



# **2023-24**

## **Annual report and accounts**

Published December 2024

Oak National Academy Limited

Company number: 14174888

HC 296

# **Oak National Academy Limited**

## **Annual report and accounts 2023-24 For the year ended 31 March 2024**

**A non-departmental public body of the Department for Education**

Presented to the House of Commons pursuant to section 7 of the Government Resources and Accounts Act 2000.

Ordered by the House of Commons to be printed on 12 December 2024.



**© Oak National Academy Limited copyright 2024**

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated.

To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.uk/official-documents](https://www.gov.uk/official-documents).

Any enquiries regarding this publication should be sent to us at [help@thenational.academy](mailto:help@thenational.academy).

ISBN 978-1-5286-5047-2

E03156049 12/24

Printed on paper containing 40% recycled fibre content minimum

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

---

## Contents

Chair's foreword	6
Chief Executive's statement	8
Strategic report	9
Accountability report	16
Corporate Governance report	17
Directors' report	18
Statement of the Directors' and the Accounting Officer's responsibilities	23
Governance statement	25
Remuneration and staff report	36
Parliamentary accountability report (subject to audit)	45
Independent Auditor's report to the Members of Oak National Academy Limited	47
Financial statements	54
Note to the accounts	59

# **Chair's foreword and Chief Executive's statement**



## Chair's foreword

Oak National Academy Ltd (Oak) remained at the forefront of innovation and continued to deliver for teachers and their pupils throughout the 2023-24 period, further cementing our role as a pivotal resource in the education sector. Originally conceived as a response to the challenges of remote education during the pandemic, Oak has evolved significantly since becoming a non-departmental public body (NDPB) in 2022. Our commitment to supporting teachers remains unwavering as we complete our first full year as an Arm's-Length Body (ALB).

As we move forward into the 2024-2025 period, our mission remains clear: to help close the disadvantage gap and improve pupil outcomes by supporting teachers with high-quality, accessible curricula and teaching (or classroom) resources. Through this work, we seek to reduce teachers' workload, freeing them to spend more time with their pupils and enjoy an improved work-life balance. This also provides schools with a remote education contingency should they need it.

We have maintained focus on our 2022-2025 strategic goals in this period:

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

We achieved significant milestones in the 2023-24 period.

In our first cycle of subjects, which includes English, maths and science, we successfully released teaching resources for around 6,000 lessons before the start of the 2024/25 school year. This achievement – made possible through extensive collaboration with our curriculum partners from across the sector – laid the foundation for expanding into additional subjects such as art and design, computing, and modern foreign languages.

To enhance user experience, we redesigned our teacher and pupil-facing products, ensuring they are equipped to support our growing range of resources.

We are at the cutting edge of innovation in education. Building on our mission to reduce teacher workload, we developed and tested an AI-powered lesson assistant called 'Aila' that enables teachers to create high-quality lesson plans in minutes, helping further reduce their workload. 'Aila' draws from Oak's underlying curriculum, knows the context of the English national curriculum and has codified the structure of an evidence-based lesson, resulting in ready-to-use resources of a much higher quality that we believe will be a game-changer for teachers.

We remained focused and efficient, concluding the year within a 2% variance from our forecasted budget (the government target). Oak delivered excellent value for money and a return on investment. We saved £290m worth of teachers' time, 300% above initial estimates when we were established as an ALB<sup>1</sup>. Fixed overheads for this period are just 12% of operating costs, which compares very favourably to other organisations across the public and private sectors.

These achievements were made possible by the dedication and hard work of our curriculum partners and their teachers, the entire Oak team, and our Chief Executive Matt Hood OBE. We are deeply grateful to all who contributed to the development, adaptation, and continuous improvement of our resources. As we strive to meet the needs of educators and students alike, their feedback and commitment were invaluable. We also continued to benefit from support and expertise from colleagues at the Department for Education (DfE) and across government.

This year also saw the induction of our permanent Board following a DfE-led public appointments process. Our priority remains to ensure that Oak operates efficiently and effectively, meeting all compliance requirements while keeping a laser focus on delivering a high quality service to support teachers and pupils. I would like to express my gratitude to our Board members for their challenge, support, and guidance throughout the year.

Looking ahead, we will remain focused on delivering value to teachers and schools. We will create and release curricula and resources across more subjects, continuously improve our digital products and solidify our role as a leader in educational innovation.



Sir Ian Bauckham CBE  
Chair  
09 December 2024

<sup>1</sup> Impact Evaluation of Oak: 2023/24

## Chief Executive's statement

It has been another milestone year for Oak. We are proud to have made significant and tangible contributions to reduce teacher workload and build expertise by providing free, optional, high-quality, and openly licensed curricula and teaching resources. We've also continued to play our vital role in providing a national remote education contingency when schools are hit by disruption. In doing so, we met our Key Performance Indicators (KPIs) in our first full year as a non-departmental body of the Department for Education.

We released our first set of fully resourced curriculum plans designed for in-class use. This is a major improvement in our support to teachers, which already shows an impressive impact on workload. We've secured expert partners to develop curricula and resources in more subjects, with work now begun on our 'cycle two' subjects of art and design, computing, citizenship, design and technology, modern foreign languages (MFL), PE, relationships and sex education (RSHE), and religious education (RE). Upon completion, we will provide free, openly licensed curricula and resources for all national curriculum subjects in all key stages.

We have been pleased to see the response and impact of our new resources. Our teacher stratification scores are classed as excellent and use by teachers has almost tripled, growing by 180% on the same point last year, with around one in three having recently used Oak<sup>2</sup>. For those teachers who come to us for workload reduction, Oak saves them four hours per week.

This impact has been driven by our agile culture, listening to teachers and constantly iterating and improving our offer. This period saw us deliver significant upgrades to our online products, improving users' experiences and responding to their needs. We've also had significant success in launching the first publicly backed, wide-scale-use generative AI tool – Aila – which showcased our position at the cutting edge of how technology can improve teachers' lives.

Our iterative approach ensures we can meet our ambitious goals whilst delivering value for money for the public purse through our lean team.

Looking ahead, we are working closely with the DfE to agree on our future strategic priorities through the upcoming spending review. We are excited to continue making a meaningful difference in classrooms across the country.



Matthew Hood OBE  
Chief Executive and Accounting Officer  
09 December 2024

<sup>2</sup> Impact Evaluation of Oak: 2023/24

# Strategic report



# Strategic report

## Purpose and scope

This annual report and accounts (ARA) provides an overview of Oak's activities and financial performance for the year ended 31 March 2024. It aims to ensure transparency and accountability to our stakeholders, including government officials, educators, partners, and the general public. This ARA is structured to include detailed performance data, governance reports and financial statements, adhering to relevant regulatory and compliance guidelines such as the HM Treasury's Financial Reporting Manual (FReM) and Companies Act 2006.

## Organisation overview

Oak shares the brilliance of teachers from across the country with their fellow teachers. It aims to ensure the best curriculum thinking, the deepest subject expertise and the smartest learning design is at their fingertips. With access to this wealth of knowledge, teachers can make these resources their own and help their pupils thrive.

## Principle Activity

The principle activity of Oak is, for key stages 1-4, providing free access to thousands of teacher-made, fully-resourced lessons that teachers can adapt and use with pupils. During 2023-24, we developed and released new curriculum plans and teaching resources in English, maths, science, geography, history and music.

For policy and administrative purposes, Oak is classified as a non-departmental public body. Oak is also a company limited by guarantee (with Department for Education as its parent).<sup>3</sup>

## How we are set up

We hire, manage and develop high-calibre individuals in fully remote teams:

**Education:** Responsible for the design, procurement, creation and continuous improvement of curricula, lessons and resources with experts from across the sector.

**School Support:** Responsible for ensuring people know about and understand how to get the most from Oak.

**Operations:** Responsible for our operations, including finance, our people, risk and compliance.

**Engineering:** Responsible for the development and stability of our website and the underlying platform.

**Product:** Responsible for the coordination across directorates and the overall quality, continuous improvement and evaluation of our products.

<sup>3</sup> DfE's registered address is 20 Great Smith St, London SW1P 3BT. Its annual report and accounts are published on <https://www.gov.uk/government/collections/dfе-annual-reports>

## Aims and objectives

For the period September 2022 - April 2025, we have three strategic goals:

- 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.

