



Kellett School Debenture Guidelines

Kellett School Debentures

Please note that these are guidelines only and do not state the precise terms and conditions of each debenture type. Please refer to the specific debenture Terms and Conditions, which are disclosed prior to the point of sale.

Kellett School is a not-for-profit organisation. Debentures were introduced to help finance the building of the School, the acquisition of equipment and other capital items, and thus benefit the entire School community. A certificate is issued in return for payment of a lump sum prior to the pupil joining the School.

Each child that is enrolled at the School is required to contribute to the long-term funding of the School. School fees are generally set at a level which covers most if not all of the School's running costs, but not its capital costs.

All students whilst at Kellett School must be covered by a Debenture, with the following exceptions:-

Existing Kellett School students joining Sixth Form whose Debenture has expired, or is to expire in the next two years, may opt to be covered by either a full or pro-rata non-refundable Capital Contribution in lieu of Debenture cover.

External students joining Kellett Sixth Form may opt to pay a non-refundable Capital Contribution in lieu of Debenture cover.

Priority Number	Corporate Entry
1	Foundation Certificate or Foundation Debenture nominee or siblings of Foundation Debenture Holders holding a Foundation Sibling Debenture
2	Corporate Capital Contribution Certificate (CCC) or Sibling CCC nominee
3	Corporate Debenture nominee who is a sibling of an existing pupil Children of staff whose parent/carer's post has been determined as a particularly high priority at the time of appointment (at the discretion of the Principal)
4	Individual Debenture nominee who is a sibling of an existing pupil
5	Corporate Debenture nominee Alumni returning within 2 years of leaving Hong Kong Children of alumni Children of Teaching Staff at Kellett
6	Individual Debenture holders (including siblings of Corporate Debenture and Foundation Certificate nominees where the sibling does not have a separate Corporate Debenture or Foundation Certificate nomination). Sixth Form Capital Contribution

Debenture Notes:

- (a) All nominees are required to meet the School's Curriculum Requirement regardless of debenture status.

- (b) Individual Debenture nominees can be expected to be allocated at least half the available places in the School.

Priority 1: Foundation Certificate, Foundation Debenture and Foundation Sibling Debenture Holders

In 2010 the Board of Governors released an issue of high value Foundation Certificates and Foundation Debentures to assist with the development of the Kowloon Bay campus of the School. These Certificates and Debentures are designed to assist the business community to be able to place students in the School throughout the school year. A limited number of places will be reserved in each year level of the School to ensure places are available to Foundation Certificate and Foundation Debenture nominees ("**Foundation Pool**").

Foundation Certificates and Foundation Debentures are valid for 15 years. A nominated child, upon application, will be allocated the highest priority, with places to be drawn from the Foundation Pool.

Foundation Certificates are not repayable. When the nominated child leaves the School, a holder of a Foundation Certificate will be entitled to place another nominated child in the year of their choice, subject to the child satisfying the School's Curriculum Requirement. A sibling or siblings of the Foundation Certificate nominee have no priority entry rights.

Foundation Debentures are repayable after 15 years or may be extended and depreciated over a further 10 years to provide a priority place for up to 25 years. A holder of a Foundation Debenture will be entitled to a place in the year of their choice for the nominated child plus up to two additional siblings upon purchasing a Foundation Sibling Debenture for each additional sibling, subject to each child satisfying the School's Curriculum Requirement.

Priority 2: Corporate Capital Contribution (CCC) and Sibling Corporate Capital Contribution

The Board of Governors may from time to time issue CCCs which guarantee the nominated child a place at the School, regardless of the status of the waiting list.

Siblings of children nominated under a CCC will be entitled to purchase a Sibling CCC. The siblings with a Sibling CCC will receive priority on the waiting list over all regular Corporate Debenture Holders and siblings on the waiting list, and will be offered the next available place in the relevant year. Places are subject to the child satisfying the School's Curriculum Requirement.

Priority 3: Depreciating Corporate Debenture nominee (who is also a sibling of an existing pupil)

A sibling of an existing pupil, where the sibling is nominated under a separate Corporate Debenture. Such applicants have a higher priority than regular Corporate Debenture Holders - see (4) below.

