

Client Money Handling Procedure (this “Procedure”)

This Procedure outlines the processes and controls for the handling of client monies in compliance with the Royal Institute of Chartered Surveyors (**RICS**) Professional Statement on Client Money Handling.

Definitions

Key phrases used throughout this Procedure. Where possible we have used the same definitions contained in the relevant RICS guidance.

APAM, we, us, our APAM Ltd, registration number 07671308, whose registered office is at 4th Floor, 84 Grosvenor Street, London, England, W1K 3JZ

Client, you, your, An APAM client that we hold Client Money for and in the provision of our services

Client Money Money of any currency (whether in the form of cash, cheque, draft or electronic transfer):

a) which we hold or receive for, or from, a Client, including money held by us as stakeholder; and

b) which is not immediately due and payable on demand to our own account

c) fees paid in advance for professional work agreed to be performed, and clearly identifiable as such. However, commissions or other pecuniary reward or other advantage received from anyone other than the Client which are not permitted by any relevant regulator to be received or retained by us, and for which we have to account to such Client, will be regarded as Client Money

Client Account An account which:

a) does not contain any sums other than the whole or any part of Client Money paid into it, or such sums of money as may be necessary to replace any sum which by error has been withdrawn from the account, together with accrued interest on such amounts; and

b) includes in its title the word “client” or an appropriate abbreviation of that word, and whether such account is held in our name or the name of a wholly owned subsidiary company of ours that holds Client Money in respect of our services to you

c) is not a service charge account where different rules for handling of client money apply and we adhere to in accordance with the [RICS Services Charges in Commercial Property Professional Statement](#)

Scheme Rules

Meaning collectively [the RICS Client Money Protection Scheme for Surveying Services](#), [RICS Code of Conduct](#), [RICS Client Money Handling Professional Statement](#), [RICS Global Professional and Ethical Standards](#) and any other mandatory RICS or other applicable regulations, codes or guidelines including any advice or guidance issued by RICS from time to time as to how RICS Registered Firms should best comply with any relevant and applicable RICS rules or regulations.

Compliance

The whole of this document is to be taken as our written procedures for handling Client Money in accordance with the Scheme Rules.

A copy of these procedures is available to Clients or anyone else who may reasonably require them upon request and free of charge.

1. Client Accounts

- 1.1. All Client Money is held in a designated instant access Client Account with Barclays bank unless we have agreed to use a different kind of Client Account in writing.
- 1.2. We will provide you with the details of the Client Account(s) relevant to you upon request. For each Client Account we will confirm in writing with the bank that monies in the Client Account must not be combined with, or transferred to, any other account maintained by us, and the bank shall not be entitled to exercise any right of set up or counterclaim against money in that Client Account in respect of any sum owed to it in respect of any other account of the Member firm.
- 1.3. We will keep records and accounts which show all dealings with Client Money and be able to demonstrate that all Client Money of yours is held by us in a Client Account.

- 1.4. We will provide Client Money reporting relevant to you, including transaction details, on a regular basis and in a format as agreed with you.
- 1.5. We will repay any Client Money, including where feasible any interest earned, without delay if there is no longer any requirement to retain that money or the relevant client requests it.
- 1.6. We will hold and maintain professional indemnity insurance cover that is appropriate for our work and the amount of Client Money held.

2. Unidentified or Unallocated Funds

- 2.1. In the event that we receive surplus Client Money and cannot return it or we receive money into a Client Account that we cannot identify ("Unallocated Funds"), we follow best practice and will do the following:
 - 2.1.1. Take all reasonable steps to identify the rightful beneficiary of the Unallocated Funds with the view of promptly returning it to them.
 - 2.1.2. Hold Unallocated Funds for at least three years in the relevant Client Account.
- 2.2. In accordance with the Scheme Rules, if, after three years, the beneficiary of the funds has not been found and no true claimants to the funds have come forward we may donate it to a registered charity. A receipt will be obtained for this transaction so should a true claimant come forward to collect the funds it can be made available to them. We will only send Client Money to any such charity in accordance with this clause upon or after receipt of an indemnity with respect to the amount of such funds that would enable us to recover any donation in full in the event of a claim.
- 2.3. Any charity we donate to shall be chosen at the time and at our sole discretion.

