

Finance

Financial records

Operating a childcare business means that you will need to keep the appropriate financial records for tax and accounting purposes. The best source of information on this comes from [HM Revenue and Customs \(HMRC\)](#) who can advise on:

- Why you need to keep records
- How to keep your records
- The records you need to keep

[Get additional help and support from HMRC with free webinars, emails and videos.](#)

The government has produced guidance on setting up organisations, which you can use as a reminder for the responsibilities you have in operating a childcare organisation:

- [Sole trader](#)
- [Partnership](#)
- [Charity](#)
- [Private limited company](#)

Choosing an accountant or bookkeeper to help you with your financial records

Accountants can help with a wide range of tasks that some business owners may find difficult, for example, PAYE, VAT, personal tax, business tax, year-end accounts, and returns tasks. Finding a good accountant could save your business a lot of time, effort and money. Below we have provided links to some online directories, where you can search for accountants/bookkeepers in your area (please note this list is not exhaustive and is merely provided as a starting point).

[Accountant Directory](#)

[Accountant-quotes.co.uk](#)

[Accountants London](#)

[Association of Accounting Technicians \(AAT\)](#)

[Association of Chartered Certified Accountants \(ACCA\)](#)

[Chartered Institute of Management Accountants \(CIMA\)](#)

[Find UK Accountant](#)

[Institute of Chartered Accountants in England and Wales \(ICAEW\)](#)

[Institute of Financial Accountants \(IFA\)](#)

Business rates (where churches and chapel halls are used as day nurseries or pre-schools)

The following section mainly relates to the special case where churches and chapel halls are used as children's day nurseries or pre-schools and comes from the [Valuation Office Agency \(VO\)](#). General information about [Waltham Forest's business rates](#) can be found on the Council's website.

Church and Chapel Halls used as children's day nurseries and let on hiring agreements/licences will not normally form a separate rateable occupation of a church or chapel hall providing the church organisation's interference and control over the hall is such that the church organisation at "the end of the day" remain in paramount occupation - see [s.67\(5\) LGFA 1988](#) and [Section 6.6 of the Rating Manual - Volume 4 - Section 8 - Part B : Churches, Church and Chapel Halls and Similar Buildings](#).

In the case of church/chapel halls used by children's day nurseries exemption is very much dependent upon the evidence of church's interference with and control over that occupation. It should be noted that day nurseries will normally operate for only a limited number of hours on certain days of the week and in between, especially in the evening and at weekends, the hall will revert back to a use qualifying for exemption. In the majority of cases, therefore **at the end of the day**, it will be reasonable to assume, providing the church organisation has retained paramount occupation by virtue of its control and use (typical examples being reservation of the hall by the church for other uses; reserved rights of access; shared use, etc) that insofar as the activities in the hall are not uses for the purpose of the organisation responsible for the conduct of public religious worship in that place, that the church should still be regarded as the rateable occupier.

It is considered that the correct approach to rateability is as follows:

- If the children's nursery takes place within a church hall but does not undermine the character of the building as a church hall because the building is still used for other purposes, then the building retains exemption as a church hall. Use as a nursery per se is not inconsistent with a building being a church hall as the very essence of a church hall (see **Gallagher** in the Court of Appeal) is that it is a building which is used for a variety of purposes and a children's nursery can be one such purpose.
- However, if the reality is that a discrete area of the building has been physically set aside for use as a nursery and that part of the building is designated for use as a nursery rather than being available for a range of uses associated with a church hall then exemption will only be available "to the extent that" the building physically remains a church hall (ie the part which is available for a variety of uses) whereas the part which has been designated as a nursery would be rateable.

It is recommended that the facts are established at the earliest opportunity by obtaining copies of any licence or letting agreement and ascertaining the church's control and retained powers in relation to the area used by the day nursery.

The technical advisers should be consulted in any case where the VO is uncertain as to whether the church organisation has retained paramount occupation.

Managing Cash Flow

The legal team behind the Law-call service, available to Alliance members, explains how you can deal with unpaid fees.

[Download more information](#)

Remit: [Early Years](#)

Support Services: [Finance Support](#)

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