**	Value of Employer pension contributions	Value of exit package payments	Total
	£'000	£'000	£	£'000	£'000	£'000
Steve Blair (to October 2021)	187	—	—	6	—	193
Stephen Lake (from October 2021)	39	—	—	—	—	39
Steve Showell (from October 2021)	100	15	—	11	—	126

* £15,000 was paid in June 2022 relating to performance in 21-22.
** Benefits in kind is the monetary value of benefits in kind provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

- Salary and fees include gross salary and any other taxable allowances and payments
- The total remuneration includes base salary, non-consolidated performance-related pay, cash allowances/earnings, benefits in kind and the value of pension contributions
- Steve Showell is a member of the OS Horizon group personal pension scheme. Steve Blair was a member of OS Horizon Group personal pension scheme during employment

Performance-related pay

The Executive Directors performance incentive scheme has a maximum opportunity of 20% of gross annual base salary received.

The Remuneration Committee reviewed the terms of the scheme and agreed that measures for 2022-23 should incentivise:

- Corporate performance, focusing on non-PSGA revenue and Net Promoter Score
- Strategic targets to focus on delivery of key contracts and strategies as well as consideration of Environmental, Societal and Governance elements as well as Employee Engagement. The Remuneration Committee exercises its discretion to determine the extent to which Strategic Measures are achieved
- Specific personal targets

The following weightings were applied to reward positive behaviours with business units and expert functions being mutually dependent on each other:

Measure	Weighting
Corporate	40%
Strategic	40%
Personal	20%

In addition to participation in the Director Bonus plan, the Ordnance Survey Chief Executive Officer also has a commercial bonus opportunity of up to 30% salary to reward the development of a growing, profitable and successful commercial business to sustain the future of OS. This plan does not apply to the Interim CEO post.

Fair pay disclosure (audited)

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

Financial Year 2022-23

- The salary and taxable benefits excluding pension of the Company's most highly paid Director on a full year equivalent basis was £205,000. This represents a reduction of 18% from 2021-22. This is due to a reduction in the salary of the highest paid Director as a result of there being no permanent CEO during the year.
- There was one employee paid in excess of the highest paid Director.
- The range of salaries was £19,048 to £210,000.

Financial Year 2021-22

- The salary and taxable benefits excluding pension of the Company's most highly paid Director on a full year equivalent basis in the financial year 2021-22 was £250,000. This represents a reduction of 10% from 2020-21.
- The range of salaries was £18,972 to £200,000.

	Pay ratio of highest paid director to employees (total pay and benefits)			For highest paid director		For all employees	
	@ 25th percentile	@ Median	@ 75th percentile	% change in salary and allowances	% change in performance pay and bonuses payable*	Average % change in salary and allowances	Average % change in performance pay and bonuses payable*
2022–23	6:1 (£31,872)	5:1 (£40,130)	4:1 (£49,553)	-18%	-100%	8%**	-100%
2021–22	8:1 (£31,321)	6:1 (£39,136)	5:1 (£47,183)	0%	1.5%	2%	26%

* No performance pay or bonuses were payable in respect of 22-23.
** This figure is greater than the Ordnance Survey pay award due to changes in staff composition.

	Pay ratio of highest paid director to employees (pay excluding benefits)		
	@ 25th percentile	@ Median	@ 75th percentile
2022–23	7:1 (£30,416)	5:1 (£37,854)	4:1 (£48,000)
2021–22	9:1 (£28,949)	7:1 (£36,304)	6:1 (£44,976)

Directors' defined benefit pensions (audited)

2022-23 No Director was in receipt of a defined benefit pension.

2021-22 No Director was in receipt of a defined benefit pension.

Non-Executive Directors (audited)

- The Chair (Stephen Lake); and the Shareholder Non-Executive Director (James Coppin) are appointed directly by the Secretary of State for Science, Innovation and Technology.
- The remaining Non-Executive Directors (Philippa Hird, Ron Mobed, Carol Potter and Lynn Mawdsley) are appointed by the Board of Directors of Ordnance Survey Limited, on the recommendation of the Nomination Committee and approval of UKGI. 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

Ordnance Survey Non-Executive Directors are not Ordnance Survey employees and are not members of the Principal Civil Service Pension Scheme nor the OS Horizon Group Personal Pension Plan. Their remuneration is paid after deduction of PAYE and NIC through the Ordnance Survey payroll. The Shareholder Director is remunerated by their employer UKGI and is a member of the Principal Civil Service Pension scheme offered by their employer.

Remuneration paid to Non-Executive Directors was as follows:

	2022-23 Remuneration	2022-23 BIK	2021-22 Remuneration	2021-22 BIK
	£'000	£	£'000	£
Jacques Cadranel (to July 2022)	9	307	28	403
Philippa Hird	28	1,022	28	74
Stephen Lake	50	6,563	52	5,203
Ron Mobed	28	400	28	—
Carol Potter	28	852	28	—
Lynn Mawdsley (from August 2022)	18	253	—	—
James Coppin	0	471	—	—

Benefits in kind relate to taxable expenses borne by the Group. These have arisen as a result of moving from virtual to in-person board meetings.

The inclusion of a Directors' remuneration report containing information about the salary and benefits of the senior managers and key decision makers at Ordnance Survey is voluntarily reported. The actual salary, performance-related pay and benefits details of each Director and the fair pay disclosures form the audited elements of this report, as referred to in the Independent Auditor's Report, which can be found in the Annual Accounts. The remaining elements are unaudited.

The Directors' remuneration report was approved by the Board and signed on its behalf by:

Stephen Lake
Chairman

13 December 2023

Auditor's report

Independent auditor's report to the members of Ordnance Survey Limited

Opinion on financial statements

I have audited the financial statements of Ordnance Survey Limited and its Group for the year ended 31 March 2023.

The financial statements comprise the Ordnance Survey Limited and its Group's:

- Statements of Financial Position as at 31 March 2023;
- Statement of Profit or Loss and other comprehensive income, Statements of Cash Flows and Statements of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of Ordnance Survey Limited and its Group's affairs as at 31 March 2023 and its profit for the year then ended; and
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Ordnance Survey Limited and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Ordnance Survey Limited and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Ordnance Survey Limited or its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In my opinion the part of the Remuneration Overview to be audited has been properly prepared in accordance with the Companies Act 2006.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Ordnance Survey Limited and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Overview to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Ordnance Survey Limited from whom the auditor determines it necessary to obtain audit evidence.
- preparing Group financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- ensuring such internal controls are in place as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing the Annual Report, which includes the Remuneration Overview, in accordance with the Companies Act 2006; and
- assessing Ordnance Survey Limited and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (UK) (ISAs (UK)).

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of Ordnance Survey Limited and its Group's accounting policies, key performance indicators and performance incentives.
- enquired of management, Ordnance Survey Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Ordnance Survey Limited and its Group's policies and procedures on:
  - ~ identifying, evaluating and complying with laws and regulations;
  - ~ detecting and responding to the risks of fraud; and
  - ~ the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Ordnance Survey Limited and its Group's controls relating to Ordnance Survey Limited and its Group's compliance with the Companies Act 2006;
- enquired of management, Ordnance Survey Limited's head of internal audit and those charged with governance whether:
  - ~ they were aware of any instances of non-compliance with laws and regulations; and
  - ~ they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within Ordnance Survey Limited and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of Ordnance Survey Limited and its Group's framework of authority and other legal and regulatory frameworks in which Ordnance Survey Limited and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Ordnance Survey Limited and its Group. The key laws and regulations I considered in this context included Companies Act 2006, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud in revenue recognition, I tested a sample of revenue to third party evidence, assessing the reasonableness of estimates made with regard to recognition of income, and tested specific areas of risk in relation to key contracts.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

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

Matthew Kay
Senior Statutory Auditor

13 December 2023

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

as at 31 March 2023

	Notes	31 March 2023 £'000	31 March 2022 (restated*) £'000
Revenue	2	182,331	182,288
Cost of sales		(32,538)	(32,378)
Gross profit		149,793	149,910
Operating costs	3	(141,685)	(134,498)
Share of results of joint ventures	9	9,343	9,092
Other income		1,761	803
Operating profit		19,212	25,307
Finance income	5	8	8
Finance cost	5	(114)	(80)
Finance costs – net		(106)	(72)
Deemed disposal of Astigan	8	(6,700)	—
Profit before corporation tax		12,406	25,235
Corporation tax expense	6	(3,930)	(4,022)
Profit for the period		8,476	21,213
Profit/(loss) is attributable to:			
Owners of the company		8,476	21,453
Non-controlling interest		—	(240)
		8,476	21,213
Profit for the period		8,476	21,213
Other comprehensive income		—	—
Total Comprehensive income		8,476	21,213

*See note 1.21

All the activities of the Group are classified as continuing.

