

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

15 OCTOBER / OKTOBER 2018

**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**

**[63]**

THE FIRST AND FINAL LIQUIDATION AND DISTRIBUTION ACCOUNT IN THE ESTATE OF THE LATE ANTHONY NAIDOO 650425 0099 088, (1) WHO DIED ON 9 AUGUST 2018 (1) AND WHO WAS MARRIED OUT OF COMMUNITY OF PROPERTY WITH THE ACCRUAL SYSTEM. (1)

MASTER'S REFERENCE NO. 1854/2018 (1)

<u>Liquidation account</u>			
<u>Assets:</u>			
<u>Immovable property</u>			
Farm 188 Avos Pretoria Registration Division JR, Province of Gauteng Measuring 1600h. Held by Deed of Transfer No. T1346/1999 (1)	1		1 500 000.00 (1)
Valued at to be awarded to Vanessa Naidoo, major surviving spouse, as sole heir i.t.o. section 1(1) (a) of the Intestate Succession Act 81 of 1987, as amended (1)			
<u>Movable property</u>			
Furniture and household effects Valued at	2		213 000.00 (1)
9mm Parabellum – Browning Serial number 823422 Per Gunston Sport valuation	3		4 050.00 (1)
Shares in EBS Ltd valued by a stockbroker at (items 2,3&4 to be awarded to Vanessa Naidoo, major surviving spouse, as sole heir i.t.o. section 1(1) (a) of the Intestate Succession Act 81 of 1987, as amended (1)	4		146 000.00 (1)

<u>Cash and Assets Reduced to Cash</u>			
A Toyota Run X Registration GYW 805 GP Sold for	5		120 000.00 (1)
Liberty Life Insurance Policy No.137345X8 Proceeds of Policy	6		200 000.00 (1)
Shares in A.R.L (Pty) Ltd Sold for	7		142 000.00 (1)
Ornaments and Jewellery Sold by JP Jewellers for	8		165 000,00 (1)
<u>Investment at VB-bank</u>			
Capital amount	9		800 000.00 (1)
Interest as @ date of death	10		9 950.00 (1)
<b>Total Assets</b>			<u><b>3 300 000.00</b></u>
<u>Liabilities:</u>			
<u>Administration Costs</u>			
<u>Advertising for Debtors and Creditor</u>			
Government Gazette	11	37.82	(1)
The Star	12	312.18	
<u>Advertising Account for inspection</u>			
Government Gazette		37.82	(1)
The Star		312.18	
Master's fees		6 400.00	(1)
Executor's fees at 3.5% on R3 300 000.00		115 500.00	(1)
D Nel –Valuation costs: Farm	13	7 600.00	(1)
Randel Valuators for valuation of movable property	14	9 500.00	(1)
Fouche Attorneys– Conveyancer's Fees	15	15 340.00	(1)
JPS Stockbrokers for valuation fees	16	7 300.00	(1)
Bank charges to date		8 000.00	(1)
Provision for further Bank charges		6 000.00	(1)
Postages and Petties		260.00	(1)
<u>Claims against the estate</u>			
REST – funeral expenses	17	18 400.00	(1)
Absa bank overdraft	18	200 000.00	(1)
Accrual claim against deceased's estate		<u>105 000.00</u>	(1)
Total Liabilities		500 000.00	
Estate Duty		0.00	
Balance for distribution		<u>2 800 000.00</u>	
		<u><u>3 300 000.00</u></u>	
<u>Recapitulation Statement</u>			
Cash and assets reduced to cash			1 436 950.00 (1)
<u>Less:</u>			
Liabilities		500 000.00	(1)
Cash Legacies		NIL	
Estate Duty		NIL	
Cash surplus (to be awarded to Vanessa Naidoo as sole heir)		<u>936 950.00</u>	
		<u><u>1 436 950.00</u></u>	(1) <u><u>1 436 950.00</u></u>

<u>Distribution Account</u>			2 800 000.00 (1)
Balance for distribution			
Awarded to:			
Vanessa Naidoo, major surviving spouse of the deceased, as sole heir i.t.o section 1(1) (a) of the Intestate Succession Act 81 of 1987, as amended (1)		2 800 000.00 (1)	
<u>Award Consists of:</u>			
Immovable property R1 500 000.00 (1)			
Movable property R 363 050.00 (1)			
Cash R 936 950.00 (1)		2 800 000.00	2 800 000.00
<u>Income &amp; Expenditure Account</u>			
<u>Income</u>			
Interest received on VB bank account			6 050.00 (1)
Dividend paid on EBS Ltd shares			13 950.00 (1)
<u>Expenditure</u>			
Executor's remuneration @ 6% on R 20 000.00 (1)		1 200.00 (1)	
Balance awarded to Vanessa Naidoo as sole heir (1)		18 800.00 (1)	
		<u>20 000.00</u>	<u>20 000.00</u>
<u>Fiduciary Assets Account</u>			
Nil			0.00 (1)
<u>Estate Duty Addendum</u>			
<u>Property of the deceased</u>			
Assets as per liquidation account			3 300 000.00 (1)
Less: Liberty Life Policy payable to estate			<u>200 000.00 (1)</u>
			3 100 000.00
Add: Difference in value of private shares			<u>5 000.00 (1)</u>
			3 105 000.00
<u>ADD: Property Deemed to be Property</u>			
Liberty Life Insurance Policy		200 000.00 (1)	
Old Mutual Life Policy payable to Thillay		780 000.00 (1)	
Less: Premiums plus 6% interest		<u>80 000.00 (1)</u>	<u>900 000.00</u>
<b>GROSS VALUE OF THE DUTIABLE ESTATE</b>			<b>4 005 000.00 (1)</b>
<u>LESS: Deductions – Sect 4</u>			
Funeral Expenses – sec 4(a)		18 400.00 (½)	
Other liabilities and claims (Absa bank overdraft) - sec 4(b)		200 000.00 (½)	
Costs of Administration - sec 4(c)		176 600.00 (½)	
Accrual claim against deceased's estate – sec 4(IA)		105 000.00 (½)	
<b>Note: Instead of mentioning the above 4 items separately, the candidate may answer "total liabilities" for 2 marks</b>			

