

2022-23

Annual report and accounts

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**Oak
National
Academy**

Oak National Academy Limited

Annual report and accounts for the period 1 September 2022 - 31 March 2023

A non-departmental public body of the Department for Education

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Strategic report



Strategic report

Chair's foreword

Oak National Academy (Oak) is an organisation with an innovative and impressive recent history. Originally developed by teachers as a digital remote education response to the pandemic, we are proud to have enabled pupils across the country to access more than 150 million online lessons during one of the most challenging periods for their education.

Oak is a fantastic example of the tenacity, resourcefulness and skill within the teaching community and a testament to what our profession can achieve when we unite for the good of children and young people. We are therefore grateful to all the teachers and to our other partners who helped us to create our remote lessons and resources and contributed to improving and adapting them as needs changed.

2022-23 marked Oak's first in our new status as an independent Arm's Length Body (ALB) of the Department for Education, following incorporation in June 2022 where assets were transferred over from the Reach Foundation. From September, our main purpose has become to help improve pupil outcomes and close the disadvantage gap by supporting teachers to teach, and pupils to access, a high-quality curriculum.

To achieve this new purpose, the digital products we build and how we build them will evolve. Our focus will shift from providing remote education for pupils unable to be at school due to the pandemic towards addressing two different challenges: tackling teacher workload and curriculum improvement.

Our digital products will alleviate teacher workload associated with lesson planning, thereby empowering teachers to give more time to supporting their pupils. Our products will also offer models and advice that will help schools develop and improve their own curriculum and build their repertoire and expertise. Alongside this, we will continue to offer a digital, remote-education backstop.

We have therefore set and remain focused on delivering three goals as part of our 2023-25 strategy:

1. Contribute to improvements in the curriculum in schools
2. More teachers and pupils choose to use our products, more often
3. Become a high-performing, well-respected part of the sector

As our Chief Executive Matthew Hood outlines below, we have already made strong progress towards fulfilling these goals. We have continued our support for pupils and teachers on a day-to-day basis, whilst at the same time building the structures, partnerships and products to grow our impact in the years ahead.

At Oak we aim for an agile and responsive approach. We listen to teachers and pupils and constantly invite feedback. We draw on our educational and technological expertise to test and iterate our approaches and products so we can be confident they are meeting the needs of our users. As we look forward to our second year as an ALB, we want to remain at the forefront of this innovative approach to public service delivery and constantly deliver value to teachers and pupils.



Sir Ian Bauckham CBE
Chair
14 December 2023

Chief Executive's perspective on performance

Since September the team at Oak has been steadfast and successful in how we can deliver for teachers and pupils.

We are delighted to have achieved our Key Performance Indicators in this first period as an ALB, alongside our continued support to the thousands of teachers and pupils who use Oak each week. Our flexible teaching resources support curriculum and lesson planning, cover and professional development, and were used by around one in four teachers.¹ We know these make a tangible difference. Last period's impact evaluation showed nearly half of users saved an average of three hours a week, had increased confidence in curriculum design, and had improved their school's overall curriculum.²

Alongside this work, we've been building improvements to meet our new purpose. The organisation has developed to meet the duties of a national public body. We have appointed and inducted a talented interim board, whilst working with the Department for Education to recruit our permanent board and further developing our governance and oversight systems.

We are making excellent progress on our plans to create new, independent, optional, adaptable and free high-quality curricula, and creating new lesson planning and teaching resources to complement these.

Following a successful open procurement to invest in the curriculum resources market, we have appointed a diverse range of new partners that bring together expertise from schools to subject associations to publishers. Together these partners are creating new curriculum packages in maths, English, science, history, geography and music. This has been supported by our in-house team and benefited from valuable external scrutiny and advice from experts and teachers. Next year we will open up opportunities to work with more partners to expand our curriculum and resources to a wider range of subjects.

We have also been re-building our digital products. We have relaunched Oak's website and made big steps forward on our teacher-facing product by improving its functionality, accessibility and usability features. Making sure we can always be relied upon, we have made sure our platforms' uptime has exceeded 99.9%.

Our new curricula, resources and our improved teacher-facing products will all become available throughout 2023-24. We're excited to see them launch, believing they'll mark a step change in our offer and be a significant help to teachers and pupils.

As ever, most of all we want to listen to and gather the feedback of our users, so we can continue to learn and improve.



Matthew Hood OBE
Chief Executive and Accounting Officer
14 December 2023

¹ Teacher Tapp, February 2023, n=3,000

² [Oak National Academy annual evaluation](#) by ImpactEd, May 2022

Statement of purpose and activities

Oak has a Framework Document that has been agreed with the Department for Education and sets out the broad terms within which Oak operates. Each year the Department sets out the priorities for Oak in an annual letter from the Minister with responsibility for Oak, to the Chair of Oak's Board. This letter sets out the objectives, funding and performance required each year including specific key performance indicators. These are shown below.

Oak is specifically responsible for achieving the following overall aims, which are set out in its Framework Document:

1. Work with schools, teachers and the wider education system to create, develop and support the use of free, optional, high-quality full curriculum packages that are available to teachers and pupils through a robust, accessible digital education platform
2. Continue to provide a national contingency for remote education should it be needed in the event of disruption
3. Provide a package of connected stretching materials for teachers and pupils through the same digital education platform that is available across the four nations and draws on content and expertise from all areas of the UK
4. Establish Oak National Academy as a high-performing, well-respected sector organisation that: maintains its 'by teachers for teachers' approach; contributes to the growing understanding of curriculum best practice; is strategically aligned with, but operationally independent from, government; and delivers excellent value for money

Founding legislation and status of Oak National Academy, its duties and powers

Classification

Oak National Academy is a limited company which has been classified to the central government sector. As a consequence, the annual accounts of Oak National Academy are required to be consolidated into the Department for Education consolidated annual report and accounts.³

For policy and administrative purposes, Oak National Academy is classified as a non-departmental public body (NDPB). Oak's parent body is the Department for Education.⁴

³ <https://www.gov.uk/government/publications/department-for-education-consolidated-annual-report-and-accounts-2022-to-2023>

⁴ The Department for Education's registered address is 20 Great Smith St, London SW1P 3BT. Annual Report and Accounts are published on their website <https://www.gov.uk/government/collections/dfе-annual-reports>

Performance analysis

In 2022-23 Key Performance Indicators (KPIs) were rated as follows:

KPI	Status	Notes
<p>Ensure effective governance arrangements including:</p> <ul style="list-style-type: none"> • Board members inducted • committee structures established • agreed terms of reference and delegation matrix • completing two Board cycles including committee and Board meetings 	Achieved	An interim Board was established following a successful induction. Four sub committees have been established. A full terms of reference and delegation matrix is in place which has been independently audited. Two full cycles of governance including an annual strategy day have been completed.
Strategy and annual plan signed off by board	Achieved	The second year of Oak's three year strategy has been signed off by the Board alongside the 2023-24 annual plan, including KPIs and budgets.
Run a compliant and viable procurement process in English, maths, science, history, geography and music that has Joint Assurance Committee (JAC) and Board sign off	Achieved	The first cycle of procurement for full curriculum packages was completed by March 2023. The process was appropriately signed off by the Board and JAC. All procurement processes were followed and all risks managed.
Ensure platform uptime of at least 99%	Achieved	Platform uptime in the period averaged 100%.
Publish annual independent evaluation	Achieved	Oak published an annual independent evaluation in September 2022.
Establish six subject expert groups with 8 members per subject	Achieved	Six expert groups in English, maths, science, history, geography and music were established. Each has at least 8 members who have supported with advice and challenge on the development of curricula and resources since October 2022.
Re-launch Oak's website, reflecting the shift to becoming an ALB	Achieved	Oak's website was relaunched in September 2022 with an updated brand, and information to reflect the change to becoming an ALB.
Ensure 80% of planned roles are hired by permanent or contract staff	Achieved	The first wave of hiring was completed in Autumn 2022 which increased the size of the team by around 50%.
Be audit ready (month-end process, year end processes, business central access) with NAO audit scheduled	Partially achieved	Throughout the period, Oak experienced challenges with finance systems, which are operated as a managed service by the Department for Education. These issues were escalated to the Board and the Department's Permanent Secretary. Positive progress was being made but all issues were not fully resolved by March 2023.