The notes on pages 122 to 154 are an integral part of these Financial Statements.

Consolidated statement of financial position

as at 31 March 2023

Group	Notes	31 March 2023 £'000	31 March 2022 (restated) £'000	31 March 2021 (restated) £'000
Non-current assets				
Intangible assets	10	56,550	48,428	44,284
Property plant and equipment	11	27,512	29,451	29,947
Right of use assets	11	5,066	4,393	2,780
Investments	8	963	56	—
Interests in joint ventures	9	4,262	3,919	3,902
		94,353	86,247	80,913
Current assets				
Inventories	12	3,041	3,073	2,316
Trade and other receivables	13	25,843	22,049	21,584
Current tax asset	17	5,663	2,852	1,508
Cash and cash equivalents	14	94,050	110,127	118,433
		128,597	138,101	143,841
Total assets		222,950	224,348	224,754
Current liabilities				
Trade and other payables	15	(67,820)	(72,324)	(38,196)
Lease liabilities repayable in less than one year	16	(1,495)	(2,006)	(1,817)
Provisions	18	(11)	(83)	(707)
Deferred revenue	19	(21,058)	(24,124)	(26,843)
		(90,384)	(98,537)	(67,563)
Net current assets		38,213	39,564	76,278
Non-current assets plus net current assets		132,566	125,811	157,191
Non-current liabilities				
Lease liabilities repayable after one year	16	(3,615)	(2,441)	(1,022)
Provisions	18	(116)	(258)	(206)
Deferred revenue	19	(417)	(974)	(2,450)
Deferred tax liability	20	(1,809)	(705)	(493)
Total liabilities		(96,341)	(102,915)	(71,734)
Net assets		126,609	121,433	153,020
Equity				
Share capital	21	34,000	34,000	34,000
Retained earnings		92,609	94,133	125,480
Capital and reserves attributable to owners of the Company		126,609	128,133	159,480
Non-controlling interest		—	(6,700)	(6,460)
Total equity		126,609	121,433	153,020

The Financial Statements were approved by the Board of Directors and authorised for issue on 13 December 2023.

They were signed on its behalf by:

Stephen Lake
Chairman

13 December 2023

The notes on pages 122 to 154 are an integral part of these Financial Statements.

Company statement of financial position

as at 31 March 2023

Company	Notes	31 March 2023 £'000	31 March 2022 (restated) £'000	31 March 2021 (restated) £'000
Non-current assets				
Intangible assets	10	56,550	48,428	44,284
Property plant and equipment	11	27,512	29,451	29,947
Right of use assets	11	5,066	4,393	2,780
Investments	8	1,363	456	400
Interests in joint ventures	9	4,262	3,919	3,902
		94,753	86,647	81,313
Current assets				
Inventories	12	3,041	3,073	2,316
Trade and other receivables	13	25,021	21,409	20,668
Current tax asset	17	6,358	3,659	1,508
Cash and cash equivalents	14	78,741	99,063	112,702
		113,161	127,204	137,194
Total assets		207,914	213,851	218,507
Current liabilities				
Trade and other payables	15	(67,581)	(72,076)	(38,524)
Lease liabilities repayable in less than one year	16	(1,495)	(2,006)	(1,817)
Provisions	18	(11)	(83)	(593)
Deferred revenue	19	(17,235)	(20,778)	(24,408)
		(86,322)	(94,943)	(65,342)
Net current assets		26,839	32,261	71,852
Non-current assets plus net current assets		121,592	118,908	153,165
Non-current liabilities				
Lease liabilities repayable after one year	16	(3,615)	(2,441)	(1,022)
Provisions	18	(116)	(258)	(206)
Deferred revenue	19	(416)	(974)	(2,450)
Deferred tax liability	20	(1,833)	(761)	(499)
Total liabilities		(92,302)	(99,377)	(69,519)
Net assets		115,612	114,474	148,988
Equity				
Share capital	21	34,000	34,000	34,000
Retained earnings		81,612	80,474	114,988
Capital and reserves attributable to owners of the Company		115,612	114,474	148,988

Ordnance Survey Limited generated a profit of £11.1m for the year ended 31 March 2023 before payment of the dividend.

As permitted by section 408(3) of the Companies Act 2006, the income statement of the Company is not presented in this Annual Report.

The Financial Statements were approved by the Board of Directors and authorised for issue on 13 December 2023.

They were signed on its behalf by:

Stephen Lake
Chairman

13 December 2023

The notes on pages 122 to 154 are an integral part of these Financial Statements.

Consolidated statement of changes in equity

for the year ended 31 March 2023

Group (Amounts in £'000)	Notes	Share capital	Retained earnings	Total	Non-controlling	Total
As at 1 April 2021 (restated)		34,000	125,480	159,480	(6,460)	153,020
Profit for the year (restated)		—	21,453	21,453	(240)	21,213
Total comprehensive income for the period		—	21,453	21,453	(240)	21,213
Transactions with owners in their capacity as owners						
Dividends payable		—	(52,800)	(52,800)	—	(52,800)
As at 1 April 2022 (restated)		34,000	94,133	128,133	(6,700)	121,433
Profit for the year		—	8,476	8,476	—	8,476
Total comprehensive income for the period		—	8,476	8,476	—	8,476
Elimination of non-controlling interest at deemed disposal of Astigan	8				6,700	6,700
Transactions with owners in their capacity as owners						
Dividends payable		—	(10,000)	(10,000)	—	(10,000)
As at 31 March 2023		34,000	92,609	126,609	—	126,609

The notes on pages 122 to 154 are an integral part of these Financial Statements.

Company statement of changes in equity

for the year ended 31 March 2023

Company (Amounts in £'000)	Share capital	Retained earnings	Total
As at 1 April 2021 (restated)	34,000	114,988	114,988
Profit for the year (restated)	—	18,286	18,286
Total comprehensive income for the period	—	18,286	18,286
Dividends payable	—	(52,800)	(52,800)
As at 1 April 2022 (restated)	34,000	80,474	114,474
Profit for the year	—	11,138	11,138
Total comprehensive income for the period	—	11,138	11,138
Transactions with owners in their capacity as owners			
Dividends payable	—	(10,000)	(10,000)
As at 31 March 2023	34,000	81,612	115,612

The notes on pages 122 to 154 are an integral part of these Financial Statements.

Consolidated cash flow statement

for the year ended 31 March 2023

Group	Notes	31 March 2023 £'000	31 March 2022 (restated) £'000
Profit before corporation tax		12,406	25,235
Amortisation and impairment of intangible assets	10	11,716	15,588
Depreciation of tangible fixed assets	11	5,322	5,056
Increase in deferred tax liability		1,104	262
Loss on deemed disposal of non-controlling interest		6,700	—
Share of joint venture results	9	(9,343)	(9,092)
Interest received	5	(8)	(8)
Interest paid	5	114	80
(Decrease)/increase in inventories		32	(757)
Decrease/(increase) in trade and other receivables		(5,431)	(465)
(Decrease)/increase in trade and other payables		(1,704)	428
Increase/(decrease) in provisions for liabilities and charges		(214)	(572)
Increase/(decrease) in deferred revenue		(3,623)	(4,195)
(Increase) in investments		(904)	—
Cash flow from operations		16,167	31,560
Income taxes paid		(5,103)	(5,417)
Net cash inflow from operating activities		11,064	26,143
Cash flows from investing activities			
Interest received	5	8	8
Purchase of property, plant and equipment		(4,056)	(6,173)
Purchase of intangible assets		(19,839)	(19,731)
Investments		(3)	(56)
Receipt of Dividends		9,000	9,075
Net cash used in investing activities		(14,890)	(16,877)
Cash flows from financing activities			
Interest paid	5	(114)	(80)
Lease liabilities and repayments		663	1,608
Payment of Dividends		(12,800)	(19,100)
Net cash used in financing activities		(12,251)	(17,572)
Net increase in cash and cash equivalents		(16,077)	(8,306)
Cash and cash equivalents at beginning of year		110,127	118,433
Cash and cash equivalents at end of year	14	94,050	110,127

The notes on pages 122 to 154 are an integral part of these Financial Statements.

