



Fees in Advance Scheme

Terms & Conditions

Background

The London Acorn School (**School**) Fees in Advance Scheme (**Scheme**) enables parents to pay school fees up front by making a lump sum payment in advance, in return for which the parents receive a discount on the cost of their children's education. The lump sum payment will be a prepayment towards the amount due in respect of each term's fees for an agreed number of terms. Parents will receive a discount at an agreed rate which will be used to calculate the total lump sum to be paid by the parents to the School, with such calculation carried out prior to the parents joining the Scheme. Parents can only join the Scheme after the offer of a place for the child at the School has been accepted.

In order to join the Scheme, 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 third party). 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.

Parents are advised to seek their own professional legal, financial and tax advice before joining the Scheme.

Terms & Conditions

- 1) The FIA Terms and Conditions. These terms and conditions (**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 (**Parent Contract**). As between the parents and the School (but excluding the payer, if different, because the payer is not a party to the Parent Contract), these 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) The Payer. 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) The status of the lump sum payment. 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. Subject to Clause 13) below, lump sums paid to the School into the Scheme are **non-refundable** and the parents cannot leave the Scheme except in the circumstances set out in Clause 13).
- 4) What happens if the School becomes insolvent, etc.? 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 the unapplied portion of the lump sum payment may not be returned to the parents.



The phrase “unapplied portion of the lump sum payment” has the meaning ascribed to it in Clause 13).

- 5) Money Laundering and source of funds. 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 verify, to its satisfaction, the identity of the parents and the source of funds being paid into the Scheme.
- 6) The parents must make additional termly payments to the School for any amounts owed to the School. The parents (or those responsible for the fees under the Parent Contract, if different) must pay to the School the difference between the total amount due in respect of the child each term and the amount that has already been prepaid for that term under this Scheme. Differences will arise where, for example, the fees have been increased, where supplemental charges and other extras are due, or where taxes are due on any fees or supplemental charges, for example if there is a change which results in VAT being payable in respect of or by reference to school fees and such change applies to any of the prepayments covered under the Scheme. Payment of an amount equal to any such difference shall be made in accordance with the terms of the Parent Contract.
- 7) The number of terms and amount to be covered by the Scheme. The Scheme may be used to pay in advance for a set number of terms during the child’s potential time at the School, from a minimum of 3 terms up to a maximum of 15 terms. The lump sum payable by the parents will be calculated so that parents pay in advance an approximation of the total anticipated termly tuition fees for the agreed number of terms, minus the discount. Accordingly (and unless agreed with the Bursar in advance), the maximum advance lump sum payment accepted is an amount equal to that calculated to cover the estimated full termly tuition fee for the total duration of the child’s education at the School at the time of entering the Scheme.
- 8) How the lump sum is calculated. The lump sum payable is calculated by:
 - a. the School and the parents agreeing in advance the number of terms intended to be covered by the lump sum payment;
 - b. estimating the total anticipated termly fees for the agreed number of terms to work out the total amount that will be prepaid each term (**Prepayment**); and
 - c. deducting the discount from the Prepayment by applying the discount rate. The School will apply the discount rate set out in the **Standard Table** at the end of these FIA Terms and Conditions. This calculation will generate the amount of the lump sum payment payable by the parents.
- 9) The Example Table and what it illustrates. The Example Table shows the amount which will be prepaid towards the cost of the relevant child’s education each school term (i.e. the Prepayment) and the lump sum payable by the parents. This is the Example Table currently in force.
- 10) The discount rate. The discount rate used in the current Standard Table is 3.00% per annum and is calculated on a compound basis. The Standard Table and commutation rate will be reviewed by the School and is subject to change at the School’s sole discretion. Parents should confirm



the applicable discount rate and Standard Table currently in force before making any single lump sum payment. Parents should be aware that if there is a delay of more than 30 days between confirming the discount rate currently in force and paying the lump sum to the School, the discount rate may have changed. **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 discount rate at the time of such payment will apply for the duration of the period covered by that payment.** For the avoidance of doubt, the School will only accept payment of the advance lump sum in Pounds Sterling.

