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STATUTORY INSTRUMENTS

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**2002 No. 2978**

The School Companies Regulations 2002

PART 2

Restrictions on School Companies

**Restriction on school funding of school companies**

**12.** Where a governing body of a maintained school, which is a member of a school company, is spending money as agent of its local education authority by virtue of section 49(5) of the 1998 Act, it must only make payments to that company in the following circumstances:—

- (a) as consideration for services or goods that the company has supplied or procured for the school; or
- (b) where such payment is necessary or expedient to enable the company to pursue its objects.