

# FINANCIAL PROCEDURES POLICY (2023)

## **Financial Policy**

1. Maitri Studio Ltd is a small limited company with two Directors, Claire Ferry and Geoffrey Moore.
2. The Directors (who are also the only shareholders) are responsible for
  - a. safeguarding the assets of the company,
  - b. preventing fraud,
  - c. avoiding mistakes,
  - d. keeping financial records and
  - e. preparing annual accounts in accordance with government requirements
3. To enable the Directors to carry out these responsibilities, the financial procedures outlined below are followed at all times.
4. The policy and procedures are reviewed annually by the Directors and revised as necessary.

## **Financial Procedures**

### **1. Organisational information**

- a. Our financial year runs from 1 April to 31 March each year.
- b. Weekly book-keeping is undertaken by Director Claire Ferry and freelance administrator Kate Porteous.
- c. Our independent accountant is Grace Taggart, Chartered Accountant and Registered Auditor.

### **2. Bank accounts**

- a. We hold one business bank account in the name of the organisation Maitri Studio Ltd with the Co-operative Bank.
- b. No additional accounts may be opened, nor any in the name of an individual or individuals.
- c. Changes to the bank mandate may only be made by a joint decision of the Directors.
- d. The Directors are joint and severally signatories to the bank account, for internet bank transfers, cheques and card payments, and are therefore responsible for ensuring accuracy and completeness prior to money transfers.
- e. Directors never sign blank cheques.
- f. The bank provides monthly statements which are reconciled with the accounts software Xero within two months (see also accounting below).

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- g. The company will not use any other bank or financial institution or use overdraft facilities or loan without the agreement of both Directors. This would only be done if identified as a need in relation to specific goals in the business plan. The aim of the Directors is not to use loans or overdraft facilities.

### 3. Budgets & Reports

- a. The Directors set out an annual budget in the context of the business plan for the year, which is reviewed periodically throughout the financial year.
- b. Financial reports including Profit & Loss and Balance Sheets are prepared using the accounts software for directorial consideration periodically through the year, so that progress can be checked against the business plan.

### 4. Accounting and other financial records

- a. Maitri Studio Ltd maintains a computerised online accounting system called Xero which records all income and expenditure, as well as providing for invoices, receipts and monitoring.
- b. Every transaction includes the date of the transaction, the name of the person/organisation involved, the full amount, a brief description and allocation to the appropriate nominal code in the budget.
- c. All documents relating to receipts and payments (e.g. paper receipts) are filed in the month of income/expenditure.
- d. The software is held in the cloud and therefore is backed up.
- e. Most **income** is from rent payments and is direct to the bank account by BACS. Payments are reconciled to rent invoices in Xero.
- f. Some income is received in cash with is recorded promptly on Xero and banked without delay.
- g. Most **expenditure** is by card or bank transfer and therefore directly from the bank account and against specific invoices.
- h. Occasionally petty cash is used for expenditure. Receipts are kept and transactions recorded on Xero.
- i. Expenditure is only that required on company business and within budgets.
- j. As mentioned in 2f, monthly statements are reconciled against the relevant nominal code for both income and expenditure.
- k. Accounts are drawn up at the end of each financial year within three months of the year end. As a private company limited by

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shares and meeting the micro-entity requirements (a turnover of £632,000 or less, £316,000 or less on the balance sheet, 10 employees or less), Maitri Studio Ltd is allowed to prepare simpler accounts meeting statutory minimum requirements, to send only the balance sheet to Companies House, and to have an exemption so that the accounts do not need to be audited.

## 5. Payroll

- a. Maitri Studio Ltd currently has no employees so there is no payroll or PAYE system. This policy will be updated should the situation change.

## 6. Insurance

- a. Appropriate insurance policies are maintained to cover:
  - i. Public liability
  - ii. Professional indemnity
  - iii. Contents where appropriate
- b. An inventory of physical assets of the company is kept and updated.

## 7. Other rules

- a. All fundraising and grant applications will be done in the name of the company with the prior approval of the Directors and in line with business plan goals.
- b. The company will adhere to good practice in relation to its finances at all times.

This policy will be reviewed and updated annually.

Agreed, signed and dated



CLAIRE FERRY (director)  
21 September 2023



GEOFFREY MOORE (director)  
21 September 2023



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Review date: 21 September 2024