- 11) Eligibility. The School only accepts applications to join the Scheme from parents who have paid the registration fee and deposit and submitted the School's Acceptance Form. Please note that participation in 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. The School must in all cases receive payment and a signed copy of these FIA Terms and Conditions before the beginning of the first term to be covered by the lump sum payment. 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) Confirmation of participation in the Scheme. Following receipt by the School of the lump sum payment in freely available, cleared funds, and a signed copy of these FIA Terms and Conditions, the School will confirm the amount of the payment received, the number of terms covered by that payment, and the amount of each Prepayment.
- 13) What happens if the child leaves the School early? Subject to the terms of the Parent Contract (including in particular those terms relating to the withdrawal of a child on notice), 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, the unapplied portion of the lump sum payment 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. The "unapplied portion of the lump sum payment" is an amount equal to such proportion of the lump sum payment made under the Scheme as is referable to the terms that (at the relevant time) have yet to commence. If necessary, the applicable Standard Table will be used to calculate the amount of any such refund.
- 14) Changes to the fees and how this impacts each Prepayment. Without prejudice to Clause 6), the School retains sole discretion as to how and to what extent any subsequent change to net school fees (exclusive of any applicable tax) impacts on a Prepayment. For example, if the School decides to increase net fees, a difference would arise for the purposes of Clause 6); on the other hand, if the School decides to reduce net fees so as to soften the impact of any tax applied on fees, parents participating in the Scheme may not benefit from this reduction.
- 15) Refunds to third parties. 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 portion of the lump sum payment to the parents.



- 16) Queries. Queries or requests for information regarding the Scheme should be addressed to the Bursar at the School.
- 17) Changes to these FIA Terms and Conditions. In the event of any change to any legal or taxation arrangements (such as VAT) 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.
- 18) VAT. The lump sum payable is exclusive of VAT which shall be payable in addition (if applicable). For the avoidance of doubt, in the event that a change to VAT legislation imposes a VAT charge (or a greater VAT charge) on the supply of educational services, and VAT is payable on any supply for which any payments made into the Scheme are consideration for VAT purposes, the parents shall pay to the School an amount in addition to such payments equal to any VAT that is due.
- 19) Governing Law. 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 - Example Table

Fees in Advance Commutation Rate / Discount Calculator

Annual Commutation Rate	3%	
Termly fee contribution	£1,000.00	Input
Number of terms	15	Input

Amount payable by parent **£14,003.70**

Term	Opening FIA Bal	Termly FIA commutation	Termly fees amount "paid"	Effective termly cost to parent
1	£14,003.70	£130.04	-£1,000.00	£933.58
2	£13,133.74	£121.34	-£1,000.00	£933.58
3	£12,255.08	£112.55	-£1,000.00	£933.58
4	£11,367.63	£103.68	-£1,000.00	£933.58
5	£10,471.30	£94.71	-£1,000.00	£933.58
6	£9,566.02	£85.66	-£1,000.00	£933.58
7	£8,651.68	£76.52	-£1,000.00	£933.58
8	£7,728.19	£67.28	-£1,000.00	£933.58
9	£6,795.48	£57.95	-£1,000.00	£933.58
10	£5,853.43	£48.53	-£1,000.00	£933.58
11	£4,901.97	£39.02	-£1,000.00	£933.58
12	£3,940.99	£29.41	-£1,000.00	£933.58
13	£2,970.40	£19.70	-£1,000.00	£933.58
14	£1,990.10	£9.90	-£1,000.00	£933.58
15	£1,000.00	£0.00	-£1,000.00	£933.58
16	£0.00	£0.00	£0.00	£0.00
17	£0.00	£0.00	£0.00	£0.00
18	£0.00	£0.00	£0.00	£0.00
19	£0.00	£0.00	£0.00	£0.00
20	£0.00	£0.00	£0.00	£0.00
21	£0.00	£0.00	£0.00	£0.00

Total Commutation (Discount) over period	Total Fees for period	Total payable at outset
£996.30	-£15,000.00	£14,003.70

Effective total discount	6.64%
--------------------------	-------

Subject to the FIA Terms and Conditions 6 June 2024