



# Lord

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## Legal Bulletin

### WHO WILL TAKE CONTROL OF YOUR COMPANY WHEN YOU DIE?

While it may be true that you can't take it with you, it is vital that you know who will gain control of your company and its assets after your death. This can only be achieved by effective succession planning.

While the law does make provisions for a new director to be appointed to the company, this can only occur if you have nominated an executor and/or personal representative in an appropriately worded will. This is particularly true when you are the sole shareholder and director of the company.

Without a valid will your family would need to apply to the Supreme Court for a "Letter of Administration" to allow them to make decisions affecting your estate. This can often be a slow process and may take months to arrange. Until this document is obtained your estate would have to be administered by the Public Trustee, which can delay the process even further.

In the meantime your company is left without any effective management. Who will sign the cheques to ensure that your creditors and staff are paid? How will your bank feel about trading with a company that has no one looking after its interest? All of these problems can have a detrimental effect upon the intrinsic, long term value of your business.

The simplest way to avoid these problems is to ensure that you have a properly worded will in place which deals with the above issues. Without this protection you jeopardise the value of your company, the well being of your employees and the security of your family.

#### **ABOUT LORD COMMERCIAL LAWYERS**

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