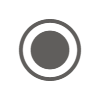
**SOX Walkthrough - Leases-20250410\_143236-Meeting Recording**

April 10, 2025, 1:32PM

1h 30m 9s

 **Abdus Therese** started transcription

 **Elaina Coletta** 0:13  
OK, my teams is operating very slowly. It's it's painful.  
So if if I break up or any of us do.  
Just have to deal with it.

 **Abdus Therese** 0:24  
Yep, that's fine.

 **Elaina Coletta** 0:26  
Yeah.

 **Abdus Therese** 0:26  
Just waiting for, I guess Tom and Michelle to come back in and then we'll give.

 **Elaina Coletta** 0:29  
OK.

 **Abdus Therese** 0:36  
Get Tom's here.

 **Tom Tharby** 0:37  
Hello.

 **Abdus Therese** 0:38  
Yeah, this Michelle, I think, OK.  
So obviously, Tom, you've met the Cfgi team.  
I guess Michelle and Jared, would you mind doing a a quick intro and then the CLG guys will do the same as well?

 **Jared Stomps** 0:51  
That's right.  
Yes, my name is Charles.  
I'm working financing with.  
And I may need you to day-to-day business for leases.  
There.

 **Michelle Weiss** 1:07  
And hi, I'm Michelle.  
I'm based in London and I look after our property portfolio globally, so I look after all the lease and service office agreements.

 **Elaina Coletta** 1:21  
OK.  
Do you want us to intro abdess OK.

 **Abdus Therese** 1:24  
Yes, please.  
Yeah.

 **Elaina Coletta** 1:26  
Yep. So, Alena Coletta, managing director with CFGI, we led the training a couple of weeks ago.  
I will be leading this project implementing socks for dark trace alongside my team.  
I'll let Linda introduce herself.

 **Linda Doan** 1:44  
Hi, my name is Linda down.  
I'm a senior manager here at Cfgi.  
I'm here to help support Elena and of this with the Sox implementation project.  
And with me, Ryan gonna introduce yourself.

 **Ryan Collum** 2:00  
Sorry my Internet may have cut out during that, so I apologize but.  
My name is Ryan.  
Oh, there's a cut now for me.

 **Abdus Therese** 2:09  
No, we can hear you, Ryan.

 **Ryan Collum** 2:11  
Oh, OK.  
Yep. So I'm running column manager here at Cfgi risk advisory practice.  
I'm here to assist the team with any and all Soc's efforts this year.

 **Linda Doan** 2:26  
We go ahead and just jump right in.  
I'm not sure if everyone had a chance to take a look at the agenda that was attached in the meeting invite, but we'll first just go through the general, so if you can tell us what type of leases do you guys have you guys lease any equipment build?  
Or you guys are eliger anything like that?

 **Tom Tharby** 2:48  
Yeah. So perhaps I'll, I'll set. Jared is much closer to lots of the detail in terms of the processes once we get into that. But I can set out briefly the lay of the land at a high level. So when we talk about leases at dark trace, we.  
Are always really talking about office space property rental.  
As Michelle will cover in more detail, we have lots and lots of offices.  
I don't know exactly, but 30 ish at the last count.  
And these are all over the world in different jurisdictions.  
And we accounting policy wise, if these leases themselves run for a period of more than 12 months, then we account for them under IFRS 16, which means effectively that we capitalize them onto the balance sheet.  
And if they are short term leases, IE if the leases for a period of less than 12 months, then we don't.  
We would recognize the rent as an expense in the P&L more or less as incurred on a straight line basis.  
So yeah, the split in terms of the number of sort of properties that Michelle manages from an operational standpoint between the ones that are capitalized under IFRS and those that are not is probably about 5050.  
But yeah, again, I'll let. I'll let Michelle cover off more of the operational side and the sort of front end of arranging those leases and the paperwork etcetera, Jared and I deal with the accounting, particularly where they're capitalized because that's obviously the the complication from an accounting PERS.  
That's pretty much it at a high level, I think, like I say, there's no other types of leases or arrangements that we really talk about.  
The only other thing to mention which maybe we'll circle back to at the end.  
I know Jared's put together some paperwork which includes a comment on this, which is that we do.  
Recently especially, we've started.  
Having a couple of sublease arrangements.  
So where we are leasing property and then we are leasing out usually a part of it.  
To another tenant below us, just because we weren't fully utilizing the properties basically.  
So it's relatively minimal and it's sort of on a needs must basis rather than commercially. What we want to be doing necessarily. But we have two or three of those already that start up in the last year or so.

 **Linda Doan** 5:29  
OK.  
Thank you.  
Well, Yep, that's moving on.  
I will talk through the contracting. So the process for reviewing, how do you identify these reviewing the agreement, what do you look for as part of your review?  
So believe that may be Michelle.

 **Michelle Weiss** 5:50  
Yeah, sure.  
It's Jeremy.  
We we have.  
We've got a spreadsheet in Excel spreadsheet that's got everything listed.  
So leasehold is separated from serviced offices, so serviced. Obviously the flex spaces rather than our leasehold agreements. But we've got the spreadsheet and it will give all of the renewal date, the break date.  
The termination notice period.  
So I'm constantly monitoring that.  
So that's one area of like where we could improve because it's kind of like it's a spreadsheet that just I'm accessing.

 **Elaina Coletta** 6:27  
Michelle could.

 **Michelle Weiss** 6:28  
That we have.

 **Elaina Coletta** 6:29  
Could we see that?  
Is that something you'd be able to pull up live on this call so we can understand what you're talking about, OK.

 **Michelle Weiss** 6:35  
Yeah.  
I've got it ready.  
Don't judge me. It's out date. Jared's probably rolling his eyes.

 **Elaina Coletta** 6:39  
OK.  
We.

 **Michelle Weiss** 6:44  
Unfortunately, it's just me, so I'm often very behind in my admin.

 **Elaina Coletta** 6:46  
Want.

 **Michelle Weiss** 6:52  
So here we go.  
This hasn't been updated for January I'm afraid, but this is where kind of all the leasehold information's here.  
So can everyone see that? All right.

 **Elaina Coletta** 7:03  
Yes. And and Michelle source from leasing contracts.

 **Michelle Weiss** 7:08  
Yeah. So as we sign a contract, I then just put in a line here and I just put all the details down and it's kind of it's built really on what kind of finance need to look for as well.  
So service is fairly straightforward, so we kind of have the business entity, the address and everything.  
The term.  
The notice deadline. What deposit we're holding?  
That changes as we do the renewals we often have to increase that.  
And then just in for my information, I have like the number of desks and then we also have the rental per annum and per month.  
So the service offices are quite straightforward and then you go on to the lease hold.  
Sorry, it's not.  
It's a bit messy.  
You just have to excuse it, but we've got sort of like where we'll have Cambridge. So they will have one office, we've got three separate lease agreements. So they all have their own line entry.  
The same with San Francisco.  
Two separate leases, so they kind of have their own lines. And then I put here for New York's an example of where we're doing a sublease that Tom's just mentioned.  
So I'll just put underneath kind of who we're leasing it to, what rent we're getting back from that.  
So we've got 2 sub leases for our old New York office and San Francisco's not showing because I've not updated it, but we've got two subleases which Jared's aware of for the San Francisco office.  
Where we've just sublet both of those floors.  
And then on this spreadsheet we have start, end date deadlines again and everything and the difference on here is we'll have like break date.  
So we'll have a break option. So we'll have the notice date won't be necessary towards the end of the lease. It's towards the end of the break date.  
Um.  
I've also put in here just the fact what we're paying on service charge any parking.  
So we've got like a whole, you know the whole cost because serviced office, everything's included the lease hold.  
You don't necessarily just want to be looking at the rent.  
You want to know what you look at.  
You're paying an operating cost as well.  
When our rent review dates are and then just basically any additional information and lease incentives.  
So things like the New York Police, you know, the big outlay.  
But we got a very good deal on kind of rent abatement and.  
Tia from the landlord Tenant improvement allowance.  
But this is definitely one area that could be improved and I think Jared will come on to it.  
He's obviously got all his information, but this is just.  
An XL spreadsheet that I keep updated on the shared drive that people can access that need it.  
But yeah, it's that.  
It's not always up to date and we need more people being notified of when we're getting break dates and, you know, notice period, that kind of stuff. And at the moment it's very manual, which isn't great.

 **Elaina Coletta** 10:10  
Yeah, I think, Michelle, you hit on all of the key attributes of this excel that would definitely need to be enhanced. You know, if the purpose of this excel is for someone to be able to utilize it to ensure that all of the leases are there and then.  
They're accounting for them properly, right or?  
And maybe that's a good question for you.  
What is the actual purpose of this file?  
Is it to assist with downstream accounting?  
Is it to assist with?  
Receipt of payments what? What is the actual purpose of this file?

 **Michelle Weiss** 10:46  
This is we get.  
I get asked multiple times.  
You know a month for information or, you know on property. So I can just go in here very quickly and just pull off right here.  
'S all the offices we've got in the in the Americas.  
How much are we paying in Australia on rent?  
Quickly go on and just be able to extract the information quite quickly, but for me, mainly because.  
I'm you know, I like to print them off and I've got it with me in front of me, so I will scan kind of.  
Every month to see which notice dates we've got coming up and then I'll be going into that, you know, which I'll come on to in a minute about the approval process, about knowing which ones we've got to make a decision on. So things don't just sit there auto.  
Renewing without us paying any attention to it every time there's a renewal, it will be properly reviewed.  
Go through the approval process and then we either terminate or we move.  
Or we renew the agreement.

 **Elaina Coletta** 11:48  
How do you ensure, Michelle, that you've captured all of the leases and sub leases into this file, like is there?  
How do you make sure that you've received all the lease agreements?  
Is there a centralized inbox?  
What's the process there?