Forward looking

In 2023-24 Oak will continue to expand its work and expects to achieve the following:

Deliver high-quality full curriculum packages

- Optimise and roll out an efficient production process to enable our curriculum partners to develop full curriculum packages with minimised constraints.
- Support the development of partner curriculum leads, teachers and reviewers who take part in our processes.
- Collect and implement feedback from a wide range of sources to improve quality including our subject expert groups and the wider subject communities.
- Successfully release, on a rolling basis, new full curriculum packages on a fit-for-purpose, user-focussed platform.
- Run the procurement for full curriculum packages in a second cycle of subjects.
- Support plurality in the sector through the development and launch of a signposting offer for suppliers with high-quality curricula.
- Initiate a process to develop content that provides pupils across the UK with the opportunity for learning above and beyond their school's curriculum, and content that supports pupils with special educational needs and disabilities (SEND).

Develop our product

- Transition users to new products that help Oak grow its post-pandemic use cases.
- Continue to develop the platform to ensure we are able to provide a contingency for remote education should it be needed in the event of disruption.
- Continue to widen accessibility for Oak's products and content.

Support teachers to make the most of Oak

- Develop a range of new support to teachers and schools that help lower workload and improve their curriculum expertise.
- Build awareness and adoption from specific teachers, with a particular focus in areas where there are schools in low-income communities.
- Develop relationships with professional development and initial teacher training providers.

Become a high-performing Arm's Length Body

- Continue maturing our operational systems and processes to ensure they are effective, proactive and well-understood throughout the organisation.
- Run our first internal and external audits with the Government Internal Audit Agency and National Audit Office and respond to any areas where improvement is needed.
- Deliver our first annual report and accounts.
- Keep abreast of policy developments that impact Oak and our work.
- Develop our capacity and expertise by hiring and inducting colleagues across the organisation.
- Continue to promote our learning and development programme to all employees, ensuring access is fair and inclusive.
- Recruit and induct Oak's permanent board, ensuring the correct structures are in place for effective governance.
- Continuously improve our culture and ways of working to ensure that Oak is a place where our team can do their best work and that fosters an environment of collaboration and good relations between colleagues and partners.
- Continue building organisational resilience and robust business continuity plans including succession planning.
- Widen our recruitment funnel by attending industry events to attract a diverse range of applicants to roles.
- Continue the use of anonymous recruitment tools to reduce bias and increase diversity of hires.

Further relationships with the sector

- Grow our relationships and collaboration with national and sector representative bodies.
- Share insights, data and research to inform the education sector and other resource suppliers including conducting an annual evaluation.
- Continue to engage with the sector and with users to ensure they understand our aims and core principles of being free, optional, independent and adaptable.

Programme assurance

In 2022-23, Oak's Chief Executive, as Accounting Officer, had responsibility for maintaining a sound system of governance, internal controls and risk management to support the achievement of Oak's policies, aims and objectives, while safeguarding public funds and departmental assets. This is in accordance with the responsibilities in HM Treasury's (HMT) 'Corporate governance in central government departments: code of good practice'.

Principal risks

These are described in the Governance Statement.

Complaints to the Parliamentary Ombudsman

The Parliamentary and Health Service Ombudsman (the Ombudsman) can investigate complaints against the administrative actions of a wide range of government departments and other public bodies, or the actions of organisations acting on their behalf. In 2022-23 no complaints relating to Oak National Academy were received or accepted by the Ombudsman for investigation.

Corporate Social Responsibility (CSR) including the environment

The Oak team has embedded ethical and sustainable business practices and takes account of the social, economic, and environmental impact of its activity. This is demonstrated through Oak's purpose – to improve pupil outcomes and close the disadvantage gap by supporting teachers to teach, and pupils to access, a high-quality curriculum – and through specific initiatives listed below.

Remote working

Oak employees work remotely, reducing the environmental burden of travel and maintaining physical office space. Employees are also supported to use flexible office space as required.

Ethical supply chains

Oak is committed to using ethical supply chains. This includes leveraging agreements already in place and accessing providers via the Crown Commercial frameworks.

Commitment to equal opportunities

We want a workplace which allows everyone, regardless of their background, to be set up and supported to do their life's best work. We oppose and are committed to eliminating all forms of unlawful or unfair discrimination, harassment and victimisation of our current or former employees, job applicants, platform users, suppliers, visitors and any others who have contact with Oak colleagues or users.

We are specifically focussing our efforts on improving the diversity of our team through de-biasing recruitment; enabling flexible working; providing a supportive workplace for families of all types; and having a pay and reward approach which is fair for all and not subject to individual negotiation.

Regular culture surveys

Pulse surveys are sent weekly to measure engagement across the team. Oak uses this regular feedback to continuously improve its work culture and employee satisfaction.

Health and safety

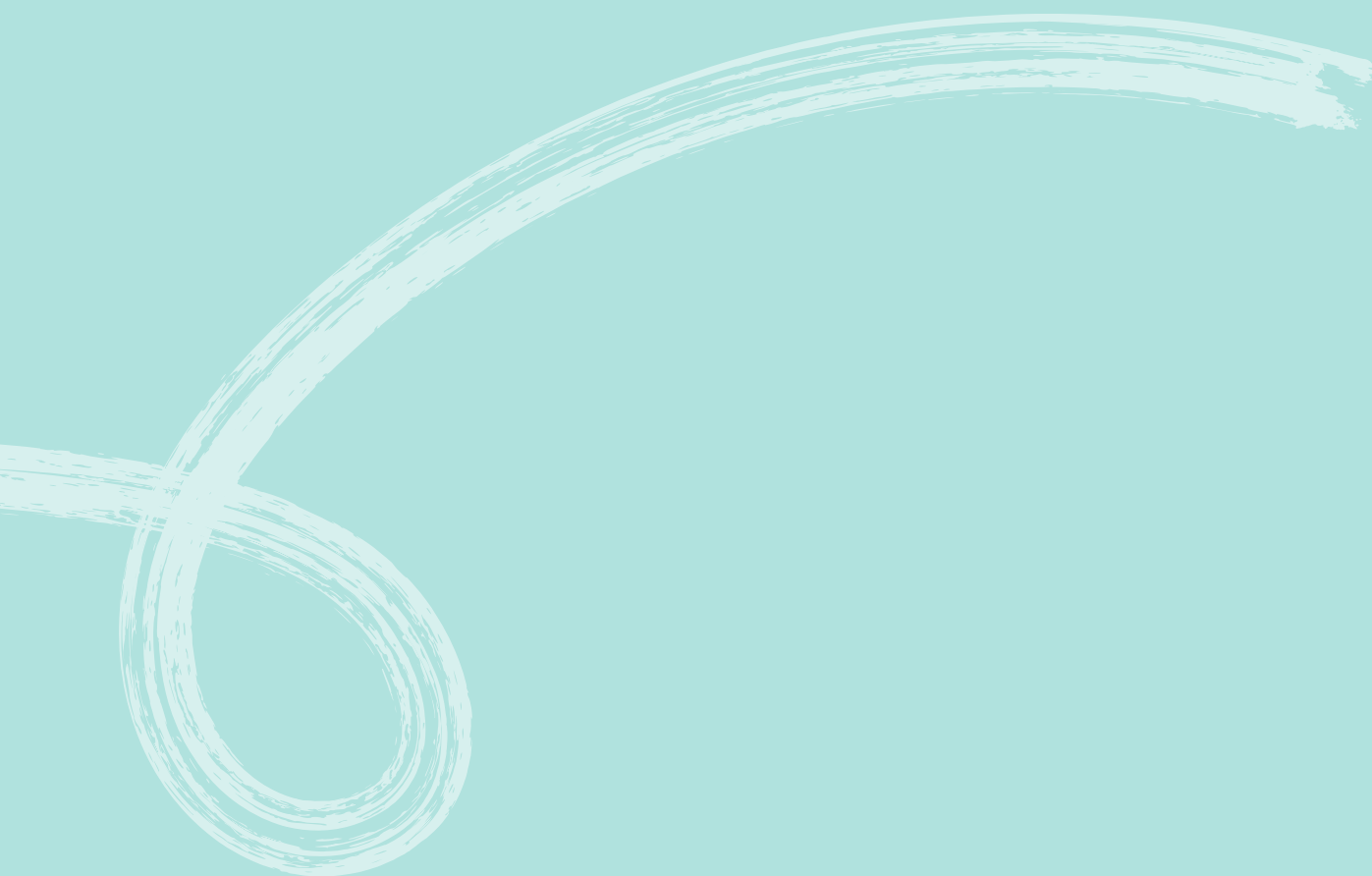
Oak recognises its obligations under the Health and Safety at Work Act of 1974, which imposes a statutory duty on employers to ensure, in so far as is reasonably practicable, the health and safety of their employees whilst at work. Oak is committed to providing a healthy and safe working environment for all its employees and it has a Health and Safety Policy in place to support this.

