

Legal Responsibilities and Insurance Cover



Students, Business Advisers, Link Teachers/Lecturers - please read this document carefully and ensure that your Young Enterprise company is complying with the following important information. More detail is available within the guidance in the Company and Team Programme websites.

Legal status of Young Enterprise companies

All Young Enterprise companies are, for the year of their operation, branches of Young Enterprise. Under the Companies Regulations 2006 No.3429 a Company must complete **its name in legible lettering** on all business stationery, as listed below, whether in hard copy, electronic or any other form:


- all the company's business letters, order forms;
- all its notices and other official publications;
- all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by, or on behalf of, the company;
- all its bills of parcels, invoices, receipts and letters of credit on all its websites.

On all of its business letters, order forms or any of the company's websites and emails, the company must show in legible lettering:

- its place of registration;
- registered number;
- its registered office address.

You are breaking the law if you do not do this. (See example letterhead)

A word template of the letterhead is available through the website.

YE company logo here	Your Company name Your address line 1 Your address line 2 Your town Your county Your postcode Your telephone number Your email/web address
	Young Enterprise is Incorporated in England as a Company Limited by Guarantee No.712260. Registered Charity No.313697 Registered Office: Young Enterprise, Peterley House, Peterley Road, Oxford OX4 2TZ

Fees, Share and Taxes, Academic Year 2011/2012

- The Company Registration Fee is set annually (see invoice)
- Share Price = £1.00 per share
- Maximum Share holding per person = £25.00 (i.e. 25 shares)
- Maximum Share Capital = £500
- YE VAT (On all items without exception) 20.0% unless advised otherwise by Young Enterprise
- YE Corporation Tax (small business rate) 10%

Electronic Banking and Credit Card payments

Please note that Young Enterprise companies are not currently allowed to set up or use on-line or telephone bank accounts.

Young Enterprise companies are not allowed to engage in any credit card transactions and/or when trading on the internet accept payments for goods and services through electronic payment service providers such as PayPal. All sales must be cash or cheque with order, on purchase or on invoice.

(The main reason for this is that the terms and conditions of electronic payment service providers require users to be eighteen or over and the legal status of Young Enterprise companies makes them ineligible for a PayPal business account. Young Enterprise is actively looking for a solution so that companies can trade on-line and will circulate information once a solution becomes available)

Cheques

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

See below:

Sample wording for company cheques:

Everybank		
Bank address		Date: _____
Pay	_____	
_____	£	_____
	For and on behalf of "Inspirations", a branch of Young Enterprise.	
CHEQUE NUMBER	BRANCH NUMBER	ACCOUNT NUMBER

Contracts and Cheques in excess of £200

These must be countersigned by an Adviser, or if no Adviser is available, the Link Teacher/Lecturer, who is automatically delegated by Young Enterprise to act on behalf of the Organisation.

Remember: The Bank Mandate **must** also be signed by one of your Advisers and Your Link Teacher/Lecturer.

Written Contracts

Young Enterprise Company members signing written contracts entered into by the YE Company, must add the words "FOR AND ON BEHALF OF <YE COMPANY NAME e.g. INSPIRATIONS> A BRANCH OF YOUNG ENTERPRISE".

What does your 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.

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**:

- "Trading with the U.S.A. or Canada";
- 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;
- 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 trading 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;
- crop spraying.

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 companies are not allowed to produce or manufacture foodstuffs, nor buy unbranded products for consumption, 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: companies may deal with food where the 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 must be obtained from the Young Enterprise Support Centre.

- Young Enterprise 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 Companies must not act as Travel Agents, Tour Operators or Taxi Services.

- Young Enterprise companies must not run gambling activities with the exception of raffles where cloakroom tickets are sold exclusively within the school or college.

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 £50.00 of each and every loss arising from Third Party Property Damage.

The indemnity provided by the policy is extended to individual participants in the Company/Team Programme (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 companies up to £1,500 per company.

The insurance policy does not cover:

- the first £50.00 of any one claim;
- 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.

Advisers 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 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 any students' parents.

In case of any doubts regarding insurance, reference should be made to the Young Enterprise Support Centre who issue the insurance certificate.

If you are considering any product or service which in any way involves any of the following - food and drink, discos or events, fashion, car washing, coach trips, sports events - make sure you read the relevant Fact Sheet. These can be downloaded from the guidance within the Company/Team Programme websites or obtained from:

**Young Enterprise Support Centre
Peterley House
Peterley Road
Oxford
OX4 2TZ**

info@young-enterprise.org.uk

tel. 01865 776845