Our annual plan sets out our main priorities over the 2023-24 financial year to deliver against these aims.

### Goal 1: Contribute to improvements in the curriculum in schools

**Aims for 2023-24:** To release the first set of our new full curriculum packages and begin the procurement process for our second cycle of subjects.

We are developing high-quality, broad curricula across key stages 1-4 by bringing together expertise from teachers, schools, publishers, subject associations and other education organisations. In 2023-24, we began rolling out the first of our new full curriculum packages and ran the procurement process for our second cycle of subjects.

We focused on enhancing our curriculum development process to improve the quality and efficiency of our resources. We worked closely with partners, teachers, and reviewers, providing them with the resources and guidance needed to create comprehensive curriculum packages. By actively seeking and incorporating feedback from a wide range of sources, including expert groups and the broader education community, we have continuously improved the quality of our materials.

We measured our success with the following KPIs:

KPI	Status	Detail
50% of cycle one full curriculum packages released	Achieved	We successfully released over 50% of our first cycle of curriculum packages, working alongside our curriculum partners to exceed our target.
80% of user feedback responded to within two working days	Achieved	With a lean user-facing team, we have continued to respond to feedback from users promptly, achieving this KPI in full.
Cycle one minimum viable product signposting of alternative curriculum sequences in place	N/A	Initial market engagement showed that there was strong interest from sector bodies on the implementation of signposting. This has implications for ongoing legal proceedings (see risks in governance statement) and therefore further work is needed. This KPI was therefore postponed to the next period with prior agreement from our Board and the DfE to allow for more in-depth consultation with the market.
Compliant cycle two procurement of full curriculum packages completed	Achieved	High-quality curriculum partners were sourced in every cycle two subject and phase. These were secured using lean internal procurement processes that comply with government standards.

## Goal 2: More teachers and pupils choose to use our products, more often

**Aims for 2023-24:** Although many teachers are already aware of Oak, we want them to understand our new role and focus on supporting them in the classroom, with an improved offer to reduce workload and improve expertise. We also want to maximise our reach by responding to user feedback and needs by supporting teachers to use our full curriculum packages proactively.

We measured our success with the following KPIs:

KPI	Status	Detail
99.9% uptime on main application platform	Achieved	Our platform remains resilient with an average quarterly uptime of 100% over this period.
Peer review of Oak's new digital products against GDS Service Standards completed	Achieved	The Oak platform was reviewed against the GDS service standards by independent experts from across the government. The team was impressed with the quality of the Oak work and raised no major issues with the implementation standards.
Net Promoter Score (NPS) is at least good (0-30)	Achieved	Our NPS with users remains very strong with a score of 73 ('Excellent') at the end of the period.
75% of teachers in England are aware of Oak	Achieved	Awareness of Oak amongst teachers in England remains very high, with 90% of teachers surveyed by Teacher Tapp reporting an awareness of Oak.
Majority of users successfully migrated to and using Oak's new digital products	Achieved	A priority for the 2023-24 period was rebuilding Oak's platform for both teacher and pupil users to optimise user experience. By the end of the period, over 50% of users were migrated to new digital products.

<sup>4</sup> <https://www.netpromoter.com/know/>

### Goal 3: Become a high-performing, well-respected part of the sector

**Aims for 2023-24:** To continue establishing and maturing our operational systems, ensuring the correct team and processes are in place to run the organisation efficiently and effectively. Focus on establishing Oak as part of the wider sector, forming new partnerships and strengthening our relationships with leading organisations.

Since transitioning to an independent public body, we have made considerable progress setting up systems to run efficiently, with a lean team, and within DfE's frameworks. This year, we were keen to establish and develop our approach to operating efficiently and effectively, alongside establishing Oak as part of the wider sector, forming new partnerships and strengthening our relationships with leading organisations.

We focused on refining our operational systems and processes, ensuring they are effective, proactive, and well-understood across the organisation. We completed our external audit, led by the National Audit Office, and proudly delivered our first annual report and accounts. We hired and inducted new colleagues to strengthen our team, promoting a fair and inclusive learning and development program for all employees. We recruited and inducted Oak's permanent Board, establishing the structures needed for effective governance.

We kept pace with policy developments that impacted our work and furthered our relationships with national and sector representative bodies, sharing insights, data, and research to inform the education sector. Our engagement with the sector and users reinforced our core principles of being free, optional, independent, and adaptable.

We measured our success with the following KPIs:

KPI	Status	Detail
Publish annual independent evaluation	Achieved	Oak published an <a href="#">annual independent evaluation</a> in September 2023 carried out by ImpactEd.
Employer Net Promoter Score (eNPS) is at least good (0-30)	Achieved	We continued to focus on our employee wellbeing in this period, achieving an eNPS score of 72 ('Excellent') at the end of the period.
Complete three full-governance cycles	Achieved	Three full-governance cycles were completed, including the induction and onboarding of our permanent Board following the DfE's public appointments process.
End of year budget within 2% variance from period 6 forecast	Achieved	We ended the period 0.9% over the period 6 forecast which is well within the 2% budget variance.

## Financial performance

At the end of the reporting period, we maintained a strong financial position, with effective use of the grant-in-aid we received and well-managed expenditure completing the year within our agreed financial KPI of  $\pm 2\%$  of our annual budget.

All our expenditure was funded by the DfE through grant-in-aid. This amount is currently shown as the balance in the Statement of Changes in Taxpayers' Equity.

In the year to 31 March 2024, we received a total grant-in-aid of £14.14 million (2022-23: £2.8 million) from the DfE, which provided the necessary resources to support our operations and strategic initiatives.

Our major areas of expenditure included £7.26 million shared with the wider education resources sector through the procurement of our full curriculum packages and £1.84 million invested in our platform and tools for teachers and learners.

In 2024-25, we will continue to receive all funding from grant-in-aid provided by DfE.

## Forward looking

In 2024-25, we will continue to expand our work and we expect to achieve the following:

### **Deliver high-quality full curriculum packages**

- Complete the rollout of cycle one curriculum packages, providing full access to new materials for teachers and pupils.
- Establish expert groups for our second cycle of development.
- Begin to release curricula and resources on a rolling basis for these subjects.

### **Provide a national remote-education backstop**

- Continue development of the platform to provide a robust contingency for remote education should it be needed in the event of local or national disruption.

### **Develop our products to support the development of cycle two resources**

- Transition all remaining users to new products that help us grow our post-pandemic use cases.
- Support complex product requirements for cycle two lesson development.
- Continue to broaden the accessibility of our products and content.

## **Support teachers to use cycle one resources**

- Support teachers' expertise in curriculum and resource design whilst promoting our resources and maximising user growth.
- Use AI to enhance our products to support the reduction of teacher workload and improve the user experience.
- Build awareness and adoption from specific teachers, with a particular focus on areas where there are schools in low-income communities.
- Enable more use of our Open Government Licenced content by third parties to increase innovation and the wider quality of curriculum content available to teachers.

## **Mature our policies, processes and culture as a scaled-up organisation**

- Explore how AI could improve efficiency across our teams and make processes more effective.
- Focus on increasing the uptake of our learning and development and progression programmes for all employees, ensuring fair and inclusive access.
- Build on our 'Gold' Investors in People award by implementing their recommendations for improvement.
- Carry out our first Board assessment.

## **Further relationships with the sector**

- Develop our relationships and collaborations with national and sector representative bodies and the ed-tech sector to increase the growth of users and a reduction in teacher workload.
- 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 users to ensure an understanding of our aims and core principles of being free, optional, independent and adaptable.
- Enable others in the sector by sharing our openly licensed curricula, resources, AI development work and research.

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

Matthew Hood



Chief Executive and Accounting Officer  
09 December 2024

# Accountability report



# Corporate Governance report



# Accountability report

## Corporate Governance report

The corporate governance report has three sections:

- The Directors' report
- The statement of Directors' and the Accounting Officer's responsibilities
- Governance statement

## Directors' report

### Principal activities

Our principal activities are noted within the Strategic report.

### The Directors of Oak National Academy

A full list of 2023-24 Directors and Board members of Oak are listed in the table below.

