

Current Procedures in accordance with the RICS Regulations

Client Bank Accounts

We currently hold general client bank accounts with Barclays UK PLC. We do not operate any client accounts that hold both Landwood Group and client monies. At the beginning of each case the clients are notified of where their monies will be held, detailing the client bank account name, sort-code and account number.

The general client bank accounts are interest bearing client bank accounts and the interest is credited to the Landwood Group office account. This procedure is communicated to the relevant parties at the start of a case. The bank charges incurred on the client bank accounts are also paid from Landwood Group office account.

For designated client bank accounts, bank interest is accrued and credited to the same designated client bank accounts and will be paid to the relevant parties upon closure of the account.

Client Accounting Systems and Controls

Each department has a different accounting system. The current systems in place are CFP Winman, Re-Leased, Sage and Excel.

All client bank accounts are reconciled on a daily basis to ensure all funds are processed correctly and the correct running balance for each client is held and readily available. This also highlights any unknown receipts which can be put into the unknown receipts' procedure (see below).

The computerised systems (CFP Winman and Re-Leased) do not allow for client monies to become overdrawn. All transactions are posted on a daily basis with the bank balances agreeing to the computerised cashbook balances.

The Sage and Excel system is posted and reconciled on a daily basis with a senior member of staff reviewing the individual client balances to ensure the client balances are not overdrawn.

Receipts

We ask the tenants, purchasers and clients to deposit monies into the client accounts via bank payments giving them a specific reference, so they are easily identifiable. In some instances, we do receive cheques, which are banked on the same day or the day after and are identified and posted to the relevant accounting system. The cheques are listed on a cheque log spreadsheet.

We also accept monies from a contracted third-party transaction service provider, where the client funds are deposited into a nominated bank account. The deposits are identified using the provider's online account and allocated to the relevant client.

If client monies are deposited into the office account, the client monies are immediately transferred to the relevant client bank account.

From time to time we do receive monies which we cannot identify. These are noted and reviewed on a daily basis with information being passed to relevant parties to try and identify the receipts. A spreadsheet is maintained listing the unknown receipts within all the client bank accounts. If these procedures do not result in the allocation of receipts, we refer to Handelsbanken to see they can help in the process of identification. If not, the receipts are returned to the bank account they came from. Unknown receipts are held in a suspense account on each relevant accounting system.

Landwood Group do not accept cash in order to mitigate the risk of money laundering.

Should monies received into any general client account relate to Landwood Group monies then these are transferred immediately into the office account.

Payments

Payments are made on behalf of our clients and with their authorisation which is obtained at the start of each case or prior to any payment being made. Before payments are made, a review of the client account balances is performed to ensure there are enough funds available. The relevant paperwork is prepared and passed to a senior member of the accounts team who reviews the paperwork before setting up the cheque/bank payments. Only directors of the firm (as per the bank mandate) can then sign the cheque or authorise the electronic bank payment.

All unused cheques are kept in a secure location at Landwood Group's head office.

For any electronic bank payments which have not been made before we are required, by our insurers, to confirm the bank account details with the recipient. We firstly obtain the bank details either per the invoice or via written means (email or letter) and then verbally confirm the bank details. The bank account details are logged onto Barclay's template so the payment can be made.

For all direct debits which are required to be set up and taken from client monies follow a strict process to ensure direct debits are not taken without the necessary funds in place.

Reconciliations

A three-way bank reconciliation is completed on a monthly basis and signed off by a senior member of staff. This reconciliation process followed agrees the general client account balance to the cashbook balance on the relevant accounting system and the breakdown of each client monies held. Each reconciliation will list all unpresented cheques and uncleared receipts, which are reviewed on a monthly basis. Any cheques over six months which haven't been cashed are cancelled and reversed. The reconciliations are supported by the relevant bank statements and system reports that detail the balances.

The reconciliations are reviewed and authorised by the financial controller.

Reporting

On monthly basis each client receives a statement of all transactions within the month and balance held at month end. Each accounting system produces these statements however our clients may prefer a different format depending upon our clients' reporting requirements. This is discussed at the start of each case.