



Saint Nicholas School

Fees in Advance Scheme

Payment in advance scheme

The Fees in Advance Scheme is a way to reduce the cost of education by means of a discount received against future fees. In return for an advance payment, the school applies a credit against each term's fee bill for the paid number of years. The total value of the credits applied will take account of the discount at a rate agreed at the point of application, thereby providing a saving on the fee bills as illustrated in the scheme example plans outlined below.

Parents will receive an illustration of the FIA scheme, and this will be updated each year. Any fee increase will be invoiced separately in September of each year.

Typically a parent will choose the number of terms they want to pay in advance for. We will add all the current fees for the respective year groups together and arrive at today's total price. If we divide by the number of terms being paid in advance we arrive at the Termly Fees amount "paid". We will then apply a discount rate (commutation rate) to the total sum and divide by the number of terms to give a single effectively termly cost to the parent, which provides a saving on the Termly Fees "paid".

Whilst this covers the term structure of the fees as they move up year groups it does not cover any fee increases. Those responsible for the fees under the Parent Contract 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 child each term. Differences will arise where, for example, there have been increases in fees, supplemental charges and other extras and/or expenses due under the Parent Contract. The additional fees will continue to be invoiced termly.

VAT

Please note that our FIA agreement is not an investment scheme or a tax avoidance scheme, it is a contract for education that makes business sense for both parties, irrespective of tax legislation.

Currently fees for pupils' education is tax exempt. Should a future government introduce VAT on fees please note that the tax point is the earliest of the two dates: the date of payment, or the invoice date. Therefore any fees paid in advance of any change in VAT would not be subject to VAT. However, as the fee increase component is paid and invoiced separately, it would be subject to VAT when it is paid/invoiced, should VAT on fees legislation be passed when the fee increase is due.



Terms & Conditions

Objective

The objective of the Fees in Advance Scheme (the Scheme) is to provide a method where the cost of your child's education at Saint Nicholas School can be reduced by making an advanced lump sum payment. From a contractual point of view, these supplemental terms and conditions must be signed by the parents who are already signatories to the main parent contract, and the individual paying the lump sum payment, if different (e.g., grandparents or any other relative).

The School will maintain its direct contractual relationship with the parents under the main parent contract (the terms of which will remain fully in force and effective as between the School and the parents as holders of parental responsibility) and these terms and conditions will form part of that relationship.

Basis of the Scheme

In return for a lump sum payment to the School at or after the acceptance by the parent of an offer of a place for the child at the School, the School will apply a credit against the amount due under each term's fee invoice for an agreed number of terms. The total value of these credits will be commuted at an agreed rate in order to calculate the total amount of the lump sum payable by the parent to the School under the Scheme, with such calculation carried out prior to the parents joining the Scheme.

Terms & conditions

- 1) These terms and conditions (the FIA Terms and Conditions) are supplemental to the School's standard terms and conditions that the parents agreed when accepting a place for the child concerned (the Parent Contract). As between the parents and the School (excluding the payer, if different), the FIA Terms and Conditions form part of the Parent Contract and, therefore, the contractual relationship between the parents and the School. The terms and conditions of the Parent Contract shall continue to bind the parents in full.
- 2) Where the payer is not a parent of the child, they will be required to agree to these FIA Terms and Conditions by signing below. References in these FIA Terms and Conditions to "parents" shall be interpreted as including the payer, as applicable and as the context requires.
- 3) 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 School may from time-to-time determine.
- 4) The parents should be aware that if the School becomes unable to pay its debts, by reason of insolvency or otherwise, the parents will be unsecured creditors of the School and that the amount of any lump sum payment paid to the School under the Scheme might not be returned to the parents.
- 5) The parents agree to provide the School with such information as the School may request and agree that the School may carry out checks that the School considers necessary or appropriate, including through third-parties, so that the School is able, to its satisfaction, to verify the identity of the parents and the source of funds being paid into the Scheme.

6) Those responsible for the fees under the Parent Contract 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 child each term. Differences will arise where, for example, there have been increases in fees, supplemental charges and other extras and/or expenses due under the Parent Contract. Payment of an amount equal to any such difference shall be made in accordance with the terms of the Parent Contract.

7) The Scheme may be used to provide advanced payments towards fees for a set number of terms during the child's potential time at the School, from a minimum of 6 terms up to a maximum of 15 terms (an increase to the maximum may be considered on a case by case basis). The minimum amount accepted by way of payment into the Scheme is an amount calculated to generate termly payments of £1000 per term. Unless agreed with the Bursar in advance, the maximum advance lump sum payment accepted is of an amount equal to that calculated to cover the termly tuition fee for the total duration of the child's education at the School at the time of entering the Scheme.

