

Grove Tompkins Bosworth

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YOUR REF:

OUR REF: MWI/JMD/FEL 236-1

DATE: 25 January 2012

Mr T D S Fell
Dennis Fell Property Companies
Fell House
Shallowfield Court
Henley-in-Arden
Warwickshire
B95 5FY

Dear Tim

Your late father's estate

Please find enclosed the following:

1. 2 copies of the Estate accounts
2. A schedule detailing how the debt of £975,000 has been distributed.

Estate accounts

1. Assets (Page 3) – This page summarises the assets held in your father's estate. As you can see a number of assets (probate value £68,107.63) have not been collected by this Firm and it has been assumed that the proceeds (except for the contents) have been collected by the family and distributed equally to all of the brothers except for Martin. It has been assumed that Martin did receive his 1/5th share of the contents of the family home.
2. Liabilities and Expenses (Page 4) – This page summarises all of the liabilities of the Estate pre and post death. I will comment further on a number of the entries below:
 - a. Unpaid legacies – As you will be aware your late mother left the balance of her unused nil rate band to be split equally between you and your brothers. Due to HM Revenue being unwilling to agree a value for the shares (no tax liability) the actual entitlement due to each of you was never known. As a result your father never paid out the monies due. This is a debt of your father's estate and as the estate has insufficient funds the payment due to each of you has been treated as a contribution to reduce the deficit of the Estate.
 - b. Fell Family Trust – as you will be aware your father owed the Trust £975,000 and this is included here.



- c. I have assumed that the cost of the funeral was shared equally between you and your brothers.
3. Adjustments (Page 5) – I will comment on each of the entries as follows:
 - a. Midland Freehold Gain based on probate value – The £9,956.00 is the amount received in excess of the probate value on page 3 of the accounts.
 - b. Lily Fell Estate – See point 2 (a) above.
 - c. Evergreen – Again this is the amount received in excess of the probate value on page 3 of these accounts.
 4. Income (Page 6) – This shows the income received by the estate. As there is no residue left in the estate the income has been used to cover the shortfall (See below).
 5. Distributions (Page 7) – This page summarises the above pages and provides details of the distributions made. You will see that there is a shortfall of £83,931.43 after distributing the shares in Freefield Investments and Cressingham Properties Limited. As you will recall it was the family's wish that the shares be distributed and the shortfall paid back by the Trust so that it was not necessary to sell the shares in the companies. It has also been assumed that the family has made the payment to Michelle West of her legacy. Can you confirm that this is the case?

Debt of £975,000 to the Trust

The Trust was owed £975,000 by your father and the inheritance tax payable by the Trust (including interest) was £393,175.35. This left £581,824.65 available to divide between you and your brothers i.e. £116,364.93 each.

Laurence's share of the Trust Fund was transferred to Jonathan to compensate him for not receiving any shares in Cressingham Properties.

The schedule then details the distributions made and any cost identifiable against an individual.

It has also been necessary to look at the following issues:

1. Money owed to the Estate from Cressingham Properties Limited.
2. The shortfall of funds in the Estate
3. Money owed by Laurence

The notes on how the above matters have been dealt with are included with the schedule at the back of the Estate Accounts. If you can let me have your agreement to the Estate Accounts and the separate Statement detailing how the funds held in the Loan Trust have been distributed as soon as possible I can then arrange to make final distributions.

The assets not received by Grove Tompkins Bosworth (Point 1 above) – As mentioned above it has been assumed that these assets have been sold or realised and divided equally between all of the brothers except for Martin. As mentioned above it has been assumed that Martin did receive his fair share of the contents of the family home.

Please discuss this matter with your brothers and let me have your comments.

You should ask your self the following questions:

- Do I agree with the share of the Fund after inheritance tax?
- Do I agree the distributions I am entitled to?

- Do I agree that the adjustment in respect of the deficit from the Estate has been dealt with?
- Do I agree how the adjustment in respect of the assets not collected by Grove Tompkins Bosworth has been dealt with?
- Do I agree how the adjustment regarding Funds owed by Cressingham Properties has been dealt with?

Whilst each brother is entitled to question their own entitlement they should avoid commenting on the entitlement due to others.

It is important that I obtain agreement from all of you so that this matter can be concluded but if you have any questions or do not agree with any of my assumptions then please can you let me have full details in writing.

If you agree the accounts please can you return one copy signed and dated.

It is important for you to appreciate that if no agreement is reached then further costs will be incurred.

Regards

Yours sincerely



Michael W Ingamells
Grove Tompkins Bosworth