

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

**06 FEBRUARY / 06 FEBRUARIE 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**

**[60]**

FIRST AND FINAL LIQUIDATION AND DISTRIBUTION ACCOUNT IN THE JOINT ESTATE OF THE LATE DEON NEL [1] IDENTITY NO. 560213 5162 08 4 [1] WHO DIED ON 13 MARCH 2016 [1], MARRIED IN COMMUNITY OF PROPERTY TO BION NEL (BORN KENT), IDENTITY NUMBER 590207 5003 08 9 [1] MASTER'S REFERENCE NO. 1234/2016 [1]

**LIQUIDATION ACCOUNT:-**

**ASSETS**

**IMMOVABLE PROPERTY**

Farm Vula No. 3259, Registration  
Division ET, Province of Kwazulu Natal  
Measuring 850 hectares  
Held under Deed of Transfer No. T13420/1988  
At Valuation (1) 4 000 000,00 [1]

Erf 570 Ballito Registration Division ET,  
Province of Kwazulu Natal measuring 1000  
Square metres  
Held under Deed of Transfer no. T3324/1999  
At Valuation (2) 850 000,00 [1]

**MOVABLES:-**

Tractors and Farm Implements (3) 800 000,00 [1]  
Cattle realised (4) 1 500 000,00 [1]

Rugger Firearm No. SD10478 at valuation	(5)	24 000,00	[1]
2000 shares in Agriblock (Pty) Ltd : realised	(6)	24 000,00	[1]
1000 shares in Sasol: realised	(7)	45 000,00	[1]
Furniture and Household effects at valuation	(8)	241 000,00	[1]
Absa Bank Account No. 40923116	(9)	166 000,00	[1]

**CLAIMS IN FAVOUR OF ESTATE:-**

Proceeds of Old Mutual Policy No. OM/326714	(10)	600 000,00	[1]
Momentum Policy No. Z86714	(11)	250 000,00	[1]

TOTAL ASSETS		8 500 000,00	
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**DIVESTMENT NOTE:-**

The above assets 1, 2, 3, 5 & 8 are awarded to the Intestate Heirs in terms of Act 81 of 1987 [2]

**LIABILITIES:-**

<b>Administration Expenses:</b>			
Masters fees		600,00	[1]
Executors fees (3.5% of R8 500 000,00)		297 500,00	[1]
Best Brokers fees		1 500,00	[1]
Other Administration expenses		8 000,00	[1]
Honest valuers valuation costs		3 000,00	[1]
Absa Bond over Farm Vula		1 800 000,00	[1]
Old mutual loan on policy		10 000,00	[1]
Angel Funerals: Funeral expenses		36 000,00	[1]
SARS : Final assessment		176 000,00	[1]
Absa: Bank Charges		2 000,00	[1]
PSG Attorneys: Bond Cancellation and Transfer Costs		76 000,00	[1]
Total Liabilities		2 410 600,00	
Estate Duty		NIL	
Balance Available for Distribution		6 089 400,00	[1]
		8 500 000,00	

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**RECAPITULATION STATEMENT:-**

Cash Assets and assets reduced to cash (Items 4, 6, 7, 9, 10 and 11 in the Liquidation Account)		2 585 000,00	[2]
Liabilities	2 410 600,00		[1]
Estate Duty	NIL		
Surplus	174 400,00		[1]
	2 585 000,00	2 585 000,00	

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**DISTRIBUTION ACCOUNT:-**

Balance available for distribution	6 089 400,00	
<u>Add</u> Funeral Expenses	36 000,00	[1]
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	6 125 400,00	
Awarded to Bion Nel surviving spouse ½ share by virtue her marriage in Community of Property	3 062 700,00	[2]
	<hr/>	
	3 062 700,00	
<u>Less</u> Funeral Expenses	36 000,00	[1]
	<hr/>	
	3 026 700,00	
Balance for Distribution to Intestate Heirs		
Awarded to Bion Nel surviving spouse in terms of Section 1(1)(c)(i) of Act 81 of 1987	1 008 900,00	[1]
Awarded to Cassie Nel minor, Identity No. 020214 5135 08 7 ito Section 1(1)(c)(ii) of Act 81 of 1987	1 008 900,00	[1]
Award to Carla Nel major ito Section 1(1)(c)(ii) of Act 81 of 1987	1 008 900,00	[1]
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	3 026 700,00	3 026 700,00
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**FIDUCIARY ASSET ACCOUNT:-**

Nil [1]

