

Estate of Mr Jones, deceased

Mr Jones owned his own business. He leaves 3 sons from his first wife (divorced) and 2 step-daughters from his partner of 20 years. By Mr Jones's Will his business is to be split between his sons; one son receiving a larger shareholding as he is more actively engaged in running the business. He leaves his half share of the family home to his partner on trust for her life and then equally between his sons and step-daughters after her death. His estate is valued at £2.3 million, including his business, his managed portfolio and certificated shares. He had some business debts at his death, his deteriorating health having had a detrimental effect on his business affairs for some time. His executors are his eldest son and the partners with this firm.

There are many aspects to Mr Jones' estate, not least the possibility of significant Inheritance Tax and making sure that the available allowances and reliefs are maximised to mitigate this. We would need to complete a full tax return, an IHT400. A Grant of Probate will be required. There is also the possibility of Mr Jones' step-daughters bringing a claim against his estate as they may consider they have not been adequately provided for. Mr Jones' partner has indicated the family home may now be too large for her to manage alone. With so much uncertainty at the outset, it would be difficult to quote accurately in advance how much time would be required to administer this estate. We would therefore calculate the value added charge, based on the Court of Appeal rates, and then make an initial estimate of the time required, produce interim fee notes as the administration progresses and provide regular update of any likely change to the initial time estimate. From experience, the overall time costs for an administration of this nature will be in the region of £12,000 + VAT and the value charge would be as follows:

Residence £350,000 @ 0.75% =	£2,625
Estate up to £1,000,000 @ 1% =	£10,000
Rest of estate £950,000 @ 0.33% =	£3,135
Total value added charge	£15,760 – 15% = £13,396 + VAT

The combined estimated fees for administering this estate would therefore be £25,396 + VAT or 1.10% of the value of the estate.

Disbursements

Each estate administration will also attract third party expenses ('disbursements'). A selection of typical disbursements are shown below, but we would provide you with the predicted disbursements for your particular matter in our quotation or letter of engagement.

Disbursement	Cost (as at December 2018)
• Land Registry Title (electronic downloads)	£3 each
• Chartered Surveyor property reports (variable)	From £250 + VAT per property
• Executor's Oath fee	£7 (per executor)
• Probate Registry Application Fees	£155 [the Government proposes that this figure is substantially increased from April 2019]
• Sealed copies of the Grant of Representation	£0.50 (each)
• Executors' Legal Notices (variable)	From £190 + VAT
• Beneficiary bankruptcy checks	£3 (each name checked)