

## Advance Payment of Fees Scheme Terms and Conditions

1. *Introduction:* this Scheme, which has been authorised by the Governors of Edge Grove School, is designed to enable families to make an Advance Payment of school fees for a named child and in exchange to receive a fair and reasonable discount, in accordance with tax and charity law.
2. *"Parent"* means a person with parental responsibility for the child and includes a legal guardian appointed under the *Children Act 1989* but not a person acting solely as education guardian.
3. *"Payer"*: means the person/s (whether a parent or any other person with the consent of a parent) from whom an Advance Payment of fees is received by the School. If there is more than one Payer, their rights and obligations under this Scheme are joint and several. The Payer may wish to take financial or legal advice before making an Advance Payment. No statement made by or on behalf of the School shall be, or be treated as, financial or investment advice. It is presumed that the Advance Payment shall be used for the termly payment of the agreed amount of school tuition fees for the named child.
4. *Identity of the Payer:* the Money Laundering Regulations 1993 (as amended) require the School to satisfy itself of the identity of anyone making certain types of payment. The School may therefore need to ask the Payer to produce proof of identity, such as a passport, before an Advance Payment can be accepted.
5. *Contractual matters:* the Standard Terms and Conditions and the Fees List of the School as varied from time to time apply to and are incorporated in this Scheme but these Scheme Conditions will prevail in the event of a conflict or ambiguity. A Payer who is not also a Parent shall not acquire any rights or obligations under the terms of the School's contract with the Parent save as provided in these Scheme Conditions.
6. *Admission of the pupil:* whether or not an Advance Payment of fees has been made, admission to the School (where the child has not yet entered) and the right to remain at the School are subject to the admission requirements at the time and to satisfactory academic standards and conduct and are subject in all respects to the School's Standard Terms and Conditions then current.
7. *Ownership of the Advance Payment:* an Advance Payment shall belong to and form part of the general funds of the School but is subject to the provisions for refund (below). Interest shall not accrue or be paid unless expressly provided in these conditions.
8. *The Advance Payment covers* an agreed fixed amount (as agreed between the School and the Payer) of day or boarding fees (where applicable) in respect of the pupil as those expressions are defined in the Standard Terms and Conditions and the Fees List from time to time.
9. *The Advance Payment will not cover:* (a) any increase in day fees and boarding fees (where applicable); or (b) any items normally charged to a pupil's account as an extra or administration or interest charges, or charges for damage; or (c) fees in lieu of notice and, where applicable, the registration fee and any deposit.
10. *School terms:* for the purposes of this Scheme the School Terms are deemed to start on 1 September, 1 January and 1 May in each year.
11. *Crediting the pupil's account:* while the terms of this Scheme apply, the pupil's account will be credited term by term with payment of the fixed amount of termly fees that are covered by the Advance Payment, as they fall due for payment. The payment due dates are deemed to be 5

September, 5 January and 5 May in each year and these dates are used as the basis for all calculations.

12. *Absence from school:* absence during term time because of illness, suspension, exclusion or for any other reason will, for the purposes of this Scheme, be treated as time spent at the School.
13. *Refund on cancellation or leaving early:* subject to the rules about fees in lieu of notice and disputes (below) the unused amount of the original Advance Payment will be refunded to the Payer within six months of the date on which written notice is actually received by the School of cancellation of the child's entry or withdrawal by a Parent or the child is refused admission or is withdrawn, removed or expelled. The sum to be refunded will be calculated by reference to the child's time as a pupil and the variable fees applicable to the pupil's period of attendance. Any refund shall be subject to a reasonable administration charge.
14. *Deductions from refund:* all unpaid extras, damage, payable increases and other sums owed in respect of the pupil (even though the primary liability for payment may be that of a Parent) will be deducted from sums to be refunded to the Payer.
15. *Deposits/credits:* a deposit or credit arising when the pupil leaves the School will be refunded or credited to the Payer less any sums owed to the School.
16. *Fees in lieu of notice:* if for any reason other than a decision made by or on behalf of the School, the pupil's place is cancelled and/or the pupil is withdrawn from the School on less than a term's notice, a term's fees will be payable in lieu of notice before any refund is made.
17. *Scholarships etc:* the value of any scholarship, exhibition or other form of free, partly free or assisted place or discount awarded before the date of this Scheme will be allowed to the Payer. In the case of an award after the Advance Payment has been made there will be a termly refund to the Payer if the amount of the termly award and the amount of the contracted for termly payment credit under the Scheme is in excess of the full fees payable.
18. *Increases or reductions in fees:* increases in fees and all other sums due during the period covered by the Advance Payment will be invoiced and payable in advance of each term except that extras/damage will be invoiced at the end of each term or when they arise. If the rate of fees is reduced, a fair allowance (the amount being in the sole discretion of the School) will be made in the final account after the pupil has left the School.
19. *Direct Debit Mandates:* Participation in the Scheme does not remove the need for the School to hold a valid direct debit mandate; this will be utilised for the collection of all amounts due over and above the amount paid through the Scheme.
20. *Appropriation:* the School reserves the right to credit the account from the balance of the funds with the amount of all sums that have become due and owing to the School but have not been paid within two months of the due date and with interest as set out in the School's Standard Terms and Conditions as they exist at the time of such appropriation.
21. *Changes in the law:* the amount of the fees covered each term may be adjusted/reduced, at the discretion of the School and in accordance with charity law (where applicable) so as to restore the value of the Advance Payment to the School if, in the future, any tax or duty is imposed or any tax benefit or allowance is withdrawn from the School or from independent schools generally or if there are exceptional changes in economic conditions. The School reserves the right to change the terms of the Scheme, and the terms of any existing Advance Fee arrangement in place, should the Scheme be materially affected due to changes in legislation, particularly relating to taxation or charity law.