The report was approved by the Board and signed for and on behalf of the Board by:



Matthew Hood
Chief Executive and Accounting Officer
14 December 2023

Directors' report



Directors' report

Principal activities of the company over the course of the period

Oak National Academy was incorporated on 15 June 2022 as a company limited by guarantee, and came into effect as an NDPB on 1 September 2022. Oak National Academy Limited acquired the relevant trade, assets and liabilities from the Reach Foundation. It is registered in England and Wales, and it is an independent public body.

We work in partnership to improve pupil outcomes and close the disadvantage gap by supporting teachers to teach, and enabling pupils to access, a high-quality curriculum.

The Directors of Oak National Academy

The 2022-23 Directors and Board members of Oak National Academy are:

Directors of the Board	Appointment to the Board	Resignation from the Board
Non-executive Directors		
Ian Bauckham (Chair)	23 August 2022	n/a
Louise Kirby	1 September 2022	31 August 2023
Cassandra Buchanan	23 August 2022	n/a
Ramender Crompton	23 August 2022	13 October 2023
Henry de Zoete	1 September 2022	n/a
Sean Harford	23 August 2022	n/a
Executive Directors		
Matthew Hood (Chief Executive)	1 September 2022	n/a
Emma Beatty (Director of Operations)	1 September 2022	n/a
Jenny Oldroyd (Foundation Director)	15 June 2022	27 September 2022

The non-executive Board members have fixed term contracts until 30 November 2023. The permanent Board will be in place by the end of 2023.

Business review

A review of Oak's performance is included in the Strategic Report along with details of the KPIs that applied from 1 September 2022 to 31 March 2023.

Future developments of the business

This information is included in the Chief Executive's 'perspective on performance' section of the Strategic Report.

Directors' conflicts

The Companies Act 2006 provides that Directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with a

company's interests. Any interests must be brought to the attention of the Board and then dealt with in accordance with the Board's conflict of interest policy. A register of Directors' Interests is maintained and made available for inspection at all Board meetings where Board decisions are made.

Directors' indemnity

The Department, rather than Oak, provides the Non-executive Directors and Executive Directors with third-party liability cover (subject to terms and conditions) through the Non-executive Directors' letters of appointment.

Directors' remuneration

The Directors' remuneration is shown in the Remuneration and Staff Report.

Political and charitable donations

No political or charitable donations were made during the period ended 31 March 2023.

Financial risk, market risk, liquidity risk and cash flow risk

There was no significant credit risk or market risk to Oak during the 2022-23 financial period. Cash was provided by the Department for Education to meet Oak's needs so there were no cash flow risks in the financial period.

Principal risks facing Oak National Academy

These are described in the Governance Statement.

Share capital and dividends

Oak National Academy Limited is a private company limited by guarantee without share capital. Therefore no dividends are applicable and none have been paid in this period.

Persons with significant control

The Secretary of State for Education is the only person with significant control, owning 75% or more of the voting rights and holding the right to appoint and remove Directors.

Governance, internal controls and risk management

The Board accepts and acknowledges that it is both accountable and responsible for ensuring that the company has in place appropriate and effective systems, procedures, policies and processes for internal controls.

The Board believes that there have been appropriate internal controls and risk management in place throughout the period to 31 March 2023. A full report on governance and risk management can be found in the Governance Statement.

Equality and diversity

Oak is committed to the principle of equal opportunities in employment and is opposed to any form of less favourable treatment or financial reward through direct or indirect discrimination, harassment or victimisation of employees or job applicants on the grounds

of race, religious beliefs, political opinions, colour, ethnic origin, nationality, marital or parental status, gender, age, sexual orientation or disability.

Oak is committed to the promotion and implementation of a culture of diversity, both internally and externally, and expects its employees to accept the duty it imposes upon itself not to discriminate, either in employment practices or in the provision of facilities and services, by reference to race, colour, ethnic or national origin, religion, creed, gender, sexual orientation, disability, appearance, age or marital status.

Social and community issues

These are described in the Strategic Report, Corporate and Social Responsibility section.

Pension

All employees have access to a pension scheme, which is described in the Remuneration and Staff Report.

Financial commentary

All Oak's expenditure was funded by the Department of Education through grant-in-aid. This amount is currently shown as the balance in the Statement of Changes in Taxpayers' Equity. The Department does not provide cash to Oak to cover outstanding liabilities; however, the Department will provide cash to cover these when they are paid.

In the period to 31 March 2023 Oak was given a budget of £6,678,000 to cover its costs. The Department also funded the purchase of assets through a grant made to the Reach Foundation of £749,000. The assets were then transferred from the Reach Foundation to Oak National Academy Ltd when Oak was established as an ALB.

In 2023-24 Oak will continue to receive all funding from grant-in-aid provided by the Department.

Relationships essential to the business of the company

Oak National Academy's operating model uses a range of shared services provided by the Department: financial accounting, financial management, payments and treasury management. Oak has an ongoing relationship with other teams across the Department, including the sponsorship, commercial, communications, human resources and digital. As well as the Department, Oak National Academy has a relationship with the Government Internal Audit Agency (GIAA) to seek advice and keep up to date with government guidance.

Auditor and remuneration paid to auditor

Oak has appointed the Comptroller and Auditor General as its external auditor. The National Audit Office (NAO) will carry out the audit for and on behalf of the Comptroller and Auditor General. £63,000 has been accrued in 2022-23 for the audit. No non-audit work was undertaken by the auditors.

Events after the reporting period

There were no events after the reporting period.

Company registration

Oak is a company registered in England and Wales (14174888). Its registered address is 1 Scott Place, 2 Hardman Street, Manchester, M3 3AA.

Going concern

These accounts have been prepared on a going concern basis, which assumes that Oak will continue in operational existence at least until the end of this Spending Review period, up to 31 March 2025.

The Directors have reviewed the forward plans of the Department. Funding from the Department, taking into account the amount required to meet Oak's liabilities falling due in the year, has already been included in the Department's Estimate for the year. Parliament has approved the Estimate and funding has been granted up to 31 March 2025.

On 3 August 2022, the Department for Education's investment Committee approved the full business case for Oak National Academy to be established as an Arm's Length Body. This included the scope and parameters of Oak's activities and its funding settlement until the end of the Spending Review period, up to 31 March 2025.

In addition, the Department has provided Oak with a Stewardship/Ongoing Concern Letter signed on behalf of the Secretary of State. This guarantees that if Oak at any time determines that it will not have sufficient funds to meet its obligations in connection with its business activity, then it will promptly notify the Secretary of State (via the Department's Accounting Officer) of the shortfall and the Secretary of State will make available to Oak, as soon as is reasonably practicable, funds sufficient to enable it to meet such payment obligations in full. Oak will use the funds made available to it by the Secretary of State solely for the discharge when due of such payment obligations. The funds will be provided to Oak in the form of grant-in-aid.

Representatives from the publishing and educational suppliers industries have lodged a claim for Judicial Review against the Department for Education in respect of their decision on the operating model of Oak National Academy and the grant provided to us. We are currently awaiting a date for this claim to be heard. The Department, and Oak (as an interested party), are robustly defending the claim and, in the light of the legal advice received, we remain confident in our position.

The Directors therefore consider that it is appropriate for the accounts to be prepared on a going-concern basis.