Priority 4: Sibling of a current pupil who did not gain entry via a Corporate Debenture

The School has a strong tradition as a family school and we endeavour to keep families together. Accordingly, siblings of pupils with an existing place have a high priority on the waiting list. However, there is no sibling priority for siblings of children covered by a Corporate Debenture unless a further Corporate Debenture is purchased, in which case the sibling will have priority level 3 – please see below for further information.

Priority 5: (i) Depreciating Corporate Debenture nominee (at the time of issue of this document, there were a total of 250 in issue, including priority levels 3 and 5 – this number will rise as the School grows as current policy is the number of Corporate Debentures should be approximately half of the School's roll)

(ii) Alumni returning within two years of leaving and children of alumni

(iii) Former holders of a Foundation Certificate or Foundation Debenture or Foundation Sibling Debenture; and

(iv) Children of current staff

A Corporate Debenture Holder is entitled to nominate one child to the School at any one time. Nomination accelerates a child's place on the wait list, but does not guarantee a place. Corporate Debenture status is below that of siblings. A Corporate Debenture has a life span of eight years from the date of issue and will depreciate to zero over that period (at 20% of the principal sum for the first year, 15% of the principal sum for the second and third years, and at 10% of the principal sum in each of the remaining five years).

Please note that there is no sibling priority for siblings of children covered by a Corporate Debenture unless the sibling is nominated under a separate Corporate Debenture. If no separate Corporate Debenture nomination is made, the child's name will be placed on the waiting list, and their application will be considered in order of the date of application. This is an important consideration if parents are considering the purchase of a Corporate Debenture in order to accelerate a child's entry to school, especially since Corporate Debentures have limited availability.

***Priority 6: (i) Depreciating Individual Debenture
(ii) Sixth Form Capital Contribution***

Individual Debentures are required by all children who enter the school based on date of application only. For families with more than one child, second and further children will obtain a priority on the waiting list by virtue of being a sibling of a child already in the School (or having been offered a place in the School) on an Individual Debenture (but will have to purchase another Individual Debenture for each subsequent child).

An Individual Debenture has a life span of seven years from the date of issue and will depreciate to zero over that period (at 20% of the principal sum for the first year, 15% of the principal sum for the second and third years, and at 12.5% of the principal sum in each of the remaining four years).

For those students accepting a place in Sixth Form, there is the option to pay the non-refundable Capital Contribution in place of the individual or corporate debenture.

Rights of the Association

In each priority category, applications are processed according to date of receipt of application. The Association reserves the right to alter the types of Debenture in issue, the rights attached to Debentures and Certificates, and the priority given to applicants of any nature, at any time and in any manner, in its absolute discretion.

In the case of any dispute or disagreement over a child's position on the waiting list or entry to the school, the Principal's decision is final.

Corporate and Individual Debentures – More Information

Repeating an Academic Year

The repeating of an academic year must be approved by the Principal. Approval is only given when the decision for a student to repeat is mutually agreed by (a) the parents and (b) the School (and where appropriate the student concerned).

In the event of repeating an academic year both Debenture cover/Capital Contribution and the appropriate school fees are payable. These requirements are extended to all students including those undertaking public examination resits.

Sibling Priority

Whilst Kellett School operates sibling priority it is not automatically conferred. **In order to confer sibling priority all siblings are required to hold the same debenture status.**

For example; should the first sibling enter Kellett using a Corporate Debenture subsequently thereafter upon entry each sibling requires a Corporate Debenture assigned to them in order to receive sibling priority.

Should the first sibling enter Kellett using an Individual Debenture their siblings will be allocated an Individual Debenture and shall receive sibling priority for the same Preparatory campus (if applicable).

Maintaining Debenture Status

All students are required to maintain their Debenture status conferred at the time of entry throughout their education at Kellett School. In the event a parent changes employer and is in receipt of preferential Debenture status and wishes their child/children to retain their Kellett School place(s), parents are required to agree to Kellett School's debenture transition arrangements and purchase a Debenture/Debentures of equal status to that previously held by their child/children within the academic year.

