

**ORDNANCE SURVEY LEISURE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2014**

Company Registration No. 06894550

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ORDNANCE SURVEY LEISURE LIMITED

FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

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ORDNANCE SURVEY LEISURE LIMITED

**OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2014**

The Board of Directors

PA White
D Jones

Registered business address

Explorer House
Adanac Drive
Southampton
SO16 0AS

Registered office

Explorer House
Adanac Drive
Southampton
SO16 0AS

Auditor

Deloitte LLP
Chartered accountants and statutory auditor
1 Mountbatten House
Grosvenor Square
Southampton
SO15 2BZ

Bankers

Natwest Bank
1 Romsey Road
Shirley
Southampton
SO16 9QQ

ORDNANCE SURVEY LEISURE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their Annual Report and the financial statements of the company for the year ended 31 March 2014. The directors' report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies exemption. Accordingly, the Directors have elected to take advantage of the exemption from preparing a Strategic Report.

Principal activities

The principal activity of the company is trading with consumers via an online portal, which was launched on 29 March 2011. The directors have no plans to change this principal activity in the near future.

Results and dividends

The results of the company are set out in the profit and loss account on page 8. The directors did not recommend payment of a dividend in either the current or preceding year.

Directors

The following directors have held office during the year ended 31 March 2014 and to the date of signing this report:

PA White
D Jones

Auditor

Deloitte LLP have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the annual general meeting in accordance with section 487(2) of the Companies Act 2006.

Provision of information to auditor

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware;
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ORDNANCE SURVEY LEISURE LIMITED

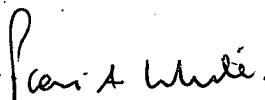
DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

Going Concern

The accompanying financial statements have been prepared on the assumption that the company will continue as a going concern. The company is being supported in its initial stages by its parent undertaking, Ordnance Survey, through the provision of a working capital loan. The directors have obtained confirmation from the Board of Directors of Ordnance Survey that this support will not be unreasonably withdrawn or further support withheld as evidenced by a letter of support dated 8 July 2014 covering a period not less than 12 months from the date of signing the financial statements. The directors have satisfied themselves that Ordnance Survey is well placed to provide this support should the occasion arise.

The directors therefore have no reason to believe that a material uncertainty exists which may cast significant doubt about the ability of the company to continue in existence for the foreseeable future despite the current uncertain economic outlook; thus they adopt the going concern basis in preparing the financial statements.

By order of the board



.....
PA White
Director

Approved by the directors on 709-14

ORDNANCE SURVEY LEISURE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORDNANCE SURVEY LEISURE LIMITED

We have audited the financial statements of Ordnance Survey Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

ORDNANCE SURVEY LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORDNANCE SURVEY LIMITED (Continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Director's Report.



Tobias Wright FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Southampton, UK

8 October 2014

ORDNANCE SURVEY LEISURE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	For the year ended 31 March 2014 £	For the year ended 31 March 2013 £
Turnover	1	1,905,357	1,609,680
Cost of sales		(1,122,330)	(984,752)
Gross profit		783,027	624,928
Administrative expenses		(1,471,267)	(1,706,232)
Exceptional item	6	(424,666)	(429,000)
Operating loss	2	(1,112,906)	(1,510,304)
Interest payable and similar charges	4	(95,000)	(199,909)
Loss on ordinary activities before taxation		(1,207,906)	(1,710,213)
Tax on loss on ordinary activities	5	-	-
Loss for the year		(1,207,906)	(1,710,213)

All of the activities of the company are classed as continuing.

There were no gains or losses in either the current or previous period other than those included in the above profit and loss account. Accordingly, a statement of total recognised gains and losses has not been presented.

The notes on pages 11 to 16 form part of these financial statements.