Matthew Hood
Chief Executive and Accounting Officer
14 December 2023

Statement of the Directors' and the Accounting Officer's responsibilities



Statement of the Directors' and the Accounting Officer's responsibilities

The Directors and the Accounting Officer are responsible for preparing the annual report and accounts in accordance with the 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 the UK adopted International Accounting Standards. 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 for the period.

In preparing the accounts, Oak is required to comply with the requirements of the Companies Act 2006 and the government's Financial Reporting Manual (FRM), as long as it does not contradict the Companies Act, and in particular to:

- 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
- make an assessment of the company's ability to continue as a going concern

The Directors and Accounting Officer 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.

The Permanent Secretary and Principal Accounting Officer for the Department designated Matthew Hood as Accounting Officer of Oak in September 2022. The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Oak's assets as set out in 'Managing Public Money' published by HM Treasury.

Each of the current Directors and the Accounting Officer confirms that:

- they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable
- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of its risks and uncertainties

In addition, having taken all the matters considered by the Board and brought to the attention of the Board during the period into account, the Directors and Accounting Officer are satisfied that the annual report and accounts, taken as a whole, are fair, balanced and understandable.

Directors' declaration

The Directors who held office at the date of approval of this Directors' Report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information. The confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The report was approved by the Board and signed for and on behalf of the Board by:



Matthew Hood
Chief Executive and Accounting Officer
14 December 2023

Governance statement



Governance statement

The purpose of the Governance Statement

The statement explains how the Chief Executive and Directors of Oak have put in place arrangements for good corporate governance and reviews of the effectiveness of these arrangements to ensure compliance with HM Treasury's 'Corporate governance in central government departments: code of good practice', where relevant to Oak.

Scope of responsibility

Oak is an NDPB established to assist the Department in implementing its policies and achieving its aims and objectives in relation to advancing education, training, learning and development of children, young people and learners (and those supporting them) for the public benefit in the UK. In particular Oak aims to improve pupil outcomes and close the disadvantage gap by supporting teachers to teach, and enabling pupils to access, a high-quality curriculum whilst also reducing teacher workload. This is further explained in the Strategic Report.

The organisation's governance framework

As sole member, the Secretary of State resolved to adopt the Articles of Association on 31 August 2022. These were subsequently approved by the Oak Board on 1 November 2022.

Oak's other governance documents of relevance to the current period consist of:

1. The Framework Document dated September 2022 which specifies the broad corporate framework within which Oak must operate. It sets out the roles and responsibilities of the Board, Chair and the Accounting Officer as well as Oak's objectives. This document is underpinned by HMT's Managing Public Money and other government-wide corporate governance requirements and recommendations.
2. The annual Chair's letter dated 4 October 2022 which is referenced in the Framework Document. This sets out Oak's detailed objectives, its funding for this financial period and KPIs against which it will be judged.
3. The letter dated 8 November 2022 from the Department's Accounting Officer appointing the Chief Executive as Accounting Officer.
4. The Spend Controls document dated September 2022, which outlines the delegated spend limits for Oak National Academy.

The Interim Board and committees

As of 1 April 2023, the interim Board consisted of the Chair, five other Non-executive Directors, the Chief Executive and one additional Executive Director. The Shareholder's Observer is invited to attend the Board meeting and receives all the relevant papers, but is not a member. The Board met three times between 1 September 2022 and 31 March 2023 and each member, as well as the Shareholder's Observer, was provided in advance with all the relevant information relating to the matters to be discussed.

Function

The Board is responsible for establishing and taking forward the strategic aims and objectives of Oak, in-line with its overall strategic direction and within the policy and resources framework determined by the Secretary of State. It provides leadership, strategic direction and specialist expertise as well as independent scrutiny to ensure that effective arrangements are in place for assurance on risk management, governance and internal controls. It provides independent perspective and assurance on capability, and independent support, guidance and challenge on the progress and implementation of the business plan. It scrutinises the performance of the organisation in meeting agreed goals and objectives and monitors the reporting of performance, including financial targets.

Directors of the Board	Type	Board meetings attended
Ian Bauckham	Chair (non-executive)	3 out of 3
Emma Beatty	Executive Director	3 out of 3
Cassandra Buchanan	Non-executive Director	3 out of 3
Ramender Crompton	Non-executive Director	2 out of 3
Henry de Zoete	Non-executive Director	3 out of 3
Sean Harford	Non-executive Director	3 out of 3
Matthew Hood	Chief Executive	3 out of 3
Louise Kirby	Non-executive Director	3 out of 3

The Board's annual review of its own processes and practices

Oak's Interim Board was established in September 2022. The permanent Board is expected to be in place by the end of 2023. The first formal evaluation of the permanent Board will take place in Spring 2024.

Highlights of the Board and committee reports

During 2022-23, the Board took forward the strategic aims and objectives of Oak whilst ensuring effective arrangements remain in place to provide assurance on risk management and governance. It also provided comments and advice in respect of Oak's Corporate Plan.

The work of the Board is supported by four Board committees:

Finance, Audit and Risk Committee (FARC)

Function

- Support and challenge the Accounting Officer to use resources to deliver Oak's strategy whilst safeguarding public funds in line with Managing Public Money.
- Ensure compliance with spend controls in line with the Department's policy and approve, within limits agreed by the Board, expenditure of a significant nature on new initiatives.
- Support, challenge and approve the organisation's finance (including financial planning, budget setting, long-term sustainability and securing value for money), audit, business continuity, procurement and risk management controls, policies and processes.

- Support and challenge Oak on all major risks and issues.
- Monitor the integrity of the financial statements of the company and any formal announcements relating to Oak’s financial performance, reviewing significant financial reporting judgements contained within them.
- Review and monitor the external auditor’s independence and objectivity, and the effectiveness of the audit process taking into consideration relevant UK professional and regulatory requirements.
- Review recommendations from internal and external audit and input into Oak’s plans to act on them.
- Report to the Board on how it has discharged its responsibilities and any action or improvement that is needed.

The FARC’s Terms of Reference were adopted by the Board on 1 November 2022, and will be reviewed annually. During 2022-23 the FARC met twice. The membership and their attendance is listed below:

Members	Type	Committee meetings attended
Louise Kirby	Chair (Non-executive Director)	2 out of 2
Emma Beatty	Executive Director	2 out of 2
Alyson Gerner	Remuneration & HR Committee member	2 out of 2

Other attendees by invitation, but not members, were representatives from the Oak National Academy team, internal and external audit agencies and the Department for Education.

Remuneration and HR Committee

Function

- Support, challenge and approve the organisation’s HR policies including its approach to pay and reward (including pensions, cost of living, any other terms and conditions, learning and development and diversity).
- Ensure all decisions are in line with relevant agreements and policies (including those from DfE, Cabinet Office and HM Treasury) including the pay framework and agreed staffing structure.
- Support and challenge Oak on all major HR risks and issues.
- Review and report back to the Board on the annual gender pay gap report.
- Report to the Board on how it has discharged its responsibilities and any action or improvement that is needed.

The Remuneration and HR Committee Terms of Reference were adopted by the Board on 1 November 2022 and will be reviewed annually. During 2022-23 the Remuneration and HR Committee met twice. The membership and their attendance is listed below:

Members	Type	Committee meetings attended
Ian Bauckham	Chair (Non-executive Director)	2 out of 2
Emma Beatty	Executive Director	2 out of 2
Alyson Gerner	Remuneration & HR Committee member	2 out of 2

Other attendees by invitation, but not members, were representatives from the Oak National Academy team and the Department for Education.

Curriculum Committee

Function

- Support and challenge Oak on its curriculum standards, taking into account the views of subject expert groups, relevant education research, user research and the policy framework in which Oak operates.
- Support and challenge Oak on the education aspects of its procurement processes.
- Ratify the decision to launch procurement of full curriculum packages and ratify final procurement decisions related to the creation of full curriculum packages.
- Report to the Board on how it has discharged its responsibilities and any action or improvement that is needed.

The Curriculum Committee Terms of Reference were adopted by the Board on 1 November 2022, and will be reviewed annually. During 2022-23 the Curriculum Committee met twice. The membership and their attendance is listed below:

Members	Type	Committee meetings attended
Ian Bauckham	Chair (Non-executive Director)	2 out of 2
Cassandra Buchanan	Executive Director	2 out of 2
Sean Harford	Non-executive Director	2 out of 2

Other attendees by invitation, but not members, were representatives from the Oak National Academy team.

