

# YE STUDENT COMPANY OPERATING FRAMEWORK LEGAL RESPONSIBILITIES, FINANCING AND INSURANCE COVER



## COMPANY PROGRAMME

Students, Business Advisers and Centre Leads - please read this document carefully and ensure that your Young Enterprise student company is complying with the following important information. More details are available within YE Online (<https://yeonline.y-e.org.uk>).

## Legal Status of Young Enterprise Student Companies

All Young Enterprise student companies are, for the year of their operation, functioning as **branches of Young Enterprise**.

When naming your student company, care needs to be taken to not directly or overtly imitate, copy or trade using existing company names, trademarks or copyrights. Further information can be found on **YE Online**.

Under the Companies Act 2006 a Company must complete its name in legible lettering on all business stationery, whether in hard copy (printed) electronic or any other form. Common items of stationery include:

- Company letters
- Order forms
- Official publications
- Invoices
- Receipts
- Websites

In addition, you are breaking the law if your student company **does not** show the YE place of registration, registered number and registered office address in legible lettering on the following items:

- Student company letters
- Order forms
- Websites
- Emails

The YE registration details vary depending on your location:

Young Enterprise in England and Wales (including the Channel Islands)	Young Enterprise Northern Ireland	Young Enterprise Scotland
A Company Limited by Guarantee No. 712260 Charity No. 313697 Registered office: Young Enterprise, Yeoman House, Sekforde Street, London EC1R 0HF	A company Limited by Guarantee No. NI 32769 Charity No. XR 21328 Registered office: Grove House, 145-149 Donegall Pass, Belfast BT7 1DT	A company Limited by Guarantee registration No. SC133649 Charity No. SC018180 Registered office: 40 Wellington Street, Glasgow, G2 6HJ

An example letterhead and word template is available on YE Online.

## YE Student Company Finances

### YE Student Company Registration Fee

- Set annually (see invoice)

### Share Price

- £1.00 per share
- Each student company member must hold at least 1 share

### **Maximum Share holding per person**

- For Company Programme = £25.00 (i.e. 25 shares)

### **Maximum Share Capital per Student Company**

- For Company Programme = £500
- Any permission to exceed the authorised share capital limit must be applied for via the YE Support Centre by emailing [info@y-e.org.uk](mailto:info@y-e.org.uk).

### **Winding Up Fee**

- This is payable to Young Enterprise at the point the YE Student Company is winding up. It includes amounts equivalent to taxes which would have been payable to the authorities on winding up if the student company had been a standalone entity subject to normal tax rules.

### **Grants, Donations, Loans and Crowd Funding**

- YE Student companies may accept financial support, grants or donations (e.g. from individuals, companies, educational establishments) to cover all or part of the cost of the registration fee
- YE Student companies may also seek support to cover the cost of taking part in special events, such as the national or international trade fairs. Such support must be fully detailed in the student company records and reports.
- YE Student companies may not obtain any further financial support including loans (e.g. from individuals, companies, educational establishments.)
- YE Student companies may not engage in crowd funding.

### **Electronic Banking**

Rules regarding electronic banking and taking on-line payments are currently under review. Please check back for details which will be confirmed by 1<sup>st</sup> September 2017

### **Charitable Giving**

- Only after the end of the company year are students free to keep, donate or reinvest any profits that they have made. For example, teams could choose to donate to a good cause, or they could reinvest funds to the educational establishment to support future enterprise activity, or they could provide dividends to their shareholders.
- However, they cannot explicitly operate off its intent to give some or all of its profits to charity. For example:
  - teams should not state that a percentage of profits will go to charity in their sales and marketing activities or materials
  - teams should not promote a specific named charity on their trade stand or in marketing materials, including online and via social media
  - Social Enterprise teams are able to promote their general social aim.

YE's funds should legally only be used to further its own charitable objects. As branches of YE, the student companies also have to comply with this requirement and are not able to fundraise for another charity whose objects will differ from YE's.

### **Cheques**

- YE Company cheques must carry the wording "For and on behalf of <YE Company Name>, a branch of Young Enterprise".

### **Contracts and Cheques in excess of £200**

- These must be countersigned by an Adviser, or if no Adviser is available, the Centre Lead, who is automatically delegated by Young Enterprise to act on behalf of the Organisation.

### **Written Contracts**

- Young Enterprise student company members signing written contracts entered into by the YE Student Company, must add the words "FOR AND ON BEHALF OF <YE STUDENT COMPANY NAME > A BRANCH OF YOUNG ENTERPRISE".

## Young Enterprise Insurance Cover

The following notes on insurance are for general guidance only. They are not an exhaustive synopsis of the Young Enterprise Insurance Policy. A copy of the Insurance Policy Statement can be downloaded from **YE Online**.