ORDNANCE SURVEY LEISURE LIMITED

BALANCE SHEET 31 MARCH 2014

	Notes	31 March 2014 £	31 March 2013 £
Fixed Assets			
Intangible assets	6	-	30,000
		-	30,000
Current assets			
Debtors	7	304,301	372,045
Cash		117,874	49,004
		422,175	421,049
Creditors: amounts falling due within one year	8	(4,700,865)	(3,521,833)
Net current liabilities		(4,278,690)	(3,100,784)
Total assets less current liabilities; being net liabilities		(4,278,690)	(3,070,784)
Capital & reserves			
Called up share capital	10	3,924,000	3,924,000
Profit and loss account deficit	11	(8,202,690)	(6,994,784)
Shareholders' deficit		(4,278,690)	(3,070,784)

The financial statements of Ordnance Survey Leisure Limited, registered number 06894550, were approved by the Board and authorised for issue on 7 October 2014

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Signed on behalf of the Board by:


D Jones

Director

The notes on pages 11 to 16 form part of these financial statements.

ORDNANCE SURVEY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. Accounting policies

The principal accounting policies are summarised below and have been applied consistently throughout the current and preceding year.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with applicable United Kingdom accounting standards.

Going concern

The accompanying financial statements have been prepared on the assumption that the company will continue as a going concern. The company is being supported in its initial stages by its parent undertaking, Ordnance Survey, through the provision of a working capital loan. The directors have obtained confirmation from the Board of Directors of Ordnance Survey that this support will not be unreasonably withdrawn or further support withheld as evidenced by a letter of support, dated 8 July 2014 covering a period no less than 12 months from the date of signing the financial statements. The directors have satisfied themselves that Ordnance Survey is well placed to provide this support should the occasion arise.

The directors therefore have no reason to believe that a material uncertainty exists which may cast significant doubt about the ability of the company to continue in existence for the foreseeable future despite the current uncertain economic outlook; thus they adopt the going concern basis in preparing the financial statements.

1.2 Intangible assets and goodwill

Intangible assets are initially recognised at cost. Where intangible assets are acquired as part of a wider acquisition, each asset is assessed individually to ascertain its fair value.

Consideration payable over and above the fair value of the assets acquired is capitalised as goodwill, and is amortised over its estimated useful economic life. Provision is made for any impairment.

1.3 Amortisation

Amortisation of intangible assets is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Goodwill – 20% straight line

Software – 33% straight line

1.4 Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically dispatched to the customer. Turnover from services is recognised when the service is provided by Ordnance Survey Leisure Limited. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included within creditors: amounts falling due within one year.

All turnover derives from activities based in the United Kingdom. Accordingly, no segmental disclosure is provided within these financial statements.

ORDNANCE SURVEY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

1. Accounting policies (continued)

1.5 Taxation

Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The tax liability or asset is calculated using tax rates that have been enacted, or substantially enacted by the end of the reporting period.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

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

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.6 Cash flow statement

The Company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) to include a cash flow statement as part of its financial statements because the consolidated accounts of the ultimate parent, Ordnance Survey, in which the cash flows of Ordnance Survey Limited are included, are publicly available.

1.7 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ORDNANCE SURVEY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)

2. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging

	Year ended 31 March 2014	Year ended 31 March 2013
		£
Impairment of intangible fixed assets	424,666	429,000
Amortisation of intangible fixed assets	95,334	203,000

The analysis of auditor's remuneration included within operating costs is as follows:

	Year ended 31 March 2014	Year ended 31 March 2013
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	8,000	8,000
Total audit fees	8,000	8,000

Non-audit fees totalling £nil were paid to the company's auditor during the year (2013: £nil).

3. Staff costs

The company had no employees in the current or preceding year.

Directors' remuneration was borne by the parent, Ordnance Survey, in the year and is shown in the financial statements of this entity which are publicly available. It is not practicable to disaggregate the amounts paid to the directors in respect of their services to the company in either year.

4. Interest payable and similar charges

	Year ended 31 March 2014	Year ended 31 March 2013
	£	£
Interest payable to group undertakings	95,000	199,909
	95,000	199,909

ORDNANCE SURVEY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)

5. Taxation on ordinary activities

There is no tax charge, current or deferred, in the year.

(a) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2013: 20%).

