

**ADMISSION EXAMINATION / TOELATINGSEKSAMEN
ESTATES / BOEDEL
PART 2 / DEEL 2**

14 FEBRUARY / FEBRUARIE 2017

ANSWERS / ANTWOORDE

**PLEASE NOTE THAT THE GUIDELINE ANSWERS TO PREVIOUS PAPERS MAY NOT BE
A CORRECT REFLECTION OF THE LAW AND/OR PRACTICE AT THE MOMENT OF
READING.**

NOTE TO EXAMINER: *This guideline records the views of the drafters. There may be justifiable variations in practice which are brought out in the answers. When this happens the examiner should apply his discretion in marking the answer.*

QUESTION 1

[59]

First and Final Liquidation and Distribution Account in the massed [1] estate of the Late Joyce Daniel (Identity no. 640213 5089 08 9) [1] and surviving spouse Tom Daniel (Identity No. 601217 5135 08 7) to whom the deceased was married in community of property [1]

Date of death: 12 April 2016 [1]

Masters Reference No: 2130/2016PMB [1]

LIQUIDATION ACCOUNT

ASSETS

IMMOVABLE PROPERTY

Erf 271 Richards Bay, Registration Division FT

Province of Kwazulu Natal, in extent One

Thousand Two Hundred (1200), square metres

Held under Deed of Transfer No. T3742/2000[1]

At Valuation (1) 1 500 000,00[1]

Awarded in terms of the will to the 3 children

of the deceased subject to the usufruct of the

surviving spouse [1]

MOVABLE PROPERTY

2009 Toyota Corolla NRB33742

At Valuation (2) 60 000,00[1]

Furniture and household effects

At Valuation (3) 210 000,00[1]

Stamp Collection: at Valuation (4) 96 000,00[1]

Items 2, 3 and 4 awarded in terms of the will to the 3 children
of the Deceased [1]

ASSETS REDUCED TO CASH

Proceeds of 1000 shares in Bella Coola (Pty) Ltd

(5) 85 000,00[2]

Proceeds of 600 shares in Cargo Limited

(6) 45 000,00[2]

Proceeds of Absa Fixed Deposit

Account No. 2127573 (7) 60 000,00[2]

Proceeds of Old Mutual

Policy No. 627614X (8) 175 000,00[2] 365 000,00

TOTAL ASSETS

2 231 000,00

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LIABILITIES:

Administration Expenses and other Liabilities 36 000,00[1]

SARS final Assessment 36 799,00[1]

Bond ifo Absa	1 200 000,00[1]
Master's fees	600,00[1]
Executors Remuneration (3.5% of R2 231 000,00)	78 085,00[2]

1 351 484,00

Estate Duty

NIL

Balance available for Distribution

879 516,00[1]

2 231 000,00

RECAPITULATION STATEMENT:

Total Assets Reduced to cash

365 000,00[1]

Total Liabilities

1 351 484,00[1]

Deficit

986 484,00[1]

1 351 484,00

1 351 484,00

The deficiency will be made good by the heirs in equal shares. [1]

DISTRIBUTION ACCOUNT:

1) Balance available for Distribution

879 516,00[1]

2) Awarded to David Daniel, major son

in terms of and subject to the will

293 172,00[2]

The award consists of

1/3 share immovable property

500 000.00 [1]

1/3 share movable property

122 000.00 [1]

622 000.00

Less 1/3 share cash deficit

328 828.00 [1]

293 172.00

3) Awarded to Raymond Daniel, major son 293 172,00[2]

in terms of and subject to the will

This award is the same as in 2 above

4) Awarded to Iris Daniel major unmarried

daughter in terms of and subject to the will 293 172,00[2]

This award is the same as in 2 above

879 516,00

879 516,00

ESTATE DUTY ADDENDUM:

Assets as per Liquidation Account 2 231 000,00[1]

LESS Difference in Value of Shares in Bella Coola (Pty) Ltd 25 000,00[2]

2 206 000,00

LESS surviving spouse's half share 1 103 000,00[2]

1 103 000,00

Add deemed property: Sanlam Policy 950 000,00[1]

Gross value of the Estate 2 053 000,00

LESS deceased's half share of liabilities 675 742,00[2]

1 377 258,00

LESS section 4 (q) deduction for policy 950 000,00[1]

LESS section 4 (q) for usufruct 300 000,00[1]

I hereby revoke all wills previously made by me. [2]

2

I leave my entire estate to my son GEORGE AMIS, born on 28 February 2010. [1] If he is still a minor at the date of distribution of my estate. I direct my executor to reduce my entire estate to cash [1] and to pay my son's inheritance to his mother as his natural guardian [2] who shall not be required to furnish security. [1] She shall invest the funds as she in her discretion thinks fit, [1] and shall apply the interest (and, if necessary, the capital) for the reasonable maintenance of my son. [1] She shall pay the balance of his inheritance plus interest to him on his attaining the age of 18 years. [2]

3

I nominate my brother KEVIN AMIS to be the executor of this my will. [1] I grant unto him all such powers as are allowed by law, including the power of assumption, [1] and I direct that it shall not be required of him to furnish security for the due performance of his functions. [1]

J de Wet X

_____ [1] _____

[1] _____

COMMISSIONER OF OATHS TESTATOR

4

The inheritance of my heir, as also the fruits derived therefrom, shall be excluded from the joint estate which may exist between my heir and any spouse of his. [1] The inheritance and fruits shall also be excluded from the accrual of any marriage of my heir which may be subject to the accrual system. [1]

Thus done and signed at Bloemfontein on 15 January 2017 by the testator and the undersigned witnesses, all being present at the same time. [1]

AS WITNESSES:

P Venter X

1 _____ [1] _____

TESTATOR

K Jones

2 _____ [1]

Certificate in terms of sections 2(1)(a)(v) of Act 7 of 1953

I, James de Wet, of 96 Charles Street, Bloemfontein, in my capacity as commissioner of oaths, certify that I have satisfied myself as to the identity of the testator [2] HENRY AMIS and that the accompanying will is the will of the testator. [2]

Signed at Bloemfontein on 15 January 2017.
"J de Wet"

COMMISSIONER OF OATHS
JAMES DE WET
PRACTISING ATTORNEY
96 CHARLES STREET
BLOEMFONTEIN [1]

QUESTION 3 **[8]**

- 1) B is entitled to R900 000,00 by virtue of her marriage in Community of Property [1]
- 2) From the remaining R900 000,00, B is entitled to R250 000,00 or a child's share whichever is the greater [1]. A child's share is $R900\ 000,00 \div 4$ i.e. R225 000,00, which is less than R250 000,00 [1]. Therefore B inherits a further R250 000,00 making a total of R1 150 000,00 [1]
- 3) P, Q and R share the balance of R650 000,00 equally
P inherits R216 666,67 [1] (a minor cannot renounce)
Q inherits R216 666,67 [1]
R inherits R216 666,66 [1]
- 4) S inherits nothing [1]

QUESTION 4 **[6]**

In the estate of B's predeceased husband the net value was R0.00 because of the section 4(q) deduction. [1]

In B's estate the net value is R9 000 000.00. From this is deducted R7 000 000.00 in terms of section 4A.(2) of the Estate Duty Act. [2] Because no amount was deducted from the net value in the predeceased spouse's estate, the deduction of R7 000 000.00 is not reduced. [1]

The dutiable amount in B's estate is thus R2 000 000.00. [1] Estate duty is payable on R 2 000 000.00 at 20% = R400 000.00. [1]

TOTAL: [100]