Company cash flow statement

for the year ended 31 March 2023

Company	Notes	31 March 2023 £'000	31 March 2022 (restated) £'000
Profit before corporation tax		14,368	21,552
Amortisation and impairment of intangible assets	10	11,716	15,588
Depreciation of tangible fixed assets	11	5,322	5,056
Increase in deferred tax liability		1,072	262
Impairment of loans to group companies		1,517	520
Share of joint venture results	9	(9,343)	(9,092)
Interest received	5	(355)	(704)
Interest paid	5	114	80
Decrease/(increase) in inventories		32	(757)
Decrease/(increase) in trade and other receivables		(5,244)	(741)
(Decrease)/increase in trade and other payables		(1,695)	(148)
(Increase)/decrease in provisions for liabilities and charges		(214)	(458)
Increase/(decrease) in deferred revenue		(4,100)	(5,107)
(Increase) in investments		(904)	—
Cash flow from operations		12,286	26,051
Income taxes paid		(4,297)	(5,417)
Net cash inflow from operating activities		7,989	20,634
Cash flows from investing activities			
Interest received	5	355	704
Purchase of property, plant and equipment		(4,056)	(6,173)
Purchase of intangible assets		(19,839)	(19,731)
Loans to group companies		(1,517)	(520)
Investments		(3)	(56)
Receipt of Dividends		9,000	9,075
Net cash used in investing activities		(16,060)	(16,701)
Cash flows from financing activities			
Interest paid	5	(114)	(80)
Lease liabilities and repayments		663	1,608
Payment of Dividends		(12,800)	(19,100)
Net cash used in financing activities		(12,251)	(17,572)
Net increase in cash and cash equivalents		(20,322)	(13,639)
Cash and cash equivalents at beginning of year		99,063	112,702
Cash and cash equivalents at end of year	14	78,741	99,063

The notes on pages 122 to 154 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 4. The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in note 9 and in the strategic report on pages 6 to 79. These financial statements are presented in pounds sterling, because that is the currency of the primary economic environment in which the Group operates.

1.1 Basis of preparation

(i) Compliance with IFRS

The consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standards and the requirements of the Companies Act.

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 – measured at fair value.
- Assets held for sale – measured at fair value less cost of disposal.

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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 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.

1.4 Segment reporting

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

1.5 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 statement of financial position reporting date are translated at the rates ruling at that date.

1.6 Investments

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

1.7 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 cost 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:

Asset class	Depreciation policy
Freehold land	Not depreciated
Freehold buildings	40 years from acquisition or remaining useful economic life
Equipment and fixtures:	
IT Equipment	1 to 5 years
Equipment, facilities and fixtures	2 to 15 years
Vehicles	4 years
Assets under construction	Not depreciated
Right of Use Assets	See note 1.15

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.

1.8 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:

Asset class	Estimated useful life
Data content	3 to 5 years
Software	3 to 12 years
Assets under construction	Not amortised

The Group's internally generated intangible assets consist of:

a) Data content

Data content represents those data sets which have been considered to meet the criteria of IAS 38. The underlying National Geographic Database has not been capitalised as it has evolved from the data capture which commenced over 200 years ago, and therefore the original cost cannot be reliably measured. Significant enhancements and other data content is capitalised where these are considered to meet the criteria of IAS 38.

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.

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

For Software as a Service ("SAAS") arrangements, the group does not capitalise costs relating to the configuration and customisation of SAAS arrangements as intangible assets except where control of the software exists. Costs relating to integration with existing group owned software may be capitalised.

1.9 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.

Where there is no expectation of future impairment reversal, assets will be fully removed from the financial statements.

1.10 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.

1.11 Financial assets and liabilities

The Group has classified its financial instruments as follows:

a) Financial assets

Financial assets are classified under IFRS 9 as amortised cost, fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) depending on the Group's business model for that asset category and the contractual cashflow characteristics of the instruments.

The Group recognises a loss allowance for expected credit losses on investments that are measured at amortised cost, trade receivables and contract assets.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime expected credit losses (ECL) under IFRS 9's simplified model for trade receivables, contract assets and lease receivables.

The expected credit losses on these financial assets are estimated considering the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

b) Financial liabilities

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

1.12 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 the 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 statement of financial position reporting date, taking into account the risks and uncertainties surrounding the obligation and are discounted to present value, where material.

1.13 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 (the former legal entity through which our business was conducted) 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 and other comprehensive income 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 in accordance with IAS 19.

b) Pensions – Horizon scheme

The 2015-16 year was the first year of trade for Ordnance Survey Limited. 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, Energy & Industrial Strategy, and the company commenced trading on this date.

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 statement of financial position.

c) Early release costs

A provision is recognised in the financial statements for the full departure cost of employees who have agreed to exit the group prior to the year end.

1.14 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.

Public Sector Geospatial Agreement (PSGA) revenue is recognised each year on two bases; a) Direct Licences – Licences which allow the customer to use the data. The revenue deriving from these licences is recognised over the length of the licence agreement as this reflects the usage of the data by the customer and the Group's obligation of ongoing supply and to provide updates. b) Services – revenue from services is recognised on a 'performance completed to date' basis by assessing the proportion of the total contract that has been completed at each point in time in accordance with IFRS15 para 35(a). There is a facility for the Group to share private sector revenue above a certain threshold with HM Government. This is recognised on an accruals basis.

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 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. The revenue deriving from these licences is recognised over the length of the licence agreement (usually 12 months) as this reflects the usage of the data by the end customer and the Group's obligation of ongoing supply and to provide updates.

Paper maps – Revenue from paper map sales is recognised when the control of ownership passes to the customer.

Services – Revenue from services are recognised at the point at which the services are transferred to the customer performed by the Group or on a proportion of completeness of total contract method, depending which is most appropriate to the contract.

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

Payment is typically due shortly after delivery of goods or services. In respect of bespoke services delivered over longer periods of time, the group negotiates payment terms to match delivery of the contractual obligations.

1.15 Leases

IFRS 16 was adopted as from 1 April 2019. All operating lease contracts, with limited exceptions, were recognised on the balance sheet by recognising right-of-use assets and corresponding lease liabilities at the transition date.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured based on the initial amount of the lease liability. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Leases of less than one year are not included in the assets and liabilities.

Leased assets are depreciated on a straight line basis over the period of the lease.

Where the group is a lessor, rental income is recognised on a straight line basis and any revenues received in advance or arrears are deferred or accrued as appropriate.

1.16 Taxation

Current taxation

The corporation 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 corporation 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 corporation 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 corporation 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 corporation 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 corporation tax asset is realised or the deferred corporation 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.

1.17 Capital Management

The Group manages its capital to ensure sufficient funds are available to meet future foreseeable funding requirements, including an assessment of contractual cash receipts, via the use of cash flow forecasts to ensure that adequate under utilised cash facilities are maintained.

1.18 Share Options

The Group seeks to take options in exchange for support given to start up ventures. Options are exercised where the group has confidence in the viability of the venture. Once exercised options are assessed and shares may be sold where the group believes the full value has been obtained. Exercised options are initially valued at cost, then revalued in accordance with IFRS9 where there is evidence of a material change in the value.

1.19 Rounding of amounts

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

1.20 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:

Data Capture – Data captured in the course of our operations is expensed, unless it meets the criteria of IAS38 for capitalisation. See note 1.8a for further details.

