

## FEES IN ADVANCE SCHEME PARTICULARS AND TERMS & CONDITIONS (Effective from 1<sup>st</sup> September 2023)

### OBJECTIVE

1. The objective of the Fees in Advance Scheme ("the Scheme") is to provide a method where the cost of independent education can be reduced by making an advanced lump sum payment. The payer can be the parents or guardian of the child or anyone else who wishes to make a single sum advance payment to help with the cost of educating the pupil.

### BASIS OF THE SCHEME

2. In return for a lump sum payment at or after the acceptance of an offer of a place for the pupil, the school offers a credit to be applied against each term's fee invoice for a set number of terms. The total value of these credits will be commuted at an agreed rate to calculate the amount of the lump sum payment that is initially deposited with the school. The Standard Table used to calculate the rate of commutation will be revised periodically in line with Bank of England base rate changes, although the rate applied at the time of joining the Scheme will remain in force for the duration of the fees in advance period.

### TERMS AND CONDITIONS

3. These Terms and Conditions are supplemental to the school's standard terms and conditions that the parents or guardian agreed when accepting a place for the pupil concerned. These Terms and Conditions form part of the contractual relationship between the parents/guardian and the school.

4. All payments made in accordance with the Scheme form part of the general funds of the school and may be used for such purposes as the Governors may from time-to-time direct. In return for the payment, the school will make a specified payment to the fee account of the pupil of an agreed amount and for an agreed number of terms.

5. Please note that the parents or guardian must meet the difference between the amount per term paid by the School under this Scheme and the total school fees due in respect of the pupil each term. This will include increases in fees, extras and expenses incurred by the school on the child's behalf and will be detailed on the termly fee invoice. Payment of any such difference shall be made in accordance with the school's standard terms and conditions.

6. The Scheme may be used to provide advanced payments towards fees for any set number of terms during the pupil's potential time at the school, from a minimum of three terms. The minimum amount accepted by way of payment into the Scheme is an amount calculated to generate termly payments of £1,000 per term. Please note that there is no maximum limit and the termly amount invested can exceed the current fee level.

7. To calculate the single sum advance payment needed for a set number of terms, please refer to the accompanying Standard Table. The Standard Table shows the commuted cost of providing £1,000 per term up to a maximum of 36 terms. This is the Standard Table currently in force. FIA applications received after this date will be based on this rate. The cost of providing different levels of payment per term and the resulting commutation can be calculated from this Table. If you would like assistance calculating the amount, please contact the Fees Manager who will be happy to help.

8. The commutation rate used in this current Standard Table is **3.50%** per annum and is calculated on a straight-line basis. The Standard Table and commutation rate will be reviewed by the school in line with movements in bank base rates. Payers should complete the Application Form and submit it to the



Finance Department at least half a term before the term that the first FIA deduction is applied to. Once payment is made the commutation rate will apply for the duration of the arrangement secured by that payment. On receipt, the school will confirm the amount of the payment, the number of terms intended to be covered by the arrangement, the applicable commutation rate and the amount to be credited against fees each term.

9. The form should be returned to the school at least one and a half months before the Term you are commencing the FIA. The deadlines are as follows:

Autumn Term: 15<sup>th</sup> June  
Spring Term: 15<sup>th</sup> November  
Summer Term: 15<sup>th</sup> February

10. The School must in all cases receive payment before the beginning of the first term to be covered. For the purposes of the Scheme, terms will be deemed to commence as follows:

Autumn Term: 1<sup>st</sup> September  
Spring Term: 4<sup>th</sup> January  
Summer Term: 15<sup>th</sup> April

11. A single sum payment will only be accepted in respect of those children for whom a registration fee and deposit have been paid and an offer of a place accepted.

12. The payment of a single sum for the provision of a future fee credit does not in itself guarantee a child a place in the school, nor does it in any way alter the terms of entry to the school or entitle the child to preferential treatment.

13. The School's standard terms and conditions shall continue to bind the parents/guardian and, subject to Clause 14, if a child leaves the School for any reason prior to the commencement of the last term covered by this Scheme, the unused proportion of the payment made under the Scheme will be refunded (less any amounts owed to the School at the time of the refund, including any fees payable in lieu of notice). The Standard Table used to calculate the applicable commutation rate shall be used to calculate any such unused proportion.

14. The repayment referred to in Clause 13 will be augmented by an interest payment that recognises the benefit to the school of the unused portion of the advanced payment. The interest will be paid to parents' net of basic rate tax.

15. If the child is admitted to another fee-paying school, the payment into the Scheme may, at the parents'/guardian's request, be used by the school to make payments by instalment towards the fees of that other school as and when due. This must be at the request of the payer and is at the school's discretion but is normally a better alternative to repayment of the original sum.

16. The balance of single sum payments can be transferred, without restriction, between pupils at the school who are siblings.

17. Queries or requests for information should be addressed to the Fees Manager at the School.

18. In the event of any change to the school's charitable status, the Governors reserve the right to make reasonable changes to the terms of the Scheme with a minimum notice period of three months.