3. Handling Client Money

- 3.1. There is a clear segregation of duties and responsibilities between the various Client Accounting procedures such as accounts receivable and accounts payable.
- 3.2. All payments and transfers are second approved by a senior manager before being made.
- 3.3. All Client Bank Account reconciliations are checked by a senior member of staff.
- 3.4. Our Client Money Procedures are regularly reviewed for effectiveness to ensure the protection of Client Money in accordance with the Scheme Rules.
- 3.5. All employees involved with Client Money are competent and knowledgeable.

4. Security

- 4.1. We ensure that all Client Money information, is held securely, treated as strictly confidential and is only accessed as necessary and by the personnel who we have agreed access
- 4.2. We have taken steps to protect our network and devices from cyber-threats and ensure all staff are trained on digital security awareness.
- 4.3. The accounting system and its controls are designed and implemented to detect and prevent employees from overriding them. We have professional indemnity insurance that is adequate in relation to the aggregate sum of Client Money and the business we operate in accordance with the Scheme Rules and continually review such insurance cover at least annually and as and when required.
- 4.4. Each Client Account is treated equally, and the same levels of security, control and oversight will be applied consistently to all accounts.

5. Handling Client Money

- 5.1. We hold Client Money in a designated and discrete Client Account. Client Money will typically be available on demand in an instant access account unless at your request we hold your money in an interest bearing or other type of Client Account in which case we will notify you of any restrictions on you accessing your Client Money and or any charges that may be applied to your account for making any withdrawals.
- 5.2. We will only apply bank charges to your Client Account if we have notified you of the charges beforehand and you have specifically agreed to them.
- 5.3. We will tell you the details of any Client Account(s) including the account name and the name and address of the bank.
- 5.4. Unless otherwise stated in a separate agreement between us, we may retain any interest accrued in any Client Account as a contribution towards our costs to administrate the accounts.

6. Client Accounting Systems and Controls

- 6.1. Our accounting records and systems are reviewed regularly to ensure that they are appropriate to the nature and volumes of client account transactions
- 6.2. We accurately record all money received into and paid from all Client Accounts and maintain a running balance of all Client Money held in that account.

- 6.3. We ensure that all receipts and payments are matched to the relevant client and with the correct documentation.
- 6.4. We keep accurate and itemised records within your client ledger detailing the past and present cash balances held on behalf of clients at all times in line with our document retention policy.
- 6.5. All accounting records are completed chronologically and promptly.
- 6.6. The current balances at the total and client levels are always available with respect to any and all Client Accounts.
- 6.7. We will not approve a payment from your Client Account unless there are sufficient funds on account at the time of the payment. This process is checked at entry and second checked at approval by senior management so to avoid any Client Account becoming overdrawn.

7. Client Account Reconciliations

- 7.1. We maintain a central list of all our active Client Accounts reviewed regularly any new accounts are captured and closed accounts removed
- 7.2. A "three-way" reconciliation is completed at least once every month for each Client Account, and any unresolved differences or adjustments are fully investigated and explained. Any errors identified in the reconciliation process are promptly rectified.
- 7.3. All reconciliations are approved by a senior member of staff.
- 7.4. All reconciliations are held securely for at least 6 years.

8. Controls over the receipt of Client Money

- 8.1. Only a Principal or appropriate member of staff independent of accounting staff opens incoming post.
- 8.2. All clients' money is banked within three working days from receipt, or otherwise as soon as reasonably practical.
- 8.3. A daily reconciliation is performed between any money received by post and that day's banking.
- 8.4. We typically do not receive any mixed office and client monies as we maintain a discrete Client Account for each client. We do from time to time received mixed client monies, for example if a tenant leases multiple units in buildings owned by different Clients.

- 8.5. In any event of mixed monies, we will ensure that the full sums are initially paid into a Client Account (or transferred to) and then correctly reconciled between either another Client Account(s) or our office account and in the case of our office account only when the receipt has cleared the bank.
- 8.6. We will not take any advance fees for professional work not yet completed from your Client Account unless we have billed for them correctly and in accordance with our agreement.
- 8.7. We do not pay with nor accept payments in cash.

9. Controls over the payment of Client Money

- 9.1. We keep a copy of the relevant bank mandate on file for each Client Account and only those staff with authority will access the account. No unauthorised payments can be made as each payment must be independently second approved by designated senior staff within the business who will review entries are in accordance with the relevant mandate.
- 9.2. All payment requests have supporting evidence and that documentation is authorised in advance by designated senior staff within the business.
- 9.3. Blank cheques are not signed, and unused cheques are kept securely.
- 9.4. New supplier accounts are set-up independently from payments.