BALANCE
consultancy

Lasting Power of Attorney for Business Owners

Protection and Peace of Mind

As a business owner, you will know how much time, money, and effort you invest in your business.

Having a business continuity plan is essential to enable your business to function and protect those who depend on it if disaster strikes.

A crucial part of your business continuity plan includes having a Lasting Power of Attorney for your business. It means that people you trust will have the legal powers in place for your business to continue if you (or your business partner / co-director) cannot make decisions due to accident or illness.

Without a Lasting Power of Attorney, you will need a deputyship order so that there is legal permission to act on behalf of the incapacitated person. The cost, length of time, and complexity of the process can severely impact the day-to-day running of the business and could ultimately cause it to fail, creating a significant hardship for all those who depend on it.

Having a Lasting Power of Attorney in place for your business avoids these problems and will give you peace of mind.

BALANCE CONSULTANCY

Talk to us about what matters to you.

–

■ **CALL TODAY**
0203 837 0099 / 07780 690432

–

■ **EMAIL**
info@balanceconsultancy.co.uk
shandip@balanceconsultancy.co.uk

–

■ **BOOK**
Book a Home Visit / Zoom meeting.
www.balanceconsultancy.co.uk

Lasting Power of Attorney for Business Owners

What are the risks?
Incapacity can be caused in a variety of ways and can be temporary or permanent.

- **Strokes** happen every 5 minutes. A quarter of stroke patients are of working age. Two-thirds of stroke patients leave hospital with a disability.
- **Head injuries** happen every 3 minutes. Accidents in the workplace, at home or through sports are common causes of brain injury and can happen to anyone at any age.
- **Dementia** can happen at any age and also be triggered by head injuries.

What would the impact of incapacity be on your business?
Your bank may freeze your accounts (including joint accounts) with no access granted without a Court order or Lasting Power of Attorney.

In companies, the articles of association will have a list of decisions that directors need to vote on together to agree on contracts, authorise payments and sign off loans. A similar situation applies to business partnerships. For this reason, it is important that if there are multiple business partners or directors that you each have a Lasting Power of Attorney, so there is cover if one or more of you becomes incapacitated.

There is a clause in my articles of association that enables us to remove a director on mental health grounds?'
The Equality Act 2010 prohibits discrimination on the grounds of mental disability and The Mental Health Act 2013 makes it illegal to remove a director on this basis. You could leave your business open to claims if you remove a person on these grounds.

I have a Lasting Power of Attorney for Property & Financial Affairs – do I need another?
It depends on the nature of your business and the suitability of the attorneys you have appointed.

You should consider whether they have the time and skills to manage your business affairs and deputise for you. For professional services, the attorney may need to have specific qualifications to act in place of the incapacitated person.

We can guide you on the decision to make a Lasting Power of Attorney and whether it is appropriate to have a separate LPA for your business and personal finances.

TRUE STORY:
John, 55, owned a busy hairdressing salon. His business was plunged into crisis when he had a stroke resulting in permanent disability. Who was able to access his bank accounts? Pay the bills? Pay staff wages? No one. John's wife had to apply to the Court of Protection. It took almost a year and cost several thousand pounds to obtain a deputyship order. Having a Lasting Power of Attorney in place would have avoided these problems and given John's business and family the protection they needed at a difficult time.

BALANCE CONSULTANCY **www.balanceconsultancy.co.uk**

■ **EMAIL** **info@balanceconsultancy.co.uk** ■ **CALL** 0203 837 0099 ■ **BOOK** A Home Visit / Zoom meeting

■ **EMAIL** **shandip@balanceconsultancy.co.uk** ■ **CALL** 07780 690432