 **Michelle Weiss** 12:03  
It just comes to me, so I'm in a standalone role.

 **Elaina Coletta** 12:08  
OK.

 **Michelle Weiss** 12:08  
And I'll I'll deal with. So yeah, it will come to me.  
There'll be some of the big leases where we'll have like things will go to notices at Dark Trace, which will, you know, ping to legal.  
But generally, a lot of this it's kind of as I'm dealing with it, I'm just updating it.

 **Elaina Coletta** 12:27  
Is there any risk that Elise would not come to you and it would not be captured?  
On this.

 **Michelle Weiss** 12:39  
I would say not now.  
It's kind of in the early days of when I was in dark trays that there was kind of stuff happening, but not necessarily going.  
There wasn't really kind of fixed processes, whereas now there is exec are very clear on the approval process.  
Everyone knows I'm in the business.  
They all property comes across to me.  
So yeah, we've got we've captured all the leases and obviously you know finance is seeing everything.  
There's not going to be unpaid invoices that they don't know about.  
So yeah, I'm confident we've captured everything, whether it's the best system, I think there's a lot of room for improvement on on having this spreadsheet, but I know Jared and Tom team have done an awful lot of work on making sure the accounting side is capturing everything they.  
This is my Bible. Whether they're quite as reliant on it as as I am is, you know, is for Jared to comment.

 **Tom Tharby** 13:37  
Yeah, I was just going to touch on that actually and agree with you, Michelle.

 **Elaina Coletta** 13:37  
OK.

 **Tom Tharby** 13:41  
I think the risk of a lease existing or coming into existence without Michelle, without Michelle's approval is, is virtually nearly in in just from the nature of her role and and the bit the way the business is structured, but certainly as she'd mentioned, you know, ultimately if.  
An invoice turned up, or if a PO was created, it would have to go through all the same procurement approvals that we've spoken about.  
In some of the other sessions, there's not a risk that, you know, a new rent invoice starts coming in and hasn't had the proper approvals.  
Which fundamentally means Michelle, as head of that cost Center for facilities.  
So I don't think that's too big a deal in terms of how we use this spreadsheet, a bit like Michelle. It's useful as a reference point for us in terms of cross checking things or answering.  
Sort of quick ad hoc questions that we might get about the property portfolio.  
But before we put anything into work day and start counting for it, particularly on the capitalised asset side, we do receive actual copies of the lease from Michelle.  
We review them ourselves for key terms like rate clauses and deposits and things to make sure the accounting is all correct.  
We we don't do the accounting based off just that spreadsheet.

 **Elaina Coletta** 15:03  
Misha, when you get a lease, is it already fully signed and executed or are you routing it for approval?

 **Michelle Weiss** 15:12  
So I'll deal with the kind of initial requests that if we need in the office a new lease, a new service office will come to me.  
It will then be. I'll speak to the relevant exec members for whatever team it's for, to make sure we've got kind of approval in principle and then I'll do all of the, you know, working the local team to make sure we identify the right office in the right.  
Area at the right size.  
Everything else, most of the well, pretty much.  
I'd say 100% at the time we're going to be using a broker, so we'll have a local broker who'll know the market and work with a local team, and then we'll then get terms agreed.  
So I'll be part of the negotiation of agreeing those terms, the terms once we've got the heads of terms agreed, we'll get a formal proposal.  
That then gets submitted to Cathy and my boss, David.  
And whoever, I don't know if it's a sales team, we might include the sales VP for that area as well.  
So it then goes forward saying here's the heads of terms. Can we have approval and then relevant discussions will take place?  
Then I'll get formal approval on e-mail, which then means I can then go ahead to lease draft and then I'll deal with legal. And I tend to just deal with Cody and the legal team that he deals with all the real estate with me. It just keeps it.  
Much more streamlined.  
Although there's others that can pick it up as well.  
So then Cody will have to see the approval emails before he then actions, and then we either appoint an external attorney if we need one. If it's an area we don't. You know we're large spend and it's an area we don't know or we'll deal with it in.  
House. And that's like legal decision. They go through their own kind of process for that.  
And then it's between myself, the broker, our internal counsel.  
And external to negotiate the lease terms and then it will go for execution.

 **Elaina Coletta** 17:22  
OK.

 **Michelle Weiss** 17:23  
So the actual approval that that whole process I feel is well managed and tightly controlled. I'm very comfortable with it.

 **Elaina Coletta** 17:32  
OK.  
Do you in that Excel file?  
Do you have anything in there where you say sent to legal or reviewed by legal?  
Are you tracking any of that information?

 **Michelle Weiss** 17:46  
So it would if we had, if there was a kind of system where we kind of hold ticketing system, that would be brilliant for anyone like Jared or Tom could just log in and they would be able to very easily see what stage we're at. But we Don.

 **Elaina Coletta** 17:51  
Right, right, right.

 **Michelle Weiss** 18:00  
Have that and I said I struggled to keep the basics up to date on that spreadsheet because it is just me.

 **Elaina Coletta** 18:04  
Yeah.  
Right.

 **Michelle Weiss** 18:08  
So if I was having to update all the time, it will just be out of date in no time.  
But it would be a really good addition to have something like that where we could just do automatic updates.  
Be good for me as well.

 **Elaina Coletta** 18:22  
Yeah. Yep.  
Yeah, there are a lot of leasing applications that can be used and there's also contract management systems. So something that we'll keep in mind, OK. And then so I guess after all of that process occurs, how is the lease information getting to the accounting team for that review?

 **Michelle Weiss** 18:49  
So I usually send over an e-mail and it I'll just highlight the kind of bullet point the the headline financials and the kind of term and everything else and attach the the lease agreement and just say here's the information first, rent payment due in this state deposit on.  
This date.  
Generally, and I have noticed that it's a kind of like you know, well done, Jared.  
He's normally a couple of steps ahead of me before I've even.  
Got to that e-mail. They were already like, oh, there's a new lease and I, we've broken down what we need to pay. And it's like they've done it already, so.  
Yeah, it's again.  
I think that one is I feel that's quite well managed, whether there's a better way of doing it through a different process, I don't know.  
But yeah, we've got good people that are kind of on it.  
I think the only thing where it's just on some of the subleases where it changes, where we're having to raise invoices and that's we've had a few teenagers and I think that's because it's it has been quite new.  
It's not something we want to be doing.  
Regularly, we certainly don't want to be in the landlord shoes, but we've needed to do it in some cases.

 **Elaina Coletta** 20:00  
OK.

 **Tom Tharby** 20:00  
It's worth just mentioning on that point of US hearing about new leases.  
Michelle's, everything's from, Michelle said is absolutely right.  
We we almost, you know, we always get a copy of the lease on e-mail for Michelle shortly after it's signed.  
And it's on.  
But the truth is, as cheerleader, it's already invariably on our radar before that, because there's usually going to have to be a payment of maybe a large rent deposit up front or a letter of credit or something along those lines.  
Obviously Rachel is my boss.  
Who will have had to approve the lease beforehand with with Kathy?  
So it's unusual for us not to hear of Elise in the pipeline as it were. And then obviously, there's always the fall back if something turns up on that spreadsheet.  
That we don't think we've seen.  
We can, we can go and grab the least from the shared drive then as well. But yeah, it it kind of seems like not a super strong control terms of expecting an e-mail from Michelle, but actually the risk of it, the risk of at least turning up in.  
The finance team, not realising it even before an invoice turns up and we wonder what least it relates to is pretty slim to be honest.

 **Michelle Weiss** 21:09  
Yeah. And I've usually notified the financing that it will be Tom, Claudia, I kind of like it.  
Reg will know about it.  
It will be once the heads of terms are agreed, I tend to send that e-mail as soon as head to turn. By the way guys his head to terms.  
We're now, we're now moving to lease negotiation.

 **Elaina Coletta** 21:29  
And Michelle, when do you update that spreadsheet in this process?  
Is it after an e-mail would have had gone out to finance, or is it before?  
Like when is that spreadsheet come into play?

 **Michelle Weiss** 21:40  
But when I'm on the ball, it's all nice and up to date. I would be doing it at the point of of signature, so I would only put it on there once we're legally committed to to that lease.

 **Elaina Coletta** 21:52  
And then the e-mail would go out to finance.

 **Michelle Weiss** 21:55  
No, no, the so that spreadsheet that I showed you earlier when I put stuff on there, I only put it on when it's live.  
Literally, when we've signed and we're committed the e-mail going to finance will be once we've agreed heads of terms, I'll be then going.

 **Elaina Coletta** 22:13  
Got it.  
I got you.

 **Michelle Weiss** 22:14  
I've had approval.  
Here's the headline terms we're now moving to lease negotiation and then once the lease is signed.

 **Elaina Coletta** 22:17  
Yeah.  
Yep.

 **Michelle Weiss** 22:21  
But as Tom said, they normally know before we've signed it because we have to get everything you know.  
Ready for pain deposits and letters of credit.

 **Elaina Coletta** 22:29  
OK, makes sense.  
OK.  
I think I'm good with lease execution completeness of contracts if we want to move on to accounting.  
And when accounting gets the e-mail there process.

 **Tom Tharby** 22:46  
OK.  
I'll I'm going to hand over to Jared at this point because I know he's worked on some slides to help you run through his his workflow in terms of putting the contracts into work day and and the month end accounting and all that stuff. So I'll let him.

