

CLIENT MONEY HANDLING PROCEDURE

PURPOSE

As a Member of the Royal Institution of Chartered Surveyors (RICS) Client Money Protection Scheme for Property Agents, Breckon & Breckon (Asset Management & Consultancy) adhere to the RICS Rules of Conduct for Firms, the RICS Client Money Protection Scheme Rules, and any other regulations as necessary. We:

- Maintain Client Money Accounts into which all Client Money is paid.
- Ensure that Client Money Accounts are designated as such and easily distinguished from other accounts.
- Advise clients that Client Money is held in a Client Money Account and provide them with details of that account.

This procedure applies to all directors and employees involved in the receipt, handling, processing, or reconciliation of client money within the context of our property management services.

1. DEFINITION OF CLIENT MONEY

Client Money refers to any money that is:

- Held or received in the course of, or in connection with our services
- In any currency, including cash, cheque, draft or electronic funds

2. HOLDING CLIENT MONEY

All Client Money is held in a Client Money Account with a banking institution authorised by the Prudential Regulatory Authority and the Financial Conduct Authority. Breckon & Breckon has exclusive control of the Client Money Account.

We ensure that:

- The Client Money Account is ring fenced from firms' funds or other money
- Money held in a Client Money Account is immediately available on request by the client, unless under express instruction in writing by the client.
- The Client Money Account may never be used for the firm's own operational or business purposes
- Access to Client funds is strictly limited to principles and senior employees.

Designated Client Money Accounts

Breckon & Breckon uses a virtual bank account system with separate deposit accounts for each client. All Client Money Accounts include the name of the client with a client reference to further distinguish the account from an office or any other account.

Client Money Accounts may be interest-bearing, and allocation of any interest received will be agreed in advance with the client. Bank charges are applied to Client Money Accounts to cover transactional banking and account maintenance costs associated with operating these accounts.

3. INFORMATION TO CLIENTS

The management agreement sets out all information that must be provided to clients, including confirmation that Client Money will be held in a designated Client Money Account, along with the relevant account details. This procedure for handling Client Money is available on our website.

Clients will also be provided with clear and timely information regarding monies held on their account. This includes statements and account balances, to be prepared and submitted at agreed intervals, normally quarterly, showing receipts, payments, and current balances.

4. RECEIVING CLIENT MONEY

All Client Money receipts must be logged promptly. When mixed monies are received, the receipt is paid into the Client Money Account and non-client money is transferred into the office account promptly. Client Money must be deposited into the Client Money Account promptly. The client ledger must be updated with:

- Date of receipt
- Amount
- Source/purpose
- Client reference

5. USE OF CLIENT MONEY

Client Money may only be used for that client's matters and:

- In line with signed management agreement
- After client consent or under automatic instruction

All payments from a client account must:

- Be authorised by an auditable internal approval process
- Be supported by appropriate documentation (invoice, work order or instruction)
- Be recorded in the ledger promptly

Where permitted by contract, we may deduct fees from client money, provided each deduction is:

- Supported by an invoice
- Logged and reconciled
- Notified to the client

6. RECORD KEEPING AND CLIENT LEDGER MANAGEMENT

Each client will have an individual ledger account, and all client money transactions will be recorded promptly and accurately. Records will include:

- Date and amount of each transaction
- Purpose/reference
- Balance

Ledgers must be reconciled regularly to actual balances held in client accounts. Accounting systems and client data are securely controlled and protected.

Employees have clear segregation of duties and responsibilities, and an appropriately competent individual oversees the client accounting function.

7. RECONCILIATIONS

Reconciliations will be reviewed and authorised by Senior Management. All discrepancies will be investigated and resolved promptly. Reconciliation will be conducted of Client Money Account, client money ledger and cashbook.

Frequency of reconciliation:

- Daily for the main client bank account
- Annually for all clients
- Quarterly if volume requires

8. UNCLAIMED OR UNIDENTIFIED CLIENT MONEY

If unidentified Client Money is received, our procedure is to make all reasonable efforts to trace the clients or owners of the money and hold the unidentified Client Money within a designated unclaimed client funds account (distinct from other Client Money Accounts).

Funds held without activity for at least three years, and where no response has been received from the client despite reasonable attempts to make contact, will be paid to a registered charity. All such cases will be documented and authorised by the Managing Director.

REVIEW AND UPDATES

This procedure will be reviewed annually or immediately following a change in regulatory requirements or internal control weaknesses.

Approved by Katie Leppard, Managing Director of Breckon & Breckon (Asset Management & Consultancy) Ltd, December 2025. The next review will be in December 2026.