Product Committee

Function

- Support the development of the product strategy.
- Ensure Oak's product development focuses on meeting user needs, including for curriculum and resource creators, and is based on education research, user research and the policy framework in which Oak operates.
- Ensure Oak's product development is supporting the creation and continuous improvement of high-quality full curriculum packages.
- Support and challenge Oak to continuously improve working to agile principles.

- Support and challenge Oak on management of all major product risks and issues.
- Ensure Oak is working to the Government Digital Standards and is providing a secure and stable platform to deliver Oak’s digital products to users.
- Report to the Board on how it has discharged its responsibilities and any action or improvement that is needed.

The Product Committee Terms of Reference were adopted by the Board on 1 November 2022, and will be reviewed annually. During 2022-23 the Product Committee met twice. The membership and their attendance is listed below:

Members	Type	Committee meetings attended
Henry de Zoete	Chair (Non-executive Director)	2 out of 2
Ramender Crompton	Non-executive Director	2 out of 2

Other attendees by invitation, but not members, were representatives from the Oak National Academy team.

Functional standards

The Cabinet Office publishes a suite of functional standards setting expectations for the consistent management of functions across government. For Arm’s Length Bodies such as Oak National Academy, the guidance notes that the application of the standards should be proportional to the scale and complexity of the work. We are working towards using relevant government functional standards to support delivery against our strategy.

Risk management

Key issues and risks facing the entity

Oak maintains a risk register which details the risks the organisation faces. These risks are categorised as strategic and operational risks, which then fall into the following categories:

Risk category	Details
Financial controls	Risks that arise from a failure to manage finance in accordance with financial regulation, legislation and standards and financial constraints including the prevention of financial fraud.
Reputational	Risks arising from adverse events, including ethical violations, lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damage to reputation and/or destruction of trust and relations, including the perception of Oak and its activities by partners, stakeholders and the general public.
Investment	Risks that arise from deliberate investment decisions in product development and their associated return on investment.
Delivery	Risks arising from the breakdown of our production or our programme management processes. This might be a delayed/failed product release, a quality issue in our product or declined usage of our product.
Regulatory	Risks arising from a breach of laws, regulations, and/or codes of practice, or changes in regulation and/or law which might adversely impact Oak's business, including a claim being made or some other legal event occurring which results in a liability or other loss or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, IP).
Procurement and Contract Management	Risk arising from weakness in the management of commercial transactions, partnerships and contractual requirements, resulting in failure to meet business requirements and achieve value for money and/or our commitments in respect of equality and diversity.
Political and economic	The risks that changes in the political environment might impact the achievement of business objectives or the approval of a business case for Oak's continued existence.
Information	The risks arising from a failure to produce robust, suitable and appropriate data and information management processes, including in respect of data protection/GDPR, identity fraud, data quality, AI, retention of records and cyber security.
Technology	Risks arising from technology and IT systems not delivering the expected service due to inadequate or deficient system and/or process development, performance and/or inadequate resilience.
People	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviour, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies, including our commitments to equality and diversity, resulting in negative impact on performance, loss of talent and failure to recruit.

Within these broad categories, there are a number of risks which are unique to Oak, which it monitors and manages effective mitigations for. These risks result from the nature of its objectives and exposure to external threats.

Risk monitoring and escalation

Oak has a risk management plan in place to ensure risks are identified, assessed and managed appropriately. The effectiveness of this plan is reviewed at each FARC meeting and has been audited by our internal auditors GIAA.

A risk register is managed by the Operations Director and the Corporate Compliance Manager. Risks are updated monthly by risk owners and the register is reviewed by the:

- Senior Leadership Team and other risk owners at least each month and prior to all Board and FARC meetings
- Board and FARC at each of their meetings

The Board and FARC have risk management as a focus and scrutinise risks, mitigations and contingencies to ensure Oak is effectively managing the risks. In addition, the FARC conducts a deep dive into one of the risks identified on the risk register at each meeting.

Oak's system of governance, internal controls and risk management aims to manage risk at an appropriate level (in accordance with its risk appetite) rather than eliminate all risk of failure to achieve its aims and objectives. Therefore, it can only provide reasonable and not absolute assurances of the effectiveness of these measures. The system of internal controls is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of Oak's aims and objectives
- evaluate the likelihood of those risks being realised and the impact should they be realised
- take reasonable steps to manage them efficiently, effectively and economically

Sources of assurance

The appointment of the GIAA to provide Oak with internal audit services was agreed by the FARC on 7 October 2022. GIAA focuses on risk and prepares a risk-based audit plan.

GIAA has carried out three audits since their appointment, which focussed on Oak's system of governance, its strategy and its approach to risk management. The overall opinion was Moderate, indicating that some improvements were required to enhance the adequacy and effectiveness of the framework of governance, risk management and control (of the recommendations made four were medium and six were low). Oak has accepted this assessment and has either implemented or is working to implement the suggested improvements.

GIAA's Head of Internal Audit has provided Oak with his annual report, which incorporates his opinion on Oak's framework of governance, risk management and control. His opinion has been informed by the internal audit work completed, in line with the internal audit plan agreed. The overall opinion rating given was Moderate.

Countering fraud, error and debt

In the period to 31 March 2023, no fraud was detected in relation to Oak's transactions.

Whistleblowing arrangements

The Board is responsible for reviewing Oak's whistleblowing arrangements, which are set out clearly in Oak's whistleblowing policy, which all colleagues are required to follow. In the period to 31 March 2023, there were no whistleblowing cases.

Knowledge, information assurance and protective security

Oak has established and implemented information asset and security processes which are consistent with Department requirements and has established its own Data Protection and Acceptable Use of IT Equipment Policies. It has also taken significant steps to ensure compliance with the UK General Data Protection Regulation (GDPR) and provides regular training to employees on data protection, including Freedom of Information requests, and information security to employees. It has appointed a Data Protection Officer and ensures that any contracts it enters into are GDPR compliant.

Report on personal information breaches

All NDPBs are required to report personal data-related incidents that have occurred during the financial year in accordance with the standard disclosure format issued by the Cabinet Office.

The Cabinet Office defines a 'personal data-related incident' as a loss, unauthorised disclosure or insecure disposal of protected personal data. 'Protected personal data' is data that a department, or its delivery partner, agrees the release or loss of could cause harm or distress to individuals:

- information that links one or more identifiable living person with information about them, the release of which would put the person or persons at significant risk of harm or distress
- any source of information about 1,000 or more identifiable individuals, other than information sourced from the public domain

Oak had no protected personal data-related incidents that it judged significant enough to report formally to the Information Commissioner's Office in 2022-23 and it had no protected personal data related incidents reported in 2022-23 that were significant enough for the Department to record centrally.

Conclusion

In the period to 31 March 2023, Oak has developed an effective system of governance, risk management and internal control. While Oak experienced challenges with the financial system during the period, Oak was able to reconcile and post all transactions at period end and minimise the impact of the issue.

The report was approved by the Board and signed for and on behalf of the Board by:



Matthew Hood
Chief Executive and Accounting Officer
14 December 2023

Remuneration and staff report



Remuneration and staff report

Chief Executive and Board members' remuneration policy

The Chief Executive and all employees are paid in accordance with the Oak Pay, Progression and Reward Framework and agreed with HM Treasury that sets out the pay ranges and benefits for all employees.

The CEO and the Operations Director are employed on a permanent basis with three months notice on both sides.

The Board Chair and Non-executive Directors that remain in post and are covered by this report hold interim appointments with possibility of extension as follows:

	Start Date	End Date
Sir Ian Bauckham Non-executive Director (Chair)	29/08/2022	31/12/2023
Cassie Buchanan Non-executive Director	29/08/2022	31/12/2023
Ramender Crompton Non-executive Director	29/08/2022	13/10/2023
Sean Harford Non-executive Director	29/08/2022	31/12/2023
Louise Kirby Non-executive Director	01/09/2022	31/08/2023
Henry de Zoete Non-executive Director	01/09/2022	31/12/2023

The permanent Board positions are due to be confirmed by the end of 2023 and are anticipated to perform a term of three years.