## TAXATION

19. Parents or other relatives may be concerned with the effect of taxation on the benefit provided under this Scheme. At the time of going to print we are advised that the saving that is made on the fees is not taxable. Since personal financial circumstances can play such a large part when deciding whether or not to enter the Scheme and as the School, its Governors or Officers cannot accept responsibility for the accuracy of this information, parents and relatives should consult their professional advisers.

## STANDARD TABLE

### **HABERDASHERS' ASKE'S ELSTREE SCHOOLS - FEES IN ADVANCE SCHEME**

Cost of providing £1,000 of fees per term

Commutation Rate: 3.50 % p.a.

<b>Number of Terms</b>	<b>NPV Interest Factor</b>	<b>Amount Payable £</b>	<b>Commutation £ (discount)</b>	<b>Discount Received %</b>
36	0.666	29,584	6,416	17.82%
35	0.673	28,919	6,081	17.37%
34	0.681	28,246	5,754	16.92%
33	0.689	27,564	5,436	16.47%
32	0.697	26,875	5,125	16.02%
31	0.705	26,178	4,822	15.55%
30	0.714	25,472	4,528	15.09%
29	0.722	24,759	4,241	14.62%
28	0.730	24,037	3,963	14.15%
27	0.739	23,306	3,694	13.68%
26	0.748	22,567	3,433	13.20%
25	0.756	21,820	3,180	12.72%
24	0.765	21,063	2,937	12.24%
23	0.774	20,298	2,702	11.75%
22	0.783	19,524	2,476	11.25%
21	0.792	18,740	2,260	10.76%
20	0.802	17,948	2,052	10.26%
19	0.811	17,146	1,854	9.76%
18	0.821	16,335	1,665	9.25%
17	0.830	15,515	1,485	8.74%
16	0.840	14,684	1,316	8.23%
15	0.850	13,845	1,155	7.70%
14	0.860	12,995	1,005	7.18%
13	0.870	12,135	865	6.65%
12	0.880	11,265	735	6.13%
11	0.890	10,386	614	5.58%
10	0.901	9,495	505	5.05%
9	0.911	8,595	405	4.50%
8	0.922	7,684	316	3.95%
7	0.933	6,762	238	3.40%
6	0.943	5,829	171	2.85%
5	0.955	4,886	114	2.28%
4	0.966	3,931	69	1.73%
3	0.977	2,965	35	1.17%

### **Example A – Parent/guardian pays the majority of school fees in advance**

*Parents 'A' wish to provide a sum of £5,000 per term for 15 terms. The total of the fees credited over these 15 terms would be £75,000.*

*The commutation rate is 3.50% so parents 'A' actually pay to the school the sum of £69,225 (from the Standard Table £13,845 x 5) so the termly cost to parents of providing the £5,000 worth of fees is reduced to £4,615 (an average saving of 7.70% per term).*

*The parents will receive an invoice each term showing the credit of £5,000 and the parents pay the balance of the invoice by the due date.*

### **Example B – Parent/guardian pays the minimum qualifying amount**

*Parents 'B' wish to purchase 3 terms at a rate of £1,000 per term. The total of the fees credited over these 3 terms would be £3,000.*

*The commutation rate is 3.5% so parents 'B' actually pay to the school the sum of £2,965 (from the Standard Table) so the termly cost of £1,000 is reduced to £988.33.*

*The parents will receive an invoice each term showing the credit of £1,000 and the parents pay the balance of the invoice by the due date.*

Subject to the Terms and Conditions of Fees in Advance Scheme.



## FEES IN ADVANCE SCHEME – APPLICATION FORM AND AGREEMENT

Name of Pupil (Please Print ).....

Who is \*currently in Year..... Girls'/Boys' School .....

\*entered for admission in..... (\*delete as applicable)

We/I agree to the conditions set out in the Fees in Advance Scheme Particulars and Terms & Conditions of 1<sup>st</sup> September 2023 and we/I have made/will make a BACS transfer (see note below) on ..... for £....., on the basis of the current Standard Table annexed:

£ ..... per term from .....[term and date] for ..... (No. of terms)

Signature of Parents or Guardian (required whoever makes the payment) ..... .....	Signature of person making payment (if different from Parent/Guardian) ..... Relationship to the Pupil .....
Date.....	Date.....
Permanent Address: ..... ..... ..... ..... .....	Permanent Address: ..... ..... ..... ..... .....

Each person who signed the Form of Acceptance on entry to the school should also sign here.

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Bank details for BACS transfers: NatWest bank account 11370890, Sort code 60-50-06, Name 'Haberdashers' Aske's Charity T/A Haberdashers' Aske's Elstree Schools (IBAN: GB80 NWBK 60500611370890, BIC: NWBK GB 2L). Please use your surname followed by 'FIA' as a reference. Should you require further advice or information please contact the Fees Manager at [fees@habsboys.org.uk](mailto:fees@habsboys.org.uk) or 020 82662424.