Development costs – The Group capitalises development costs when the project meets certain criteria. Costs are only capitalised if they meet the criteria set out in IAS38 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 time-frame of the estimate. See note 2 for the breakdown of revenue by channel, segment and geography.

Services including data captured for customers – The Group recognises revenue on a percentage completion basis which requires estimating of the total costs throughout the contract.

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.

Asset lives – The determination of asset lives for depreciation and 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.

1.21 Prior year restatement – change in accounting policy – Software-as-a-Service (SAAS) arrangements

Following the IFRS Interpretations Committee (IFRIC) agenda decision on IAS38, the Group has reviewed its accounting policy regarding the configuration and customisation costs incurred when implementing a SAAS arrangement These costs were previously capitalised. While the Group continues to expect economic benefit from the relevant activities, it has changed its accounting policy to expense the majority of these costs, given the more prudent framing of control reflected in the latest IFRIC guidance. The Group's revised policy aligns with the IFRIC agenda decision whereby:

- in SAAS arrangements where the Group controls the underlying software, configuration and customisation costs are capitalised as part of bringing the identified intangible asset into use (this includes the generation of Group-owned code which extends controlled software to effectively operate with non-controlled SAAS applications); and
- where the Group does not control the underlying software, the related configuration and customisation costs are expensed, either as incurred (where they are distinct from the supplier's service of providing the Group access to the software) or over the contract term (where these two service elements cannot be separately identified).

Over the period since 1 April 2020, the Group has implemented a new cloud based ERP and Human Resources systems as well as some other minor SAAS implementations which do not meet the recognition criteria in the revised accounting policy. The net book value of these at 31 March 2022 was £8.4m (of which £4.6m had been recognised at 31 March 2021). The above change in accounting policy has been applied retrospectively and results in the following key movements associated with this restatement. There is no impact on the Group's cash position.

For true and fair comparative purposes a restated prior year position has been used throughout the financial statements.

	£'000
To reduce net book value of intangible assets and total non current assets as at 31 March 2021 by	(4,632)
To increase current assets and net current assets as at 31 March 2021 by	—
To reduce non current assets, plus net current assets and net assets as at 31 March 2021 by	(4,632)
To reduce net book value of intangible assets and total non current assets as at 31 March 2022 by	(8,427)
To increase current assets and net current assets as at 31 March 2022 by	1,601
To reduce non current assets, plus net current assets and net assets as at 31 March 2022 by	(6,826)

Of the total reduction in net book value of intangible assets of £8.4m, £2.3m related to before 31 March 2020.

Consolidated Statement of Financial Position

	Net Book Value of Intangible Assets	Corporation Tax Asset	Net Assets
	£'000	£'000	£'000
31 March 2021 (as previously reported)	48,916	1,508	157,652
Adjustment to intangible assets opening balance by net book value of reclassified items	(2,252)	—	(2,252)
Adjustment to capitalisation of intangible assets in year by cost of reclassified items	(2,677)	—	(2,677)
Adjustment to amortisation charge on intangible assets	297	—	297
Impact on Corporation Tax Asset of above adjustments	—	—	—
As at 31 March 2021 (restated)	44,284	1,508	153,020
31 March 2022 (as previously reported)	56,855	1,252	128,260
Change in net book value of intangible assets for 20-21 included above	(4,632)	—	(4,632)
Change in Corporation Tax Asset of above changes	—	—	—
Adjustment to capitalisation of intangible assets in year by cost of reclassified items	(4,203)	—	(4,203)
Adjustment to amortisation charge on intangible assets	408	—	408
Impact on Corporation Tax Asset of above adjustments	—	1,601	1,601
As at 31 March 2022 (restated)	48,428	2,853	121,434

Company Statement of Financial Position

	Net Book Value of Intangible Assets	Corporation Tax Asset	Net Assets
	£'000	£'000	£'000
31 March 2021 (as previously reported)	48,916	1,508	153,620
Adjustment to intangible assets opening balance by net book value of reclassified items	(2,252)	—	(2,252)
Adjustment to capitalisation of intangible assets in year by cost of reclassified items	(2,677)	—	(2,677)
Adjustment to amortisation charge on intangible assets	297	—	297
Impact on Corporation Tax Asset of above adjustments	—	—	—
As at 31 March 2021 (restated)	44,284	1,508	148,988
31 March 2022 (as previously reported)	56,855	2,058	121,300
Change in net book value of intangible assets for 20-21 included above	(4,632)	—	(4,632)
Change in Corporation Tax Asset of above changes	—	—	—
Adjustment to capitalisation of intangible assets in year by cost of reclassified items	(4,203)	—	(4,203)
Adjustment to amortisation charge on intangible assets	408	—	408
Impact on Corporation Tax Asset of above adjustments	—	1,601	1,601
As at 31 March 2022 (restated)	48,428	3,659	114,474

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	£'000
Profit retained for the year ended 31 March 2022	23,408
Adjustment to capitalisation of intangible assets in year by cost of reclassified items	(4,203)
Adjustment to amortisation charge on intangible assets	408
Impact on Corporation Tax Asset of above adjustments	1,601
Profit retained for the year ended 31 March 2022	21,214

2. Revenue and segmental reporting

Revenue	2022–23 £'000	2021–22 £'000
Trading revenue	179,463	180,280
Other operating activities	2,811	1,992
Property rental income	57	16
	182,331	182,288
Trading revenue		
Channel		
Direct licences	130,254	128,357
Partner licences	37,914	34,812
Paper maps	8,429	11,560
Services	2,866	5,551
	179,463	180,280
Segment		
Business to government	102,463	103,682
Business to business	58,731	56,871
Business to consumer	18,269	19,727
	179,463	180,280
Geography		
United Kingdom	170,254	171,593
Other European countries	1,074	1,031
Rest of world	8,135	7,656
	179,463	180,280

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

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.

£6.6m of rest of world revenue was from customers based in the United States.

During the year one customer (Cabinet Office) accounted for more than 10% of turnover. The revenue received from this customer is secured under separate long term agreements.

Revenue of £98.6m (2021-22 £99.8m) in relation to this customer is reported in the Direct Licences channel, the Business to Government segment and United Kingdom geographic region in the above tables.

Revenue from contracts with customers amounted to £161.2m (2021-22 £160.6m).

3. Operating costs

	Note	2022–23 £'000	2021–22 (restated) £'000
Operating profit for the year has been arrived at after charging:			
Staff costs	4	76,083	66,611
Amortisation of intangible assets	10	11,716	14,236
Impairment of intangible assets	10	—	1,352
Depreciation of tangible fixed assets	11	3,123	2,914
Depreciation of right of use assets	11	2,199	2,142
Research and development		8,100	5,554
Short term leases – buildings		113	170
Short term leases – PPE		455	1,101
Write-down of inventory to net realisable value	12	143	136
Foreign exchange losses/(gains)		118	32
Consultancy		548	882
Fees payable to auditor for audit of the statutory annual accounts		89	84
Marketing		4,842	4,611
Other operating charges		34,156	34,673
		141,685	134,498

The Company's auditor is The National Audit Office. Office leasing payments of £338k were made to the auditors for the provision of non audit services during the year (2021-22 £349k). The fee payable for subsidiary audits for the current year audit is £66k (2021-22 £68k). Payment for non audit services during the year were £nil (2021-22 £nil).

Losses and special payments

There were no losses or special payments to report (2021-22 £nil).

4. Staff numbers and costs

Total staff costs

	2022–23	2021–22 (restated)
	£'000	£'000
Wages and salaries – permanent employees	58,076	51,608
Additional early release costs in year	77	145
Social security costs	6,823	5,968
Pension costs	9,937	9,385
Temporary/agency contract labour costs*	21,032	19,812
	95,945	86,918
Capitalised permanent labour	(7,288)	(6,957)
Capitalised temporary/agency contract labour	(12,574)	(13,350)
	76,083	66,611

*Includes third party outsourced work packages on a time charged basis.