22. *Disputes between Parents and Payer:* if a dispute should arise between the Payer and the Parents or between the Parents themselves as to the continued education of the pupil, the balance of the funds shall be held by the School until the dispute has been resolved by agreement or court order duly served on the School. While the money is held, the School will continue to credit the pupil's account at the start of each term until the pupil has left the School. If there is more than one Payer, the School will not be concerned to enquire into the respective contributions from each Payer and shall be entitled to make a *refund to the Payer or Parent* whom the School considers it most likely will use the money for the future education of the pupil.
23. *Confidentiality:* the School shall be at liberty to provide all relevant information about the operation of this Scheme to the Parent with whom the pupil resides from time to time. In all other respects and unless the School receives and accepts instructions to the contrary, it will be assumed that the Parents and the Payer are in each others' full confidence as to all matters concerning this Scheme.
24. *Transfer to another school:* the School will, upon written request from the Parent and from another school (but not from the Payer, if different), pay the unused amount of the Advance Payment to any other school to which the pupil is transferred; alternatively upon such request, the School will retain the balance of the funds and discharge the fees of the alternative school as they arise. The School shall not be obliged to invest the funds for the benefit of the Payer or others and shall be entitled to make a reasonable administration charge in relation to each such payment.
25. *Interest:* a refund of the Advance Payment or any part of it will normally be made without interest other than in the case of a refund before the child has entered the School or a refund made necessary because the child has been refused admission to the School, in which case interest paid shall be at the Discount Rate applied to the relevant application.
26. *Consumer protection:* the terms of this Scheme are believed to be in accordance with the custom and practice of independent schools and to be fair to the Payer, the Parents, the Pupil and the School. If any word/s, alone or in combination, infringe the *Unfair Terms in Consumer Contracts Regulations 1999* or any other provision of law, they shall be treated as severable and shall be replaced with words which give as near the original meanings as may be fair.
27. *Interpretation:* unless required to make grammatical sense of the immediate context, headings and sub-headings are for ease of reading only and are not otherwise part of the Scheme conditions.
28. *Jurisdiction:* this contract was made at the School and is governed exclusively by English Law and the courts of England.

## **Advance Payment of Fees Scheme**

### **Some Questions and Answers**

Q. *What is meant by "Advance Payment of Fees"?*

A. Edge Grove School operates a scheme under which a family member, or someone else with the consent of the parents, may make an advance payment of fees by depositing a lump sum in the general funds of the School at any time after registration for entry has been made with the School and the registration fee has been accepted. In exchange for the Advance Payment, the School allows a discount in the fees, calculated at compound rates of interest.

An Advance Payment should be made by cheque or bank transfer and may cover any number of terms subject to a minimum of 3 terms and a maximum of 27 terms (up to 18 terms in the Prep Department, Years 3 to 8, and 9 terms in the Pre-Prep Department, Reception to Year 2). The Scheme does not normally include the Nursery Class. Payments in cash cannot be accepted.

Q. *How is the discount calculated?*

A. The amount of the discount depends on interest rates and economic conditions at the time when the Advance Payment is made. A quotation will be provided on request. The actual Advance Payment quotation at any point in time is dependent upon: the Discount Rate being offered (July 2020: 1.5% p.a.), the pound sterling amount of each termly fixed payment, the number of terms that are to be covered, and the timing of the lump sum payment relative to the first term for which the Advance Payment is to apply. The farther in advance that a lump sum payment is made, the greater the total discount will be.

Q. *Who is entitled to make an Advance Payment?*

A. Anyone with parental responsibility or with the consent of those who have parental responsibility, may make an Advance Payment.

Q. *What are the benefits to the family of making an Advance Payment?*

A. The benefits can include:

- Guarding against a future change in circumstances that might put the cost of private education beyond a family's means.
- Providing an opportunity for estate planning for the purposes of inheritance and other taxes. In these cases we strongly recommend that professional advice is first obtained from a tax adviser or accountant.
- Obtaining a worthwhile discount in the fees that will eventually be payable.
- Flexibility - an advance payment can be topped up or adjusted according to the number of children to be covered and a variety of other circumstances.
- The advance payment forms part of the general funds of the School. This enables the School to reduce its own overhead costs and grant a higher discount to the family than would otherwise be the case.