### **Products and Public Liability (Including Prohibited Products)**

Young Enterprise has effected Products and Public Liability Insurance, under which there is an indemnity up to £10,000,000 to cover such amounts as it may legally be liable to pay in respect of accidental death, bodily injury, or loss of or damage to, material property not belonging to or held on trust by Young Enterprise, happening in connection with its occupation as a youth training organisation.

The Products Liability extends the policy to include any goods sold or supplied by Young Enterprise but **excludes**:

- "Operating with the U.S.A. or Canada", or any territory under their jurisdiction;
- the cost or value of any product lost or damaged due to defects;
- the direct or indirect costs of repair or replacement of any product;
- losses resulting from damaged products designed by you or on your behalf and subsequently sold or transferred to some other party;
- any liability assumed on behalf of Young Enterprise by means of an express agreement or contractual undertaking if such a liability would not otherwise have arisen.

The Young Enterprise insurance does **not** cover the manufacture or operating in any of the following products or activities:

- the repair and maintenance of mechanically propelled vehicles;
- the manufacture, storage, filling, breaking down or transport of explosive gases;

**Also not** covered by the policy are manufacturing, reconditioning, alteration, repair, sale or supply of:

- cosmetics and beauty preparations including Henna products and face paints, other than the re sale of proprietary branded products, including soap, perfumes and bath salts;
- goods for use as component parts in aircraft control;
- goods for animal consumption;
- goods for use in the repair and maintenance of mechanically propelled vehicles;
- acids, gases including helium balloons, explosives, fireworks and chemicals; drugs and pharmaceutical products;
- fertilizers, crop and weed spraying preparations;
- the manufacture, modification or sale of any product which has to be plugged into the mains electricity supply.

### **Please note that:**

- Young Enterprise student companies must not trade in alcohol or tobacco products or set up events where alcohol or tobacco are being sold or served even if students are not directly involved in serving these products.
- Young Enterprise student companies must not act as Travel Agents, Tour Operators or Taxi Services
- Young Enterprise student companies must not run gambling activities with the exception of raffles where cloakroom tickets are sold exclusively within the school or college.
- Young Enterprise student companies are not allowed to produce or manufacture foodstuffs, nor buy unbranded products for consumption, nor those subject to refrigeration and special storage arrangements, together with products of a sell by date under 3 months, or which would have reached the sell by date at time of sale.

- **Exception:** student companies may deal with food where the student company is being run as part of a recognised catering course and where insurance cover already exists. FOOD HYGIENE CERTIFICATE IS NOT A CATERING COURSE. Written permission should be requested from the Young Enterprise Support Centre and must include evidence as described above.

**The insurance policy does not cover:**

- liability arising directly or indirectly from ownership, possession or use by or on behalf of Young Enterprise of any mechanically propelled vehicle for which a Certificate of Motor Insurance is required, or of any aircraft, hovercraft or watercraft;
- liability arising directly or indirectly for loss or damage to property owned by or in the custody or control of Young Enterprise, Advisers or Students;
- the first £100 of each and every loss arising from Third Party Property Damage and depending on specific circumstances this may be higher. (No excess applies to Public and Product Liability).

The indemnity provided by the policy is extended to individual participants in the Company/Team/Start-up Programmes (i.e. Students and their Advisers) while they are engaged in its recognised activities, provided that they observe completely all the terms of the policy and provided also that they are not entitled to an indemnity under any other policy. This extension of the policy applies also in the event of one participant making a claim against another.

As guidance in terms of personal possessions or clothing, these are not covered for loss or accidental damage by the owner except in circumstances whereby Young Enterprise or their employees can be held legally liable for negligence.

**Materials Damage Insurance**

Young Enterprise has also effected a materials damage insurance to cover property belonging to Young Enterprise student companies.

**The insurance policy does not cover:**

- the first £100 of any one claim and depending on specific circumstances this may be higher;
- theft unless from premises involving entry to or exit from these by forcible or violent means;
- the loss of cash.

It is assumed that sponsoring organisations and the owners and occupiers of premises will insure themselves against any damage to the buildings while these are used for educational purposes; such contingencies are NOT therefore, among the risks against which Young Enterprise is insured, if such premises are deemed to be in the custody or under the control of Young Enterprise.

Business Advisers and Centre Leads should ensure that the Young Enterprise Support Centre is advised when an accident occurs.

It should be noted that there is **NO** personal accident cover on individual participants in the Company/Team/Start-up Programme and all members should be aware that this cover is up to the individual concerned, as indeed many schools have their own schemes available to the parents of students.

**Other**

In case of any doubts regarding insurance, reference should be made to the Young Enterprise Support Centre who issue the insurance statement. Please email [info@y-e.org.uk](mailto:info@y-e.org.uk).

Any group considering products or services that are not covered by the YE Insurance policy, can arrange their own insurance cover if desired. You must be able to demonstrate that the level of any cover established is at least equivalent to that provided via YE. You must send a copy of the policy to the YE Support Centre prior to commencing with the product/service.