Total permanent staff numbers, including Directors

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

	2022–23	2021–22
Operations	517	829
Sales and Marketing	587	238
Corporate Services	284	229
	1,388	1,296

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:

	2022–23	2021–22
Operations	60	57
Sales and Marketing	7	15
Corporate Services	3	8
Capitalised labour	70	80

Directors' remuneration (including Non-Executive Directors)

	2022–23	2021–22
	£'000	£'000
Salaries and other short-term employee benefits	480	504
Pension contributions charged in year – defined contribution	22	17
Highest paid Director (included above)	205	187

Pension costs – defined benefit

For 2022-23, employers' contributions of £9,937k (2021-22: £7,005k) 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 accrued during 2022-23 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 for which OS is unable to identify its share of liabilities; costs are therefore accrued in line with employer contributions falling due as permitted in IAS 19. A full actuarial valuation was carried out at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk). No information is available regarding the overall surplus or deficit of the scheme.

Group employees who joined before 31 March 2015 were members 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 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. The cost in the year was £3,205k (2021-22 £2,380k). The estimated cost for 2023-24 is £3,649k.

Early release costs provided for in financial year

All early release payments were made in line with employee contractual entitlements and not above.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme made under the Superannuation Act 1972, except for overseas employees who are paid contractually in line with local employment law requirements.

The statement of profit or loss and other comprehensive income includes a charge of £77k (2021-22 £143k) in respect of new leavers identified in 2022-23. This charge reflects the costs of exit packages agreed and accounted for by 31 March 2023.

Early release package cost by band	2022–23	2021–22
Less than £10,000	—	—
£10,000–£25,000	1	1
£25,000–£50,000	1	—
£50,000–£100,000	—	2
>£100,000	—	—
Total number of exit packages	2	3
Total cost £'000	77	143

Early release costs are accounted for as described in note 1.13. Where the Group has agreed early retirements, the additional costs are met by the Group and not by the Civil Service Pension Scheme.

5. Finance income/cost

Group	2022–23	2021–22
	£'000	£'000
Finance income		
Interest received	8	8
Interest paid on lease liabilities	(114)	(80)
	(106)	(72)

Company	2022–23	2021–22
	£'000	£'000
Finance income		
Interest received	355	704
Interest paid on lease liabilities	(114)	(80)
	241	624

6. 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) Corporation tax expense

	2022–23	2021–22 (restated)
	£'000	£'000
Current tax		
Current tax on profits for the year	3,640	4,221
Adjustments in respect of prior years	(815)	(1,291)
Total current tax (credit)/expense	2,825	2,930
Deferred tax		
Origination and reversal of temporary differences	(225)	587
Impact of rate change	(71)	176
Adjustments in respect of prior years	1,401	329
Total deferred tax charge credit	1,105	1,092
Income tax (credit)/expense	3,930	4,022

(b) Reconciliation of income tax expense

	2022–23	2021–22 (restated)
	£'000	£'000
Profit before income tax expense	12,406	25,235
Tax on profit at the standard rate of 19% (2022: 19%)	2,357	4,795
Reasons affecting charge for the period:		
Prior year adjustments	588	(962)
Impact of rate change	(71)	175
Impact of income/expenses not deductible	2,977	14
Non taxable income	(1,921)	—
Income tax (credit)/expense	3,930	4,022

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. The proposal to increase the rate to 25% has been enacted at the company's balance sheet date, therefore its effects have been included in these financial statements.

7. Dividends

	2022–23	2021–22
	£'000	£'000
Dividends	10,000	52,800

In March 2023, the Company declared a dividend of £10.0m for 2022-23 (2021-22 £52.8m).

8. Investments and loan

Group	2022–23	2021–22
	£'000	£'000
Value of shares at beginning of period	56	—
Additions	3	56
Revaluation	904	—
Value of shares at end of period	963	56

Company	2022–23	2021–22
	£'000	£'000
Value of shares at beginning of period	456	400
Additions	3	56
Revaluation	904	—
Value of shares at end of period	1,363	456

	2022–23	2021–22
	£'000	£'000
Value of loans at beginning of period	270	270
Additions	1,517	520
Impairment	(1,517)	(520)
Value of loans at end of period	270	270
Value of investments	1,633	726

Expected credit loss measurement

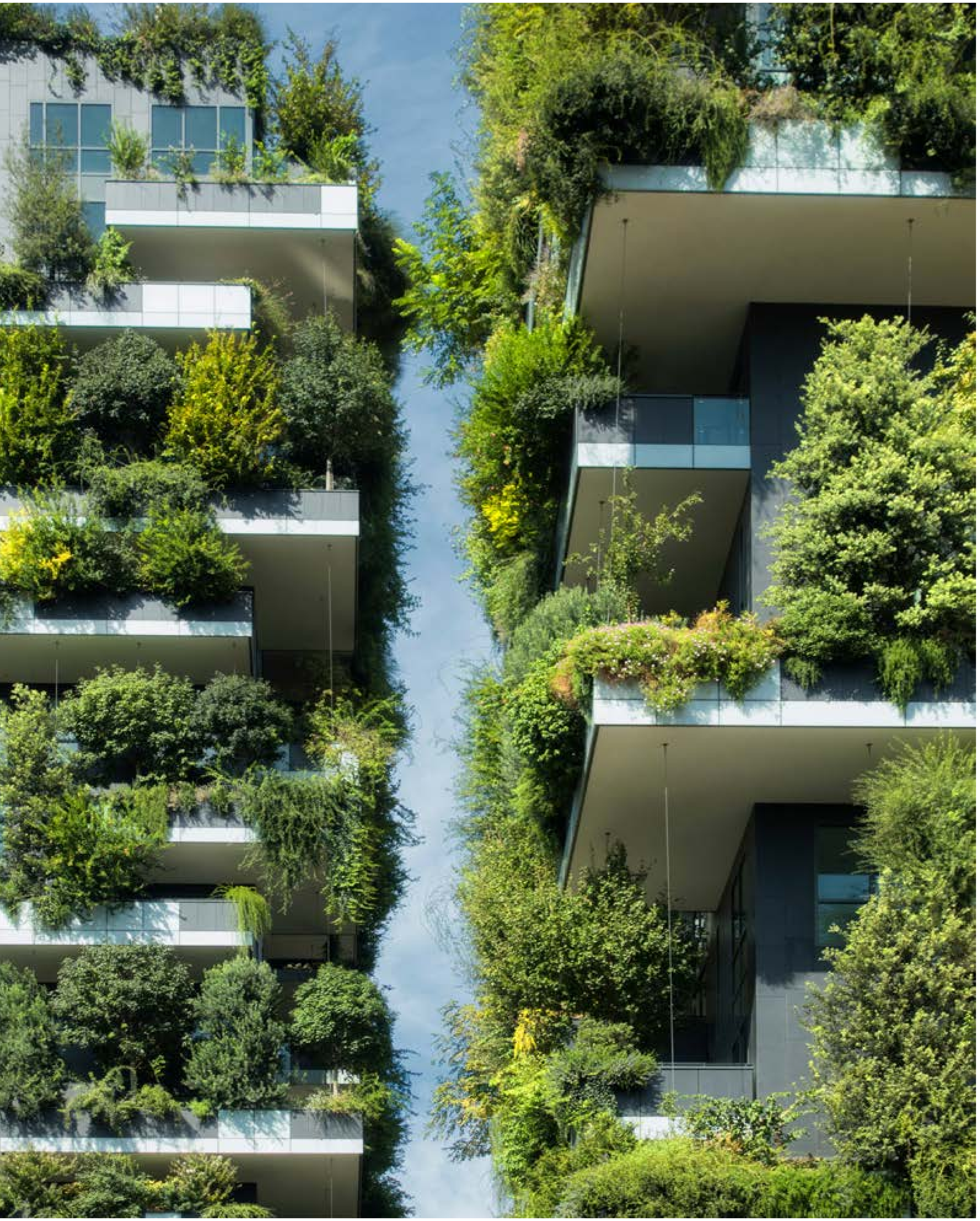
IFRS9 outlines a three stage model for impairment based on changes in credit quality since initial recognition;

A financial instrument that is not credit impaired is classified in Stage 1 and has its credit risk continuously monitored by the group. If a significant increase in credit risk since initial recognition is identified the instrument is moved to Stage 2, but is not yet deemed to be credit impaired. If the financial instrument is credit impaired the financial instrument is then moved to Stage 3.