Remuneration (salary, fees, performance related pay (PRP) and pensions) of Directors of Oak National Academy (subject to audit)

2022-23				
Director	Salary*	PRP Payments	Pension Benefits	Total
	£000	£000	£000	£000
Matthew Hood from 1 September 2022 to 31 March 2023 (annualised value)	70-75 (125-130)	1-5	8	80-90
Emma Beatty from 1 September 2022 to 31 March 2023 (annualised value)	55-60 (90-95)	1-5	6	60-70
Sir Ian Bauckham	1-5	0	0	1-5
Cassie Buchanan	1-5	0	0	1-5
Ramender Crompton	1-5	0	0	1-5
Sean Harford	1-5	0	0	1-5
Louise Kirby	0	0	0	0
Henry de Zoete	1-5	0	0	1-5
Jenny Oldroyd	0	0	0	0

Salary includes gross salary, recruitment and retention allowance and any other allowance to the extent that it is subject to UK taxation. This report is based on accruals posted at period end and accrued payments made by Oak between September 2022 – March 2023 and thus recorded in the accounts.

The Non-executive Directors are not part of Oak National Academy's pension scheme and do not receive payments under the Oak pay, progression and reward scheme.

Fair pay disclosure (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

This is based on annualised, full-time equivalent remuneration as at the reporting period date.

The fair pay disclosure for Oak are as follows:

	Remuneration	Salary component
	2022-23	2022-23
Band of highest-paid director's remuneration	£125,000 - £130,000	£120,000 - £125,000
25th percentile	£48,723	£47,765
Median	£64,206	£62,943
75th percentile	£78,213	£78,213
Range of employees remuneration	£27,000 - £130,000	£27,000 - £125,000
Remuneration ratio from the mid-point of the band of the highest-paid director to the 25th percentile	2.6	
Remuneration ratio from the mid-point of the band of the highest-paid director to the median	2.0	
Remuneration ratio from the mid-point of the band of the highest-paid director to the 75th percentile	1.6	

The banded remuneration of the highest-paid director in Oak in 2022-23 was £125,000-130,000. This was 2.0 times the median remuneration of the workforce, which was £64,206. In 2022-23, no employees received remuneration in excess of the highest-paid director. Total remuneration includes salary and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Employee turnover

	2022-23
Employee turnover (all)	22%
Employee turnover (not including fixed term appointments)	10%

Pension benefits (subject to audit)

	Employer contribution to pension account
Matthew Hood	8
Emma Beatty	6

Matthew Hood and Emma Beatty are members of the defined contribution pension scheme, therefore they will benefit from employer contributions made by Oak National Academy.

Average staff numbers and staff costs (subject to audit)

The details of all employee's costs are included in the Financial Statements.

Category of employees	Average headcount in the period to 31 March 2023	Headcount as of 31 March 2023
Permanent	41	49
Temporary - fixed term	3	2
Contractors/Agency	6	7
Secondees	1	1
Total	51	59

Contingent labour

Contingent labour is used in Oak to engage specialist contractors and other individuals to cover short-term requirements such as peaks in workload, short-term projects, or until a permanent vacancy can be filled.

Performance related pay

In June 2023 we agreed and communicated to the current Oak employees that we were able to reward colleagues who contributed to the successful delivery of our objectives in the financial period 2022-23 as measured by the KPIs process.

A modest annual 'bonus' was calculated and provided. This bonus was pro-rated to 7/12 months to allow Oak to harmonise its future non-consolidated pay to its financial year end.

Sickness absence

During the period, Oak sickness absence equated to the equivalent of two days per employee.

Compensation payments to past Directors and payments for loss of office (subject to audit)

No compensation payments or payments for loss of office have been made to past Directors of Oak.

People management

Oak employees are classified as public servants and are employed on terms and conditions agreed by HMT. Recruitment of employees is within the parameters provided in the Pay Framework and Framework Document. At the end of March 2023, Oak's employee headcount figures, for permanent and temporary employees with an employment contract (including one person who is seconded to Oak but on permanent contract with the Department), were as follows:

Title	Female	Male	Total
Chief Executive	0	1	1
Director	1	3	4
Head of	10	3	13
Principal/Lead	5	6	11
Manager	20	9	29
Officer	4	5	9
Co-ordinator	0	0	0
Apprentice	0	0	0
Total	40	27	67

Off-payroll engagements

In the period to 31 March 2023, there were no off-payroll engagements of Board members, and/or senior officials with significant financial responsibility.

As at 31 March 2023, there were no off-payroll arrangements for more than £245 per day and that lasted longer than six months.

Between 1 September 2022 and 31 March 2023, there were no new off-payroll engagements or those that reached six months in duration for more than £245 per day that lasted for longer than six months.

Staff exit packages (subject to audit)

There were no employee exit packages in 2022-23.

Pension schemes

Oak offers a workplace pensions scheme in the United Kingdom for its employees. Employee contributions are optional. The employer provides a contribution of 11% of basic pay. For 2022-23, Oak made employer's contributions of £158,000.

Employee relations and communications

Employee wellbeing, engagement and satisfaction is closely monitored using weekly pulse surveys. Up to 31 March 2023, employee engagement was consistently around 8.6/10, against an industry benchmark of 7.7/10.

Line managers support colleagues to identify training needs and provide opportunities to increase knowledge and skills. Oak has a dedicated learning and development budget to allow employees to further their expertise.

The report was approved by the Board and signed for and on behalf of the Board by:



Matthew Hood
Chief Executive and Accounting Officer
14 December 2023

Parliamentary accountability report (subject to audit)



Parliamentary accountability report (subject to audit)

Losses

There were no losses in 2022-23.

Special payments, including severance payments

There were no special payments in 2022-23.

Gifts

There were no gifts made in 2022-23.

Fees or charges that required notification to Parliament

There were no fees or charges in 2022-23 that required notification to Parliament.

Independent Auditor's report to the Members of Oak National Academy Limited



Independent Auditor's report to the Members of Oak National Academy Limited

Opinion on financial statements

I have audited the financial statements of Oak National Academy Limited for the period ended 31 March 2023.

The financial statements comprise Oak National Academy's:

- Statements of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the period then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of Oak National Academy's affairs as at 31 March 2023 and its net expenditure for the period then ended; and
- have been properly prepared in accordance with the UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

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 Oak National Academy 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 Oak National Academy'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 Oak National Academy'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 Strategic Report and Directors' 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 and Staff Report 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Oak National Academy and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic or 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 and Staff Report 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;
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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 [audited entity] from whom the auditor determines it necessary to obtain audit evidence;
- preparing 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 and Staff Report, in accordance with the Companies Act 2006; and
- assessing Oak National Academy'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 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 Oak National Academy's accounting policies, key performance indicators and performance incentives.
- inquired of management, Oak National Academy's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Oak National Academy'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 the Oak National Academy's controls relating to Oak National Academy's compliance with the Companies Act 2006, Managing Public Money and Cabinet Office Controls
- inquired of management, Oak National Academy's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations
 - 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 the Oak National Academy for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, bias in management estimates and recognition of intangible assets. 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 Oak National Academy's framework of authority and other legal and regulatory frameworks in which Oak National Academy 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 the Oak National Academy. The key laws and regulations I considered in this context included Companies Act 2006, Managing Public Money, Cabinet Office Controls, employment law, pensions legislation 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 Finance Audit and Risk Committee and 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; and
- 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.

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 am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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.



Peter Morland (Senior Statutory Auditor)

14 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



Financial statements

Statement of Comprehensive Net Expenditure (SoCNE) for the 10-month period ended 31 March 2023

	Note	2022-23
	-	£000
Staff costs	2	2,007
Expenditure	3	1,074
Total operating expenditure	-	3,081
Net expenditure for the period	-	3,081
Other comprehensive expenditure	-	-
Total other comprehensive expenditure	-	-
Comprehensive net expenditure for the period	-	3,081

All income and expenditure reported in the Statement of Comprehensive Net Expenditure are derived from continuing operations.

The notes on pages 53 - 62 form part of these accounts.