 **Elaina Coletta** 22:53  
Yeah.  
Perfect.

 **Tom Tharby** 23:00  
Then, if that's all right.

 **Jared Stomps** 23:01  
Yeah. Let me just share this.  
I can't be safe.

 **Elaina Coletta** 23:23  
Yes.

 **Jared Stomps** 23:24  
Yeah. OK.  
So just kindly just take an overview of hope. It's all big enough.  
I mean it's not, but I can read it out.  
Yeah. So it's like the various process that we have regarding the user's thing.  
New Lisa's lease amendments like the normal month end process and then lease disposals and then a small bit about subleases.  
So I can kinda start going through it that way and then kinda raise questions. If you have any.  
So when we get a new list lease like we said, it kind of starts with Michele, then she provides us with a contract and then we can review that lease for terms and inputs that we need in work day.  
Things like make monthly payments, payment terms if it's monthly, quarterly, and days start dates, all that stuff like rent, free, period.  
And then we create a sky contract in work day.  
Then we also create an alternate Ledger contract in work days, like a separate task to create.  
A contract for the local accounts.  
So it's like, so we have something in two different books, then we receive the assets from the sky contract that we create our right of use asset and that comes back to us as like a work day test to review the strike for receipt lines.  
I think like most of these tasks are quite similar to what you've seen with other assets, German stuff and asset registration.  
And then we registered assets and then we do our asset assign accounting and that will be kind of the process of registering a new lease in Word a.  
Then when we do lease amendments, it can also start with Michele saying that there's been some change or with the AP team that.  
Some terms like the invoice amount changed.  
'Cause it's been like a rent review 'cause often with some contracts.  
There's only one standard amount, and then every year there's rent review, and then we don't necessarily know what the Rent Review's gonna be in the future or by how much. Our rent's gonna be increased.  
So we would need to create like an amendment in work day to reflect that change and that kinda comes from either Michele or from the AP team. And then I create an amendment on the spycontract.  
And that would create the accounting in work day.  
As well, based on those changes.  
Then for our month end process.  
So our monthly lease process that kind of starts with AP, they process our invoices for their leases and then reports to kind of check those postings made by AP to kind of see if it completes it like there's any invoices missing.  
Or if something looks weird like like payments have changed.  
So I do maintain like another report with like specific terms for between AP and US.  
To make sure we align on like what the invoice amount should be, so we can kinda check if something kind of stands out and I prepare a journal template EIB to kinda upload to work day for changes or.  
To tag invoice payments with supply contract ID.  
So make more sense later on when I can show what it is and then we do the expense recognition.  
That is the task of, like recognizing the expense and work day. So again.  
Most of the journals that are in work regarding these, they come from task that we do in work day.  
So it's not like a manual journal entry, it's doing a task like the expense recognition, which will post a lease interest and then a similar task for the depreciation. And on on a quarterly basis, we kind of run.  
Another report to do some FX.  
Adjustments and aging adjustment.  
And that's most of the stuff that happens in work day only goes through one of the Ledger codes.  
That are this short term. And so we're gonna have to do like a adjustment to reflect the long term and short term lease liability position.  
And then our lease disposals?  
Are kind of check what the end dates are leases and if Elise has finished then we dispose of that asset.  
That's very early, straightforward process.  
And then our process for that leases.  
So again, this kind of starts with Michele.  
She'll tell us that like something has started and what the terms are. What?  
When it start like and she'll provide us with a contract, we will review that contract for the building terms and other relevant terms and then a document will be created for that billing schedule and with future adjustment journals for revenue, there's bidding scheduled, then we provide the revenue.  
Team, they will create a contract, a customer contract in work day so that they can upload that billing schedule.  
And send out invoices.  
To our supplier.  
And the finance team myself within post any accounting adjustments that are needed for those sub leases?  
To adjust for the revenue accounting.  
Does invoice have we received?

 **Tom Tharby** 29:01  
So just before, sorry, just before we go into perhaps more of the detail, I just wanted to touch on something Joe had mentioned there, which is to say that as far as work day is concerned, the leases module, the lease functionality that that is built into work day.  
It does overlap quite a bit with one or two of the other processes that either you've already seen or will see.  
So supplier contracts are the most.  
Like the backbone of it, really, once the supply contract is set up.  
Which is done by Jared using the lease document itself. That supply contract drives the rest of the accounting.  
You know that you will have seen when we did the month end process.  
There are specific tasks in that month end process where the automated lease postings happen based on a task that we run and based on the supply contract being set up correctly in the first place.  
So I think Jared said it right, which is, you know, there's not really manual journals going on after the point that we've set up the lease contract.  
There are proper processes and tasks in the month end process that post the lease interest and likewise when you set up a supply contract and create that supply contract creates the right of use asset as well and from that point the right of use asset falls into the.  
Normal PPE process as it comes to depreciation or disposals or any of that stuff.  
It's all part of the same set of workflows that we spoke about with PPE after that point.  
So the real key part is translating if you like the least document we received from Michelle into a supplier contract in work day and from then on, that's just a bunch of automated tasks for the most part outside of reevaluations and stuff.

 **Elaina Coletta** 30:37  
Mm hmm.  
OK.  
Yeah. OK.  
So we'll definitely have some automated controls there.

 **Jared Stomps** 30:50  
Yeah. And it'll go for approvals like if I were to put in like a supply contract, like a new one, then I would go for approval to Tom, if it's quite large, then it would also go for approval to either Rachel and perhaps even Kathy. I'm not sure.

 **Elaina Coletta** 30:50  
Yeah.  
Mm hmm.

 **Jared Stomps** 31:04  
About that one.  
But it does go through various approvals.  
Same with amendments. If I were to recommend the contract to go to approve to Tom, if it's large enough to go to Rachel as well.

 **Elaina Coletta** 31:16  
Is that inside or outside of a system?

 **Jared Stomps** 31:19  
Inside the system.

 **Tom Tharby** 31:20  
In work day. Yeah, yeah.

 **Elaina Coletta** 31:20  
Inside. Yeah. OK, got it.

 **Jared Stomps** 31:21  
Yes, I I push the task then it goes to Tom for approval.  
Yes, Sir.

 **Elaina Coletta** 31:25  
Yeah.

 **Jared Stomps** 31:25  
Approved in the system and then either goes up more or.

 **Tom Tharby** 31:30  
Yeah. So there's there's only relatively few security roles in work day that can create supply contracts and any that are created go through a sort of level of approval depending on how big they are. Fundamentally always to me.

 **Elaina Coletta** 31:30  
OK.

 **Jared Stomps** 31:42  
Mm.

 **Elaina Coletta** 31:42  
Mm hmm.

 **Tom Tharby** 31:44  
So again, it's there's no risk that really anyone could create.  
A lease contract in work day without us knowing and stepping in to check the accounting.

 **Jared Stomps** 31:57  
Yeah.  
So if we go back to the first process of the new lease system, we can go a bit more detail on what kind of use document wise. So yeah, again.  
There's the property team provides us with a new lease, and there's also a regular communication between Michelle and I to kind of line what is happening and to myself and the AP team who process the invoices. And so that's kind of how we, how I can say it.  
Be aware of like what's happening, and Tom would also tell me, like, OK, there's something in the pipeline for like a new lease in Chicago.  
It might only come in like a few months, but I'm aware that something's gonna happen.  
And then we'll start asking Michelle about, like, hey, is there like a new lease?  
It's here somewhere information I think.  
The finalize and that's kind of like the communication mostly over e-mail or teams that Michelle and I have to keep in line what's happening.  
And also I've accessed the property registered documents.  
I do use that regularly to kind of just view if there's any changes. If anything's going on to crosscheck, things like Michele said or Tom. And I also have access to legal folders that have the actual.  
So if I do need to look up something in like a specific contract like a term or just check like if there's something changing then I do have access to kind of find that information myself.  
So then.  
When we get the executed contract, we can review it for terms and for inputs that are needed for work day. So in work day we kinda need to put in the start date, end date, the billing schedule. If it's like farewell payments.  
Then we need to put in manually like what the payment for each month is going to be going forward. Like if it's like a three-year lease ends year one, year two and year three, they all have suffers different amounts for each year and we would have to.  
Put it all in menu so I can create this document.  
To can understand myself. Like what?  
What information do I need this?  
Is everything complete before I start working on work day?  
Because it's not as easy to kinda save and keep going and find your draft and all that stuff.  
So kinda make sure I have everything put together in a working file before I put it into work day.  
Like things like interest rates and and then I can have like a calculation through in my Excel.  
Like what I expected Li liability to be the right of use asset and then I can can crosscheck that with work day with what work they calculate and that is pretty much always the same, yes.

 **Elaina Coletta** 34:38  
Jared is, is this an Excel file that you keep separately?

 **Jared Stomps** 34:44  
Yes. So if I open one for example.  
Yeah, this is an example.  
Also, if we have like a new lease then I would create like a in our month end folder in our subfolder leases that we have the new lease new lease document form. Let's say the Arlington office and then that kind of creates what we what we need in.  
There. So I put together this file and that's an Excel file, yeah.

 **Elaina Coletta** 35:10  
OK.

 **Jared Stomps** 35:10  
Yeah, but it it serves us like.

 **Elaina Coletta** 35:14  
Yeah.

 **Jared Stomps** 35:15  
A draft or a working file to put into work day.

 **Elaina Coletta** 35:19  
Right. And and. Oh, go ahead, Linda. You go ahead.

 **Linda Doan** 35:23  
Sorry. Yeah, I was just gonna ask, is this the is this the workbook that's used by Tom or Rachel to do the review or as part of Tom's review?  
Goes straight to the contract.

 **Jared Stomps** 35:38  
You mean if they use this Excel file to cross check?

 **Linda Doan** 35:41  
Yeah.

 **Jared Stomps** 35:43  
The user's phone.

 **Tom Tharby** 35:45  
Yeah, I do.  
I do usually have this file open, but to be honest.  
I usually find it easier to, well, I will always look at what information's in work day. The approval comes to me via work day.

 **Elaina Coletta** 35:57  
Mm hmm.

 **Tom Tharby** 35:59  
So what really matters is that it's right in work day and as my sort of source of truth, rather than using this spreadsheet, I will often use the actual lease itself and just go through effectively the same steps that Javed should have been through in terms of reading.  
The lease and translating it into the work day fields the spreadsheets really useful again.  
Kind of what we said earlier for analysis.  
Later down the line, when you don't want to have to reopen the PDFs or or you can't get the right thing from work day or for audit disclosures. And that kind of stuff. But. But mainly I'm comparing work day with the lease document itself.

