

RADLEY COLLEGE

FEES IN ADVANCE SCHEME

The College wishes to draw to your attention the College's Fees in Advance Scheme which enables parents to make payment of all, or part, of the College's termly tuition fees by means of an advance lump sum payment.

Parents will be aware that similar schemes are available, but the Radley scheme is competitive and the rates of discount offered are kept under frequent review. Moreover, since its use helps the College, it indirectly benefits both present and future generations of Radleians. It should be noted, however, that payment of the advance lump sum does not guarantee or assist in obtaining a place in the College, nor does it exempt a parent from payment of entrance or registration fees.

For full details of the Fees in Advance Scheme, please see the attached FIA Terms and Conditions. Further details of the scheme are covered in the question and answer format that follows.

ADVANCE LUMP SUM PAYMENT

Question Can any person pay the advance lump sum?

Answer Yes. The advance lump sum may be paid by parents, grandparents, guardians or any other person able to help a boy's education. Please note that if the payer of the advance lump sum is different to the signatory of the parent contract with the College, the payer must also sign and accept the FIA Terms and Conditions. The College also reserves the right to conduct appropriate checks to verify the identity of the payer and the source of funds being paid into the scheme.

Question What sum is required to defray future fees?

Answer Please see the attached FIA Terms and Conditions as the lump sum amount required depends on the number of terms of your child's education at Radley you would like to pay for in advance. We will provide you with a formal quotation setting out the lump sum you will need to pay and the amount of fees this will be used to fund.

Question Can the FIA Terms and Conditions be changed once the advance lump sum has been paid?

Answer The composition rate (and thereby the value of fees that will be funded) does not change after you have become a member of the scheme and paid the lump sum. Normally no changes to the FIA Terms and Conditions will be made whilst you are a member of the scheme. However, the College does reserve the right to vary the conditions in the event of its status as a Charity being altered, or if there is a change to any legal or taxation arrangements which have or could reasonably be expected to have an impact on the College's running of the Scheme, or for any other substantive reason. In such a case, members will be given a minimum of 3 months' notice of any such change.

Question What does the advance lump sum provide?

Answer It secures payment towards fees at a given amount per term, for the number of terms selected, starting at a certain date.

Question Can a lump sum be paid that does not cover the full fees?

Answer Yes. The rates are to be found on the FIA Terms and Conditions enclosed with this sheet.

Question What happens if the College's fees go up either before or after a boy enters Radley?

Answer The person responsible for fees under the parent contract with the College (normally the parent or guardian) is responsible for meeting the difference between the new fees and the termly amount provided under the Fees in Advance scheme, or a further lump sum may be paid, subject to a minimum receipt of £30,000.

REFUNDS

Question Are there circumstances in which the lump sum may be repaid?

Answer Yes. If a boy is withdrawn or excluded or his place is cancelled before he joins, the unused portion of the advance lump sum paid may be refunded to the person who paid it.

Question What is the position if a boy in respect of whom a lump sum payment has been paid subsequently receives a fee discount (for example, a means-tested bursary)?

Answer The value of such an award will be credited each term in accordance with the rules governing the award. If, as a result of the award, the termly amount secured by the advance lump sum payment is more than is needed, a partial refund, subject to the rules described above, may be claimed.

TRANSFERS

Question In the event of the advance lump sum paid securing more fees than are required, may the excess be applied to a brother at Radley?

Answer Yes, the College may agree that the unused portion of the advance lump sum can be transferred between siblings at the College, provided that it receives no less than one term's prior written notice in accordance with the FIA Terms and Conditions.

TAXATION (See also paragraphs under Refunds)

Question Is the parent subject to income tax or capital gains tax on the fees provided by the advance lump sum payment?

Answer No. The payment of an advance lump sum is not subject to income tax or CGT. This can be beneficial when compared to other less tax efficient means of saving or investing the funds used to pay the lump sum.

Question Are payments subject to inheritance tax?

Answer We suggest that independent professional advice is taken in order to consider your particular circumstances. By way of general information, we understand that payments made from capital for education are wholly exempt from inheritance tax if they are made by the child's parent or person responsible for his education and maintenance. Payments made by grandparents and others may be considered to be exempt provided the donor survives for 7 years, and are subject to reduced rates of tax if he or she survives for more than 3 years.

Question Are payments exempt from VAT?

Answer Yes - school fees are currently exempt from VAT. Under current VAT rules, receipt by the College of fees in advance creates a tax point for VAT purposes. However, should

a government introduce VAT to school fees in future, they may also introduce new rules that could change this and/or introduce anti-forestalling provisions that apply to payments made into the Scheme prior to any legislative changes.

The answers given in this fact sheet are in accordance with the best information available to the College at the time of issuing.

Any person may apply to pay an advance lump sum in accordance with the College's Fees in Advance Scheme provided the boy in question has been entered for Radley. The FIA Terms and Conditions enclosed with this sheet should be completed and forwarded with payment (made payable to Radley College), to the Director of Finance, Radley College, Abingdon, Oxon, OX14 2HR, who will be pleased to answer any questions on the scheme.