Change of Debenture Status

Should a parent whose child remains resident in Hong Kong wish to withdraw their child from Kellett School in order to change their Debenture status, the child may not return on a lower debenture status than previously held within twenty-four months from the date of withdrawal.

Full Depreciation of a Corporate Debenture

When a Corporate Debenture has depreciated to zero, all rights under the Debenture terminate and the Certificate should be returned to the School. The Debenture Holder will have the right to immediately purchase a new Depreciating Corporate Debenture of the Series in issue at that time. If a child currently attending the school is nominated under a depreciated debenture it is a requirement (see 'Maintaining Debenture Status' above) that they are nominated under either a new Debenture or a previously purchased and unassigned, available Debenture of the same level.

Purchasing and Redeeming a Debenture

Purchase: All Debentures are purchased through the School. There is no secondary market for buyers or sellers (except for Foundation Debentures and Foundation Certificates – see below). Usually a Corporate Debenture is purchased in advance, in order to obtain a priority on the waiting list.

Redemption: Debenture certificates should be returned to the School for redemption. For Corporate and Individual Debentures, notice to redeem should be given by the Debenture Holder in writing and in accordance with the Debenture conditions, to avoid unnecessary depreciation.

For Foundation Debenture and Foundation Certificate Holders arrangements can, in exceptional circumstances, be considered by the school if a corporation wishes to sell. See Terms and Conditions for Foundation Debentures and Foundation Certificates.

Assigning a Debenture

If a Debenture is in use, no other person may be nominated under that Debenture.

Once a Debenture is fully depreciated, no child can be nominated under it.

Withdrawal of a nomination to a Corporate Debenture

If a nomination is to be withdrawn, the Debenture Holder needs to inform the School in writing. If the nominated child is to continue in School, either another company or the parents must bear the cost of a new Corporate Debenture.

One of the key aims of the School Admissions Policy is to provide parity between those who have access to Corporate Debentures, and those who are long term residents of Hong Kong, and do not have Corporate Debentures (but benefit the School by providing stability in its pupil population). Allowing a child to retain the priority gained through a Corporate Debenture whilst switching to an Individual Debenture would be seen as unfairly prejudicial to other applicants on the regular waiting list.

Thus, if a child enters School through a Corporate Debenture nomination, or is on the waiting list and is nominated against a Corporate Debenture, that child must continue to be nominated against a Corporate Debenture for the remainder of their School life and cannot transfer to an Individual Debenture.

Grace period

If a child loses the benefit of a Corporate Debenture, there will be a grace period until the end of the following term to allow time for the re-nomination of the child against another Corporate Debenture. This could be re-nomination by another company against an available existing Corporate Debenture or the purchase by the parent or another company of a new Corporate Debenture at the current price. Corporate Debentures purchased in individual names are not transferable to other nominees.

If a child is not nominated against another Corporate Debenture by the end of the grace period, the child will be asked to leave the School.

Withdrawal of a nomination of a Foundation Certificate or Foundation Debenture

Because Foundation Certificate and Foundation Debenture nominees receive the highest possible entry priority it must be recognised by both Foundation Certificate/Debenture Holders and parents/guardians of Foundation Certificate/Debenture nominees that special conditions must apply if a Foundation Certificate/Debenture (or Foundation Sibling Debenture) nomination is withdrawn.

The priority afforded by a Foundation Certificate/Debenture cannot be withdrawn from the nominee by the Certificate/Debenture Holder whilst the nominee's parent/guardian remains in the Certificate/Debenture Holder's employment.

Additionally, a Foundation Debenture cannot be used for a new nominee where a sibling or siblings enrolled under Foundation Sibling Debentures tied to a previous nominee are still enrolled in the school.

Where a Foundation Certificate/Debenture nomination is withdrawn all rights will be withdrawn and the nominees will be required to withdraw from the School within two months. Re-admission is permissible through the normal waiting list or on nomination under another Debenture with the necessary priority. Such students will be afforded priority as alumni returning within two years of leaving the School and Hong Kong status.

Please contact the Development Office: development@kellettschool.com for more information on the availability of Corporate Debentures and their terms and conditions.

For further information about Individual Debentures, please contact the Admissions Office: admissions@kellettschool.com