

Wills and estates – workshop series
The drafting of a Liquidation and Distribution Account
Workshop 1

Provisional content

- 1. The heading**
- 2. The money column**
- 3. The serial number column**
- 4. The liquidation account**
 - 4.1. The order in which property, administration costs and liabilities are to be reflected
 - 4.2. The correct description of property, liabilities, and administration cost
 - 4.3. The divesting note
 - 4.4. Which value to put in the money column:
 - a. Immovable property bequeathed to surviving spouse
 - b. Immovable property bequeathed to others
 - c. Immovable property sold
 - d. Farmland (value before or after rebate)
 - e. Shares in non-listed companies (fair market value or estate duty value)
 - f. Loan accounts (face value?)
 - g. Amounts collected from pensions/annuities – how to treat the tax deduction
 - h. Amounts paid directly to beneficiaries
 - i. Property sold
 - j. Bank balances collected
 - k. Investments collected and investments bequeathed
 - l. Amounts owed to creditors (how to distinguish between liabilities and expenditure after death)
 - m. SARS income tax
 - n. Administration costs paid (how to distinguish between liabilities and expenditure after death)

5. The recapitulation statement

- 5.1. Which items to be included as cash
- 5.2. How to reflect a cash deficiency
- 5.3. How to account for a cash deficiency

6. The distribution account

- 6.1. The correct description of heirs
- 6.2. Details of award and the reason for every award
- 6.3. Dealing with cash deficiency in the distribution account

7. The income and expenditure account

- 7.1. Transactions on bank accounts after death
- 7.2. Income received after death
- 7.3. Expenses paid from income
- 7.4. Tax periods and tax considerations of the above
- 7.5. How to reflect a deficiency
- 7.6. How to account for a deficiency

8. Estate duty

- 8.1. Workshop 2

9. Executor's certificate

- 9.1. Which date?