**ESTATE DUTY:-**

Assets as per Liquidation Account	8 500 000,00	[1]
<u>LESS</u> 30% Adjustment for Farm Vula	1 200 000,00	[1]
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	7 300 000,00	
<u>LESS</u> Adjustment valuation of Shares in Agriblock (Pty) Ltd	8 000,00	[1]
	<hr/>	
	7 292 000,00	
<u>LESS</u> Old Mutual Policy	600 000,00	[1]
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	6 692 000,00	
<u>LESS</u> ½ share of surviving spouse	3 346 000,00	[2]
	<hr/>	
	3 346 000,00	
ADD : Deemed property		
Sanlam Policy	1 000 000,00	[1]
Old Mutual Policy	600 000,00	[1]
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	1 600 000,00	

Gross Value 4 946 000,00

LESS Allowable deductions  
Funeral expenses 36 000,00 [1]

Liabilities and administration expenses	2 374 600,00		[1]
<u>LESS</u> ½ liabilities and administration expenses	<u>1 187 300,00</u>	1 187 300,00	[1]
<u>LESS</u> deduction i.t.o sec4(q)		<u>1 008 900,00</u>	<u>2 232 200,00</u> [1]
Net Value		2 713 800,00	[1]
LESS Section 4A Rebate		3 500 000,00	[1]
Dutiable Amount		NIL	[1]

**NOTE TO MARKERS:**

*If another method of estate duty calculation is used and the result is the same, the candidate must be given full credit.*

**CERTIFICATE**

I declare that this account is to the best of my knowledge and belief a true and proper account of the liquidation and distribution of this estate [1] and that all assets and income collected subsequent to the death of the deceased to the date of this account [1] have been disclosed herein. [1]

DATED AT \_\_\_\_\_ ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2017

\_\_\_\_\_  
EXECUTOR

**QUESTION 2**

[7]

**2.1**

Any beneficiary who is insolvent at the time of my death [1] or becomes insolvent by the time he/she is entitled to receive his/her inheritance [1] shall forfeit all rights of inheritance in terms of my Will [1], and such beneficiary's inheritance shall devolve upon such beneficiary's intestate heirs [1].

**2.2**

The Commissioner of Oaths must certify that he is satisfied as to the identity of the testator [1] and the Will so signed is the Will of the testator [1].

Each page of the Will excluding the page on which his certificate appears is also signed anywhere on the page by the Commissioner of Oaths.

Section 2(1)(v) of the Wills Act 7 of 1953 [1]

**QUESTION 3****[10]**

Each spouse, Grace and Precious, are entitled to a child's share or R250 000,00 whichever is the greater. [2] Section 1(1)(c)(i) of Act 81 of 1987 A child's share is R900 000,00 (R4 500 000,00 divided by 5). Therefore Grace and Precious each inherit R900 000,00.[2]

Lawrence's descendants inherit the balance of R2 700 000,00, equally [1]: Section 1(1)(c)(ii) of Act 81 of 1987.

Therefore David [1], Linda [1] and Simon [1] (who represents his father) each inherit R900 000,00.

Max, Ernest, Lennox and Pilani inherit nothing.[2]

**QUESTION 4****[12]****REDISTRIBUTION AGREEMENT**

MADE AND ENTERED INTO BY AND BETWEEN:-

XOLO CELE

(surviving spouse of Deceased)

[ ½ ]

And

BONGANI CELE

(major heir of deceased)

[ ½ ]

NOBILE CELE

(major heir of deceased)

"the parties"

[ ½ ]

WHEREAS:-

1. The late Dunstan Cele died on 13 October 2016. [1]
2. The parties being the intestate beneficiaries are equal heirs to the whole of the deceased's assets. [1]

The parties agree as follows:-

1.

Xolo Cele shall be awarded the movable assets to the value of R1 500 000,00. [1]

2.

Bongani Cele and Nombile Cele shall inherit the immovable property to the value of R3 000 000,00 in equal shares. [2]

3.

The cash of R1 000 000,00 shall be used to pay the estate liabilities. [2]

4.

The parties acknowledge that this agreement is subject to confirmation by the Master of the High Court. [2]

DATED AT

2017

**AS WITNESSES:-**

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

\_\_\_\_\_  
XOLO CELE [ ½]

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

\_\_\_\_\_  
BONGANI CELE [ ½]

\_\_\_\_\_  
NOBILE CELE [ ½]

**QUESTION 5**

**[11]**

1. False: In terms of Section 1 of the Wills Act a competent witness means a person of 14 years or over. (2)
2. True: The period in the notice shall be not less than 30 days or not more than 3 Months (Section 29). (2)
3. True. (2)
4. False: An illegitimate child is capable of inheriting intestate from its biological father as well as the father's blood relations. (2)
5. False: The surviving testator(s) must adiate. (3)

LAW SOCIETY  
OF SOUTH AFRICA

TOTAL: [100]