Directors	Appointment	Board terms		Resignation from the Board
		Start	End	
<b>Non-executive Directors</b>				
Sir Ian Bauckham CBE (Chair)	Interim	23/08/22	31/08/23	N/A
	Permanent	01/09/23	31/08/26	
Louise Kirby	Interim	23/08/22	31/08/23	31 August 2023
Cassie Buchanan	Interim	23/08/22	31/12/23	N/A
	Permanent	01/01/24	31/12/26	
Ramender Crompton	Interim	23/08/22	30/11/23	13 October 2023
Henry de Zoete	Interim	23/08/22	31/12/23	N/A
	Permanent	01/01/24	31/12/26	
Sean Harford	Interim	23/08/22	31/12/23	N/A
	Permanent	01/01/24	31/12/26	
Hardip Begol CBE	Permanent	01/01/24	31/12/26	N/A
Annie Gardner	Permanent	01/01/24	31/12/26	N/A
Conor Ryan	Permanent	01/01/24	31/12/26	N/A
<b>Executive Directors</b>				
Matthew Hood OBE (Chief Executive)	Interim	01/09/22	31/12/23	N/A
	Permanent	01/01/24	31/12/28	
Emma Beatty (Director of Operations)	Permanent	01/09/22	N/A	N/A

All Non-executive Directors are considered to be independent. Related party details are disclosed in Note 9 of the financial statements.

When establishing Oak as an NDPB, the DfE appointed an interim Board of Directors. This has now been replaced with a permanent Board of Directors.

The Chief Executive is also the Accounting Officer for Oak.

## **Business review**

A review of our performance is included in the Strategic report along with details of the KPIs for that year.

## **Future developments of the business**

This information is included in 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 DfE, rather than Oak, provides the Non-executive Directors and Executive Directors with third-party liability cover (subject to terms and conditions) through the 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 year ending 31 March 2024 (2022-23: nil).

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

There was no significant credit risk or market risk to Oak during 2023-24. Cash was provided by the DfE to meet our 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 is a private company limited by guarantee without share capital. Therefore, no dividends are applicable.

## **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 appropriate internal controls and risk management were in place throughout the year to 31 March 2024. A full report on governance and risk management can be found in the Governance statement.

## **Equality and diversity**

We are committed to the principle of equal opportunities in employment and oppose 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.

We have improved the diversity of our team through our recruitment processes. For example, we intentionally recruited to improve the gender balance in our product and engineering function, with the percentage of roles filled by female colleagues rising from 37% to 47%. We have doubled the number of applications we receive (15% to 29%) and also the hires we make (7% to 13%) from applicants self-identified as non-white.

We explicitly train all our lesson creators and partners in the value and importance of diversity in our product, using external expertise as appropriate. Diversity is therefore integrated into curriculum design and sequencing from the start of the development process. For example, in history, while monarchs, political leaders and military chiefs are more often male due to the nature of historical power structures, we ensure that female characters from those same times are represented in our curriculum narratives.

All lessons adhere to a set of rigorous quality standards, including standards on diversity. We ensure colleagues engaged in content development understand that both examples and specific language used can reinforce or transcend typical stereotypes. This means avoiding gendered career language (policeman, chairman). We make available a representative set of student characters which appear across all our lesson materials and our creators must use a range in each lesson.

## **Social and community issues**

These are described in the Accountability report, Corporate Social Responsibility section.

## **Pension**

All employees have access to and are automatically enrolled in a pension scheme, which is described in the Remuneration and Staff report.

## **Financial commentary**

This is described in the Strategic report under Financial performance.

## Research and development

We have developed an AI lesson assistant tool called Aila. The tool will help teachers create new lesson resources quickly and to personalise these.

The research phase of this work was expensed as incurred in the financial year and the development cost has been included in the asset under construction category.

## Relationships essential to the business of the company

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

## Company registration

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

## 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 2023-24, no complaints relating to Oak were received or accepted by the Ombudsman for investigation.

## Going concern

Management has carried out an assessment of Oak's ability to continue as a going concern. The accounts have been prepared on a going concern basis, which assumes that we will continue in operational existence for the foreseeable future.

These accounts have been prepared on the basis that the terms of the Framework Agreement between Oak and the DfE require we conduct our affairs within the total resources made available to us. Management has reviewed the forecasts for Oak and DfE's forward plans. DfE funding, taking into account the amount required to meet our liabilities falling due in the year, has already been included in the DfE's estimate for the year.

In addition, the DfE has provided us with a Going Concern Letter signed on behalf of the Secretary of State. This guarantees that if at any time we determine that we will not have sufficient funds to meet our obligations in connection with our business activity, then we will promptly notify the DfE of the shortfall and the DfE will make available to us, as soon as is reasonably practicable, funds sufficient to enable us to meet such payment obligations in full.

In November 2022, representatives from the publishing and educational supplier industries began a claim for Judicial Review against DfE in respect of their decision on the operating

model of Oak and the grant provided to us. Permission has been granted for this to proceed to a substantive hearing. Whilst the proceedings are currently stayed until 30 September 2025 (with an option to lift this stay from 15 April 2025 onwards), the DfE and Oak (as an interested party) have robustly defended the claim and management remains confident that any Judgement and its implications will not affect our ability to continue as a going concern.

Management is not aware of any material uncertainties relating to events that might cast doubt on Oak's ability to continue as a going concern.

Management therefore considers that it is appropriate for the accounts to be prepared on a going-concern basis.

## **External Auditor**

The Comptroller and Auditor General, the head of the National Audit Office, has been reappointed for the financial year ended 31 March 2024. Details of fees earned by the external auditor are provided in note 3 of the Financial Statements.

## **Events after the reporting period**

There were no events after the reporting period.



Matthew Hood  
Chief Executive and Accounting Officer  
09 December 2024

# 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 laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under this law, the Directors have elected to prepare the financial statements in accordance with the UK-adopted International Financial Reporting Standards (IFRSs). 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, 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 is 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 DfE 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 the 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 that 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  
09 December 2024

# Governance statement

## The purpose of the Governance statement

The statement sets out our governance framework and the processes we have in place. It outlines our commitment to maintaining high standards of accountability, transparency, and risk management, ensuring that we operate effectively and responsibly in achieving our strategic objectives.

## Scope of responsibility

Oak was incorporated on 15 June 2022 as a company limited by guarantee and became a non-departmental public body on 1 September 2022. Oak acquired the relevant trade, assets, and liabilities from the Reach Foundation. Registered in England and Wales, Oak operates as an independent public body with a clear mandate to lower teacher workload, improve pupil outcomes and close the disadvantage gap by supporting teachers and enabling pupils to access a high-quality curriculum.

## Governance framework

We operate under a comprehensive governance framework that ensures effective management, accountability, and compliance with relevant regulations.

This framework is comprised of the following elements:

- **Strategic direction and oversight:** The Board of Directors, led by the Chair, provides strategic direction and oversight, ensuring alignment with the organisation's mission and strategic goals.
- **Management and Accountability:** The Chief Executive, as the Accounting Officer, is responsible for the overall management of Oak, ensuring the effective implementation of Board policies and maintaining accountability for the use of public funds.
- **Compliance:** Ensuring adherence to statutory and regulatory requirements, including principles outlined in HM Treasury's 'Managing Public Money'.
- **Documentation:** Adherence to the Articles of Association, Framework Agreement, Chair's Letter and Spend Controls issued by the DfE.
- **Risk Management:** A detailed risk management plan and robust internal controls are in place to manage operational risks effectively.

This structure ensures that Oak operates effectively, transparently, and in alignment with its mission to support teachers and enhance educational outcomes for pupils.

## The Board and committees

At the end of the financial year, the Board consisted of the Chair, six 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.

