



Young
Enterprise

Member of JA Worldwide

Start Up Programme **Operating Framework**



Registered charity no: 313697

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Introduction



Welcome to your Start Up Programme Operating Framework!

This is a legal document which contains the rules you must follow when setting up your Young Enterprise student company.

It will protect you and Young Enterprise from breaking UK laws which apply to companies and charities.

In the year they are running, all Young Enterprise student companies are run as if branches of Young Enterprise.

Student company status:

Student companies are not legally registered businesses, so must not apply for funding from other organisations, take part in tenders, or sign contracts for funding. See the company finances section on raising funds.

Student companies must not independently register themselves with Companies House during their participation in the programme.

If a member of your student company signs supplier or customer agreements, they must include the phrase: "Operating as if a branch of Young Enterprise"



Please note:

From now on, when we say "you", we are talking about your Young Enterprise student company.

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Your legal obligations

Student company name:

On all written communication e.g. invoices, receipts, orders, documents, websites and emails, your student company must show:

- Your student company name
- Young Enterprise's place of registration
- Young Enterprise's registered number
- Young Enterprise's registered office

Please check your local registered office details on [Company Connect](#), in task 1.32 Your Legal Obligations.

Copyright:

You cannot imitate, copy or use existing company names, trademarks or copyrights in any aspect of your student company. For example, in your student company name and logo, or on your product or service.

Make sure you check if the name you have chosen is available or if anyone else has the exclusive right to use it. You can do this by searching for your company name at: www.gov.uk/intellectual-property/trade-marks.

Examples of what **not** to do:

- As0s
- Frymark
- H&MMM

Intellectual Property:

Intellectual property law stops anyone using the same brand name or one which can be seen as imitating that name. Companies can take legal action against anyone who uses their brand/name without their permission.



Watch [this video](#) to find out more about Intellectual Property (IP)

The name of your student company **cannot** include 'Ltd', 'Inc' or 'Company'.

The full name of your YE student company is your chosen company name, followed by the words, "Operating as if a branch of Young Enterprise."

Student company type



Commercial (profit-making)

Aims:

You exist to return a profit.

Actions:

After winding up, you could decide to give some of the profits to charity, but this is not the main business purpose. The focus is on making money.



Social Enterprise

Aims:

You are set up to support a specific social or environmental purpose.

Actions:

At the end of the programme you will distribute a large proportion of your profit toward this. You can distribute some profit back to your shareholders, but the focus is to support a good cause.

*Read the **charitable giving** section before starting a social enterprise



Insurance cover

It is a **LEGAL REQUIREMENT** in the UK to make sure that your products and services are covered by insurance. YE has secured **Product and Public Liability Insurance** for YE student companies, for up to **£10,000,000**.

You **MUST** check that the product/service you are creating is covered by this insurance. YE will not be liable for products approved by mistake that are not covered by the insurance.

The YE insurance cover DOES NOT INCLUDE the sale, supply, manufacturing, reconditioning, modification, alteration or repair of:

- **Candles or wax melts**, including handmade or shop bought.
- **Repurposed glass** bottles or jars.
- Any product which needs to be plugged into the **mains electricity supply** or that uses a **USB charger**.
- **Acids and gases**, including helium balloons, explosives, fireworks, chemicals, crop or weed sprays, drugs or pharmaceutical products like medicine.
- Acting as **travel agents**, tour operators or taxi services.
- Parts for **aircraft control**, mechanically propelled vehicles and anything used to repair or maintain them.
- **Pet foods** or any products for animal consumption.
- **Alcohol or tobacco**, including setting up or promoting events where these are being sold or served, even if students are not serving these products.
- **Gambling activities**
 - **Exception:** You may run raffles if tickets are only sold within your university.
- **Henna products, face paints, cosmetics** or beauty preparations and any products you manufacture using **essential oils** such as reed diffusers.
 - **Exception:** You can re-sell branded products, including soap, perfumes, bath salts and room fragrances. These must remain in the original manufacturer's packaging and display the original labelling (with the manufacturer's details).
- **Foodstuffs** including unbranded products for consumption and products that need to be in the fridge or have special storage requirements. Any product with a sell by date under 3 months, or which would reach the sell by date by the time you sell it. Any edible plants. Branded products must be kept in their original manufacturer's packaging and display the original labelling (with the manufacturer's details).
 - **Exception:** If your company is run as part of a catering course where insurance cover already exists, you may sell foodstuffs, however you must ask for written approval from programmes.support@y-e.org.uk with evidence of insurance cover. Food Hygiene does not count as a catering course.

Insurance cover

The following are also not covered under the Young Enterprise insurance:

- Operating within or trading with the **USA or Canada**, or any country under their jurisdiction. The sale of any product imported from **China**, or any product which cannot be traced back to the manufacturer.
- Operating within any country which is **financially sanctioned** by the UK. The gov.uk website shares a full list of countries that you cannot trade with. Please check this list [here](#) before moving on.
- **Loss/damages:** The cost or value of any product lost or damaged due to defects or any costs from repairing or replacing a product. Losses from damaged products designed by you / for you and sold to buyers.
- **Personal possessions:** The cost of any personal possessions lost or damaged.
- **Liability:** Anything your company agrees to be liable (responsible) for through an agreement or contract outside of this operating framework.