The Group defines credit impairment using the following criteria;

The borrower meets unlikely to pay criteria, which indicates borrower is in significant financial difficulty. The borrower is insolvent. The borrower continues to rely on Group support to meet its liabilities as they fall due. The borrower does not have a viable financial plan that indicate likelihood of repayment.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime losses that result from default events within the next 12 months. Instruments in Stage 2 or 3 have their losses measured on the basis of expected credit losses over their lifetime.



Impairment of financial assets

In determining the expected credit losses for these assets, the directors of the Company have taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the subsidiaries operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets. The gross value of these loans is £11.3m (2021-22 £9.6m).

Lifetime ECL	Loans to Subsidiaries
	£'000
Balance as at 1 April 2021	(21,275)
Increase in loss allowance arising from new financial assets recognised in the year	(1,052)
Decrease in loss allowance from derecognition of financial assets in the year	12,717
Balance as at 31 March 2022	(9,610)
Increase in loss allowance arising from new financial assets recognised in the year	(1,681)
Balance as at 31 March 2023	**(11,291)**

Loans to Ordnance Survey International Services Limited are repayable on demand. Interest is charged to Ordnance Survey International Limited at 3% above Bank of England base rate. The interest earned and unpaid forms part of the impairment balance.

Ordnance Survey Limited owns 100% of the ordinary shares in Ordnance Survey Leisure Limited (3,924,000 shares at £1 a share).

Ordnance Survey Limited owns 100% of the ordinary shares in Ordnance Survey International Services Limited (1 share at £1 a share).

Ordnance Survey International LLP does not have share capital. Ordnance Survey appoints 100% of the Board members and has a 100% profit share in accordance with a members' agreement.

Due to uncertainties in future cash flows to Ordnance Survey International Services Limited the loan is fully impaired.

OS owned 51% of Astigan Limited which was consolidated into the Group accounts until the company was struck off in April 2022. As at 31 March 2022, the principal balances for Astigan were the intercompany loan with OS and share capital, which were written down at OS company level and eliminated at Group level. Notwithstanding the elimination, the Group split out a component of equity valued at £6,700k reflecting the element of Astigan's accumulated losses proportionate to non-OS shareholders (non-controlling interests). As required by IAS 10, para B98(d), at the point of strike-off this element of equity has been derecognised and the losses recycled through profit and loss, as the minority interest is not recoverable from the other shareholders.

9. Joint ventures and associates

Details of the Company's subsidiaries at 31 March 2023 are as follows::

Name of subsidiary	Principal activity	Country of incorporation	Proportion of control/ordinary shares held
Ordnance Survey Leisure Limited	Consumer web	England and Wales	100%
Ordnance Survey International Services Limited	International consultancy	England and Wales	100%
Ordnance Survey International Services FZ-LLZ	International consultancy	United Arab Emirates	100%
Ordnance Survey Partners Limited	Non-trading holding company	England and Wales	100%
Ordnance Survey International LLP	Dormant	England and Wales	100%

All subsidiaries are Registered at Explorer House, Adanac Drive, Southampton, Hampshire.

Ordnance Survey Limited has provided an unlimited bank guarantee to secure all bank liabilities of Ordnance Survey International LLP and Ordnance Survey International Services Limited.

Details of the Company's joint ventures and associates at 31 March 2023 are as follows:

Name of joint ventures and associates	Principal activity	Country of incorporation	Proportion of control/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%

The company disposed of it's interest in PointX Limited in November 2023.

Joint ventures and associates

	2022–23	2021–22
	£'000	£'000
Share of profit/(loss)		
GeoPlace LLP	9,413	8,902
PointX Limited	39	70
Dennis Maps Limited	(109)	120
	9,343	**9,092**
Share of net assets		
GeoPlace LLP	3,886	3,500
PointX Limited	134	97
Dennis Maps Limited	242	322
	4,262	**3,919**

Other investments – GeoPlace LLP

The investment in GeoPlace LLP at 31 March 2023 is as follows:

	2022–23	2021–22
	£'000	£'000
Current assets		
Cash and cash equivalents	2,527	1,869
Other current assets	6,105	5,615
Total current assets	**8,632**	**7,484**
Current liabilities		
Other current liabilities	(3,451)	(2,818)
Total current liabilities	**(3,451)**	**(2,818)**
Net assets	**5,181**	**4,666**
Ordnance Survey share of net assets at 75%	**3,886**	**3,500**

	2022–23	2021–22
	£'000	£'000
Revenue	21,972	19,128
Interest income	38	—
Operating costs	(9,435)	(7,222)
Depreciation and amortisation	(24)	(38)
Operating profit	**12,551**	**11,868**
Ordnance Survey share of profit at 75%	**9,413**	**8,901**

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.

Dividends of £9.0m were received from GeoPlace LLP during the year (2021-22 £9.1m).

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

The principal place of business of GeoPlace LLP was 157-197 Buckingham Palace Road, London, SW1W 9SP and post year end was moved to Sutton Yard, 65 Goswell Rd, London EC1V 7EN.

10. Intangible assets

Group (restated)

	Software	Data content	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost at 1 April 2021	105,865	55,576	29,645	191,086
Additions	209	—	19,523	19,732
Additions from assets under construction	33,871	—	(33,871)	—
Disposals	(37)	—	(4,253)	(4,290)
Cost at 31 March 2022	139,908	55,576	11,044	206,528
Amortisation at 1 April 2021	(84,862)	(54,646)	(7,294)	(146,802)
Amortisation charge	(13,539)	(697)	—	(14,236)
Impairment	(1,352)	—	—	(1,352)
Released on disposals	37	—	4,253	4,290
Amortisation at 31 March 2022	(99,716)	(55,343)	(3,041)	(158,100)
Net Book Value 31 March 2022	40,192	233	8,003	48,428

Cost at 1 April 2022	139,908	55,576	11,044	206,528
Additions	231	—	19,607	19,838
Additions from assets under construction	20,227	—	(20,227)	—
Cost at 31 March 2023	160,366	55,576	10,424	226,366
Amortisation at 1 April 2022	(99,716)	(55,343)	(3,041)	(158,100)
Amortisation charge	(11,595)	(121)	—	(11,716)
Amortisation at 31 March 2023	(111,311)	(55,464)	(3,041)	(169,816)
Net Book Value 31 March 2023	49,055	112	7,383	56,550

The Amortisation section above includes for assets under construction as allowed by IAS 38, accumulated impairment charges which will also have passed through profit and loss. This has the effect of retaining the gross presentation of cost and impairment for projects which have been fully impaired, to provide transparency on these projects and to recognise the possibility of an impairment reversal in future should conditions change so as to increase their cash generating potential. Impaired AUC projects are periodically reviewed for full write off of both cost and impairment, implemented through the 'released on disposal' line where appropriate.

Individual material assets include:

The geoproduction system, current year carrying value £15.7m (2021-22 £14.1m), the asset will be amortised over ten years once brought into life.

Systems of engagement, current year carrying value £8.1m (2021-22 £6.6m), the asset will be amortised over five years once brought into life.

Common Services Data Platform, current year carrying value £8.9m (2021-22 £5.6m), the asset will be amortised over five years once brought into life.

Company (restated)

	Software	Data content	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost at 1 April 2021	105,828	55,576	25,392	186,796
Additions	209	—	19,523	19,732
Additions from assets under construction	33,871	—	(33,871)	—
Cost at 31 March 2022	139,908	55,576	11,044	206,528
Amortisation at 1 April 2021	(84,825)	(54,646)	(3,041)	(142,512)
Amortisation charge	(13,539)	(697)	—	(14,236)
Impairment	(1,352)	—	—	(1,352)
Amortisation at 31 March 2022	(99,716)	(55,343)	(3,041)	(158,100)
Net Book Value 31 March 2022	40,192	233	8,003	48,428

Cost at 1 April 2022	139,908	55,576	11,044	206,528
Additions	231	—	19,607	19,838
Additions from assets under construction	20,227	—	(20,227)	—
Cost at 31 March 2023	160,366	55,576	10,424	226,366
Amortisation at 1 April 2022	(99,716)	(55,343)	(3,041)	(158,100)
Amortisation charge	(11,595)	(121)	—	(11,716)
Amortisation at 31 March 2023	(111,311)	(55,464)	(3,041)	(169,816)
Net Book Value 31 March 2023	49,055	112	7,383	56,550

The individual material assets are the same as those reported for Group. See page 142.