## 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. Specifically, it is responsible for:

- setting strategic goals and objectives
- ensuring financial and operational efficiency
- monitoring performance against set objectives
- ensuring compliance with statutory and regulatory requirements

## Committees

The Board is supported by several committees, each with specific responsibilities to ensure comprehensive governance:

### 1. Finance, Audit and Risk Committee (FARC)

- focuses on financial oversight and risk management
- ensures effective internal controls and compliance with financial regulations

### 2. Remuneration and HR Committee (RemCo)

- oversees remuneration policies and human resource matters.
- Ensures fair and transparent compensation practices

### 3. Curriculum Committee

- supports and challenges the quality and creation of curriculum packages
- ensures alignment with educational standards and user needs

### 4. Product Committee

- focuses on the development and continuous improvement of Oak's digital products
- ensures products meet user needs and adhere to Government Digital Standards

Meetings attended					
	Board	FARC	RemCo	Product	Curriculum
<b>Executive Director</b>					
Matthew Hood (Chief Executive)	3 (3)	3 (3)	3 (3)	3 (3)	3 (3)
Emma Beatty	3 (3)	3 (3)	2 (2)		
<b>Non-executive Director</b>					
Ian Bauckham (Chair)	3 (3)		3 (3)		2 (2)
Hardip Begol*	1 (1)				1 (1)
Cassandra Buchanan	3 (3)				3 (3)
Ramender Crompton***	2 (2)			2 (2)	
Henry de Zoete	3 (3)			3 (3)	
Annie Gardner*	1 (1)			1 (1)	
Sean Harford	3 (3)	2 (2)			3 (3)
Louise Kirby**	1 (1)	1 (1)			
Conor Ryan*	1 (1)			1 (1)	
<b>Co-opted committee member</b>					
Alyson Gerner		2 (3)	3 (3)		

The number shown in brackets is the number of meetings the committee member was eligible to attend.

\*Hardip Begol, Annie Gardner and Conor Ryan joined the Board in January 2024 and were therefore only eligible to attend one set of Board and Committee meetings in 2023-24.

\*\*Louise Kirby resigned from the Board in August 2023 and was therefore only eligible to attend one set of Board and Committee meetings in 2023-24.

\*\*\*Ramender Crompton resigned from the Board in October 2023 and was therefore only eligible to attend two sets of Board and Committee meetings in 2023-24.

## Detailed Responsibilities and Accountability

Responsibilities and accountabilities flow from the DfE through the Board and its sub-committees to the Chief Executive and Senior Leadership Team. These responsibilities and accountabilities are set out in various documents, including the Articles of Association, Framework Document, and Delegated Authorities Letter.

## Highlights Report for the Board and Committees

### Board of Directors

This year saw the appointment of our permanent Board following a thorough public appointments process led by the DfE. This new Board benefitted from the continuity provided by some of our interim members which meant its performance remained high throughout the transition. The new Board appointments provided a good opportunity to continue improving governance processes and the overall framework to maintain transparency and accountability.

The Board has approved a number of important initiatives in this period, including our updated annual plan, the annual budget and financial plan, ensuring alignment with Oak's

mission and goals. In addition, the Board approved experimentation with AI to reduce teacher workload, marking a major step towards leveraging technology to support educators.

## **Finance, Audit and Risk Committee**

The Finance, Audit and Risk Committee played a crucial role in overseeing Oak's financial health, conducting detailed reviews of financial statements and audit reports. They implemented new financial controls and regularly updated the Board on financial performance and risk management. The committee also assessed key risks, approved an updated risk management framework and discussed emerging risks to proactively manage potential impacts on our ability to deliver our objectives.

## **Remuneration and HR Committee**

The Remuneration and HR Committee focused on ensuring fair and transparent compensation practices and enhancing overall staff wellbeing. They oversaw the development and implementation of HR policies that support a positive, inclusive work environment and promote staff development. Additionally, they reviewed staff development and training programs to foster continuous professional growth.

## **Curriculum Committee**

The Curriculum Committee approved new curriculum packages and updates to existing ones, based on feedback from teachers and educators. They provided approval and challenge to new quality assurance processes to maintain high curriculum standards and alignment with educational goals. The committee also engaged with subject matter experts and educators to gather feedback and guide future curriculum development plans.

## **Product Committee**

The Product Committee approved the product roadmap for the upcoming year, reviewed user feedback and product performance metrics, and discussed new product features and enhancements. They also focused on technology upgrades and platform improvements, approving new digital tools and resources for teachers and students. The committee monitored user engagement and satisfaction levels to ensure Oak's products effectively meet the needs of its users.

## **Functional standards**

The Cabinet Office publishes a suite of functional standards that set expectations for the consistent management of functions across government. For Arm's Length Bodies like Oak, these standards provide a framework to ensure effective governance and operational efficiency. Recognising that the application of these standards should be proportional to the scale and complexity of our work, we are working towards compliance on a rolling basis. This ongoing process helps us support the delivery of our strategic objectives while aligning our practices with best practices in the public sector.

## Risk management

We are committed to a comprehensive and proactive approach to risk management to ensure the achievement of our strategic objectives and the effective delivery of our mission to improve pupil outcomes and close the disadvantage gap. Our risk management framework is designed to identify, assess, and manage risks systematically, ensuring that potential problems are addressed before they occur.

## Risk Management Plan

Our Risk Management Plan outlines the principles and processes for managing risks across the organisation. This plan is aligned with the DfE's Risk Management Framework and HM Treasury's Orange Book, ensuring that our practices meet the highest standards of public sector risk management.

## Risk Appetite

The Risk Appetite statement defines the level and type of risk that we are willing to accept in pursuit of our objectives. The statement balances the costs of managing risks with the potential impacts should risks materialise. It outlines our risk tolerance across various categories, from financial controls to reputational risks, ensuring that we operate within acceptable boundaries.

Risk category	Risk appetite				
	Averse	Minimalist	Cautious	Open	Eager
Financial controls					
Reputational					
Investment					
Delivery					
Regulatory					
Procurement and contract management					
Political and economic					
Information					
Technology					
People					

## Roles and responsibilities

Risk management is a collective responsibility at Oak, with specific roles defined to ensure effective oversight and action:

- **Board of Directors:** Owns the risk appetite and holds the Accounting Officer accountable for mitigating and managing risks.
- **Finance, Audit and Risk Committee (FARC):** Maintains oversight of all risk management processes, assesses risks, and makes recommendations to the Board.
- **Senior Leadership Team (SLT):** Reviews and updates the Risk Register monthly, ensuring all significant risks are managed and mitigated.
- **Operations Director and Corporate Compliance Manager:** Maintain the Risk Register and coordinate strategic risk management reporting.

- **All Colleagues:** Understand and manage risks related to their roles and contribute to continuous improvement by reporting new or emerging risks.

## Risk Management Processes

We employ a structured approach to risk management, which includes:

- **Identifying risks:** Risks are identified through open communication, horizon scanning, and regular reviews by the SLT and other committees.
- **Assessing risks:** Risks are assessed based on their likelihood and impact, with appropriate mitigations and contingencies put in place.
- **Managing and reviewing risks:** Risks are managed at the lowest appropriate level, with regular updates to the Risk Register and escalation procedures for significant risks.
- **Closing risks:** Risks are reviewed for closure by the FARC, ensuring that mitigated risks are appropriately documented and removed from the register.

## Principal risks

### Key issues and risks facing the entity

We maintain a risk register which details the risks the organisation faces, segmented into strategic and operational risks. Within these broad categories, there are a number of risks 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. The top three risks we managed in the financial year were:

- Major change in roadmap or scope

This risk rating did not materially change through this period and remained an amber concern for the management team and a consideration for our Board.

In November 2022, representatives from the publishing and educational supplier industries began a claim for Judicial Review (JR) against the DfE in respect of their decision on the operating model of Oak and the grant provided to us. There was a risk that, if the DfE lost the ongoing JR, the High Court may apply a remedy that could lead to a change in our roadmap or scope. Depending on the extent of the change this could have operational implications. We continue to support the DfE in robustly defending the ongoing JR, which is currently stayed until 30 September 2025, with an option to lift that stay from 15 April onwards.

- Production quality and/or pace failure

The risk likelihood was reduced over the course of this period and finished within tolerance.

We set out to produce our resources in collaboration with the wider sector in a newly set-out production model. We set ourselves the target of releasing 50% of our new resources

by the end of the financial year. To work collaboratively with our curriculum partners and to ensure resources produced were at the quality level, we instigated extra support. This approach was novel and therefore came with risk. Over the period we made improvements to resource planning and development, the risk was reduced by the end of the period, and we achieved our KPI for release of cycle one lessons.