8) In return for an advance lump sum payment, the School will make a specified payment to the fee account of the relevant child of an agreed amount for an agreed number of terms. In order to calculate the amount of the total advance lump sum payment, the School and the parents will agree in advance the amount that will be credited against each term's fees, and the set number of terms intended to be covered by the arrangement (the Fee Credit). The School will apply the discount rate set out in the Standard Table at the end of these FIA Terms and Conditions to the amount of the Fee Credit.

9) The Standard Table illustrates the commuted (discounted) cost to the parents of providing the equivalent of £5,000 per term for a child for up to a maximum of fifteen terms as at September 2023. This is the Standard Table currently in force. The cost of providing other equal fee payments per term of amounts over £5,000 and the resulting commutation can be calculated from this Standard Table. The School does not offer the facility to vary the termly fee payments.

10) The commutation rate used in the current Standard Table is 2.5% per annum and is calculated on a compound basis. The Standard Table and commutation rate will be reviewed by the School in line with movements in Bank of England base rates. Parents should confirm the applicable commutation rate and Standard Table currently in force immediately before making any single lump sum payment. The commutation rate is subject to change at the School's sole discretion and parents should be aware that if there is a delay of more than one term between confirming the commutation rate currently in force and paying the advance lump sum to the School that the commutation rate may change. If the commutation rate changes this will affect the amount that will be credited to each term's fees for the relevant child (the discount). Once parents have joined the Scheme and full payment of the relevant lump sum amount is received by the School in freely available, cleared funds, the commutation rate at the time of such payment will apply for the duration of the arrangement secured by that payment. For the avoidance of doubt, the School will only accept payment of the advance lump sum in Pounds Sterling.

11) Following receipt by it of a lump sum payment in freely available, cleared funds, the School will confirm in writing to the parent the amount of the lump sum payment received, the number of terms intended to be covered by the arrangement, the applicable commutation rate, and the amount to be credited against each term's fees. In order to participate in the Scheme, the School must in all cases receive payment of the advance lump sum payment and a signed copy of these FIA Terms and Conditions before the beginning of the first term to be covered. For the purposes of the Scheme, terms will be deemed to commence as follows:

- Spring Term: 2nd January
- Summer Term: 15th April
- Autumn Term: 1st September

- 12) An advance lump sum payment will only be accepted in respect of those children for whom a registration fee and deposit have been received by the School and an offer of a place accepted.
- 13) Notwithstanding Clause 11) above, the payment of an advance lump sum payment in accordance with the Scheme does not in itself guarantee a child a place in the School, nor does it in any way alter the terms of, or requirements for, entry to the School or entitle the child to preferential treatment.
- 14) Subject to the terms of the Parent Contract (including in particular those terms relating to the withdrawal of a child on notice) and Clause 16) of the FIA Terms and Conditions below, if a child leaves the School for any reason prior to the commencement of the last term covered by the Scheme or does not take up their place at the School, an amount equal to the unused proportion of the advance lump sum 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 to the School in lieu of notice) to the parents. If necessary, the Standard Table used to calculate the applicable commutation rate when the parents joined the Scheme shall be used to calculate the amount of any such unused proportion.
- 15) Subject only to Clause 16) below, the School will not pay any refund or sum of money owed to the parents under the Scheme to a third-party. The parents agree to reimburse the School for the amount of any taxes (if any) the School is required to pay as a result of refunding any unused portion of the advance lump sum payment.
- 16) Upon no less than one term's prior written notice and subject to the School's prior approval, the parents may request that an unused portion of the advance lump sum payment be transferred between children who are siblings at the School. Where the parent and the payer of the advance lump sum payment are different, both must agree to the transfer in writing.
- 17) Queries or requests for information regarding the Scheme should be addressed to the Bursar at the School.
- 18) In the event of any change to the School's status, or to any legal or taxation arrangements which have or could reasonably be expected to have an impact on the School's running of the Scheme, or for any other substantive reason, the School reserves the right to make changes to these FIA Terms and Conditions or the general arrangements of the Scheme with a minimum notice period of three (3) months to the parents.
- 19) These FIA Terms and Conditions are governed by English Law and either the parents or the School must bring legal proceedings in respect of these FIA Terms and Conditions in the English Courts.

Fees in Advance Scheme

Standard Table

Fees in Advance scheme Cost of providing the equivalent of £5,000 of fees per term for the number of terms funded at a Commutation Rate of: 2.5 % p.a.