 **Jared Stomps** 36:29  
And I.  
And I also did take screenshots out of the lease to put on this file.

 **Linda Doan** 36:33  
OK.

 **Jared Stomps** 36:36  
Just kinda quickly find certain term like if there's like a some of the contract there is a billing schedule set up in the contract in the lease contract.

 **Linda Doan** 36:38  
Hmm.

 **Elaina Coletta** 36:38  
OK, OK.

 **Jared Stomps** 36:45  
So I'll just take a quick screenshot of just like that table put in here.  
It's like a reference or there's like a specific term about like a rent free period.  
Then I tend to put them in here just for reference, because some of these contracts are quite large and they put the filter.

 **Elaina Coletta** 37:01  
Yeah, I I think what we're going to need to see here, Tom, because you're the reviewer, right?  
We need to make sure that your review of this.  
Is robust enough?  
And I guess I'm just curious what you see in work day and how the system navigates you through that approval, because what we'd usually see because you're what we're realizing is you guys are heavily automated control environment, right?  
But what we'll usually see is when you're going to approve something through an automated workflow or task in a system, there would be.  
An associated Excel file with a calculation.  
And analysis etc.  
That you would be reviewing as well as part of that control, but I don't want to go down that path if what you're seeing in the system, Tom, has enough information that we could get comfortable with that control and that set up.

 **Tom Tharby** 38:02  
Yeah. Can I quickly share my screen?

 **Elaina Coletta** 38:04  
Yeah.

 **Tom Tharby** 38:05  
I'll show you what I see because I've got one in my archive, fortunately.  
Can you see my screen?

 **Jared Stomps** 38:14  
Michelle, Michelle.

 **Elaina Coletta** 38:14  
Mm hmm.

 **Tom Tharby** 38:15  
Yeah, so this is work day.  
I've just gone into the archive of my tasks basically.  
So this is an oldish one from February, but I get a inbox message that looks like this saying supplier contract on it and this this is what I can see basically.  
So obviously it wouldn't say successfully completed at the time. This is an older one, but I it gives me the information on.  
Who's created it?  
This was Jared. As we said, it would be the supplier name, the contract signed date, start date, end date, amount.  
The term the interest rate, number of payments and then the actual accounting asset and liability that are going to be created.  
And then the payment schedule is on here as well.  
And I literally you won't see it on this older one, but I have like a approve or send back option.

 **Jared Stomps** 39:06  
We make a payment.  
All the time and make like a small.  
Good, good, good.

 **Elaina Coletta** 39:16  
In our and I we did ask the question are you tying this back to the contract at the time of your review?

 **Jared Stomps** 39:16  
I want you to work.

 **Tom Tharby** 39:25  
Yeah, yeah.

 **Elaina Coletta** 39:26  
OK, OK.  
Is there a way to add the contract or attach the contracts in work day like in a record like this?  
I'm just trying to think about how to make this go ahead.

 **Jared Stomps** 39:38  
I think it is. I'm not.  
I'm not 100% sure, but I believe so 'cause. I've seen that function at some other bit like if somebody creates a purchase order they were able to attach an attachment.  
So I'm I think it would be possible.

 **Elaina Coletta** 39:49  
Yeah.

 **Tom Tharby** 39:52  
I agree with Jared.  
We don't do it, but I think it's probably possible.

 **Jared Stomps** 39:56  
Yeah.

 **Elaina Coletta** 39:56  
OK, OK.  
Let us let us think about that, because there there just has to be.  
Something that we're able to rely on that you're using to support that review, right?  
Like I know the information was all entered into the system, but there is a chance that something was entered incorrectly, right?  
And Tom, that's where your review comes in.  
So we do need to somehow be able to trace back what are you looking at when you do your review.  
Review, OK.

 **Tom Tharby** 40:29  
Yeah, as I say, I suspect we could attach the contracts.

 **Elaina Coletta** 40:30  
So we'll think about that, yeah.

 **Jared Stomps** 40:36  
I could attest contract end is working to be honest.

 **Tom Tharby** 40:39  
Yeah.

 **Elaina Coletta** 40:41  
OK.

 **Tom Tharby** 40:41  
The truth is, yeah.

 **Michelle Weiss** 40:41  
I think it will be too big.  
The some of them are absolutely too enormous files.

 **Tom Tharby** 40:44  
Yeah.

 **Jared Stomps** 40:45  
It's up.

 **Elaina Coletta** 40:47  
So the the other suggestion would be Jared, your workbook that you're putting together your Excel file is a great control point as well.

 **Michelle Weiss** 40:49  
So.

 **Jared Stomps** 40:53  
Yeah.

 **Elaina Coletta** 40:57  
Because don't you have the screenshots of the contracts in it too?

 **Jared Stomps** 41:00  
Yeah, I would have. I could.

 **Elaina Coletta** 41:01  
Yeah.

 **Jared Stomps** 41:02  
I could have more detail to it to make it more useful, but yeah.

 **Elaina Coletta** 41:04  
Yeah, that's probably the better route.

 **Jared Stomps** 41:07  
I.

 **Elaina Coletta** 41:10  
And that doesn't necessarily need to be attached into the system.  
Tom, during your review, you're gonna need to evidence somewhere that you have looked at that.  
OK.  
So we'll think about that, but that's probably a better option.

 **Michelle Weiss** 41:27  
Probably about 80% of the documents just from memory would probably be fine being uploaded, but there's just a few of them that are just really chunky lease agreements and you struggle to.

 **Jared Stomps** 41:32  
Excellent.

 **Elaina Coletta** 41:37  
Yeah.

 **Jared Stomps** 41:37  
Yeah.

 **Michelle Weiss** 41:39  
I can't attach them to emails.  
They have to go separately or through a file sharing platform.

 **Jared Stomps** 41:46  
Hey.

 **Elaina Coletta** 41:46  
OK.  
OK.

 **Jared Stomps** 41:51  
Show my screen again.  
OK.  
So let me.  
Yeah. So this is kind of what I do in what I the inputs I need in work, right.  
So it's like it creates by contract. I need to select my company expire so the step on the AP side will be to set up if we have a new lease in the new supplier to set up the supplier in work day in the right company then.  
I have here the input terms that I need to select, so I hear payment frequency, interest rates. So pretty much all the items that are have a rest star that like the mandatory stuff that needs to be filled in.  
So payment frequency, which would be mostly monthly or quarterly.  
Interest rate.  
Either fixed payment amount if it is fixed payment amount contract which some are, or if it's variable then there's like another screen where I have menu put in all the amounts for every month or every quarter till the contract finishes.  
Yeah, so this time we'll provide contract tasks looks like.  
And this is also part of it.  
The goods line needs to be filled in as well.  
It's part of by contract 'cause.  
This will lead to the asset creation like the details for the asset. Things like locations, category.  
Value things like that.  
And yeah, after spike on decoration, this will need to be approved by accounts embraced meet, which would be Tom.  
Then a separate task after that would be to generate alternate these contracts and disconnect for.  
For us to be able to run contracts on like a local gap level, that's so like turn I first contract into this local gap contracts.  
Which is very straightforward by.  
Selecting company that we have created the lease contract in and then select what we want to turn it into and it's kind of just wrong copies all the stuff from the original supply contract and uses that for this other book.  
Then the next next task would be to receive the assets from the supply contract.  
This task can then be done from like actions in the spy contract and initiate processing of the asset and this would then also go to approval pulled by the business asset accountants.  
So.  
That would be either myself, Andrea or Kwame. The people in Tom's team.  
We're all like business asset accountants in work day.  
Then there there's not much for us to fill in if everything has already been filled in.  
So for example here this shows the cost of the asset like location, cost centers. We can just assign asset type and there's not much more to fill in.  
It's just kind of check that everything is done correctly.  
Then we register the assets and then it comes back to us to assign asset accounting.  
And it's where we set up the depreciation schedule and stuff like that. Last step in adding new leases to work day. And so if we need to check something that will be kind of left up to check for things like the unit cost and the depreciation or looks.  
Fine and date start date.  
Yeah, that's.

 **Elaina Coletta** 45:35  
When you do acid type, what are you selecting is there?

 **Jared Stomps** 45:38  
Yeah.

 **Elaina Coletta** 45:41  
Is there a list of asset types or is it just one specific asset type?

 **Jared Stomps** 45:46  
So there's like PPE, right of use assets, intangibles.  
And inventory.

 **Elaina Coletta** 45:53  
OK.

 **Jared Stomps** 45:54  
Yep. So these buildings would be right up use assets most yes and.

 **Elaina Coletta** 45:56  
OK.  
So you're selecting R Us here. Yep. OK.

 **Jared Stomps** 46:02  
I think that affects the depreciation schedule and some other bit in work, eh?  
I think Tom knows good more about what exactly does, but it has some impact on asset register.

 **Elaina Coletta** 46:14  
Yes.  
Yep.

 **Jared Stomps** 46:18  
Yeah. And then so are there any questions about the new leads because that's kind of beat this would be the process of adding new leads?  
To work day.

 **Linda Doan** 46:29  
And then this task here also goes through Tom's approval before it gets finalized.

 **Jared Stomps** 46:34  
Once it gets to this stage, it doesn't go to Tom again.  
It's stays with this assassin accountant.

 **Linda Doan** 46:42  
OK.

 **Jared Stomps** 46:44  
But everything that is filled in on.  
These fields that would have been approved by Tom already.  
It's the same stuff that is on this side contract level.

 **Linda Doan** 46:53  
OK.  
OK.

 **Tom Tharby** 46:56  
Yeah. The supply contract came to me. But the Rou asset just follows the normal PPE approvals process basically.  
So with business asset accountants.