- Lack of product growth

During this period, this risk moved back and forth between low, medium and amber, finishing as amber.

Product growth is our measure of new teachers and pupils using Oak's resources. During this period, Oak was shifting away from being a national contingency for remote education to becoming a public body for curriculum expertise and supporting in-class lesson planning.

We expected to see usage fall a little in this period as we did not yet have full sets of curriculum resources across all subjects and our new resources were in the production phase (see above).

However, we saw the use of our product grow significantly, increasing as more of our new resources were published. This gave us significant confidence in future growth, which we've continued to see excel. Alongside new resources, we've engaged with teachers and the wider sector to ensure that our resources help our users in ways most beneficial to them. We also began to explore the value which AI could offer as a tool in education. Our AI lesson assistant tool (Aila) has now been launched. At the point of writing, use is up 180% on the same point last year.

## Continuous improvement

We are committed to continuous improvement in risk management. We regularly review our risk management practices, learn from past experiences, and incorporate colleague feedback to enhance our approach. This commitment ensures that we remain resilient and capable of achieving our strategic objectives in a dynamic and challenging environment.

By maintaining a robust risk management framework, we ensure that we can effectively navigate uncertainties and continue to support teachers and pupils in accessing high-quality education.

## Internal Auditor's Annual Opinion

Our assurance framework is strengthened by the oversight provided by the Government Internal Audit Agency (GIAA). For 2023-24, the GIAA has given a **Moderate Opinion**<sup>5</sup> on the adequacy and effectiveness of our governance, risk management, and control frameworks.

<sup>5</sup> Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

This opinion is based on:

- 1. Internal audits:** The GIAA conducted audits on financial controls, contract management, payroll, and recruitment compliance, resulting in actionable recommendations that have been addressed to enhance our control environment.
- 2. FARC meetings:** Active participation in Committee meetings enabled the GIAA to provide insights and ensure the integration of audit findings into our risk management processes.
- 3. Ongoing engagement:** The GIAA's opinion incorporates their ongoing knowledge of our governance and risk management frameworks, including insights from the previous year.
- 4. Implementation of recommendations:** We promptly addressed all recommendations wherever possible, ensuring continuous improvement of our control environment.

## Countering fraud, error and debt

We maintain a zero-tolerance approach to fraud, bribery, and corruption, guided by a comprehensive policy, strategy and action plan reviewed in June 2024. Our approach focuses on enhancing risk awareness, proactive detection, and robust internal controls, supported by advanced technology to maintain high standards of integrity and performance. Regular risk assessments and controls are conducted in line with the Government Functional Standard (GovS 013: Counter Fraud) to safeguard our finances and reputation.

Reporting mechanisms are in place through our Whistleblowing Policy, ensuring confidentiality and protection against retaliation. All reported concerns are investigated promptly and thoroughly, with external authorities involved in cases of suspected criminal activity.

We place great importance on annual training to foster a culture of fraud awareness and prevention across the organisation. This training ensures that all colleagues are aware of their roles and responsibilities and adhere to strict measures to prevent, detect, and address any fraudulent activities.

In the year, no fraud was detected in relation to Oak's transactions.

## Whistleblowing arrangements

The Board oversees our whistleblowing arrangements, which are outlined in our Whistleblowing Policy. All colleagues are encouraged to follow this policy, which ensures that concerns can be raised confidentially and are thoroughly investigated. During the year, there were no whistleblowing cases reported. Our policy and procedures maintain a culture of integrity and accountability within the organisation and are an established part of our zero-tolerance approach to fraud, bribery and corruption.

## Knowledge, information assurance and protective security

We established effective information asset, data protection and security processes aligned with legal regulations. During this period, our focus was on ensuring the compliance of all third-party components through the Data Protection Impact Assessment (DPIA) process.

To maintain high standards of information security and compliance, we provide regular training to employees on data protection, Freedom of Information requests, and information security. Additionally, we ensure that all contracts entered into by Oak are GDPR compliant, safeguarding the personal data we handle and maintaining the trust of our stakeholders. During the reporting period, we have had no data breaches and have managed all complaints, freedom of information requests, and subject access requests in line with regulatory requirements.

## **Report on personal information breaches**

All members of Oak are aware of the General Data Protection Regulation (GDPR) and have undergone regular training on data protection and information security. We are committed to maintaining high standards of data protection and ensuring compliance across all operations. During the reporting period, there were no personal data-related incidents formally reported to the Information Commissioner's Office. There were also no data-related incidents that required sharing with our Board or DfE to record centrally.

## **Environment, sustainability and corporate responsibility**

We are dedicated to ethical and sustainable practices, ensuring our operations positively impact society, the economy, and the environment.

Improving our monitoring of and actions related to the environment and sustainability will continue to be a priority for the year ahead. Whilst there is work to celebrate, there is more we can do to ensure we contribute to the wider efforts to support the Greening government commitments.

Due to the nature of our work and our working practices, Oak does not have any scope 1<sup>6</sup> or 2 emissions. Oak's environmental impact is from scope 3 and the supply chain we have. To support our sustainability and carbon reduction efforts, we have planned an independent review in 2024-2025 to identify and reduce scope 3 emissions and contribute to national efforts to achieve Net Zero. Information and collaboration are key when working with our supply chain to understand our priorities when tackling scope 3 emissions.

Oak by its nature has many features that ensure we are optimised to reduce our impact on the environment. We are a wholly remote, virtually paperless organisation. We minimise travel where possible and strongly encourage public transport when required. The table below sets out our carbon footprint for travel for the period.

<sup>6</sup> Scope 1 is an emission which is from something directly owned/controlled.

Scope 2 is indirect emission for example from energy purchased.

Scope 3 is an indirect emission as a consequence of activities from sources not owned or controlled, e.g., from a supplier in the supply chain.

(<https://ghgprotocol.org/>)

	2023-24	2022-23
<b>Distance travelled</b>	<b>000s Km</b>	<b>000s Km</b>
Domestic flights	7.2	1.8
Short-haul international flights	13.9	Tracking not yet in place
Long-haul international flights	0	0
Trains	203.9	47.5
<b>Emissions</b>	<b>tCO2e</b>	<b>tCO2e</b>
Domestic flights	1.96	0.4
International flights	2.55	Tracking not yet in place
Trains	7.23	1.7

We use a combination of new and refurbished IT equipment. At end of life, we ensure it is refurbished and recycled to the maximum extent possible. Excesses of equipment are avoided, we do not keep a cache of items and only buy what we need, when we need it, making use of warranties and local repair solutions.

As a remote organisation, by default we do not own or rent offices. As part of our commitment to equality and inclusion, we support colleagues with access to a flexi-desk space local to them that ensures the carbon footprint from occasional commuting remains low. In London, where there is a small concentration of colleagues, we hire between six to eight hot desk spaces in an office building where a charity has excess capacity. The table below sets out our space usage for this period.

	Hot desk provision	
	London	Local flexi-desks
2024	8	10
2023	6	2

Social value is embedded in our larger procurement processes where we use a minimum overall weighting of 10% when evaluating bids. We recognise the wider benefits that can be delivered through social value, focusing on outcomes rather than outputs. In particular, we tackle areas of concern aligned to each procurement's goals. For example, the full curriculum packages focussed on social value considerations in themes 4 and 5 (as described in the Social Value Model) and their aligned policy outcomes on equality and diversity and improving health and well-being. Our largest value procurements have been about creating social value within the delivery of the outputs.

We have embedded social value considerations into our procurement processes to help us create and nurture a vibrant, healthy, innovative, competitive and diverse marketplace of suppliers that includes and encourages small businesses, charities, co-operatives and social enterprises.

## Equal opportunities

We are committed to a diverse and inclusive workplace, eliminating discrimination and supporting flexible working, family needs, and fair pay practices.

## Health and safety

We uphold the Health and Safety at Work Act of 1974, providing a safe working environment for all employees through our comprehensive Health and Safety Policy.

## Regular culture surveys

Weekly pulse surveys help us continuously improve work culture and employee satisfaction.

These initiatives ensure we operate responsibly and sustainably, aligned with our mission to enhance educational outcomes.