11. Property, plant and equipment

Group

	Land	Buildings	IT Equipment	Equipment, facilities and fixtures	Assets under construction	Total	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2021	6,300	22,544	13,247	2,976	130	45,197	7,045	52,242
Additions	—	—	1,800	—	618	2,418	3,755	6,173
Additions from assets under construction	—	—	295	376	(671)	—	—	—
Disposals	—	—	—	(201)	—	(201)	(2,379)	(2,580)
Cost at 31 March 2022	6,300	22,544	15,342	3,151	77	47,414	8,421	55,835
Depreciation at 1 April 2021	—	(3,796)	(9,044)	(2,410)	—	(15,250)	(4,265)	(19,515)
Depreciation charge	—	(634)	(2,121)	(159)	—	(2,914)	(2,142)	(5,056)
Released on disposals	—	—	—	201	—	201	2,379	2,580
Depreciation at 31 March 2022	—	(4,430)	(11,165)	(2,368)	—	(17,963)	(4,028)	(21,991)
Net Book Value 31 March 2022	6,300	18,114	4,177	783	77	29,451	4,393	33,844
Cost at 1 April 2022	6,300	22,544	15,342	3,151	77	47,414	8,421	55,835
Additions	—	—	921	—	263	1,184	2,872	4,056
Additions from assets under construction	—	—	204	59	(263)	—	—	—
Disposals	—	—	—	—	—	—	(2,179)	(2,179)
Cost at 31 March 2023	6,300	22,544	16,467	3,210	77	48,598	9,114	57,712
Depreciation at 1 April 2022	—	(4,430)	(11,165)	(2,368)	—	(17,963)	(4,028)	(21,991)
Depreciation charge	—	(634)	(2,190)	(299)	—	(3,123)	(2,199)	(5,322)
Released on disposals	—	—	—	—	—	—	2,179	2,179
Amortisation at 31 March 2023	—	(5,064)	(13,355)	(2,667)	—	(21,086)	(4,048)	(25,134)
Net Book Value 31 March 2023	6,300	17,480	3,112	543	77	27,512	5,066	32,578

Right of use assets consist primarily of leased properties, vehicles for our field surveyors and planes used for aerial data capture. The Group received income of £203k (2021-22 £180k) from sub-letting right of use assets during the year.

The carrying amount of right of use assets by asset class is as follows; Property £1,811k (2021-22 £1,164k), Vehicles £3,237k (2021-22 £2,707k), IT Equipment £18k (2021-22 £52k) and Aircraft £nil (2021-22 £470k).

Company

	Land	Buildings	IT Equipment	Equipment, facilities and fixtures	Assets under construction	Total	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2021	6,300	22,544	13,247	2,775	130	44,996	7,045	52,041
Additions	—	—	2,095	376	618	3,089	3,755	6,844
Additions from assets under construction	—	—	—	—	(671)	(671)	—	(671)
Revaluations	—	—	—	—	—	—	(2,379)	(2,379)
Disposals	—	—	—	—	—	—	—	—
Cost at 31 March 2022	6,300	22,544	15,342	3,151	77	47,414	8,421	55,835
Depreciation at 1 April 2021	—	(3,796)	(9,044)	(2,209)	—	(15,049)	(4,265)	(19,314)
Depreciation charge	—	(634)	(2,121)	(159)	—	(2,914)	(2,142)	(5,056)
Released on disposals	—	—	—	—	—	—	2,379	2,379
Depreciation at 31 March 2022	—	(4,430)	(11,165)	(2,368)	—	(17,963)	(4,028)	(21,991)
Net Book Value 31 March 2022	6,300	18,114	4,177	783	77	29,451	4,393	33,844
Cost at 1 April 2022	6,300	22,544	15,342	3,151	77	47,414	8,421	55,835
Additions	—	—	1,125	59	263	1,447	2,872	4,319
Additions from assets under construction	—	—	—	—	(263)	(263)	—	(263)
Disposals	—	—	—	—	—	—	(2,179)	(2,179)
Cost at 31 March 2023	6,300	22,544	16,467	3,210	77	48,598	9,114	57,712
Depreciation at 1 April 2022	—	(4,430)	(11,165)	(2,368)	—	(17,963)	(4,028)	(21,991)
Depreciation charge	—	(634)	(2,190)	(299)	—	(3,123)	(2,199)	(5,322)
Released on disposals	—	—	—	—	—	—	2,179	2,179
Amortisation at 31 March 2023	—	(5,064)	(13,355)	(2,667)	—	(21,086)	(4,048)	(25,134)
Net Book Value 31 March 2023	6,300	17,480	3,112	543	77	27,512	5,066	32,578

The right of use assets are the same as those reported for Group. See page 144.

12. Inventories

Company and Group	2022–23	2021–22
	£'000	£'000
Finished goods	3,041	3,073
	3,041	3,073

During the year, Ordnance Survey wrote off and made allowance for potentially unsaleable stock of £143k (2021-22: £136k).

13. Trade and other receivables

Group	2022–23	2021–22
	£'000	£'000
Trade receivables	10,491	5,957
Allowance for doubtful debts	(38)	(275)
	10,453	5,682
Other receivables	303	297
Taxation and social security receivable	1,511	2,860
Accrued income	5,560	5,191
Prepayments	8,016	8,019
	25,843	22,049

Company	2022–23	2021–22
	£'000	£'000
Trade receivables	10,016	5,530
Allowance for bad debts	(38)	(275)
	9,978	5,255
Other receivables	289	284
Taxation and social security receivable	1,374	2,713
Accrued income	4,814	4,600
Prepayments	8,003	8,003
Accrued income due from Group undertakings	563	554
	25,021	21,409

The total bad debts written off in year were £52k (2021-22: £12k).

Loans to Ordnance Survey International Services Limited are repayable on demand. Interest is charged to Ordnance Survey International Services Limited at 3% above the Bank of England base rate.

The fair value of trade and other receivables is not materially different to the book values above.

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.

14. Cash and cash equivalents

Group	2022–23	2021–22
	£'000	£'000
Balance held at Government Banking Service	81,856	89,102
Balance held in commercial banks and cash in hand	12,194	21,025
	94,050	110,127

Company	2022–23	2021–22
	£'000	£'000
Balance held at Government Banking Service	68,354	89,102
Balance held in commercial banks and cash in hand	10,387	9,961
	78,741	99,063

15. Trade and other payables

Group	2022–23	2021–22
	£'000	£'000
Trade payables	1,735	2,465
Taxation and social security payable	2,776	3,252
Other payables	1,161	1,317
Accruals	12,148	12,490
Dividend payable	50,000	52,800
	67,820	72,324

Company	2022–23	2021–22
	£'000	£'000
Trade payables	1,718	2,465
Taxation and social security payable	2,776	3,252
Other payables	1,161	1,318
Accruals	11,920	12,235
Dividend payable	50,000	52,800
Inter-company payable	6	6
	67,581	72,076

The trade payables balance for both Group and Company includes long term payables of £nil (2021–22: £nil).

The fair value of trade and other payables is not materially different to the book values above.

16. Lease liabilities

Total liabilities as at 31 March.

Group	2022–23	2021–22
	£'000	£'000
Less than one year	(1,495)	(2,006)
One to five years	(3,615)	(2,441)
Total undiscounted liabilities at 31 March 2023	(5,110)	(4,447)
Current	(1,495)	(2,006)
Non-current	(3,615)	(2,441)

Company	2022–23	2021–22
	£'000	£'000
Less than one year	(1,495)	(2,006)
One to five years	(3,615)	(2,441)
Total undiscounted liabilities at 31 March 2023	(5,110)	(4,447)
Current	(1,495)	(2,006)
Non-current	(3,615)	(2,441)

Details of the interest expense and book value of right of use assets are given in notes 3 and 11. Short-term lease cost expensed are disclosed in note 22.