 **Elaina Coletta** 47:03  
I got you, OK.

 **Jared Stomps** 47:09  
OK.  
So the next bill would be lease amendment.  
So lease amendments can be created on the supply contract.  
So just like the screenshot of like by contract and we go here create list amendment and then we can choose what type of amendment we're doing lease extension or like payment change. And like I said earlier lease amendments are mostly done for extensions.  
Or if there's been like a render view and the rent has been increased and we need to, like, reassess the liability and the right of use asset and that's all done through doing this lease amendment.  
And then we fill in this information like start date or the date of the amendment.  
Alright. And then also what the changes?

 **Elaina Coletta** 48:00  
And just to clarify, Jared, would you have received an e-mail notifying you of the lease amendment?

 **Jared Stomps** 48:01  
And that goes for approval. Yep.

 **Elaina Coletta** 48:08  
But like what would trigger you to start this process?

 **Jared Stomps** 48:13  
The thing that triggers this most of the time is that the invoice is received by AP and amounts are different.  
Order invoice itself says OK, there's been a render view.  
Rent has increased by 5 percent, 3% and so we can have to adjust our schedule to reflect that new invoice and that's most of the time. What kind of triggers it.

 **Elaina Coletta** 48:36  
OK. And I would assume there's also an amendment on the contract side, right?  
Like there has been something signed.

 **Jared Stomps** 48:44  
I think for most of them, rent review is part of the actual contract terms.  
It just doesn't specify what the increase is going to be.  
So we we can't really assume it's going to be 3% in like 3-4 five years time.  
That's why it work day to update the amounts we have to do the least amount function and work there and sometimes there is like an actual lease amendment and then Vishal would notify me.

 **Elaina Coletta** 48:58  
Mm hmm.  
OK, I see.  
I see I got you.

 **Jared Stomps** 49:10  
But I think for most of them, rent review is a term in the actual contract.  
So it doesn't need to be re signed.

 **Elaina Coletta** 49:16  
Mm hmm.  
Mm hmm mm hmm.

 **Jared Stomps** 49:19  
And for some of them their extensions, they would also come through Michelle, if their second extension of contract.  
Yeah, Lee's amendment.  
And then by the least amendments, we adjust with doing the least amount we can adjusting the lease liability and then the value at the right of use after and those are again are automated journals done through work day.  
And again, these amendments will go for approvals to Tom and if it's it's, it's like a threshold, it will go to Rachel as well.  
To approve it and I guess there will be the same question they about like support working.

 **Elaina Coletta** 50:06  
Mm hmm.

 **Jared Stomps** 50:07  
Yeah. We don't necessarily have something if it's like.  
I guess I could update the initial working that I have for the.  
To add that as a support as well.

 **Elaina Coletta** 50:20  
Yeah, definitely.

 **Jared Stomps** 50:21  
But yeah, yeah. But at the moment that's not necessary added or shown anywhere.

 **Elaina Coletta** 50:28  
I I had a question because I'm assuming and maybe this is more for you, Tom.  
I'm assuming there's a manual journal entry review process and so these entries are coming through.  
Not now. At the time of these changes being made to the leases.  
Would these also show up in the manual journal entry review process that's occurring at month end?  
And would that be another review point?

 **Tom Tharby** 50:59  
No, basically they they wouldn't because so after the if it's for whatever reason there is a lease amendment. As John said, the lease amendment itself comes to me and if I approve it then it's the amendment itself that creates a journal.  
So it's not a manual journal that Jarrod will enter it.  
Automatic not automatically, but it.

 **Elaina Coletta** 51:17  
OK.

 **Tom Tharby** 51:19  
You know the system adjusts the value of the OU asset and and or the lease liability as necessary based on the detail that we put in on the amendment.  
And also that will change from that point, potentially the depreciation schedule for example, it would all get updated when I approve the supplier contract amendment and then there's no other as you know from our other call, I think if if anyone ever raises a manual journal, it always.  
Comes to me for approval, but in this case there would not be any manual journals the the lease amendment is a system journal and then the new depreciation or interest, you know, they're all part of the same process that they always were.

 **Elaina Coletta** 51:56  
Mm hmm.

 **Tom Tharby** 51:58  
Now, just before a slightly different amount from that point onwards.

 **Elaina Coletta** 51:58  
OK.  
OK, OK.

 **Jared Stomps** 52:03  
These journals are classified differently than setting up like a new lease. So like you would be able to filter out from the general Ledger. This is like an amendment or this is like a new lead.

 **Elaina Coletta** 52:08  
OK.

 **Tom Tharby** 52:10  
Yeah, there's a.  
Yeah, there's a journal source field in work day, which you might see on some downloads and reports, and the journal source. You know, new supply contracts, contract amendment or manual journal goes through different routings and approvals depending on what that journal source is.

 **Elaina Coletta** 52:30  
Got it.  
Yep. OK alright.  
Yeah, we haven't seen that yet.  
Like a Ledger download or anything.  
So that'll be helpful when we see that.

 **Tom Tharby** 52:42  
Yeah.

 **Jared Stomps** 52:45  
So this will be the month and lease process and it kinda starts with the AP team. They will process invoices received for both IRS leases and operational leases and these will be accounted for differently depending on the spend category use.  
So it's important for AP team to understand like which leases areifrs 16 like are capitalized and which ones are not. And so there's.  
A regular communication between the AP team and myself to kinda make sure that they know what's happening of any changes.  
Like if I update updates or if there's a new release, I'll make them aware there's a team release.  
It's and I pressly's you need the capitalizers you suspend category and we use like a.  
I use a specs sheet that I update that I provide to them to show that.  
And with any exceptions or any other comments that they would need to know.  
And yet that would be the least building AP that they use as a spancaster for their stuff.  
So this office in Germany and Munich SNF freshly.  
So that's why they would use this one.  
But then our New London office, which is only like a like an office for like 6 month, it's the short term needs.  
So they would use the operational lease.  
Yeah. And that's how they process their invoices.  
And I run a report from Work Day, which is this report, the DT391 journal lines.  
And I kinda do this to make sure that.  
For a check for completeness, that's everything has been captured that I can compare this to that other file that I mentioned that I shared with AP that every lease has been processed like the invoices, that nothing's missing, or if there's something missing that I can highlight it.  
Or quit, query it and see.  
What happened?  
Is at least I can use.  
Yeah.  
So another thing that we do is this. I'd say the only manual task that we do in work day journal Wise is to tag lease payments with.  
The contract ID.  
So when this is done for the purpose of reconciling the lease liability movement on a contract level and not just a company level.  
So I download this report which shows internal lines and then I just kind of reverse them and tag them with the contract ID.  
Yeah.  
This the manual part of it.  
And then it comes to expense recognition accounting.  
So does this create expense recognition accounting?  
So I select companies that I want to do this for.  
So this I consolidate group.  
Of the month and dates this will be for March. The type of contracts I want to run this for.  
And then I select like all the contracts and then it would run this task and post all the journals for it automatically.

 **Elaina Coletta** 56:04  
How do you know which contract types to select?  
Is there a limited list?  
Is there any way for you to miss a contract type is essentially my question.

 **Jared Stomps** 56:16  
By selecting these four now.

 **Elaina Coletta** 56:18  
No. OK. OK, perfect.

 **Jared Stomps** 56:21  
Yeah, there's two other types I believe available to choose from, but we don't use those.  
So I just don't select those.  
And so that's the way it only captures like I first stuff or the at least that we need.

 **Elaina Coletta** 56:33  
OK.  
OK.

 **Jared Stomps** 56:36  
Yeah. And then, yeah, I run this like a thing. Field waiting.  
I think it's for this one or like another file where you run like a preview, you can kind of see what is being run.  
Which journals or which companies are affected?  
And then just make sure that everything's in there. If there's any specific new leads created that kinda quickly check.  
Like make sure that it's in there.  
Everything's complete and then I run this task on that post all those expenses.

 **Elaina Coletta** 57:05  
Yeah. OK.

 **Jared Stomps** 57:07  
And it's similar thing for depreciation.  
It's the only thing is it runs it for all the assets, so also it captures appliances, IT equipment and the leases.  
And gonna choose a company level that I wanna run this at month end date.  
Oh yeah, this one here I run the preview test so it kinda shows me what is being run.  
I can depreciate it so like the depreciation is being run for all the different books.  
And make sure it's kind of cleared.  
The posting date is correct.  
So otherwise it'll cause some issues and this will just run again all the all the journals automatically and it will post them straight away.

 **Elaina Coletta** 57:48  
Mm hmm.

 **Jared Stomps** 57:48  
It doesn't go for an approval.  
So Tom this task.

 **Elaina Coletta** 57:54  
Make sense?

 **Jared Stomps** 57:57  
And then, because we have quite a few historical leases that we had transfer into Workday, there is a slight issue with the work day doing its revaluations.  
Affect foreign currency leases like our English leases that are in GBP stock on currently basis. I kind of run the evaluation and aging adjustment.  
In like an Excel file, I kind of pull in like the data from work day lease analysis.  
And kind of make sure that our TV aligns with the lease schedule that we have in work day.

 **Elaina Coletta** 58:33  
Can we see that analysis, Jared, that you do, do you have an Excel file?

 **Jared Stomps** 58:37  
Yes, I do.  
Open it's.  
Starts this opening.  
Yeah. And then this also does the aging.  
So like I said earlier, a lot of the journals they either go through the short term code or the long term code and so.  
At every month ends, the aging is not quite correct, so we need to do like a manual journal to kinda debit one side credit the other side to make sure that it's it shows correctly like what.  
The aging is on the liability.

