

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

19 FEBRUARY / FEBRUARIE 2020

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 **[10]**

Mike's estate will devolve as follows:

Lindi, Monica and Ella each inherit a child's share or R250 000.00 whichever is the greater (Section 1(1)(c)(i) of the Intestate Succession Act, as amended). (1)

A child's share is $R1\ 470\ 000.00 \div 6 = R245\ 000.00$. (1)

Lindi therefore inherits R250 000.00 (1)

Monica therefore inherits R250 000.00 (1)

Ella therefore inherits R250 000.00 (1)

Fikile will inherit R240 000.00 (1)

Stella will inherit R240 000.00 and (1)

Bongani will inherit R240 000 (1)

Being the remainder and because they are the descendants of the deceased in terms of Section 1 (1)(c)(ii) of the Intestate Succession Act, as amended. (1)

Xolane and Lizie do not inherit anything. (1)

QUESTION 2 **[10]**

2.1 It is permissible to file a late claim against an estate [1]. If you do not satisfy the Master that you have a reasonable excuse for the delay, you will be liable for the cost of reframing the account as a result of the delay [1]. You will not have any recourse against any other creditor of the estate who has been paid a valid claim [1]. **Section 31** of the Administration of Estates Act. (3)

2.2 The Executor may require the claimant to lodge an affidavit to support his claim [1]. The Executor may require the claimant, with the consent of the Master, to appear before the Master or Magistrate nominated by the Master to be

questioned under oath in connection with the claim [1]. **Section 32** of the Administration of Estates Act. The Master or Magistrate takes a record of the proceedings [1] and the Executor makes a decision based on the evidence submitted [1]. If he rejects the claim, he notifies the claimant in writing by registered post giving reasons [1]. **Section 33** of the Administration of Estates Act. (5)

2.3 If the claim is rejected, you are entitled to institute legal action against the estate [1], citing the Executor in his official capacity as the defendant [1]. (2)

QUESTION 3 **[12]**

3.1 On the last page (1/2), anywhere (1/2). (1)

3.2 a) Commissioner of Oaths; (1)

b) On any page [1]; anywhere [1] (2)

c) Except for the page on which the certificate appears, anywhere on all the other pages. (1)

d) That he has satisfied himself as to the identity of the testator [1] and that the will so signed is the will of the testator [1]. (2)

3.3 In view of the fact that Brian died within three months after he was divorced, Section 2(B) of the Wills Act will be applicable [1]. Pretty is considered to have died before the dissolution of the marriage [1] and she will therefore not benefit under the will [1], and the estate devolves according to the law on intestate succession [1]. As Brian has died without leaving children, his new wife, Maria, will be the sole beneficiary in terms of the Intestate Succession Act of 1987 [1].

QUESTION 4 **[68]**

THE FIRST AND FINAL LIQUIDATION AND DISTRIBUTION ACCOUNT IN THE ESTATE OF THE LATE SAMUEL MAREE (IDENTITY NUMBER 720712 5638 08 3) [1] WHO DIED ON 15 JANUARY 2019 [1] AND WHO WAS UNMARRIED AT THE TIME OF HIS DEATH [1].

MASTER'S REFERENCE NUMBER : 169/2019 [1]

Liquidation account

ASSETS:

IMMOVABLE PROPERTY - AWARDED

UNDIVIDED HALF SHARE ON ERF 145 SUNNYSIDE
TOWNSHIP

REGISTRATION DIVISION JR, PROVINCE OF
GAUTENG

MEASURING 1800M². [1]

HELD BY DEED OF TRANSFER NO. T346/2001

1

VALUED AT R850 000.00

425 000.00[1]

(TO BE TRANSFERRED TO JEFF MAREE, HIS MAJOR
BROTHER AS SOLE HEIR I.T.O. SECTION 1(1)(E) (I)
(BB) OF THE INTESTATE SUCCESSION ACT 81 OF
1987, AS AMENDED) [1]

Movable property

Furniture and Fittings

VALUED AT

2

160 000.00[1]

JSE SHARES IN LRM LTD		
VALUED AT	3	175 000.00[1]
(ITEMS 2&3 TO BE AWARDED TO JEFF MAREE, HIS MAJOR BROTHER AS SOLE HEIR I.T.O. SECTION 1(1)(E)(I) (BB) OF THE INTESTATE SUCCESSION ACT 81 OF 1987, AS AMENDED) [1]		
CASH AND ASSETS REDUCED TO CASH		
TOYOTA COROLLA REGISTRATION No. TSR 795 GP SOLD FOR	4	287 500.00[1]
LIBERTY LIFE INSURANCE POLICY No.137345X8		
PROCEEDS OF POLICY	5	225 000.00[1]
OLD MUTUAL LIFE INSURANCE POLICY No.OM345Y AT SURRENDER VALUE	6	150 000.00[1]
SHARES IN TOK (PTY) LTD		
SOLD FOR	7	275 000.00[1]

TYME BANK FIXED DEPOSIT			
ACCOUNT NUMBER 9011545132566			
CAPITAL	8		200 000.00[1]
INTEREST AT DATE OF DEATH	9		15 500.00[1]
(COLLECTED)			
LOAN OWING BY HANY			
COLLECTED	10		17 000.00[1]
TOTAL ASSETS			<u>1 930 000.00[1]</u>
<u>Liabilities:</u>			
<u>Administration Costs</u>			
<u>Advertising for Debtors and Creditor</u>			
Government Gazette		37.82	
The Star		312.18[1]	
<u>Advertising Account for inspection</u>			
Government Gazette		37.82	
The Star	11	312.18[1]	
Master's fees	12	3 600.00[1]	