Inheritance by the surviving spouse - sec 4(q)		<u>2 800 000.00</u> (1)	<u>3 300 000.00</u>
NET VALUE OF THE DUTIABLE ESTATE			705 000.00 (1)
Less: Primary Rebate – Sect 4A			<u>3 500 000.00</u> (1)
DUTIABLE AMOUNT			<u>0.00</u> (1)
Estate Duty at 20% on R0.00			0.00

### EXECUTOR'S CERTIFICATE

I, the undersigned, **Vanessa Naidoo**, the duly appointed executrix in the estate of the late **Anthony Naidoo** Estate Number **1854/2018**, declare as follows:

1. That the attached account is to the best of my knowledge and belief a true and proper account of the liquidation and distribution of the estate; (1) and
2. That this is a final account and to the best of my knowledge and belief all the assets and income collected subsequent to the death of the deceased to the date of the account have been disclosed herein. (1)

SIGNED AT Pretoria ON THIS 1st DAY OF October 2018 (1)

\_\_\_\_\_  
VANESSA NAIDOO (EXECUTRIX)

### QUESTION 2

[13]

Rose, the wife is entitled to half share of the joint estate by virtue of the marriage in community of property in the amount of R600 000.00. (1)

The deceased's half share of R600 000.00 devolves as follows:

If the unborn child is born alive, Rose, Judas, Daniel, Vivian, Dolly and the unborn child (nasciturus rule) are the intestate heirs. (1)

Rose inherits a child's share or R250 000.00 whichever is the greater. (1)

A child's share amounts to  $R600\ 000.00 \div 6 = R100\ 000.00$ . (1)

Rose will therefore inherit the amount of R250 000.00. (1)

Since Judas murdered Bruce, Judas does not inherit (de bloedige hand erf niet). (1)

In terms of section 1(7) of the Intestate Succession Act, Simon will inherit Judas's share in the amount of R70 000.00. (1)

As Vivian has renounced her inheritance, the surviving spouse Rose receives her (Vivian's) portion in terms of section 1(6) of the Intestate Succession Act in the amount of R70 000.00 (1) and will therefore inherit a total amount of R320 000.00. (1)

Dolly, Daniel and the unborn child will also each inherit the amount of R70 000.00. (1)

If the unborn child is not born alive, then Simon, Daniel and Dolly will each inherit R87 500.00 (1) and Rose will inherit R337 500.00 (1) as intestate heirs.

Moses and Joseph will not inherit anything because descendants inherit before ascendants. (1)

**QUESTION 3**

**[17]**

3.1 We hereby mass our separate estates (2) upon the death of the first dying of us and direct that the so massed estates shall, upon the death of the first dying (1), devolve upon our son Joseph (1), subject to the lifelong usufruct of the survivor of us (1).

3.2

**ADIATION CERTIFICATE**

I the undersigned

Judy Wilson

in my capacity as the surviving spouse of the late Allan Wilson do hereby declare as follows:

I am aware of the conditions contained in the joint last Will and Testament of the deceased and myself dated 3 April 2015 which constitutes a massing of our separate estates. (1)

I am aware that I have the right to either accept or reject the said Will (1) and that the consequences of both acceptance and repudiation have been explained to me (1). Under the circumstances I have decided to adiate the terms of the Will (1) which will have the effect that I will forfeit my own estate in favour of our son Joseph and I will receive the usufruct of both estates. (1)

Witnesses: (1)

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_  
Surviving spouse (1)

I the undersigned, Robert Davids, an attorney, hereby certify that I have explained to the said Judy Wilson the consequences of either accepting or repudiating the joint Will of herself and the deceased (1). That she intimated that she fully understands the consequences of either accepting or repudiating the Will (1), and that she had after due consideration elected to accept the Will (1).

Witnesses: (1)

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_  
Attorney (1)

## ON THE LETTERHEAD

The Master of the High Court (1)

Dear Sir

RE: ESTATE LATE JOEL STEYN NO.967/18 (1)

We refer to the above matter and request an extension of four months (1) within which to lodge the Liquidation and Distribution Account in the above estate, which account is due on the 30th November 2018. We advise as follows:

1. We are waiting on the Receiver of Revenue to provide us with an income tax assessment, which is needed as the deceased was employed at the time of death. (1)
2. All assets have been valued and all cash collected. (1)
3. At present we are holding R9 000.00 in the estate bank account and R55 000.00 in the estate's saving account. These funds will be needed to meet the tax liability. (1)
4. The estate is solvent. (1)

We look forward to hearing from you in due course.

Yours faithfully

LAW SOCIETY  
OF SOUTH AFRICA

TOTAL: [100]