

Dear Parents and Guardians,

We hope this letter finds you well.

In the October Budget, the Government confirmed its decision to introduce 20% VAT on independent school fees, effective from January 2025. We are deeply disappointed by this outcome and its timing, recognising the significant challenge it could pose for some members of our community. The Budget also told us that employer national insurance contributions will rise, adding to the Academy's operating costs. We write to explain how these changes will affect fees at Dollar Academy.

From the outset, we have committed to mitigating the impact of the VAT policy and sharing the increased financial responsibility with families as best we can. As previously communicated, we have carefully reviewed our cost base, making savings where possible without compromising the sector leading education we provide. We have also worked closely with our accountants to estimate how much VAT we can reclaim under the new rules. **As a result, we will be able to reduce the effective VAT burden from 20% to 13%.**

This means that, whilst we must add 20% VAT to our fee bills from January 2025, we will simultaneously **reduce our fees to achieve a net increase of 13% for parents for the remainder of the academic session.**

In arriving at this figure, a careful balance was struck between supporting our families as best we can in this difficult moment whilst also ensuring the Academy remains properly resourced to continue to provide a highly sought after education for years to come. Our updated fees are shown at the end of this letter.

Rest assured, **we will double down on efforts to minimise any routine yearly fee increases in the future** and ensure that the Academy continues to deliver its latest set of strategic priorities, which we are pleased to share with you through [Futurum 2030](#).

We had sincerely hoped for a different outcome, as we believe the VAT policy undermines both the accessibility and the choice that independent schools represent. Whilst we understand that the policy will be challenged legally in the months to come, we must now prepare for implementation. The fact that Dollar is very securely placed in this difficult moment for independent education does not diminish the concern we hold for members of our community who will struggle to meet the implications of the new VAT policy. We will always do what we can to assist families most in need.

We wish you well as we look towards the end of the first term and thank you for your continued support.

Chair of the Board of Governors

Rector

Table showing current and updated fees from January 2025

2024/25 Fees - VAT included					
<u>Day</u>	2024/25 Fee (pre-budget)	New Annual Fee (ex. VAT)	VAT	Annual Fee (inc. VAT)	Termly Fee
Prep	£13,104	£12,339	£2,467.80	£14,806.80	£4,935.60
Junior	£15,057	£14,175	£2,835.00	£17,010.00	£5,670.00
Senior	£17,514	£16,488	£3,297.60	£19,785.60	£6,595.20
<u>Full Boarding</u>					
Prep	£36,126	£34,020	£6,804.00	£40,824.00	£13,608.00
Junior	£38,079	£35,856	£7,171.20	£43,027.20	£14,342.40
Senior	£40,536	£38,169	£7,633.80	£45,802.80	£15,267.60
<u>Weekly Boarding</u>					
Prep	£33,903	£31,923	£6,384.60	£38,307.60	£12,769.20
Junior	£35,856	£33,768	£6,753.60	£40,521.60	£13,507.20
Senior	£38,313	£36,081	£7,216.20	£43,297.20	£14,432.40

Over the coming weeks, we will be looking closely at the possible impact the new legislation may have on some charges within our broader operating activities and co-curricular offering. Any changes will be communicated as soon as possible.