Please note:

The policy does not cover the **first £100** of any claim and under certain circumstances, this can be higher. When an accident occurs, students should tell their educator or volunteer who should inform YE of this.

There is **no personal accident cover** on participants of this programme. Many universities have their own schemes available.

If you are offering a service whereby you are engaging directly with customers on a one-to-one basis or in small groups either in person or online, please ensure you have considered appropriate **safeguarding** for you and your customers.



Student company finances

Raising money for your student company:

Before you launch your product, you will need some money to get started. Here are some rules to follow when raising money.

- **Loans:** You may **not** take loans (e.g. from individuals, companies, schools) or use crowd funding.
- **Grants and Donations:** Student companies are not legally registered businesses, so must **not** apply for funding from other organisations, take part in tenders, or sign contracts for funding.
- **Events:** You can accept financial support to cover the cost of taking part in special events like national or international trade fairs (where offered).
- **Services:** Selling a service as a trade for money, such as being paid to advertise is allowed. The amount you receive should be fair for the service you provide. You should list the payment you receive in your records and receipts.
- **Payments over £200:** You must keep a record of approval from the educator or mentor for payments over £200.
- **Selling shares:** You can sell shares to raise start-up capital. Each student company member must buy at least one share.

Shares explained:

If you own a share, you own one of the equal parts into which a company's capital is divided

Each student company member must buy at least one share.	The price of shares is set at £1 each.	Each person can hold a maximum of 25 shares, spending a maximum of £25.	The maximum number of shares you can sell is 500.
1	£1	25	500

Approving products and services

Product approval process:



Before you can sell your product or service, it must be approved by your local YE Educational Partnerships Manager. Product approval requests should be submitted on [Company Connect](#).

Please note: If you choose to sell on [YE Trading Station](#), you will need a product code which will appear on your Company Profile page once your product approval request has been approved.



In Milestone 2, Task 3, you will recap what product approval is and how to ensure your product of service follows the legal rules of the programme.



At end of the task you will be directed to the product approvals page to submit an approval request. Here you will answer a series of questions about your product/service.



After you have sent your product approval, a YE staff member will let you know if:

- It has been approved
- More information is needed
- It can't be approved (and why)



Once your product/service has been approved, you can start selling online and in person!

You can monitor the status of all your product approval requests from your [Company Profile](#) page on Company Connect. If your request is declined, you can submit a new one at any time.

Selling in person

Card One Money

We provide access to a bespoke business current account for Young Enterprise student companies who are over 18, which offers subsidised fees and charges. More information about setting this up can be found on [Company Connect](#) in Milestone 2.



Cash

To protect cash received at a trade fair or other sales events you should keep it safe at all times in a lockable box or cash tin. If left unsupervised, cash should be kept in a lockable box in a locked room. Keep the box in a drawer or cupboard where it is out of view to reduce the chances of theft.



Card readers

If you use handheld card readers, e.g. SumUp, Zettle etc. they should be connected to your Start Up COM business current account to ensure you receive any payments directly.

- You should ensure that you are fully aware of the T&Cs, responsibilities and liabilities of using the card reader and associated services.
- Your YE student company will be responsible for the cost of any transaction or other fees associated with the use of card readers.
- YE are unable to provide support regarding the use of card readers, or any issues with their providers.



Selling online

YE Trading Station



Once your product or service has been approved, you can use the product code generated by the product approval on Company Connect to list it on [YE Trading Station](#), our bespoke online sales platform. This allows you to showcase it to friends, family and a wider audience of potential customers.

You can use YE Trading Station to keep track of your products and orders and view all of the other products being sold. You will also take part in online trade fairs, where you can promote your Trading Station store and enter it into competitions.

YE Trading Station does not offer online payments. All payments for products and services will need to be made by providing an invoice to customers. They can then pay by bank transfer.

Websites/social media

You can use your own website or social media to promote your product or service and you can sell it online via YE Trading Station.

As over 18's you can also choose to sell through other platforms if you prefer (eBay, Amazon etc.) though must take responsibility for any associated T&C's and/or fees.







Charitable giving

Promoting charities and making donations

As a registered charity, Young Enterprise's funds must legally only be used for their own goals. Whether registered as a commercial or social enterprise, when operating as if branches of Young Enterprise, student companies cannot fundraise for another charity.

This means that while running, student companies **cannot** state the intent to give any of their 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 at any point e.g. on their trade stand or in marketing materials, including online and via social media.
-  Social Enterprise teams can promote their general social aim in line with their mission and vision.
-  After the end of the company year (after the point of winding up), students are free to keep, donate or reinvest any profits that they have made. Teams could choose to donate to a good cause, donate to their educational establishment to support future enterprise activity, or divide profits between their shareholders.



Please note:

Social media is a great way to promote your company and we encourage you to use it in a positive and respectful way. When posting or engaging online, remember that you're representing your university, your student company and Young Enterprise.

Bullying or cyberbullying is not acceptable and will not be tolerated. YE holds the right to withdraw students or student companies from the programme if your online engagement presents a risk to our reputation, breaches policies and terms, or causes potential harm.

Well done!



Keep referring to the Operating Framework throughout the journey to ensure your student company is operating within the rules of the programme.



Here are the links to our websites:

- [Company Connect](#)
- [YE Trading Station](#)

**We hope you enjoy
Start Up Programme!**