 **Elaina Coletta** 59:40  
Are you sharing the Excel file or are you just sharing your PowerPoint OK?

 **Jared Stomps** 59:43  
I I was still waiting for it to load, but it's ready now.

 **Elaina Coletta** 59:46  
Oh, OK.  
I'm sorry, OK?

 **Jared Stomps** 59:47  
That's good.

 **Elaina Coletta** 59:47  
Yeah, this and this is driving. This is great, OK.

 **Jared Stomps** 59:49  
Yeah. So.  
This is driving the adjustment, so I select here my month end but this will be for March and I pull in the least amount data. This is a report from work day. The lease analysis report and it's kind of just shows all the different supply contracts that we.

 **Elaina Coletta** 59:53  
Yes, this is great.

 **Jared Stomps** 1:00:08  
Have.

 **Elaina Coletta** 1:00:09  
Can can we talk about that data for a second?

 **Jared Stomps** 1:00:10  
With the whole schedule.

 **Elaina Coletta** 1:00:13  
This is looking good 'cause you have the parameters at the top which is great.

 **Jared Stomps** 1:00:14  
Yeah.

 **Elaina Coletta** 1:00:20  
The other piece of this is how do you ensure that all of your supplier contracts are included in this data dump and that something wasn't erroneously or mistakenly deleted from here?  
Is there a way that you can ensure that so report to system?  
Usually we see if there's. I don't think you're going to be able to do it with this, but like you would tie back a balance like the total balance.  
But I don't think that's going to work.

 **Jared Stomps** 1:00:54  
I guess I kinda what I kinda do do is.

 **Elaina Coletta** 1:00:56  
You tie back the number of records.

 **Jared Stomps** 1:01:02  
Because I copy in this part of the data into the front tab.  
So if it's like more lines or less lines, then I kinda know what the movement is and normally you would expect more lines if new contracts have been added.

 **Elaina Coletta** 1:01:06  
Uh huh.  
OK.  
OK.

 **Jared Stomps** 1:01:15  
So it kinda makes it.

 **Elaina Coletta** 1:01:16  
Yeah, it's, it's.

 **Jared Stomps** 1:01:17  
It would be complete, it would.

 **Elaina Coletta** 1:01:19  
Yeah.

 **Jared Stomps** 1:01:19  
I would notice if something wasn't there because I do.  
I'll come to this in a bit, but part of this would be to align it with the TB and if there's like a massive difference.  
Between this file and the the trial balance, then it would be noted.

 **Elaina Coletta** 1:01:34  
There you go.

 **Jared Stomps** 1:01:35  
Yeah.

 **Elaina Coletta** 1:01:35  
That's that's your check right there.  
That's exactly what we're looking for. Yep.

 **Jared Stomps** 1:01:38  
Yeah.  
So this now there's no differences, but that's because I've done my adjustment already.

 **Elaina Coletta** 1:01:44  
Perfect.

 **Jared Stomps** 1:01:45  
My revaluation and aging adjustment, but normally it would say that for example this would be 11,000,000. This would be 38 million and that would be a slight difference between the two.

 **Elaina Coletta** 1:01:53  
Yep, Yep.

 **Jared Stomps** 1:01:56  
But this lease analysis pulling this data, it's searching for the months for the headers and it gives me what my remaining reliability should be at the end of the month and then I can compare that to what we have in trial balance.  
I download an excel from the trial balance into the spreadsheet where I can pull all the information from.  
I just have to make sure that I do this task after everything has been done like after depreciation has been run, expense recognition, and then I pretty much align here the least analysis file with the TV and just make sure that the TV aligns with the lease \*\*\*\*.

 **Elaina Coletta** 1:02:20  
Yeah.  
Yep.  
Yeah.

 **Jared Stomps** 1:02:34  
For so we're kind of assuming.  
That what we have in this file here that that is correct.  
'Cause this is like the input from all the spy contract and then the movement that happens on a monthly basis that's in the TV so that we're coming bring that back to this analysis analysis and that we do on a company level.

 **Elaina Coletta** 1:02:40  
Yes.  
Yes.

 **Jared Stomps** 1:02:53  
So I can choose it.  
I choose the Netherlands.  
And then I would do that.  
Eib or the Journal on the company level, and then I'll post this journal for into work Day that goes to goes to.  
Because it's the Madonna Journal that will go for approval, Tom.

 **Elaina Coletta** 1:03:11  
OK.

 **Jared Stomps** 1:03:11  
And so this is like the Q3 aging and revival adjustment.

 **Elaina Coletta** 1:03:16  
So is this.

 **Jared Stomps** 1:03:16  
And yeah.

 **Elaina Coletta** 1:03:18  
Is this a macro enabled workbook like you just clicked a drop down and it looks like the data changed.  
Is that what's going on here?  
Is it automatically?

 **Jared Stomps** 1:03:26  
It's not.  
It's not macro, it's just form.  
So it the this here is just searching for what's in here.

 **Elaina Coletta** 1:03:37  
Interesting. OK.  
OK.

 **Jared Stomps** 1:03:42  
Yeah, so this is searching in the TV here.  
Based on what's in this field and here it's searching what is in this field for this list.

 **Elaina Coletta** 1:03:48  
OK.

 **Jared Stomps** 1:03:52  
This my list of companies that we have to talk to is and yeah, it's it's not a macro, it's a second drop down.

 **Elaina Coletta** 1:03:59  
OK, OK.  
Got it.  
This is a really great workbook.

 **Jared Stomps** 1:04:04  
Sorry.

 **Elaina Coletta** 1:04:05  
And then.

 **Jared Stomps** 1:04:05  
And.

 **Elaina Coletta** 1:04:08  
Oh, go ahead, keep going.  
I was gonna ask Tom about his review, but keep going.

 **Jared Stomps** 1:04:12  
And another part of this file is also aligning the assets.  
With the least valid.  
So that's why I pulled through the asset side.  
Which is, I would say, 99. Well, hundred. Well, so far, 100% of the time is quite correct because it doesn't really need any manual journals or much input.  
It's just the first input of the right of the asset and then the automated schedule of depreciation.  
So that's not too much that can go wrong.  
You can see here it's a slight difference, but this is because of an impairment to one of the offices where we have that.  
Accumulate depreciation of we are aware of this, so it looks good.

 **Elaina Coletta** 1:04:55  
OK.

 **Jared Stomps** 1:04:58  
Yeah. Any questions about this?

 **Elaina Coletta** 1:05:02  
No, this is good. If there was a new lease like you explained, you would catch it. If it wasn't pulled in in the in the differences in the check at the bottom.

 **Jared Stomps** 1:05:10  
Yeah.  
Yeah.

 **Elaina Coletta** 1:05:16  
Yep, OK.

 **Jared Stomps** 1:05:17  
Yeah. And also because I have to copy the data in here because this is searching for inputs from here and the other as well, just to create some nice looking summary of this file, because this goes on for forever.

 **Elaina Coletta** 1:05:20  
Yeah.  
Yeah.

 **Jared Stomps** 1:05:31  
Columns cqv so.

 **Elaina Coletta** 1:05:33  
Yeah. OK.

 **Jared Stomps** 1:05:35  
Kinda make that more easy to read.

 **Elaina Coletta** 1:05:39  
OK. And then Tom, we haven't gotten to manual journal entries yet, so I'm not sure how that looks, but I would assume you would receive an approve an entry to approve in work day and this analysis, if it was associated with the entry would be attached or would?  
Be a document that you would look at to support your approval.

 **Tom Tharby** 1:06:03  
Yes, that's right.  
That and it's the latter. Again, nothing. Nothing's really attached in work day.

 **Elaina Coletta** 1:06:08  
OK.

 **Tom Tharby** 1:06:09  
So similar to the screen I showed before, I would get like an inbox messaging workday saying there's a journal waiting for my approval. When I click in it, I can see the individual lines, the debits and credits, and all the amounts and tags and which company it REL.

 **Elaina Coletta** 1:06:16  
Yeah.

 **Tom Tharby** 1:06:24  
To and who's posted it.  
And obviously you know basically everything that comes to me that way is is usually.  
Recurring journal a month end process of some sort.  
So I know where to go to look to find the Excel file that that supports it. In this case in the month end folder for March.

 **Elaina Coletta** 1:06:44  
OK.

 **Tom Tharby** 1:06:45  
And then I will prove it, assuming that I'm obviously happy that the journal I'm seeing agrees to the file and I'm happy with the file generally.

 **Elaina Coletta** 1:06:53  
Yeah. And there's really no requirement to attach a workbook like this into a journal.  
It's really gonna be that we're gonna need to most likely add a cover sheet to this workbook that would explicitly explain Jared what you do as preparer and Tom, what you do as a reviewer.  
And it would.  
It would have your sign offs on there as well as the date of your review. So if that doesn't already exist on here I'm not really seeing it, that's probably enhancement.

 **Jared Stomps** 1:07:22  
Not yet.

 **Elaina Coletta** 1:07:23  
Yeah.

 **Jared Stomps** 1:07:25  
Yeah.

 **Tom Tharby** 1:07:25  
That sounds fair.  
We do have that on a number of our month end workbooks for the particularly for the bigger journal entries like the Commission accrual springs to mind that Java does. That does have a front sheet like that which says you know what are the tasks he's done and what.

 **Elaina Coletta** 1:07:29  
OK.

 **Tom Tharby** 1:07:40  
Date did he submit it into work day?  
What day did I approve it with?  
With my initials, etcetera. We. Yeah. And you know, you're right. We don't have it on this particular file, but it wouldn't be hard to implement the same thing here.

 **Elaina Coletta** 1:07:46  
Yeah.

 **Jared Stomps** 1:07:48  
Yeah, I could add that to her.

 **Elaina Coletta** 1:07:54  
OK.

 **Linda Doan** 1:07:55  
The recommendation so earlier when you said that there was a variance, I forgot what the number was. If that is something that's known or you guys investigate and is comfortable with that, I would add a note just to show an evidence that that variance has been looked at.  
And you guys OK with it? Yep.