## Conclusion

In the year to 31 March 2024, we continued to strengthen our system of governance, risk management, and internal control. This year, we successfully managed all financial and operational processes without significant issues, ensuring accurate reconciliation and maintaining the integrity of our operations.

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



Matthew Hood  
Chief Executive and Accounting Officer  
09 December 2024

# 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, which is agreed with HM Treasury and which 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.

In September 2023 the permanent Board was appointed.

The Board Chair and Non-executive Directors that were in post within 2023-24 are listed in the Directors' Report.

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

Director	2023-24			
	Salary* £000	PRP payments £000	Pension benefits £000	Total £000
Matthew Hood	120-125	5-10	14	145-150
Emma Beatty	95-100	1-5	11	105-110
Sir Ian Bauckham	15-20	-	-	15-20
Cassie Buchanan	0-5	-	-	0-5
Ramender Crompton	0-5	-	-	0-5
Sean Harford	0-5	-	-	0-5
Louise Kirby	-	-	-	-
Henry de Zoete	0-5	-	-	0-5
Hardip Begol	0-5	-	-	0-5
Annie Gardner	0-5	-	-	0-5
Conor Ryan	0-5	-	-	0-5

	2022-23			
	From 15 June 2022 to 31 March 2023			
Director	Salary*	PRP payments	Pension benefits	Total
	£000	£000	£000	£000
Matthew Hood (annualised value)	70-75 (120-125)	1-5	8	80-90
Emma Beatty (annualised value)	55-60 (90-95)	1-5	6	60-70
Sir Ian Bauckham	1-5	-	-	1-5
Cassie Buchanan	1-5	-	-	1-5
Ramender Crompton	1-5	-	-	1-5
Sean Harford	1-5	-	-	1-5
Louise Kirby	-	-	-	-
Henry de Zoete	1-5	-	-	1-5
Hardip Begol	-	-	-	-
Annie Gardner	-	-	-	-
Conor Ryan	-	-	-	-
Jenny Oldroyd	-	-	-	-

\*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 year end and accrued payments made by Oak between 01/04/2023 and 31/03/2024 and thus recorded in the accounts.

Note that Oak became an operational NDPB in September 2022, therefore 2022-23 figures only reflect the period spanning 01/09/2022 to 31/03/2023.

The Non-executive Directors are not part of Oak'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 including contingent labour.

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

The fair pay disclosure for Oak is as follows:

Remuneration - Salary and PRP				
	2023-24		2022-23	
	Remuneration	Salary component	Remuneration	Salary component
Band of highest paid director's remuneration	£130,000 - £135,000	£120,000 - £125,000	£125,000 - £130,000	£120,000 - £125,000
25th percentile	£55,317	£54,091	£48,723	£47,765
Median	£67,179	£64,450	£64,206	£62,943
75th percentile	£73,419	£70,822	£78,213	£78,213
Range of employees' remuneration	£35,000 - £135,000	£30,000 - £125,000	£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	2.4	2.3	2.6	2.6
Remuneration ratio from the mid-point of the band of the highest paid director to the median	2.0	1.9	2.0	1.9
Remuneration ratio from the mid-point of the band of the highest paid director to the 75th percentile	1.8	1.7	1.6	1.6

The banded remuneration of the highest-paid Director in Oak in 2023-24 was £130,000-£135,000 (2022-23: £125,000 - £130,000). This was 2.0 times (2022-23: 2.0 times) the median remuneration of the workforce including contingent labour, which was £67,179 (2022-23: £64,206).

In 2023-24, no employees received remuneration in excess of the highest-paid director. Total remuneration includes salary, non-consolidated performance-related pay, a one-off cost of living payment and working from home allowance. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

### **Percentage change of salaries and allowances and performance-related pay and bonuses of the highest paid Director and all employees (excluding the highest paid Director) (subject to audit)**

There is no comparative data available before 2022-23 as this was Oak's first year of operating. The first year of operation (2022-23) was seven calendar months long and from this point to the end of March 2024 the team nearly doubled in size. This does make interpreting the following comparisons year-on-year difficult.

## Highest paid director

The salary and allowances along with performance pay and bonuses for the highest-paid Director remained unchanged with a 0% increase between 2022-23 and 2023-24. It should be noted that the bonus paid in 2022-23 was based on 7/12ths of a financial year, reflecting the shortened operational period. For comparison purposes, the 2022-23 bonus has been annualised and is compared to the full-year bonus paid in 2023-24.

## All employees excluding the highest-paid director

The average salary and allowance paid increased by 1.05% between 2022-23 and 2023-24. This figure includes

- individual salary increases of 3% or more
- a progressive pay award, with the lowest salary bands receiving the highest percentage increases (5.6%)

The average across the whole team also reflects a change in the composition of the team. Oak experienced significant growth across these two years. The hiring plan saw the most senior hires in post in the first year of operation followed in the second year by the broader team hired at lower pay points. This has the effect of lowering the average pay awarded across the whole team.

In respect of performance-related pay, our policy is to allocate funding equivalent to 2% of all salaries. Year 1 was seven months, rather than a full year, so funding equivalent to 1.2% was allocated. In Year 2, given this was a full year, funding equivalent to 2% of all salaries was allocated for performance-related pay. Actual performance pay and bonuses paid out increased by 90.7% in 2023-24. This increase is due to the significant growth in the team over this period (increasing the absolute size of the pot but being shared amongst many more staff) and the increase from a seven-month to twelve-month period.

## Employee turnover

	2023-24	2022-23
Employee turnover (all)	12%	22%
Employee turnover (not including fixed term appointments)	7%	10%

The turnover rate reduces between 2022-23 and 2023-24 due to the growth of the overall team. The number of fixed-term contracts coming to an end and permanent colleagues leaving remained similar in each year.

## Pension benefits (subject to audit)

	Employer contribution to pension account 2023-24	Employer contribution to pension account 2022-23
	£000	£000
Matthew Hood	14	8
Emma Beatty	11	6

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

## Average staff numbers and staff costs (subject to audit)

Category of employees	2023-24		2022-23	
	Average headcount in the year to 31 March 2024	Headcount as of 31 March 2024	Average headcount in the period to 31 March 2023	Headcount as of 31 March 2023
Permanent	70	80	41	49
Fixed term/ secondees	5	6	4	3
Contingent labour	49	88	6	7
<b>Total</b>	<b>124</b>	<b>174</b>	<b>51</b>	<b>59</b>

Details of all employee costs are included in Note 2 of the Financial statements.

### Contingent labour

In 2023-24, Oak used contingent labour to enhance operational flexibility and address skill shortages in specific projects. These workers were primarily engaged in software engineering, quality assurance, project management and administration. Oak spent £38,100 (2022-23: nil) on consultancy and £1,199,000 (2022-23: £322,700) on contingent labour.

The strategic use of contingent labour has enabled us to meet critical project deadlines and achieve key performance targets. However, we recognise the associated risks, including potential over-reliance and the need for continuous oversight. We are committed to balancing our workforce strategy to optimise both contingent and permanent staffing solutions.

### Highly paid off-payroll worker engagements as of 31 March 2024, earning £245 per day or greater.

Number of existing engagements as of 31st March 2024	2023-24	2022-23
Less than 1 year	19	7
For between 1 and 2 years	1	-
For between 2 and 3 years	-	-
For between 3 and 4 years	-	-
For 4 or more years	-	-

## All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater.

	2023-24	2022-23
Number of temporary off-payroll workers engaged during the year ended 31 March 2024	39	15
Not subject to off-payroll legislation	35	14
Subject to off-payroll legislation and determined as in-scope of IR35	-	1
Subject to off-payroll legislation and determined as out-of-scope of IR35	4	-
Number of engagement re-assessed for compliance or insurance purposes during the years	-	-
Of which number of engagement that saw a change to IR35 status following review	-	-

### Off-payroll engagements

In the year to 31 March 2024, there were no (2022-23: nil) off-payroll engagements of members of the Board, and/or senior officials with significant financial responsibility.

