

— GUIDE NO. 01 · FINANCE

Furniture Finance *for Schools.*

A practical guide to leasing, lease purchase and IFRS 16 — written for maintained schools, academies and multi-academy trusts.

WRITTEN FOR

Business managers, finance leads & trust CFOs

FORMAT

Five pages. Plain English. No jargon.

PUBLISHED

North West, England

Schools are under increasing pressure to improve learning environments while managing tight budgets and complex governance. Furniture plays a critical role in teaching, behaviour, wellbeing and accessibility — yet funding improvements can be challenging when capital budgets are limited. This guide is a clear, governance-aware overview of the options schools actually use.

— SECTION ONE

Understanding furniture finance *in education*.

Furniture finance allows schools to spread the cost over an agreed period rather than paying the full amount upfront. Used well, it helps deliver improvements sooner while maintaining predictable budgets across financial years.

Leasing

- Paying for the use of furniture over a defined term
- Predictable payments aligned to the academic year
- Matched to refresh cycles or phased refurbishments
- End-of-term options depend on the contract

Lease Purchase

- Payments spread over an agreed term
- Ownership typically transfers at the end of the agreement
- Suited to furniture intended to be retained long term
- Treated differently from operating leases for accounting

Both approaches are widely used across education — provided the correct approvals, governance and accounting treatment are followed.

— SECTION TWO

What changed *with IFRS 16*.

Most leases are now recognised on the balance sheet. Schools and trusts typically record two components in place of a single annual rental cost:

ON THE BALANCE SHEET

- **Right-of-Use (ROU) asset** — the right to use the furniture
- **Lease liability** — the obligation to make future payments

IN THE INCOME STATEMENT

- **Depreciation** of the ROU asset
- **Interest** on the lease liability

The purpose of IFRS 16 is not to prevent leasing, but to ensure transparency and consistency in how long-term commitments are reported.

— SECTION THREE

Maintained schools *vs.* academy trusts.

Maintained Schools

Leasing is generally treated as borrowing under education finance regulations. In many cases, arrangements fall under **Department for Education class consent** — separate approval is not required provided the agreement meets the criteria. Local authority processes still apply.

Academy Trusts & MATs

Trusts must follow the requirements set out in their funding agreement and the **Academy Trust Handbook**. Leasing decisions should be approved through trust governance processes and reviewed with finance teams and auditors.

— SECTION FOUR

What furniture *can be financed.*

Furniture is commonly considered suitable for finance because it has a defined lifespan, clear specification, and direct educational use.

Classroom desks & chairs

Storage & shelving

Staff workstations

Library & breakout furniture

Specialist & SEND furniture

Teaching walls & fixtures

Eligibility depends on school status, provider terms and internal approvals.

— SECTION FIVE

Governance & *value for money.*

Approval authority

In line with schemes of delegation and financial regulations.

Value for money

Why finance was chosen over outright purchase — whole-life cost, not just monthly payments.

Contract clarity

Term length, break clauses, end-of-term position, early termination implications.

Maintaining a clear audit trail reduces year-end queries and ensures confidence in decision-making.

— SECTION SIX

How projects *typically work*.

- 01** **Define the need**
Educational outcomes, capacity, ergonomics and accessibility requirements.

- 02** **Design & specification**
Layouts, quantities and furniture selection, delivered as 2D and 3D plans.

- 03** **Procurement-ready quotation**
Itemised pricing, specification and delivery planning, suitable for approval.

- 04** **Choose the funding route**
Direct purchase or finance, subject to governance approval.

- 05** **Approvals & documentation**
Internal sign-off, class consent where applicable, and compliance checks.

- 06** **Delivery & installation**
Typically scheduled around the school calendar to minimise disruption.

- 07** **Handover & aftercare**
Warranties, snagging and long-term support after installation completes.

— SECTION SEVEN

Why schools *choose furniture finance*.

When used appropriately, furniture finance can help schools:

- Spread costs across financial years
- Protect cash flow and reserves
- Deliver improvements sooner

- Standardise classrooms across phases or sites
- Align furniture investment with lifecycle planning

— SECTION EIGHT

How Werk Solutions *supports schools.*

We work alongside your team to ensure projects are deliverable, compliant and well planned:

- Designing effective, education-led furniture solutions
- Providing clear specifications and visual layouts
- Supplying procurement-ready quotations

- Coordinating delivery and installation
- Supporting projects that align with governance and finance processes

“Finance should always support *educational outcomes* — not drive them.”

IMPORTANT · A NOTE ON SCOPE

Werk Solutions does not provide financial, legal or accounting advice. This information is provided to support understanding and planning only. Schools and trusts should always confirm accounting treatment, consent requirements and procurement compliance with their finance teams, auditors and relevant advisers.

Planning a project? Let's talk.

Our team in Wallasey is happy to help you scope, specify and plan your next furniture project — no hard sell, no commitment.

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