 **Jared Stomps** 1:08:13  
OK.

 **Elaina Coletta** 1:08:19  
Impairments, Tom.

 **Jared Stomps** 1:08:21  
Well it it it?

 **Elaina Coletta** 1:08:22  
I yeah, I was gonna say Tom.  
I know we're talking about impairments later.  
Do you wanna should we talk about impairments specifically for Rous now or?

 **Jared Stomps** 1:08:29  
Yes.

 **Tom Tharby** 1:08:35  
Yeah, I guess we can.  
Partly because it we don't have much to say about them, to be totally honest.  
So obviously our US are one of the areas of the balance sheet where an impairment is if there is an impairment is most likely to be material.  
You know, we're generally talking about big numbers with our use. So it is an area that we always have front of mind. That being said, we don't have.  
A kind of.  
Regularly scheduled or certainly regularly documented impairment review process. I would say that really.  
Are the we. It's basically focused around our year end reporting.  
That's when we would do a exercise to confirm that we were happy that we don't need any impairments on the leases.  
In in between year ends, if evidence of an impairment comes to light, obviously we will make an adjustment for that.

 **Elaina Coletta** 1:09:31  
Mm hmm.

 **Tom Tharby** 1:09:33  
And we have.  
We have the the main way that that would happen as it relates to leases is when Michelle emails us to say, you know, we're not using this office in San Francisco, we're going to sublease it or something along those lines. That rings alarm bells for us that perhaps.  
The asset value on our balance sheet is not worth what we think it is. If that office isn't being fully used.  
So there are impairments exist in our accounts for for a couple of our offices at the moment and.  
Yeah, we would.  
We would check at year end.  
Particularly whether we need more, but usually it's an ad hoc process when we hear news from Michelle about the change in the property portfolio rather than because we go 1 by 1 down each one every month and check and do a calculation or anything like that.

 **Elaina Coletta** 1:10:20  
OK. Yeah.

 **Tom Tharby** 1:10:21  
And the impacts I and the impairment itself would generally be a manual journal.

 **Elaina Coletta** 1:10:23  
Go ahead.

 **Tom Tharby** 1:10:26  
So go through that that process, yeah.

 **Elaina Coletta** 1:10:26  
Yep, Yep.  
Makes sense?  
Yeah, it would just be the supporting analysis and or memo that you will probably need to put in place for these impairment tests that you're doing, right.  
I know we talked about appliances last time, but any other fixed assets in the RO US, we definitely want to put more of a formal analysis in place at a minimum annually. But best practice is quarterly.

 **Tom Tharby** 1:10:58  
Yeah. And if we on the occasion that we have done an impairment of an hour, you asset for example, obviously that that can become quite an involved calculation in terms of trying to work out what the sort of value should be in use of an asset like that.  
So then in those cases, we do have quite a detailed memo as much for, you know, external auditors benefit as anything in terms of how we've calculated that and why we're happy with it.

 **Elaina Coletta** 1:11:19  
OK.

 **Tom Tharby** 1:11:24  
Et cetera.  
But yeah, the accepting that we don't have that for every lease, we just have it in the in the instances where there has been an impairment effectively or where where it might reasonably expected that there had been one.

 **Elaina Coletta** 1:11:34  
Got it. Yeah.  
Do you have one of those that you could share with us?  
We can put it on our request list to you, but it would be good to see an example so that if that is enough you can. OK perfect.

 **Tom Tharby** 1:11:47  
Yeah, we got some from last year for the auditors, yeah.

 **Elaina Coletta** 1:11:53  
We'll request that.  
OK.

 **Jared Stomps** 1:12:00  
I think my presentation also almost done sounds good.  
So then your lease disposals, it's when one of our leases finishes, we dispose of the assets in order.  
These are automated tasks.  
There are similar tasks to other disposing of other assets like appliances or phones.  
It's an A task that we can run from from the SSL and then dispose of the assets at like a certain date and then it will do the journals of crediting our US.  
The thing that committed crusadion so it all gets done automatically.  
There's not much to it other than we can check if Elise is finished and then we just work with the asset and that's kind of it on that side.

 **Elaina Coletta** 1:12:45  
How do you check that the lease is finished, terminated, canceled?

 **Jared Stomps** 1:12:52  
Again, that would.  
So here for example on this file I have contract end dates and as we can see this Reston one Miami, we have these in the last two months.

 **Elaina Coletta** 1:13:12  
OK.

 **Jared Stomps** 1:13:12  
So we've done the task one because the end date is 25. I'm aware of certain others that are closing soon. So for example here Sydney and the end of the year, but.  
Germany's the one that's closing, but sooner.  
And so kind of aware of like, what kind of Paris we are looking to expose?  
Stuff. But for this energy here we this should probably be it.  
And start next year.  
We'll be just posting some more, but yeah, here we have contract candidates, so we kinda be made aware.

 **Elaina Coletta** 1:13:36  
OK.

 **Tom Tharby** 1:13:42  
Yeah. So usually the disposal element on work day is happening just because the leases come to its natural end basically.

 **Linda Doan** 1:13:42  
So is this.

 **Tom Tharby** 1:13:50  
We would, you know, even if we wanted out of release any earlier than that, we're unlikely to be able to get out of a lease earlier than that.  
So that would be an instance where we'd end up with an impairment instead.

 **Elaina Coletta** 1:13:58  
OK.  
Yeah.

 **Tom Tharby** 1:14:02  
If if we if the lease has come to a natural end, the only real reason that we want to dispose of it in work day is so that we sort of net down.  
On the cost and accumulated depreciation that's built up over the last few years, so that our disclosures are a bit neater and usually at that point I would drop an e-mail to Michelle if we haven't heard because obviously it's likely perhaps that there's a replacement office coming down.

 **Elaina Coletta** 1:14:27  
Right.

 **Tom Tharby** 1:14:28  
Down the line for those employees to use instead.  
Not always, but you know that that's the point at which we might ask that question. If if Elise drops off and we can't see an obvious 1 coming to replace it.

 **Elaina Coletta** 1:14:40  
Yeah.

 **Michelle Weiss** 1:14:41  
Thing on this as well, where you're saying about it coming to its natural end.  
Most of the leases and the service office agreements we have to notify, we have to give notice.  
So depending on what the lease agreement says, it might be nine months, 12 months, six months.  
So even though you might have a contract end date there, even if the service office is 3 months, if we've not. If we've missed that notice date, which is one of the problems with my spreadsheet is if I'm not around and it gets missed.  
It will just automatically renew for the same term normally, and we don't always get reminders from the operator.  
So it just I think with the contract end date, I just whether there's a function that we can put in that notice has been served or because otherwise it will just automatically roll.

 **Jared Stomps** 1:15:20  
OK.

 **Tom Tharby** 1:15:32  
Yeah, it's a. It's a really good point. We don't.  
We never assume that because the contract end date in work day or on the lease is coming up, that we are definitely exiting, as Michelle says, sometimes occasionally accidentally we won't exit because we haven't given notice.  
Lots of times we will automate. You know we will want it to renew anyway.  
The other thing which we didn't mention near the beginning, which you will see in our accounting policies or in the Group accounting memo, if you've got it.  
Is that for really big leases, they often commercially have a break clause negotiated into them, like an optional break halfway through the period. For example. Typically our assumption from an accounting perspective is that that.  
First break point in the lease.  
Is that's our assumption for when the lease will end.  
So we assume that we will exit them at the first possible opportunity.  
Obviously, if the if the brake claws in the leash is really bad and there's a big payment, then we wouldn't, we wouldn't. But if it's our option and there's a break towards built in our default position is that we'll probably exit at that point.  
And so again, that's why it's important that when we get to that point, which would be on here as a contract end date, we check in with Michelle to see if that is indeed what's going to happen. And again in a big lease like that even of break.  
Clause would have usually a long notice period, so it would be well on Michelle's radar, she would know.  
What the plans are in that respect?  
But yeah, we historically we've seen that.  
It's quite unusual for us to get to the end of a 10 year lease or or anything like that. So our default position is that it probably won't get that far and we'll get out at the first break.

 **Jared Stomps** 1:17:16  
That's it.  
Easy and work day to extend the contract and like break it.  
So that's why we also we decided to do that.

 **Tom Tharby** 1:17:21  
Yeah, yeah.

 **Linda Doan** 1:17:25  
So it's just taking a step back for how this asset or the lease disposal is process and work day. So you would say it's on like a monthly basis or periodic basis you would go look in that Excel file just to see what upcoming leases are about to.

 **Tom Tharby** 1:17:32  
You have.

 **Jared Stomps** 1:17:34  
Hey.

 **Linda Doan** 1:17:43  
End and then reach out to Michelle or kind of get keeping like tracking of like whether or not it's actually gonna end on that date to process it in work day.