### Performance related pay

Recognising the importance of aligning individual efforts with organisational success, we operate a performance-related pay system. This system rewards employees when we collectively meet our KPIs. Funded by our reward pot, these bonuses are distributed as a percentage of salary at the financial year's end, scaled according to the extent of our KPI achievement and adjusted for new and part-time staff. The performance-related pay amounts reported relate to performance in 2023-24.

Our goal is to nurture an inclusive and motivating environment that enables our team to thrive and deliver exceptional results. This system is overseen by our HR and remuneration committee and is approved through the DfE's HR governance systems.

### Sickness absence

During 2023-24, Oak sickness absence equated to the equivalent of 1 day 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 in 2023-24 (2022-23: nil).

### People management

Oak employees are classified as public servants and are employed on terms and conditions agreed by HM Treasury. Recruitment of employees is managed within the parameters provided in Oak's Pay and Reward Framework. Oak's employee headcount figures, for permanent and temporary employees with an employment contract (including one person who is seconded to Oak but on a permanent contract with DfE), increased from 67 to 85 within the year in line with our move into full capacity and production mode in September 2023. Details can be seen in the two tables below.

## Staff numbers by grade and gender at 31 March 2024

Title	Female	Male	Total
Chief Executive	-	1	1
Senior Leadership Team	1	4	5
Head of	8	1	9
Principal/Lead	10	12	22
Manager	24	12	36
Officer	9	3	12
Co-ordinator	-	-	-
Apprentice	-	-	-
<b>Total</b>	<b>52</b>	<b>33</b>	<b>85</b>

## Staff numbers by grade and gender at 31 March 2023

Title	Female	Male	Total
Chief Executive	-	1	1
Senior Leadership Team	1	4	5
Head of	10	1	11
Principal/Lead	5	6	11
Manager	20	9	29
Officer	4	5	9
Co-ordinator	-	-	-
Apprentice	-	-	-
<b>Total</b>	<b>40</b>	<b>26</b>	<b>66</b>

## Staff exit packages (subject to audit)

There were no employee exit packages in 2023-24 (2022-23: nil).

## 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 2023-24, Oak made employer contributions of £503,000 (2022-23: £158,000).

## Employee engagement

Employee wellbeing, engagement and satisfaction are closely monitored using weekly pulse surveys.

Participation rate over this period was 88% (2022-23: 89%) and Oak had an eNPS score of 72 (2022-23: 51). This is classed as excellent. The eNPS measures how likely the team is to recommend Oak as a good place to work.

Employee engagement levels were consistently around 8.5 out of 10 (2022-23: 8.6) against an industry benchmark of 7.7 out of 10.

Oak has proudly achieved the Investors in People Gold rating. This recognises the organisation's exceptional commitment to nurturing and developing our people. This accolade signifies that we exceed industry standards in people management, fostering a positive workplace culture where employees feel valued and supported. The Gold rating

reflects our dedication to continuous improvement, effective leadership, and strategic alignment of colleague development with business goals. For us, this means enhanced employee engagement, increased productivity, and a strengthened reputation as an employer of choice, attracting top talent and instilling confidence among stakeholders.

## **Learning and development**

Learning and development remains integral to our culture and this year we continued to see strong engagement with both formal courses and informal training and development opportunities, reflecting our team's dedication to growth and improvement. We are committed to creating an environment where individual development is encouraged and prioritised. 88% of our colleagues have an individual growth plan in place and this has supported six of our colleagues to enhance their salary through reaching their level 1 progression point.

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



Matthew Hood  
Chief Executive and Accounting Officer  
09 December 2024

# **Parliamentary accountability report (subject to audit)**



# Parliamentary Accountability report (subject to audit)

## Losses

There were no losses in 2023-24 (2022-23: nil).

## Special payments, including severance payments

There were no special payments in 2023-24 (2022-23: nil).

## Gifts

There were no gifts made in 2023-24 (2022-23: nil).

## Fees or charges that required notification to Parliament

There were no fees or charges in 2023-24 that required notification to Parliament (2022-23: nil).

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



# Independent Auditor's report to the Members of Oak National Academy Limited, company number 14174888

## Opinion on financial statements

I have audited the financial statements of Oak National Academy Limited for the year ended 31 March 2024.

The financial statements comprise the Oak National Academy Limited's

- Statements of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the 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 the Oak National Academy Limited's affairs as at 31 March 2024 and its net expenditure for the year then ended;
- 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 have also applied the ethical standards relevant to listed entities. I am independent of Oak National Academy Limited 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 the Oak National Academy Limited'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 the Oak National Academy Limited'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 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 Directors' Remuneration 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the Oak National Academy Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Directors' Remuneration 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 Oak National Academy Limited from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006
- preparing the Director Report, which includes the Directors' Remuneration Report, in accordance with the Companies Act 2006, and
- assessing the Oak National Academy Limited'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 intends to liquidate the entity or to cease operations, or has 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 the Oak National Academy Limited's accounting policies, key performance indicators and performance incentives.
- inquired of management, Oak National Academy Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Oak National Academy Limited'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 Limited's controls relating to the Oak National Academy Limited's compliance with the Companies Act 2006, Managing Public Money and Cabinet Office Controls;
- inquired of management, Oak National Academy Limited's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Oak National Academy Limited 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 Limited's framework of authority and other legal and regulatory frameworks in which Oak National Academy Limited 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 Limited. The key laws and regulations I considered in this context included Companies Act 2006, Managing Public Money, 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 concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- In addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business

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](http://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)**

10 December 2024

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 year ended 31 March 2024

	Note	2023-24 12 months to 31 March 2024	2022-23 7 months to 31 March 2023
		£000	£000
Staff costs	2	5,981	2,007
Depreciation and amortisation	3	580	188
Expenditure	3	2,245	886
<b>Total operating expenditure</b>		<b>8,806</b>	<b>3,081</b>
<b>Net expenditure for the year</b>		<b>8,806</b>	<b>3,081</b>
<b>Total other comprehensive expenditure</b>		<b>-</b>	<b>-</b>
<b>Comprehensive net expenditure for the year</b>		<b>8,806</b>	<b>3,081</b>

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

The notes on pages 59 to 68 form part of these accounts.

## Statement of Financial Position (SOFP) at 31 March 2024

Oak National Academy Limited, company number 14174888

	Note	2023-24 £000	2022-23 £000
Non-current assets			
Property, plant and equipment	4	95	32
Intangible assets	5	6,411	762
<b>Total non-current assets</b>		<b>6,506</b>	<b>794</b>
Current assets			
Prepayments	6	260	49
Cash and cash equivalents	7	1,200	132
<b>Total current assets</b>		<b>1,460</b>	<b>181</b>
<b>Total assets</b>		<b>7,966</b>	<b>975</b>
Current liabilities			
Payables	8	(2,197)	(540)
<b>Total current liabilities</b>		<b>(2,197)</b>	<b>(540)</b>
<b>Total assets less current liabilities</b>		<b>5,769</b>	<b>435</b>
<b>Assets less liabilities</b>		<b>5,769</b>	<b>435</b>
Taxpayers' equity			
General fund		5,769	435
<b>Total taxpayers' equity</b>		<b>5,769</b>	<b>435</b>

The notes on pages 59 to 68 form part of these accounts.

The financial statements were approved for issue by the Board of Directors on 09 December 2024.



Matthew Hood  
Chief Executive and Accounting Officer  
09 December 2024

## Statement of Cash Flows for the year ended 31 March 2024

	Note	2023-24 12 months to 31 March 2024	2022-23 7 months to 31 March 2023
		£000	£000
<b>Cash flows from operating activities</b>			
Net operating costs	SoCNE	(8,806)	(3,081)
Adjustments for non-cash transactions		581	188
Increase in receivables	6	(211)	(49)
Increase in payables	8	411	540
<b>Net cash outflow from operating activities</b>		<b>(8,025)</b>	<b>(2,402)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE	4	(83)	(33)
Building of intangible assets	*5	(4,964)	(200)
<b>Net cash outflow from investing activities</b>		<b>(5,047)</b>	<b>(233)</b>
<b>Cash flow from financing activities</b>			
Grant-in-aid from sponsor department	SoCTE	14,140	2,767
<b>Net cash inflow from financing activities</b>		<b>14,140</b>	<b>2,767</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,068</b>	<b>132</b>
<b>Cash and cash equivalents at beginning of the year/ period</b>	7	<b>132</b>	<b>-</b>
<b>Cash and cash equivalents at end of the year/period</b>	7	<b>1,200</b>	<b>132</b>

\*The acquisition of intangible assets excludes capital accruals which are included in the additions line in Note 5 but are non-cash, totalling £1,246k.