Executor's fees at 3.5% on R1 930 000.00	13	67 550.00[1]
VAT@ 15% on R67 550.00	14	10 132.50[1]
P Petty – Valuation costs –house [1]	15	3 500.00
R Ross – Valuation costs movable property [1]	16	2 500.00
Strachan Attorneys–Transfer costs -house [1]	17	16 000.00
Bank charges (to date) [1]	18	3 000.00
Provision for Bank charges [1]	19	2 500.00
Brokers's valuation fees	20	1 500.00[1]
Postage and petties	21	260.00[1]
<u>Claims against the estate</u>		
HAMBA – funeral expenses [1]		20 500.00
RECEIVER OF REVENUE FOR FINAL INCOME TAX ASSESSMENT	22	18 257.50[1]
Total Liabilities		<u>150 000.00</u>
Estate Duty	23	NIL
Balance for distribution		<u>1 780 000.00</u>
	24	<u>1 930 000.00</u>

Recapitulation Statement

Cash and assets reduced to cash

Less:

Liabilities

Cash Legacies

Estate Duty

Cash surplus

TO BE AWARDED TO JEFF MAREE, MAJOR BROTHER AS SOLE HEIR I.T.O. SECTION 1(1)(E)(I) (BB) OF THE INTESTATE SUCCESSION ACT 81 OF 1987, AS AMENDED)

150 000.00[1]

NIL

NIL

1020000.00[1]

1 170 000.00

1 170 000.00[1]

1 170 000.00

Distribution Account

Balance for distribution

Awarded to:

Jeff Maree, major brother of the deceased, identity number 8203135838080 as sole heir in terms of section 1(1)(e) (i) (bb) of the Intestate Succession Act 81 of 1987, as amended)

[1]

1 780 000.00

1 780 000.00[1]

Award Consists of:

Immovable property R425 000.00 [1]

Movable property R 335 000.00 [1]

Cash R1 020 000.00[1]

1 780 000.00

1 780 000.00

Income & Expenditure Account

Income

Interest received on TYME Bank account

8 500.00[1]

Dividends on JSE shares

10 500.00[1]

Expenditure

Executor's remuneration @ 6% on R 19 000.00

1 140.00[1]

VAT@ 15% on R1 140.00

171.00[1]

Balance awarded to Jeff Maree as the sole heir

17 689.00[1]

19 000.00

19 000.00

Fiduciary Assets Account

Assets:

FARM ORANGES 143

REGISTRATION DIVISION IR, PROVINCE OF

LIMPOPO:

MEASURING: 1 200H

HELD UNDER DEED OF TRANSFER NO 753/96 AND

REGISTERED ON 1 MAY 1996 [1]

VALUED AT

25

900 000.00[1]

(AWARDED AND TO BE TRANSFERRED TO JEFF
MAREE MAJOR SON I.T.O. CLAUSE 4 OF THE WILL
OF GABRIEL MAREE WHOSE ESTATE WAS

ADMINISTERED AT THE PRETORIA MASTER'S
OFFICE NO 637/1995) [1]

Liabilities:

Valuation costs	26	3 500.00[1]	
P NEL-TRANSFER COSTS	27	20 275.00[1]	
EXECUTOR'S FEES AT 3.5% ON R900 000.00	28	31 500.00[1]	
VAT @ 15% ON R31 500.00	29	4 725.00[1]	
BALANCE FOR DISTRIBUTION CARRIED FORWARD		<u>840 000.00[1]</u>	
DISTRIBUTION OF FIDUCIARY ASSET		<u>900 000.00</u>	<u>900 000.00</u>

BALANCE FOR DITRIBUTION

THE FARM ORANGES AWARDED TO JEFF MAREE
MAJOR SON I.T.O. CLAUSE 4 OF THE WILL OF
GABRIEL MAREE WHOSE ESTATE WAS
ADMINISTERED AT THE PRETORIA MASTER'S
OFFICE NO 637/1995

THE AWARD COMPRISES:

THE FARM ORANGES

LESS CASH SHORTFALL TO BE PAID BY THE HEIR

Estate Duty Addendum

Property of the deceased

Assets as per liquidation account

1 930 000.00[1]

Less: Liberty Life Policy payable to estate

225 000.00[1]

1705 000.00

Less: Difference in value of private shares

20 000.00[1]

1 685 000.00

Value of Ceasing Fideicommissum

876 482.64[1]

2 561 482.64

Property Deemed to be Property

Add: Liberty Life Policy payable to estate

225 000.00[1]

450 000.00

Sanlam Life Insurance Policy

240 000.00[1]

3 011 482.64[1]

Less: Premiums plus 6% p.a compounded interest thereon

15 000.00[1]

Gross value of the estate

Deductions – Sect 4

150 000.00[1]

Costs of Administration and claims		2 861 482.64[1]
Net value of the estate		
<u>Less: Primary Rebate – Sect 4A</u>		<u>(3 500000.00[1]</u>
Dutiable Amount		0.00[1]
Estate Duty at 20% on R0.00		0.00

EXECUTOR'S CERTIFICATE

I, THE UNDERSIGNED, **GIBSON CAROT** THE DULY APPOINTED EXECUTOR IN THE ESTATE OF THE LATE **SAMUEL MAREE** ESTATE NUMBER **169/2019**, 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 DAY OF 2019

GIBSON CAROT (EXECUTOR) (1)

TOTAL: [100]