



## Changes in the UK prep school landscape & advice for those considering merging

Over the past few years, the trend towards ‘groupness’ and away from ‘stand-alone’ models in the UK independent prep sector has notably accelerated. Popular consensus among market commentators is that the significant majority of schools will be part of a larger organisation of some sort (be it a charitable foundation or for-profit) within 5 years. This is taking place in the context of unprecedented political, fiscal, economic and demographic pressures on schools. Smaller schools, with fewer resources and reduced manoeuvrability, naturally feel these pressures most acutely and are understandably looking to new governance/ ownership structures that will provide greater security. This paper attempts to summarise recent merger and acquisition activity as an aid to IAPS Members considering or currently leading similar processes.

21 schools (across all associations) reported that they had ‘*completed a merger with another independent school*’; a separate 19 had ‘*been acquired by an external schools group*’ and; a further 7 had ‘*become part of a school federation... or other grouping*’ in the year preceding the ISC Census of January 2025. This represents around 4.4% of the almost 1400 schools who answered these questions. For IAPS, the numbers in these categories are 7, 5 and 2 (a total of 6% of respondents)\*

In addition, the table below is based on information held/ received by IAPS about Member schools and may not be exhaustive. Anecdotal information from lawyers involved in unannounced transactions indicates that a great deal of activity is currently underway. Accurate as of 20.6.25.

	AY 2022-23	AY2023-24	AY 2024-25	Announced for 2025+	Total
<b>IAPS schools merging with another school</b>	3	9	7	6	25
<b>IAPS schools merging with a charitable group of schools</b>	0	6	6	13	25
<b>IAPS schools joining a for-profit group</b>	2	3	3	2	10
<i>Total</i>	5	18	16	21	
<b>IAPS school closures</b>	4	4	8	2	18

The number of prep schools able to join commercial groups is limited by the relatively small number of such groups operating in the UK and their low tolerance for financial risk. Whilst some of these groups are of scale, many others are small and find managing simultaneous acquisitions/ multiple in a year to be challenging and a distraction from their core business (running their existing schools). These groups’ commercial nature makes it more likely that enhanced processes of financial diligence will rule out many schools from consideration.

The stock of prep schools likely to merge with a local senior school to form an all-through is necessarily limited by geography and, whilst this type of merger may not yet have peaked, it will diminish in relative terms. Increasingly, charitable mergers involve prep schools joining a (usually small, usually local) group of 2-3 schools which include a senior school. Another increasing trend is for prep schools to join a ‘family’ of aligned schools without close geographical ties, sometimes as feeder schools to a senior boarding school.

\*A likely under-reporting: only 233 census returns identified as being part of IAPS, roughly two fifths of actual UK Members. 563 schools’ returns failed to identify themselves against any of the five Heads’ associations, reflecting by whom the census is completed.

## Questions to ask/ issues to raise through your governance process when considering a merger

Heads may have to take a proactive approach to help Governors/ Trustees/ Proprietors consider a sale or merger. It is key to explore these strategic options from a position of strength. The questions below may serve as useful prompts and will draw out concerns, ambitions and a variety of other hard to access emotions about this challenging decision. They are by no means exhaustive!

1. *Honestly and realistically, what do you think your school will look like financially in 5 years' time? How easily could that forecast deteriorate?*
2. *Given that forecast, are there any early indicators that a merger is necessary for the survival of the school? Noting that, would you better to consider a merger now rather than at some point in the future? (See Appendix 1 of VWV document "[School Transactions: Mergers, Acquisitions and Disposals](#)" on the IAPS website, for early indicators).*
3. *What would your school be seeking to achieve from a merger?*  
For example, would it be for longer term security, to solidify your competitive advantage in the local market, to gain investment for site improvements, or back-office cost savings?
4. *If your school is charitable, is there anything in the charitable objects which might hinder or impede a merger, or limit the feasible options?*
5. *Would you be willing to physically merge with another school to create one school, or would you only be seeking to merge in a way where your school remains as a separately run entity for day-to-day purposes?*
6. *Are you willing to consider changes to your model that may be needed in order to achieve a successful merger, e.g. change to age range, move to co-ed, loss of boarding? What are your 'sacred cows' (and can you afford to have any based on the school's financial forecast?)*
7. *What is the realistic (not 'optimistic') strength of your school's financial position that you could bring to merger discussions?*  
For example, are your school's debts and liabilities at an acceptable level, what surplus are you turning, does the school own its school site?
8. *What do you identify as your school's strengths which you want to bring to, and retain following, a merger?*
9. *What are your school's weaknesses that could impact on the success of a merger?*
10. *Would you consider an acquisition by a commercial entity?*  
If your school is charitable, ensure you are aware of the considerations and steps that may be needed before a sale to a commercial organisation can take place ([see here](#) for an ISC summary of Charity Commission guidance on this issue).
11. *Would anyone else's merger activity (whether actual or potential) within the local area or involving your competitors be likely to impact on the success of your school?*
12. *What are the outcomes for the school that would be less desirable than a successful merger/sale?*

If you would like help or advice on next steps for your school, please contact [Dominic](#) or [Emilie](#).