 **Jared Stomps** 1:17:53  
So it's also in one of the earlier steps where I can like communicate with AP team and kind of check their their postings for completeness. If I notice like oh, we haven't received an invoice from Miami because either we the contract is finished and we shouldn't be rece.  
Any invoices or invoices come late.  
So then I would either check OK end date oh actually end it.  
So we don't have to, like, do anything and then I can.  
Expose the list and that would be a monthly task.  
That's something I do monthly.  
So it's it doesn't only get captured at the quarterly bits, but on a monthly level it gets captured because either I was expecting an invoice.  
I'm not receiving it, so maybe it's ended.  
Then it's checked monthly.  
And then this final bit on supleases.  
So again, it starts with Michelle to provide those like contract of what we have arranged for the sublease with certain terms when things start and then what I kind of do is create a again an Excel working to kind of summarize what's happening to create a billing sched.  
Based on terms and that is what is provided to the revenue team who set up that billing schedule and customer contract.  
OK, so that they can automatically send out those invoices.  
Part of that is also to set up a working that is doing monthly adjustments for the suppliers accounting.  
So for example, here you can see in March we receive or we should be receiving a big amount.  
This is deposit and the first month's invoice but.  
It's.  
The contract hadn't necessarily started yet, so it kind of gets adjusted and.  
If I'm saying that right, yeah.  
So the contract starts in May, but that's pay early.  
So is our accounting adjustments that we have to do for the subdivisions accounting and I can set that up at the start of the sub lease and it kinda gets reviewed by Tom can make sure it all makes sense and complete.  
And yeah, like we just that we've only recently kinda started. So there's definitely some room for improvement.  
But it there's not many things we do to it other than this or a a thing we do in work day for the sub place accounting instead of recurring journals.  
So as you can see here.  
For the month may till September, the same adjustment has to happen every month based on like the invoice or not receiving an invoice.  
And we can set up like a recurring journal and work pay that automatically, post that adjustment in month end.  
That's what we do with some of the subplaces, where it's more regular and your payments kind of changed.  
So like after October it will be like another it could.  
I haven't created journal in Word.  
I've released yet, but I could set one up for May to September.  
That will do all the accounting automatically and then like another one in October, which I can I think runs till like next September and.  
So until the end of the contract.  
And.

 **Elaina Coletta** 1:21:16  
That table that you have there is that an excerpt from an Excel file, the first table.

 **Linda Doan** 1:21:16  
City.

 **Jared Stomps** 1:21:21  
That's the next alpha.  
Yeah, that's the next alpha.

 **Elaina Coletta** 1:21:23  
OK.  
Is that something you could show us?

 **Linda Doan** 1:21:25  
So this.

 **Jared Stomps** 1:21:27  
Yes, I can.

 **Elaina Coletta** 1:21:28  
OK.

 **Jared Stomps** 1:21:46  
Yeah. So yeah, this is what I meant by the screenshots that I used.

 **Elaina Coletta** 1:21:49  
Yep.

 **Jared Stomps** 1:21:50  
There's a quick screenshot of like the proposed bidding schedule debated.  
So I was kind of explaining the the first couple months of rent free and then I set up here the payment schedule.  
That is being used by the revenue team to set up their bidding schedule in warfare.

 **Elaina Coletta** 1:22:07  
Yeah.

 **Jared Stomps** 1:22:11  
And Yep.

 **Elaina Coletta** 1:22:11  
I noticed that.  
Oh, sorry. I was just gonna say I noticed that general Ledger account.  
Other income, I don't know, Tom, if you know, is there other income embedded in that account with the rental income?  
Because I know you said it's newer, so I'm just wondering if there's a if there's multiple income sources in that one account.

 **Tom Tharby** 1:22:35  
Yeah, there are.

 **Elaina Coletta** 1:22:36  
OK.

 **Tom Tharby** 1:22:37  
And again, apology.  
I don't remember who I spoke to about this, but the GL in Word they structured with an extra dimension below GL account.  
So there's one GL code for other income.  
But beneath that, we have what we call spend categories which can differentiate further. So within other income you might have, I don't know, insurance claims, dividends, rental income, you know it's separated in that way.

 **Elaina Coletta** 1:22:52  
Yeah.  
OK.

 **Tom Tharby** 1:23:01  
So we can still break it down, even though it's all set in the one GL code.

 **Elaina Coletta** 1:23:05  
OK.

 **Jared Stomps** 1:23:09  
Yeah.  
Yeah, that was kind of from my side on the processes on leases.

 **Elaina Coletta** 1:23:19  
That was very helpful.  
I don't have any other questions particularly.  
I don't know, Linda.  
I know you're triple checking your list to see if we have any last minute questions.

 **Linda Doan** 1:23:42  
I think that, yeah, that's probably, yeah.  
Asset retirement obligation.  
Yes, if you can walk us through that.  
Do you have any asset retire obligation?

 **Tom Tharby** 1:24:01  
So as I mentioned, the only type of assay or lease that we're talking about here is is office property effectively.  
So there are a handful of our leases which include a clause that says, you know, we have to give back the office in a reasonable condition or back in the condition that we received it. Sometimes something like that. If that's the case, we will create a provision separ.  
At the time of lease inception for the potential.  
Of that reimbursement, if you like.  
Or dilapidation clause.  
Sometimes the leases will call it.  
It's typically not very big or it's not very big in total in terms of materiality to the accounts. And again, we haven't historically.  
That's because we we value the provision based on the cost we've historically incurred to exit or to give back offices when they finish and typically those are not particularly big.  
You know, we haven't found that we, you know, we tend to fit offices out quite nicely when we take them over. And landlords are usually happy to take them back from us in a better state actually than what they gave them to us.  
Then I went and Michelle disagrees with that, but that that's the basis of our provision anyway, because that's what we saw certainly in the olden days.

 **Elaina Coletta** 1:25:17  
OK.

 **Jared Stomps** 1:25:25  
Yeah, this is Kanika.

 **Michelle Weiss** 1:25:25  
Yeah.

 **Jared Stomps** 1:25:25  
Sorry, I was just gonna say this Kanika schedule that.

 **Michelle Weiss** 1:25:27  
It's OK.

 **Elaina Coletta** 1:25:29  
Yeah.

 **Jared Stomps** 1:25:30  
Matches with the provision that we have in Bandsheet it's it's not up to date.  
I created this for our audit at the year end and can update a little bit this morning to kind of show some of the additions and disposals, but the amounts that are needed in here that haven't been updated yet.

 **Elaina Coletta** 1:25:38  
Yeah.  
OK.

 **Jared Stomps** 1:25:48  
So just.

 **Michelle Weiss** 1:25:50  
Yeah, I was going to say that we tend to try and negotiate in with the leaders that we we don't have a reinstatement clause.  
For example, The Hague Office, which we built out recently.  
So we took it as shell and core, built it out, and we've agreed that if we don't break excise, the break option, if we go for the full five years, we just hand it back as it is, some landlords will not budget on it, though some landlords will.  
Expect it to be handed back.  
In particular, in the UK it is a bit of a license to print money.  
It's a little bonus payment for the landlords that they get a dilapidation settlement at the end of a lease term, no matter if you're handling back an amazing office that is improved from when you took it. They'll still be like, well, no, we want it back in an.  
Open plan state because the next tenant might not want it like this.  
So, but in the states it doesn't.  
It's not quite so bad. I think a bit more reasonable.  
But yeah, wherever we can, we try and negotiate.  
That reinstatement clause out of the lease at the beginning.  
Or at least limit the the damage.

 **Elaina Coletta** 1:26:56  
Yeah, makes sense. OK.

 **Michelle Weiss** 1:26:58  
I just had a couple of bits that were missed. I think I've missed saying that when we actually get the lease agreements and license agreements signed, all of that once legal have gone through their process and approved it.  
The exec member, which is generally well. It was general counsel or the CFO will be signing those lease agreements.

 **Elaina Coletta** 1:27:16  
Mm.

 **Michelle Weiss** 1:27:17  
Reg does.  
Rachel does the a lot of the license agreements, but they will always go through DocuSign so they know that once it's coming through from our legal team, it's already gone through all the relevant reviews it needed before it gets to them.  
And then the only other kind of odd one that we have is where we did a lease assignment of one strand, our London office, our Old London office.  
We have an escrow account.  
This is just one of the things that I don't know what they've got.  
A county wise and it's kind of managed by the Treasury team. But let me just share my screen quickly.  
Oh, indeed. Yeah. Here.  
So we we gave a large payment.  
It was basically at least incentive for us to sign the lease and we didn't want to do a lump sum payment of like nearly, you know $2,000,000 all over 2 million.  
Sorry £2,000,000.  
To the tenant taking over the lease.  
So we agreed Van Esquire account, and we do a kind of quarterly release on that.  
So they have to reduce the evidence.  
Now I've just got this little spreadsheet that I record the payments to make sure that we're, you know, we're on track.  
I know that Treasury also monitor it because one of the guys there contacted me today.  
Like the next one, the last one, isn't it?  
But this is just something I don't know what we've got within work day to to track it that you know, if I was to leave, who else has the record of you know, how much is in the account when it when the final payment is and things.  
So it might already be covered, but it's just it's just an extra. You know, thing that we have, which is unusual for all the other offices. If the anyone we've got with an escrow account.

 **Elaina Coletta** 1:28:56  
OK.  
Yeah. OK. Is this something that will continue in perpetuity or OK.  
It's like a one time situation.

 **Michelle Weiss** 1:29:14  
Yeah, yeah. And it goes back to the sub leaf and the leaf assignments. It's not generally something we want to do, but we took a new office in London and we wanted to dispose of the other office. So we did an assignment for that lease and then they.

 **Elaina Coletta** 1:29:17  
OK.  
OK.

 **Michelle Weiss** 1:29:30  
Just as a protection, it went into an escrow account in case anything happened with that company that they didn't walk away with, you know, £2,000,000 in their pocket.

 **Elaina Coletta** 1:29:41  
OK, perfect.  
Thank you.  
OK.  
Nowhere over time, by two minutes. So I think we're good.  
We're gonna pull together all of this information into a flow chart and you will definitely be hearing from us as we try to fill in the gaps from this discussion.  
OK.  
But this was very very helpful.  
We appreciate all your time.  
All right.

 **Michelle Weiss** 1:30:05  
Thanks very much.

 **Tom Tharby** 1:30:05  
OK.

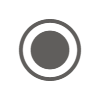
 **Elaina Coletta** 1:30:05  
Thank you. Thank you.

 **Tom Tharby** 1:30:05  
Great. Thank you. Thanks, jaed.

 **Abdus Therese** 1:30:06  
Jim, thank you. Bye.

 **Linda Doan** 1:30:08  
Bye.

 **Michelle Weiss** 1:30:09  
Bye.

 **Abdus Therese** stopped transcription