The notes on pages 59 to 68 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

	Note	General Fund	Total
		£000	£000
<b>Balance at 1 September 2022</b>		-	-
Grant-in-aid from sponsor department		2,767	2,767
Transfer of assets		749	749
Comprehensive expenditure for the period		(3,081)	(3,081)
<b>Balance at 31 March 2023</b>		<b>435</b>	<b>435</b>
Grant-in-aid from sponsor department		14,140	14,140
Comprehensive expenditure for the year	SoCNE	(8,806)	(8,806)
<b>Balance at 31 March 2024</b>		<b>5,769</b>	<b>5,769</b>

The General Fund represents total assets less liabilities.

The notes on pages 59 to 68 form part of these accounts.

# Note 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 year ended 31 March 2024 in accordance with the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector and the principles of government Financial Reporting Manual (FReM) issued by HM Treasury 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.

The DfE has provided Oak with a Going 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 DfE'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 supplier industries have lodged a claim for Judicial Review against the DfE in respect of their decision on the operating model of Oak and the grant provided to us. Permission has been granted for this to proceed to a substantive hearing. Whilst the proceedings are currently stayed until 30 September 2025 (with an option to lift this stay from 15 April onwards), the DfE and Oak (as an interested party) are robustly defending the claim and, in the light of the legal advice received, 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 expenditures. 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 DfE 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 2023-24 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 DfE's consolidated annual report and accounts.

## **1.13 Shared services**

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

## **1.14 Intangible assets**

Oak has four intangible asset classes:

1. Platform development. This asset class includes the development of the platform that the content is housed on.
2. Content creation – generated. This asset class includes all the lessons developed by Oak and its partners.
3. Purchased intangible assets. This asset class includes all the lessons purchased and brought over when Oak became an NDPB.
4. AI development. This asset class includes the development of the AI tools.

## **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.

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
- 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 NDPB and so all the costs linked to lesson production and platform development are considered to be in the development phase. Costs linked to the research phase of the AI tool were taken to the SoCNE as an expense when incurred. Expenditure on internally generated intangible assets is capitalised where all of 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 customers
- Oak intends to complete the assets
- Oak 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 to complete the development of the assets
- Oak can reliably measure the expense attributable to the asset during development

Only expenditure directly attributable to the cost of developing the platform, AI tool 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' useful life and amortisation method are reviewed annually and if there are indications that the asset's useful life or pattern of consumption has changed due to obsolescence or other factors, the assets' net book values are reviewed 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.

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)	2 years
Content creation – generated	2 years
Purchased intangible assets	2 - 5 years
AI development	2 years

## 1.15 Property, plant and equipment (PPE)

All IT equipment expenditure for laptops is capitalised as PPE.

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

## Note 2 - Staff costs

	2023-24 Y/E 31 March 2024	2022-23 7 months to 31 March 2023
	Total £000	Total £000
Wages and salaries	4,920	1,647
Social security costs	558	202
Pension costs	503	158
<b>Total</b>	<b>5,981</b>	<b>2,007</b>

Staff costs include permanent staff and secondees from the DfE.

## Note 3 - Operating expenditure

	2023-24 £000	2022-23 £000
Staff-related costs	110	28
Professional fees and contractors	1,027	520
Board costs	1	1
Office and meeting space costs	35	15
School support	210	91
IT and telecommunications costs	456	117
Travel, accommodation and subsistence	259	44
Audit fees*	58	63
Other expenditure	89	7
Amortisation	560	187
Depreciation	20	1
<b>Total</b>	<b>2,825</b>	<b>1,074</b>

\*The NAO auditor's remuneration relates to fees payable for the audit of this ARA. The NAO fee accrued was £58,000 for 2023-24 (£63,000 for 2022-23). The auditors did not provide any non-audit services.

## Note 4 - Property, plant and equipment

IT equipment	2023-24 £000	2022-23 £000
<b>Cost or valuation</b>		
At 1 April/ 1 September	33	-
Additions	83	33
Reclassifications	-	-
<b>At 31 March</b>	<b>116</b>	<b>33</b>
<b>Depreciation</b>		
At 1 April / 1 September	(1)	-
Depreciation charge	(20)	(1)
<b>At 31 March</b>	<b>(21)</b>	<b>(1)</b>
<b>Carrying value at 31 March</b>	<b>95</b>	<b>32</b>

## Note 5 - Intangible assets

	Assets under construction			Assets in use			Total
	Platform Development	Content Creation – Generated	AI	Purchased Intangible Assets	Platform Development	Content Creation – Generated	
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>							
At 1 September 2022	-	-	-	-	-	-	-
Additions	186	14	-	749	-	-	949
Reclassifications	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>186</b>	<b>14</b>	<b>-</b>	<b>749</b>	<b>-</b>	<b>-</b>	<b>949</b>
<b>Amortisation</b>							
At 1 September 2022	-	-	-	-	-	-	-
Amortisation charge	-	-	-	(187)	-	-	(187)
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(187)</b>	<b>-</b>	<b>-</b>	<b>(187)</b>
<b>Carrying value at 31 March 2023</b>	<b>186</b>	<b>14</b>	<b>-</b>	<b>562</b>	<b>-</b>	<b>-</b>	<b>762</b>
<b>Cost or valuation</b>							
At 1 April 2023	186	14	-	749	-	-	949
Additions	376	5,574	260	-	-	-	6,210
Reclassifications	(263)	(3,630)	-	-	263	3,630	-
<b>At 31 March 2024</b>	<b>299</b>	<b>1,958</b>	<b>260</b>	<b>749</b>	<b>263</b>	<b>3,630</b>	<b>7,159</b>
<b>Amortisation</b>							
At 1 April 2023	-	-	-	(187)	-	-	(187)
Amortisation charge	-	-	-	(321)	-	(240)	(561)
<b>At 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(508)</b>	<b>-</b>	<b>(240)</b>	<b>748</b>
<b>Carrying value at 31 March 2024</b>	<b>299</b>	<b>1,958</b>	<b>260</b>	<b>241</b>	<b>263</b>	<b>3,390</b>	<b>6,411</b>

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

## Note 6 - Prepayments

	2023-24	2022-23
	£000	£000
Prepayments	260	49
<b>Total current prepayments due within one year</b>	<b>260</b>	<b>49</b>

## Note 7 - Cash and cash equivalents

	2023-24	2022-23
	£000	£000
Balance at 1 April / 1 September	132	-
Net change in cash and cash equivalent balances	1,068	132
<b>Balance at 31 March</b>	<b>1,200</b>	<b>132</b>
The following balances are held at:		
<b>Cash at bank and in hand:</b>		
Government Banking Services	1,200	132
<b>Balance at 31 March</b>	<b>1,200</b>	<b>132</b>

## Note 8 - Current payables

	2023-24	2022-23
	£000	£000
Trade payables	244	44
Tax, social security and pensions	69	42
Accruals	638	454
<b>Total</b>	<b>951</b>	<b>540</b>

## Note 9 - Related party transactions

Oak is an NDPB of the DfE. The DfE is regarded as a related party. During the period Oak had a number of material transactions with the DfE:

- all of Oak's grant-in-aid was received from the DfE and reported in the Statement of Changes in Taxpayers' Equity
- Oak provides services to – and receives funding from, the DfE pursuant to the terms and conditions set out in the Framework Document
- one employee of the DfE is seconded to Oak and costs for salary, pension, employer social security and VAT have been accrued

Henry De Zoete is a non-executive member of Oak's Board and Henry's spouse is on the Board for ImpactEd. During the year, Oak incurred expenditure of £78,946 (2022-23: nil) in respect of impact evaluation and strategy support work. £16,500 was outstanding at year end.

Where actual or potential conflicts of interest are identified, board members and independent members take no part in any discussion and are not involved in any decisions that relate to those interests.

## **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.

**E03156049**

**ISBN 978-1-5286-5047-2**