

Client Accounting Procedures - Complete Prime Residential Ltd November 2022

Complete Prime Residential is a member of the UK Association of Letting Agents (UKALA) and as such adheres to their accounting practises. Complete Prime Residential is registered with UKALA's Client Money Protection scheme, registration number: 188709 (London branch portfolio) and registration number: 008898 (rest of UK portfolio).

Section A:

Compliance with Regulations and Good Practise guidelines:

1. Clients' Money Bank Accounts

Complete keeps all client funds in two bank accounts with HSBC, these are specific client accounts with the title 'Statutory Clients Deposit/Money Account'. Account number: 83663671 (London branch portfolio) and Account Number: 43663795 (rest of UK portfolio). We have sought confirmation from our bank manager to confirm that the bank is unable to exercise any right of set off or counterclaim against the money in these accounts in respect of any sum owed to the bank by our firm on any other account or any of our subsidiary companies.

2. Clients' Money Transactions

All Clients' Money is paid straight into the into the Clients' Money Bank Account and reconciled within 3 working days. We ensure that Clients' Money received by automated transfer is clearly recorded and that we keep precise records of all cash transactions.

We are transparent with our clients with regards to our commission, fees and deadlines. This is outlined in our Client Terms of Business. We remove any monies for other goods or services and in relation to monies owed to Complete (i.e. fees) at least once a month, or as soon as possible. All systems and controls are maintained to a high standard to monitor and manage Clients' Money transactions. If we note any unidentifiable transactions, we treat these as Clients' Money until such time we can identify them. All monies should be repaid to our clients in a timely manner when due. Any short fall in funds will be remedied as soon as possible. Funds which are not client money, should be removed out of client account within 3 business days.

3. Systems & Controls

We ensure that our procedures for handling Clients' Money are clearly written down in this document and are clearly specified in our client Terms of Business

We use MRI Sales and Lettings as our accounting software, STRIPE payment platform and HSBCNet banking. We are able to identify all payments and receipts to a particular client to whom they relate, i.e. client's name and property address and reference numbers where applicable.

Access to MRI Sales and Lettings is restricted to certain members of staff responsible for accounting and property management, and authorised senior managers have functions to remove certain transactions only for correction purposes. We have a company firewall in place and our software is cloud based to ensure data security and resilience. We have clear audit trail of client accounting records, including all copies of reconciliations; the recommended best practice time frame for this is a minimum of six years plus the current year.

We train all accounting staff on best practise and ensure that all staff involved in the firm's Clients' Money handling arrangements so they are fully aware of these procedures and understand their responsibilities. The owners of the business have no access to the banking facility and all approvals are done by one senior manager and one senior member of accounting staff separate to the accounting staff responsible for raising the payments.

4. Keeping Clients Informed

Our Terms of Business or Management Agreements explain that we are holding the money in a Clients' Money Bank Account, including the name and address of the bank.

We display our annual Clients' Money protection scheme certificate and window sticker. We apply the Clients' Money protection scheme logo on our literature and our website to provide peace of mind for your clients and demonstrates that you are a reputable firm.

5. About Our Business

Unless the landlord has their own compliant deposit protection scheme we register all tenant deposits from Assured Shorthold Tenancies in the custodial scheme of the Deposit Protection Scheme (DPS) within 30 days of receipt. All non-Housing Act Tenancy deposits are kept in a clients' money bank account.

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In order to comply with the guidelines set by HM Revenue and Customs (HMRC), we are registered with the HMRC Non-Resident Landlord Scheme. This scheme has been put in place for taxing the UK rental income of non-resident landlords. Unless the client has an approved Non Resident Landlord number we withhold 20% tax and make quarterly payments to HMRC as per the guidelines.

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Section B:

Internal Procedures: London, Manchester, Birmingham and Berlin branches

1. Landlord Payments	
Daily (Monday to Friday)	
Action	Comments
Bank Statement	Reconcile previous days banking
Landlord Statements	Preview and process statements
Landlord Payments	Process payments to landlords
Client Services Invoices	Create invoices on request from client services for handover and furniture payments
General Queries	Emails from suppliers, PMs etc

2. Supplier Payments	
Weekly- every Wednesday for Supplier payments and every Friday for remainder	
Action	Comments
Supplier Payments	Reconcile funds and process payments to suppliers. Send remittance advice directly via email if requested by supplier.
Supplier Payment Errors	Report the reason why any payments could not be made and circulate to PMs by spreadsheet template attached to email
Unidentified receivings	Investigate and query with staff and payments that could not be allocated
Statement Errors	Advise staff of errors by spreadsheet template attached to email where landlords can't be paid to be Resolved. Statements with a negative balance should be sent to clients at least once per month so they can see transactions and that they need to transfer funds to us.
Unreconciled Transactions	Manually reconcile any income where the import of the payment has not auto allocated against the fee so income is timely drawdown

3. Internal Accounting	
Monthly	
Action	Comments
Agency Fee Reconciliation	Manually reconcile income that has not yet appeared on statement to enable it to be drawdown in the correct month
Agency Fee Drawdown	Pay fees to Trading account monthly
Bank Reconciliation	Reconcile bank statement against system balance
Supplier Accreditation	Ensure all suppliers have up to date documentation
Financial Position Audit	Run report for all system balances and review any that look incorrect
Unreconciled Transactions	On last day of the month manually reconcile any income where the import of the payment has not auto allocated against the fee so income is timely drawdown

4. Tax compliance	
Quarterly	
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Action	Comments
HMRC NRL Tax	Issue report and make adjustments and respond to queries from the Property Managers Pay NRL tax to HMRC (UK only)
VAT	Pay VAT to HMRC/Tax Office in Berlin
Annually	
Action	Comments
HMRC NRL Tax	Issue NRL6 to landlords (UK only)