Fees in Advance Commutation Rate / Discount Calculator

Annual Commutation Rate	2.50%	School to enter data in cells C3 to C5 only
Termly fee contribution	£5,000.00	
Number of terms	15	

Amount payable by parent

£70,812.76

Term	Opening FIA Bal	Termly FIA commutation	Termly fees amount "paid"	Effective termly cost to parent
1	70812.76	548.44	-5000	4720.85
2	66361.20	511.34	-5000	4720.85
3	61872.54	473.94	-5000	4720.85
4	57346.48	436.22	-5000	4720.85
5	52782.70	398.19	-5000	4720.85
6	48180.89	359.84	-5000	4720.85
7	43540.73	321.17	-5000	4720.85
8	38861.90	282.18	-5000	4720.85
9	34144.09	242.87	-5000	4720.85
10	29386.95	203.22	-5000	4720.85
11	24590.18	163.25	-5000	4720.85
12	19753.43	122.95	-5000	4720.85
13	14876.37	82.30	-5000	4720.85
14	9958.68	41.32	-5000	4720.85
15	5000.00	0.00	-5000	4720.85

Total Commutation (Discount) over period	Total Fees for period	Total payable at outset
4187.24	- 75,000.00	70812.76

Effective total discount	5.58%
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.Example:

A 15 term (5 year) advance payment will cost £70,812.76 to cover fees of £75,000, providing a saving of £4187.24. In each year of the plan, you will receive termly credits on your fee bill of £5000. If your child leaves the school prematurely, you will be refunded any unused advance payment. Based on this example, should your child leave at the end of the third year, after 9 terms, you will receive a refund of £29,386.95 - your balance after 9 terms. Subject to the Terms and Conditions of Fees in Advance Scheme.

Example:

A current year 4 pupil wants to pay in advance for the next 4 years starting September 2023.

Year 23-24 £12,657 (£4,219 x 3 terms)

Year 24-25 £12,657 (£4,219 x 3 terms)

Year 25-26 £14,163 (£4,721 x 3 terms)

Year 25-26 £14,163 (£4,721 x 3 terms)

Total £53,640 - parent would pay £51,267.75 and would receive a total discount of £2,372.25 (4.42%)

For an example If fees increase 3% from Sept 24 there will be an additional termly charge as shown 3% £4,219 £126.57 3% £4721 £141.63 plus any vat if there is a change in legislation

Fees in Advance Calculation

Annual Commutation Rate	2.50%	School to enter data in cells C3 to C5 only	
Termly fee contribution	£4,470.00		
Number of terms	12		

Amount payable by parent £51,267.75

Term	Opening FIA Bal	Termly FIA commutation	Termly fees amount "paid"	Effective termly cost to parent	Example of an additional charge
1	51267.75	389.98	-4470	4272.31	
2	47187.73	355.98	-4470	4272.31	
3	43073.72	321.70	-4470	4272.31	
4	38925.41	287.13	-4470	4272.31	126.57
5	34742.54	252.27	-4470	4272.31	126.57
6	30524.81	217.12	-4470	4272.31	126.57
7	26271.94	181.68	-4470	4272.31	141.63
8	21983.62	145.95	-4470	4272.31	141.63
9	17659.57	109.91	-4470	4272.31	141.63
10	13299.48	73.58	-4470	4272.31	141.63
11	8903.06	36.94	-4470	4272.31	141.63
12	4470.00	0.00	-4470	4272.31	141.63
13	0.00	0.00	0	0.00	
14	0.00	0.00	0	0.00	
15	0.00	0.00	0	0.00	

Total Commutation (Discount) over period	Total Fees for period	Total payable at outset	Example of additional fees charged termly including increased fees, homework club etc
2372.25	- 53,640.00	51267.75	1229.49

Effective total discount	4.42%
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Saint Nicholas School

Fees in Advance Scheme – Application Form and Agreement

Name of Child¹

Who is *currently in Year

*entered for admission in

We agree to the conditions set out in the FIA Terms & Conditions of November 2023

We hereby confirm that we have instructed our bank to make a direct transfer for £..... to Saint Nicholas School (Harlow) Ltd on the basis of the current Standard Table annexed:

£ per term from for (No. of terms)

<p>Signature of Parent (required whoever makes the payment)</p> <p>Signed by:</p> <p>..... (signature)</p> <p>..... (print name)</p> <p>..... (date)</p> <p>..... (relationship to child)</p> <p><input type="checkbox"/> Tick here to confirm this signatory has parental responsibility for the child.</p> <p>.....</p> <p>.....</p> <p>..... (address)</p>	<p>Signature of Parent (required whoever makes the payment)</p> <p>Signed by:</p> <p>..... (signature)</p> <p>..... (print name)</p> <p>..... (date)</p> <p>..... (relationship to child)</p> <p><input type="checkbox"/> Tick here to confirm this signatory has parental responsibility for the child.</p> <p>.....</p> <p>.....</p> <p>..... (address)</p>
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¹ Where more than one sibling is joining the Scheme at the same time, it will normally make sense to issue separate documentation for each child.

Signature of person making payment (Payer)
(required if different from Parents)

.....

Relationship to the Child

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Date.....

Permanent Address:

.....

.....

Each person who has signed the Application Form should provide a brief explanation of the funds and sign below

Origin of Funds:

.....

.....

.....

Signed.....Name.....

Signed.....Name.....

Should you require further advice or information about the FIA Scheme, please contact:

y.mardel@saintnicholasschool.net

Each person who has signed the Application Form should also sign here.