	Year ended 31 March 2014	Year ended 31 March 2013
	£	£
Loss on ordinary activities before taxation	(1,207,906)	(1,710,213)
Tax credit on loss on ordinary activities by 20% (2013: 20%)	(241,581)	(342,043)
Effects of:		
Amortisation and impairment	104,000	126,400
Capital allowances	(53,985)	(4,860)
Unrelieved tax losses	191,566	220,503
Total current tax	-	-

The company has estimated tax losses of £1,430,000 (2013 £1,240,000) available to carry forward against future profits of the same trade. No deferred tax asset has been recognised due to uncertainty over the timing of future taxable cash flow. The Finance Act 2013, which provides for a reduction in the main rate of Corporation Tax from 23% to 21% effective from 1 April 2014 and 20% effective from 1 April 2015 was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

6. Intangible Assets

	Goodwill £	Software £	Total £
Cost			
Cost at 1 April 2013	715,000	135,000	850,000
Additions	-	490,000	490,000
Disposals	-	(135,000)	(135,000)
Cost 31 March 2014	715,000	490,000	1,205,000
Amortisation			
As at 1 April 2013	715,000	105,000	820,000
Charge for the year	-	95,334	95,334
Released on disposals	-	(135,000)	(135,000)
Impairment Charge	-	424,666	424,666
At 31 March 2014	715,000	490,000	1,205,000
Net Book Value			
At 31 March 2014	-	-	-
At 31 March 2013	-	30,000	30,000

Following a review of the cash generating units ('CGU's) to which the software pertains and future cash flows likely to arise from these CGU's, the directors elected to write down the software to its assessed value in use. The impairment of software in the period is a material amount and has therefore been classified as an exceptional item.

ORDNANCE SURVEY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)

7. Debtors: amounts falling due within one year

	At 31 March 2014 £	At 31 March 2013 £
Trade debtors	1,762	8,875
Accrued income	218,380	188,365
Other debtors	1	1
Prepayments	76,939	159,894
Other tax and social security	7,219	14,910
	304,301	372,045

8. Creditors: amounts falling due within one year

	At 31 March 2014 £	At 31 March 2013 £
Trade creditors	147,944	130,586
Amounts owed to group undertakings	4,200,000	3,076,001
Accruals and deferred income	352,921	315,246
	4,700,865	3,521,833

Included within amounts owed to group undertakings is a loan balance, repayable on demand. Interest is payable at 1.75% (2013: 1.75%) above the 1 year London Interbank Offered Rate (LIBOR). All other amounts owed to group undertakings are not subject to an interest charge.

9. Related party transactions

In preparing the financial statements, the company has taken advantage of the provisions within Financial Reporting Standard No. 8 and has not disclosed transactions with other 100% owned members of the group headed by Ordnance Survey.

10. Share capital

	At 31 March 2014 £	At 31 March 2013 £
Allotted and called-up and fully paid Ordinary shares of £1 each	3,924,000	3,924,000
	3,924,000	3,924,000

During the prior year, 3,923,999 Ordinary £1 shares were issued at par in exchange for the waiver of part of the intercompany debt.

ORDNANCE SURVEY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)

11. Profit and loss account deficit

	£
Balance brought forward at 1 April 2013	(6,994,784)
Loss for the financial year	(1,207,906)
Balance carried forward at 31 March 2014	<u>(8,202,690)</u>

12. Reconciliation of movement in shareholders' deficit

	2014 £	2013 £
Opening shareholders' deficit	(3,070,784)	(5,284,570)
Issue of new shares	-	3,923,999
Loss for the financial year	(1,207,906)	(1,710,213)
Closing shareholders' deficit	<u>(4,278,690)</u>	<u>(3,070,784)</u>

13. Control

The company is controlled by Ordnance Survey. There is not considered to be an ultimate controlling party due to the fact that Ordnance Survey is a Government Trading Fund, being a non-ministerial government department and an Executive Agency responsible to the Secretary of State for Business, Innovation and Skills. It is therefore not possible to identify the ultimate holders of the Public Dividend Capital of Ordnance Survey.

The largest and smallest group which consolidates the financial statements is that headed by Ordnance Survey. Copies of the group financial statements are available from Explorer House, Adanac Drive, Southampton, Hampshire, SO16 0AS.