Q. *Does the Advance Payment cover future fee increases?*

A. No. Annual increases together with all other normal additional charges are invoiced and payable term by term in the normal way.

- Q. *What are the benefits to the School?*
- A. While the advanced fee payment monies form part of the general funds of the School, these amounts are identified and managed as Advanced Payment creditors, with such funds designated for future credit to termly pupil accounts. Nonetheless, such monies can help very considerably in developing the School's facilities while reducing the cost of borrowings which might otherwise be incurred. The Governors are, however, prohibited by tax and charity law from passing on to parents the benefit of a charity's exemptions and relief from taxation but those exemptions and relief do themselves enable the charity to benefit from accelerated payments of this kind and thus a discount on future fees can be provided.
- Q. *How safe is my money?*
- A. The net capital assets of the School are substantial. Further financial information can be provided to individuals and their professional advisers confidentially on request.
- Q. *Is the family committed to this School once the Advance Payment has been made? What if we change our minds?*
- A. If for any reason a child does not enter the School, the full amount of the Advance Payment will be repaid with interest calculated at the prevailing discount rate for the period. If the pupil, once entered, leaves the School early the balance of the Advance Payment after payment of all outstanding sums due to the School will be refunded with interest calculated at the prevailing discount rate for the period. Alternatively, upon written request in accordance with the Scheme Conditions the School will hold the balance of the fund and make termly payments of fees to another school.
- Q. *Does an Advance Payment guarantee a place for my child?*
- A. No. Every pupil must be able to satisfy the admission requirements at the time which may include an academic assessment and a reference as to the pupil's character and general progress.
- Q. *What other terms and conditions apply to Advance Payments?*
- A. All payments are accepted under the Scheme Conditions which have been attached to the Advance Fee Payment Scheme Quotation and Agreement Form. They in turn refer to the School's Standard Terms and Conditions, as varied from time to time, which also apply. In general, the person who makes an Advance Payment does not acquire any rights or obligations under the contract with the School unless he/she is a person with parental responsibility.
- Q. *When can an Advance Payment be made?*
- A. At anytime of the year, from the time of acceptance of registration with the School, though such payment, as described above, does not guarantee acceptance of the child in the School. An Advance Payment must be for a minimum of three terms.
- Q. *Do I still need to provide a Direct Debit Mandate?*
- A. Yes you do. We require that all parent bills are settled by direct debit collection and this principle applies where there may be additional charges incurred on the termly bill.
- Q. *What is the next step?*
- A. Contact the Fees Office at Edge Grove by email to [fees@edgegrove.com](mailto:fees@edgegrove.com) to request a quotation.

Martin Sims  
Bursar  
July 2020

## Advance Payment of Fees Scheme Quotation and Agreement

**DATED** : **VALID UNTIL:**  
**Name of Child** : **Date of Birth:**  
**Fixed Termly Credit of Fees to be Paid In Advance:** £      **per term**  
**Assumed date of receipt of payment** :  
**Proposed date of entry/commencement of scheme:**      **& School Year of Entry:**  
**Number of terms to be covered** :      **terms**  
**Total fees (excluding annual increases)** :  
**(based on current fees and after any scholarships or bursaries awarded)**  
**Current Discount Rate offered** :      **1.5% p.a.**  
**Amount of discount** :      **£**  
**Advance Payment required** :      **£**

I/We, the undersigned, wish to make an Advance Payment of fees for the child named above in accordance with this Quotation and the attached Scheme Conditions, and the Standard Terms and Conditions of Edge Grove School which I/we have read and understood.

[If applicable] I/We declare that I/we have obtained the consent of those who have parental responsibility for the child and I/we authorise Edge Grove School to seek written confirmation of that consent.

I/We declare that I/we have not relied for financial or investment advice on any statement made by or on behalf of Edge Grove School and that I/we have had an opportunity of taking independent legal and financial advice before signing this agreement.

I/We enclose a cheque payable to “**Edge Grove School Trust Ltd**” or

I/We have made a bank transfer of the advance payment direct to the School Bank account held with Barclays Bank at:

Sort Code: 20-05-03. Account 00355097. IBAN: GB32 BARC 2005 0300 3550 97. SWIFTBIC: BARCGB22

<p><b>First Payer</b></p> <p>Full Name:</p> <p>Address:</p>  <p>Telephone:</p> <p>Email Address:</p> <p>Relationship to child:</p> <p>Signature:.....</p> <p>Date:</p>	<p><b>Second Payer (if applicable)</b></p> <p>Full Name:</p> <p>Address:</p>  <p>Telephone:</p> <p>Email Address:</p> <p>Relationship to child:</p> <p>Signature:.....</p> <p>Date:</p>
<p><b>Signed on behalf of Edge Grove School</b></p> <p><b>Date:</b></p>	<p><b>Signed:</b>.....</p> <p><b>Position:</b> Bursar</p>