17. Current tax asset/liability

Group	2022–23	2021–22
	£'000	£'000
Corporation Tax	5,663	2,853

Company	2022–23	2021–22
	£'000	£'000
Corporation Tax	6,358	3,659

18. Provisions for liabilities and charges

Group

	Restructuring provision	Provision for Dilapidations	Other	Total
	£'000	£'000	£'000	£'000
As at 1 April 2022	83	258	—	341
Additional provision in year	—	157	—	157
Unutilised provision released to P&L	—	(221)	—	(221)
Adjustment to provision	—	(67)	—	(67)
Utilisation of provision	(83)	—	—	(83)
As at 31 March 2023	—	127	—	127

	2022–23	2021–22
	£'000	£'000
Included in current liabilities	11	83
Included in non-current liabilities	116	258
	127	341

The above amount is estimated as falling due as follows:

	Current liabilities	Non-current liabilities
	£'000	£'000
2023-24	11	—
2024-25	—	116
	11	116

Provisions are un-discounted as the effect is immaterial.

Company

	Restructuring provision	Provision for Dilapidations	Other	Total
	£'000	£'000	£'000	£'000
As at 1 April 2022	83	258	—	341
Additional provision in year	—	157	—	157
Unutilised provision released to P&L	—	(221)	—	(221)
Adjustment to provision	—	(67)	—	(67)
Utilisation of provision	(83)	—	—	(83)
As at 31 March 2023	—	127	—	127

	2022–23	2021–22
	£'000	£'000
Included in current liabilities	11	83
Included in non-current liabilities	116	258
	127	341

The above amount is estimated as falling due as follows:

	Current liabilities	Non-current liabilities
	£'000	£'000
2023-24	11	—
2024-25	—	116
	11	116

Provisions are un-discounted as the effect is immaterial.

19. Deferred revenue

Group	2022–23	2021–22
	£'000	£'000
Current deferred revenue	21,058	24,124
Non-current deferred revenue	417	974
	21,475	25,098

Company	2022–23	2021–22
	£'000	£'000
Current deferred revenue	17,235	20,778
Non-current deferred revenue	416	974
	17,651	21,752

20. Deferred tax liability/asset

Group

	Note	Losses	Provisions	Fixed assets	Total
		£'000	£'000	£'000	£'000
At 1 April 2021		—	109	(602)	(493)
(Charged)/credited to the income statement		—	142	(354)	(212)
At 31 March 2022		—	251	(956)	(705)
(Charged)/credited to the income statement		(67)	(75)	(962)	(1,104)
At 31 March 2023	13	(67)	176	(1,918)	(1,809)

Company

	Note	Losses	Provisions	Fixed assets	Total
		£'000	£'000	£'000	£'000
At 1 April 2021		—	109	(608)	(499)
(Charged)/credited to the income statement		—	142	(404)	(262)
At 31 March 2022		—	251	(1,012)	(761)
(Charged)/credited to the income statement		(67)	(75)	(930)	(1,072)
At 31 March 2023	13	(67)	176	(1,942)	(1,833)

Ordnance Survey Leisure Limited

Ordnance Survey Leisure Limited generated a current year profit before tax of £4,769,000 (2021-22 profit: £4,271,000).

21. Share capital

Group and Company	£'000
Balance at 1 April 2021	34,000
Balance at 31 March 2022	**34,000**
Balance at 1 April 2022	34,000
Balance at 31 March 2023	**34,000**

The company has issued 34,000,002 ordinary shares of £1 each.

No shares in Ordnance Survey Limited are held by or on behalf of its subsidiaries undertakings.

22. Short-term leasing costs

Group and Company	2022–23	2021–22
	£'000	£'000
Short-term lease expense in the year	568	770

As at 31 March 2023, Ordnance Survey Ltd has future short term lease costs under non-cancellable leases as set out below:

Group and Company	2022–23	2021–22
	£'000	£'000
Within one year	163	41

23. Contingent liabilities and contingent assets

No significant contingent assets or liabilities noted for current year.

24. Capital commitments

At 31 March 2023, the company had the following capital commitments:

	2022–23	2021–22
	£'000	£'000
Contracts for future capital expenditure not provided in the financial statements	—	—

25. 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 and liquidity 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.

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 debt not impaired is shown below:

	2022–23			2021–22		
	Gross	Expected credit losses	Net	Gross	Expected credit losses	Net
	£'000	£'000	£'000	£'000	£'000	£'000
Not yet due	8,036	—	8,036	5,649	—	5,649
Past due 0–30 days	1,063	—	1,063	252	—	252
Past due 31–60 days	1,535	(36)	1,499	123	(63)	60
Past due 61–90 days	102	(2)	100	(315)	—	(315)
Past 90 days	(245)	—	(245)*	248	(212)	36

*This is a negative value due to unallocated payments on account made by customers.

25. Financial instruments (continued)

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

- An individual account-by-account 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.

Disclosures on credit risk related to inter-company loans are provided in note 8.

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 foreign exchange versus sterling would result in a reduction of the Group's profit by £34k (2021-22: £26k).

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 one to three based on the degree to which the fair value observable is given. The levels are as follows:

Level one	Level two	Level three
Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.	Fair value measurements are those derived from inputs other than quoted prices included within Level one that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).	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 three categorisation.

Investments are valued at fair value (see note 8).

Interest rate risk profile

The interest rate profile of the Group's financial assets and liabilities at 31 March 2023 are set out below. All balances are held in sterling:

Group

	2022–23			2021–22		
Financial assets	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cash at bank	—	94,051	94,051	—	110,127	110,127

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.

26. Contract assets and contract liabilities

Group	2022–23	2021–22
	£'000	£'000
Revenue recognised in the period from: Amounts included in contract liability at the beginning of the period	6,088	5,462
Revenue received in the period from: Performance obligations satisfied in previous periods	507	498

The Group receives payments from customers based on the invoicing schedule, as established in the contracts. Contract assets relate to the groups conditional right to consideration for completed performance under the contract. Accounts receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as we perform services under the contract. No contract asset were impaired in the financial year ended 31 March 2023.

27. 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 Science, Innovation and Technology which is a ministerial department of HM Government. The Secretary of State for Science, Innovation and Technology 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 Secretary of State for Science, Innovation and Technology, Land Registry, the Scottish Government and the Cabinet Office.

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. At the 31 March 2023, Nicholas Giles and Steven Showell represented the company as Directors of Ordnance Survey Leisure Limited.

Ordnance Survey International Services Limited, is 100% owned by the company. At the 31 March 2023, Paul French and Steven Showell represented the company as Directors of Ordnance Survey International Services Limited.

Ordnance Survey International LLP is a joint venture in which the Company indirectly controls 100% of voting rights. At the 31 March 2023, Steven Showell represented the Company on the Board of Ordnance Survey International LLP.

GeoPlace LLP is a joint venture LLP with Local Government Association. At 31 March 2023, John Kimmance and Paul French represented the Company on the Board of GeoPlace.

PointX Limited is a joint venture. At the 31 March 2023, David Henderson and Luc Mathew represented the Company as directors of PointX Limited.

Dennis Maps Limited is an associate. At the 31 March 2023, Nicholas Giles, Steven Showell and Hazel Hendley represented the Company as directors of Dennis Maps Limited.

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

The group uses the exemption for government bodies not to disclose full details of related party transactions.

28. Control

The immediate parent undertaking and ultimate controlling party of the Company is the Secretary of State for the Department of Science, Innovation and Technology on behalf of HM Government, following a reorganisation within the Department for Business, Energy and Industrial Strategy on 3 May 2023.

The annual report and accounts for the Secretary of State for Business, Energy and Industrial Strategy on behalf of HM Government is available at:

www.gov.uk/government/publications

29. Post balance sheet events

The company disposed of it's interest in PointX Limited in November 2023. The accounts were authorised for issue on the date of the Comptroller and Auditor General's report.

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CCS0421372686

ISBN 978-1-5286-3940-8

Ordnance Survey

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