Statement of Financial Position (SOFP) as at 31 March 2023

	Note	2022-23
	-	£000
Non-current assets		
Property, plant and equipment	4	32
Intangible assets	5	762
Total non-current assets	-	794
Current assets		
Prepayments	6	49
Cash and cash equivalents	7	132
Total current assets	-	181
Total assets	-	975
Current liabilities		
Payables	8	(540)
Total current liabilities	-	(540)
Total assets less current liabilities	-	435
Assets less liabilities	-	435
Taxpayers' equity		
General fund	-	435
Total taxpayers' equity	-	435

The notes on pages 53 - 62 form part of these accounts.

The financial statements were approved for issue by the Board of Directors on 14 December 2023.



Matthew Hood
Chief Executive and Accounting Officer
14 December 2023

Statement of Cash Flows for the 10-month period ended 31 March 2023

	Note	2022-23
	-	£000
Cash flows from operating activities		
Net operating costs	SoCNE	(3,081)
Adjustments for non-cash transactions	-	188
Increase in receivables	6	(49)
Increase in payables	8	540
Net cash outflow from operating activities	-	(2,402)
Cash flows from investing activities		
Purchase of PPE	4	(33)
Building of intangible assets	5	(200)
Net cash outflow from investing activities	-	(233)
Cash flow from financing activities		
Grant-in-aid from sponsor department	SoCTE	2,767
Net cash inflow from financing activities	-	2,767
Net increase in cash and cash equivalents	-	132
Cash and cash equivalents at beginning of the period	-	-
Cash and cash equivalents at end of the period	-	132

The notes on pages 53 - 62 form part of these accounts.

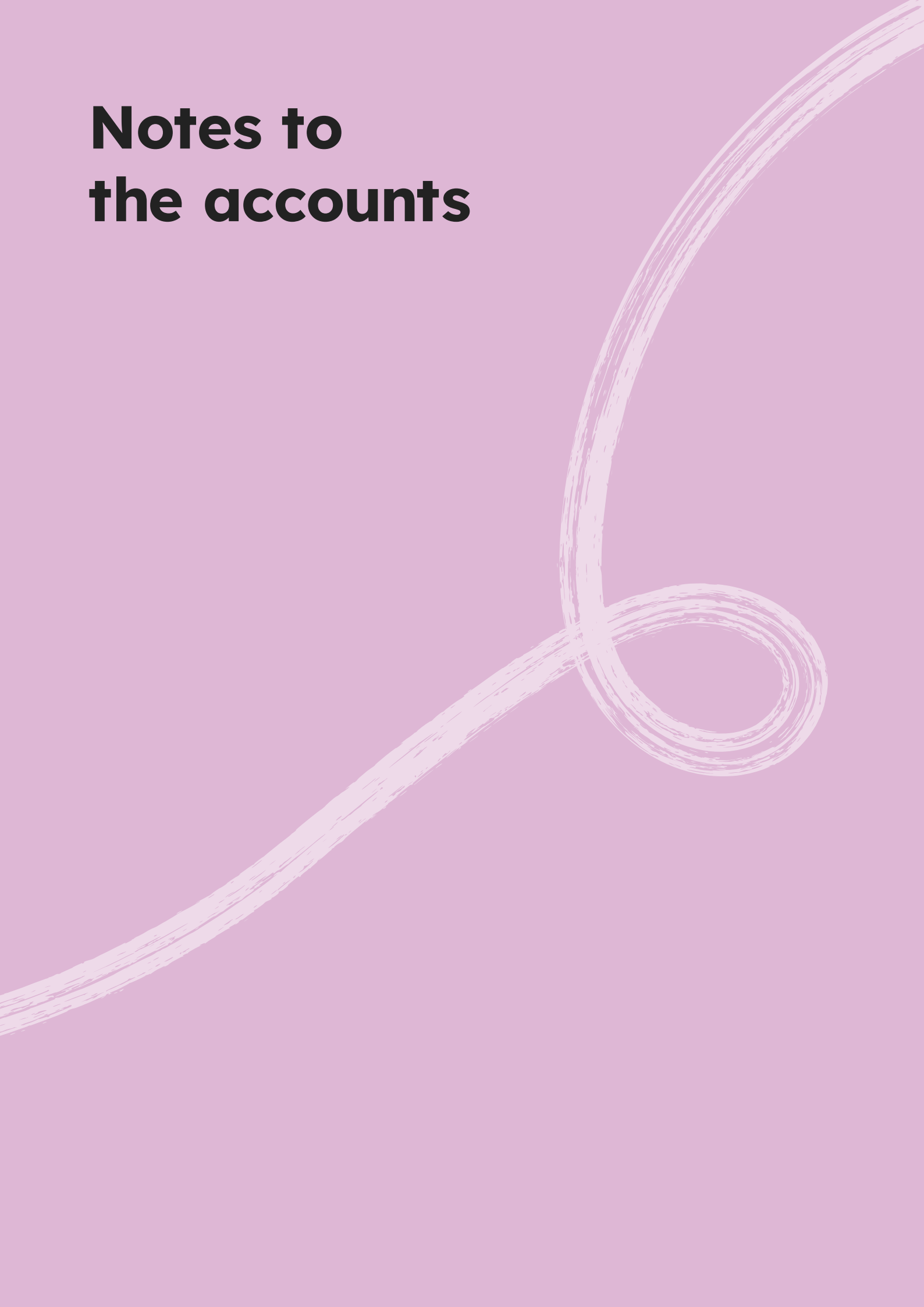
Statement of Changes in Taxpayers' Equity for the 10-month period ended 31 March 2023

	Note	General Fund	Total
		£000	£000
Balance at 1 September 2022	-	-	-
Grant-in-aid from sponsor department	-	2,767	2,767
Transfer of assets	-	749	749
Comprehensive expenditure for the period	SoCNE	(3,081)	(3,081)
Balance at 31 March 2023	-	435	435

The General Fund represents total assets less liabilities.

The notes on pages 53 - 62 form part of these accounts.

Notes to the accounts



Notes to the accounts

Note 1 - Accounting Policies

1.1 Statement of accounting policies and compliance

Oak National Academy (Oak) is a limited liability company incorporated in England. The registered office is 1 Scott Place, 2 Hardman Street, Manchester, M3 3AA.

Oak has prepared these accounts for the period since incorporation to 31 March 2023 in accordance with the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector and the government Financial Reporting Manual (FReM) issued by HMT where this does not conflict with the Companies Act 2006.

Where FReM and IFRS permit a choice of accounting policy, Oak has selected the accounting policy most appropriate to the particular circumstances of Oak to give a true and fair view. Oak has applied these policies consistently in dealing with items considered material in relation to the accounts and has produced the accounts using accruals accounting.

The figures are rounded to the nearest £000 and all figures are presented in pound sterling.

1.2 Going concern

These accounts have been prepared on a going-concern basis, which assumes that the company will continue operational existence for the foreseeable future. On 3 August 2022, the Department for Education's Investment Committee approved the Full Business Case (FBC) for Oak National Academy to be established as an Arm's Length Body. This included the scope and parameters of activities and its funding settlement until the end of the Spending Review period, up to 31 March 2025.

In addition, the Department has provided Oak with an Ongoing Concern letter signed on behalf of the Secretary of State. This guarantees that if Oak at any time determines that it will not have available to it sufficient cash or other liquid assets to meet its payment obligations in connection with its business activity, then it will promptly notify the Secretary of State (via the Department's Accounting Officer) of the shortfall and the Secretary of State will make available to Oak, as soon as is reasonably practicable, funds sufficient to enable it to meet such payment obligations in full. Oak will use the funds made available to it by the Secretary of State solely for the discharge when due of such payment obligations. The funds will be provided to Oak in the form of a grant-in-aid.

Representatives from the publishing and educational suppliers industries have lodged a claim for Judicial Review against the Department for Education in respect of their decision on the operating model of Oak National Academy and the grant provided to us. We are currently awaiting a date for this claim to be heard. The Department, and Oak (as an interested party), are robustly defending the claim and, in the light of the legal advice received, we remain confident in our position.

