

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 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 Middle and Senior Departments, Years 3 to 8, and 9 terms in the Junior 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 (April 2024: 2.5% 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 any time 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 to request a quotation.

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