

PRESS RELEASE

STEPHENS & SON

SOLICITORS

Q: I own my own business. What should I do to make sure that my business does not die with me?

A: On death your interest in the business will pass to your personal representatives to be dealt with under the terms of your Will or, if none, under the intestacy rules (a statutory pecking order dictating who benefits from your estate).



The most important step is to have a valid, up to date Will dealing with your interest in the business. In the Will you can choose executors who have the knowledge to deal with, and ensure continuity of your business. Having a Will is especially important if you are in business with family members who need to inherit your commercial assets to enable them to continue trading.

If your business is a partnership, it is crucial to have a partnership deed in place to define how your partnership share is dealt with on death. Without such a deed the partnership would be dissolved. Not only does this have unpleasant tax implications but can lead to costly disputes between beneficiaries and remaining partners over the extent or valuation of your share. A well thought out deed can prevent difficulties arising at a very stressful time.

If your interest is a shareholding in a limited company it is sensible to have a shareholders' agreement in place covering matters similar to a partnership agreement.

If your beneficiaries are not part of the business then you should consider how the business will “buy out” your interest. Often life cover will be put in place for this.

Many business assets qualify for tax relief and it is crucial these are not wasted on death. Taking advice in advance can ensure assets pass to your chosen beneficiaries in the most tax efficient way possible.

ENDS

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