1.3 Critical accounting judgements and key sources of estimation uncertainty

Oak has made judgements in the preparation of these accounts that affect the application of policies and reported amounts of assets, liabilities and expenditure. Oak based these judgements on prior costs and other factors that it believes to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an ongoing basis. Management has specifically made such judgements on:

1.3.1 Accounting for expenditure and amortisation for intangible assets

The accounting for expenditure and amortisation for intangible assets involves judgement over the identification of costs to be capitalised and the amortisation period. Capitalisation of expenditure and amortisation is reviewed as part of regular monthly controls and the year end process in determining the appropriate direct costs to capitalise and amortisation period.

1.3.2 Accounting for accruals

Accruals are posted based on prior costs, contract value where available and other factors that it believes to be reasonable.

1.4 Grant-in-aid from the sponsoring department

Oak has recorded all grant-in-aid by the Department as financing on a cash basis in the period in which payments are made, as Oak regards grant-in-aid as contributions from Oak's controlling party giving rise to a financial interest. Oak records grant-in-aid as financing in the statement of cash flows and credits grant-in-aid to the general fund.

1.5 Financial liabilities

Oak classifies financial liabilities, where appropriate, as financial liabilities measured at amortised cost. Financial liabilities include trade and other payables.

1.6 Trade and other payables

Trade and other payables, including accruals, are generally not interest bearing and Oak states them at their face value on initial recognition.

1.7 Cash and cash equivalents

Cash comprises cash held in Oak's bank account.

In accordance with IAS 7 Statement of Cash Flows, the Company presents balances as cash in the Statement of Financial Position and Statement of Cash Flows.

1.8 Employee benefits

Oak offers staff a defined contribution scheme where Oak contributes 11% of gross salary. Staff costs are recognised as expenditure in the Statement of Comprehensive Net Expenditure.

1.9 Value Added Tax

Oak is not registered for VAT. All expenses are presented inclusive of VAT. VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of PPE and intangible assets.

1.10 Segmental reporting

In accordance with IFRS 8: Operating Segments (IFRS 8), Oak has considered the need to analyse its income and expenditure relating to operating segments. Oak has assessed that all lines of operation fall within the same geographical location and regulatory environment as envisaged by IFRS 8.

1.11 Corporation Tax

Oak did not incur any Corporation Tax in 2022-23 as it made no supply of goods or services, so did not generate any taxable surplus.

1.12 Structure of Oak National Academy

Ultimate parent and parent - the immediate parent undertaking and ultimate controlling party of Oak is the Secretary of State for Education. Oak's annual report and accounts are consolidated into the Department's consolidated annual report and accounts.

1.13 Shared services

Oak's operating model uses a range of shared services provided by the Department: financial accounting, financial management and payments and treasury management.

1.14 Intangible assets

Oak National Academy has three intangible asset classes:

1. Platform development – the platform on which all content is hosted
2. Content creation – all the lessons developed by Oak and its partners
3. Purchased intangible assets – all the lessons purchased and brought over when Oak National Academy became an Arm's Length Body

Recognition

Intangible assets are recognised where the costs can be measured reliably and there is a clear future benefit or service potential attributable from the asset that will flow to Oak National Academy.

Expenditure on purchased intangible assets is measured at cost and capitalised where all the following can be demonstrated in accordance with IAS 38:

- the assets are identifiable
- the assets can be controlled by Oak National Academy
- the future economic benefits of the assets are probable
- the cost of the asset can be measured reliably

The research phase of the internally generated intangible assets took place before Oak became an ALB and so all the costs linked to lesson production and platform development are considered to be in the development phase. Expenditure on internally generated intangible assets are capitalised where all the following can be demonstrated in accordance with IAS 38:

- the project is technically feasible to the point of completion and will result in an intangible asset for use in the provision of services to Oak National Academy customers
- Oak National Academy intends to complete the assets
- Oak National Academy and its customers will use the assets
- the intangible assets will generate probable future economic or service delivery benefits
- adequate financial, technical and other resources are available to Oak National Academy to complete the development of the assets
- Oak National Academy can reliably measure the expense attributable to the asset during development

Only expenditure directly attributable to the cost of developing the platform and lesson production is capitalised. Any other expenditure that cannot be directly attributed to the asset development is taken to the SOCNE as an expense.

Measurement

All intangible assets recognised, have finite useful lives and are measured at cost less accumulated amortisation and impairment losses.

Revaluation and impairment

The assets' net book values are reviewed for impairment and adjusted if needed at the date of each SOFP. Intangible assets are carried at fair value that is determined by reference to an active market where possible. As there is no active market, the amortised historical cost is used as a proxy fair value.

Assets under construction are not amortised but are assessed for impairment annually.

Amortisation

Amortisation is recognised in the SOCNE on a straight-line basis over the useful life of the intangible assets from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate. The expected useful lives for the intangible assets are as follows:

Intangible asset category	Amortisation period
Platform development (internally generated)	5 years
Content creation – generated	2-5 years
Purchased intangible assets	2-5 years

1.15 Property, plant and equipment

All IT equipment expenditure for laptops is capitalised as PPE.

All IT equipment recognised at cost and is depreciated using the straight-line method over a three year period.

Note 2 - Staff costs

	Permanently employed staff and others	Total
	£000	£000
Wages and salaries	1,647	1,647
Social security costs	202	202
Pension costs	158	158
Total	2,007	2,007

Staff costs include permanent staff and secondees from the Department of Education.

Note 3 - Operating expenditure

	2022-23
	£000
Staff-related costs	28
Professional fees and contractors	520
Board costs	1
Office and meeting space costs	15
School Support	91
IT and telecommunications costs	117
Travel, accommodation and subsistence	44
Audit fees*	63
Other expenditure	7
Amortisation	187
Depreciation	1
Total	1,074

*The NAO auditor's remuneration relates to fees payable for the audit of the statutory annual accounts. The NAO fee accrued was £63,000 for 2022-23. The auditors did not provide any non-audit services.

Note 4 - Property, plant and equipment

IT equipment	2022-23
	£000
Cost or Valuation	
At 1 September	-
Additions	33
Reclassifications	-
At 31 March	33
Depreciation	
At 1 September	-
Depreciation charge	(1)
At 31 March	(1)
Carrying value at 31 March	32

Note 5 - Intangible assets

A - Assets under construction

Intangible Assets	Platform Development 2022-23	Content Creation - Generated 2022-23
	£000	£000
Cost or Valuation	-	-
At 1 September	-	-
Additions	186	14
Reclassifications	-	-
At 31 March	186	14
Amortisation	-	-
At 1 September	-	-
Amortisation charge	-	-
At 31 March	-	-
Carrying value at 31 March	186	14

B - Assets in use

Intangible Assets	Purchased Intangible Assets 2022-23
	£000
Cost or Valuation	-
At 1 September	-
Additions	749
Reclassifications	-
At 31 March	749
Amortisation	-
At 1 September	-
Amortisation charge	(187)
At 31 March	(187)
Carrying value at 31 March	562

Amortisation costs are included on the expenditure line for the SoCNE.

Note 6 - Prepayments

	2022-23
	£000
Prepayments	49
Total current prepayments due within one year	49

Note 7 - Cash and cash equivalents

	2022-23
	£000
Balance at 1 September	-
Net change in cash and cash equivalent balances	132
Balance at 31 March	132

The following balances are held at:

Cash at bank and in hand:	-
Government Banking Services	132
Balance at 31 March	132

Note 8 - Current payables

	2022-23
	£000
Trade payables	44
Tax, social security and pensions	42
Accruals	454
Total	540

Note 9 - Related party transactions

Oak is an Arm's Length Body of the Department for Education. The Department is regarded as a related party. During the period Oak had a number of material transactions with the Department:

- all of Oak's grant-in-aid was received from the Department
- Oak provides services to, and receives funding from, the Department pursuant to the terms and conditions set out in the Framework Document
- one employee of the Department is seconded to Oak and costs for salary, pension, employer social security and VAT has been accrued.

Note 10 - Shareholder capital

Share capital

Oak National Academy Limited is a private company limited by guarantee without share capital.

Note 11 - Events after the reporting period

There are no adjustments arising from events that occurred after the year end. These accounts were authorised for issue by Matthew Hood (Accounting Officer) on the date the auditor's report was signed. There have not been any significant post year end events that have required disclosure in the accounts.

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