

Dennis William Spiers Fell deceased

Estate Accounts

**Grove Tompkins Bosworth
54 Newhall Street
Birmingham
B3 3QG**

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**Important Notes for Beneficiaries:
Your Tax Responsibilities**

Capital

* You do not have to declare the receipt of inherited **capital** on your personal tax return.

* If (rather than just money) you receive any assets from the estate, such as shares or property, you are treated for **capital gains tax** purposes as if you had paid the probate value for them. For example, if you receive shares from the estate which had a probate value of £5,000, the receipt of the shares does not have to be declared by you. But if you sell the shares for £5,900, you have made a personal capital gain of £900.

If you make total gains exceeding your annual exemption, it is your responsibility to declare them and pay tax on them.

Income

* The estate may receive income after the date of death (shown under "Income of the Estate" in these accounts). Your share of this income is **not** "inherited capital". It is still income for Tax Return purposes.

* It is paid to you **net** of any standard or basic rates of income tax. If you are a **basic rate taxpayer**, the correct tax has been paid and there will be no further tax for you to pay.

Please note that it remains your personal responsibility to

* **declare** your estate income and any personal capital gains on any self-assessment tax return you may receive;

* **pay** any higher rate income tax that may be due;

* **make any claim for income tax repayment** if you have personal allowances or losses to set against your estate income.

* **tell your tax office** at HM Revenue & Customs if you do not receive a tax return, but are, or become liable to, higher rate income tax

- by having your estate income added to your other income for the year of receipt;
- or as a result of investing your inheritance.

If you are in any doubt about your personal tax obligations or liabilities you are recommended to contact an accountant.

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Assets

	£	£
Property:		
Evergreen, Rising Lane, Lapworth		1,000,000.00
Goods & Contents:		
Jaguar	7,500.00	
Contents	<u>8,000.00</u>	15,500.00
Quoted shares:		
Shares Plc - 94 shares		13.63
Unquoted shares:		
Midland Freehold - 220 shares	14,934.00	
Freefield Investments Limited	24,702.00	
Cressingham Properties Limited - 100 shares	<u>516,278.00</u>	555,914.00
Bank Accounts:		
HSBC a/c No 10345075		4,694.00
Other Assets:		
Christopher J Fell - loan	27,141.66	
Midland Freehold Limited - Loan account balance paid to estate	18,000.00	
Midland Freehold Limited - Loan account balance treated as distribution to Martin Fell	79,426.00	
Cressingham Properties Limited - Loan a/c	19,000.00	
Cash	213.00	
Council tax refund	385.00	
Guaranteed Annuities:		
Legal & General	29,802.00	
Alba Life	14,311.00	
Private Medical Insurance refund	<u>3,189.00</u>	191,467.66
		<u>1,767,589.29</u>
Less monies not received by Grove Tompkins Bosworth: (It has been assumed that all beneficiaries except for Martin have received the benefit of the assets below)		
Jaguar	7,500.00	
Contents	8,000.00	
Shares Plc - 94 shares	13.63	
HSBC a/c No 10345075	4,694.00	
Cash	213.00	
Council tax refund	385.00	
Guaranteed Annuities:		
Legal & General	29,802.00	
Alba Life	14,311.00	
Private Medical Insurance refund	<u>3,189.00</u>	68,107.63
		<u>1,699,481.66</u>

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Liabilities and Expenses

	£	£
Liabilities at death:		
Grove Tompkins Bosworth re administration of estate of Lily Fell	1,558.83	
Richard Thompson & Co: Accountancy fees	500.00	
Grove Tompkins Bosworth	7,748.00	
Unpaid legacies: re wife	32,500.00	
Funeral	<u>17,408.00</u>	59,714.83
Expenses of the administration:		
Oath & Probate fees	80.80	
Telegraphic transfer fee	11.75	
Search fee	25.00	
Income Tax & Surcharges (net of refunds)	6,189.25	
Capital Gains tax - 2008/09	16,115.52	
Inheritance Tax & Interest	310,426.74	
Further IHT tax due in respect of adjustments to wife's estate	6,092.80	
Fell family trust	<u>975,000.00</u>	1,313,941.86
Costs re sale of Evergreen:		
Estate Agents	13,881.50	
Legal fees	<u>1,953.88</u>	15,835.38
Professional costs:		
Bigwoods - Valuation fee	998.75	
Orion Tax & Accounts Services	2,575.51	
Meridian Private Clients	9,041.63	
Mr S Kamal: Counsel re property and trust	881.25	
Richard Thompson: Accountancy	1,500.00	
Taxwise: Accountancy/valuation	1,680.00	
Denney & Co: Accountancy	675.63	
Newbridge Consultancy	1,224.00	
Grove Tompkins Bosworth Solicitors	<u>63,342.41</u>	81,919.18
		<u>1,471,411.25</u>
Less paid by the beneficiaries:		
Funeral		<u>17,408.00</u>
		<u>1,454,003.25</u>

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Adjustments

	£	£
Midland Freehold - Gain based on probate value		9,956.00
Lily Fell estate - contribution by all beneficiaries to estate shortfall		32,500.00
Evergreen - Gain based on probate value		100,000.00
		<u>142,456.00</u>

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Income Account

Interest paid net of tax:

£

Grove Tompkins Bosworth deposit account:

Year ended 5 April 2009	4,661.32
Year ended 5 April 2010	260.69
Year ended 5 April 2011	794.55
Year ended 5 April 2012	89.97
	<u>5,806.53</u>

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Distributions

	£	£
Assets		1,767,589.29
Income		5,806.53
Adjustments		<u>142,456.00</u>
		1,915,851.82
Less expenses		<u>1,454,003.25</u>
Net funds available to distribute		<u>461,848.57</u>
Pecuniary legacies:		
Michelle West (See note below)		-
		<u>461,848.57</u>
Specific legacies:		
Freefield Investments - Martin Fell		
Martin Fell (100%)	24,702.00	
Cressingham Properties Limited:		
Timothy Dennis Stephen Fell (25%)	129,069.50	
Christopher John William Fell (25%)	129,069.50	
Dennis Fell Will Trust for Laurence Fell (50%)	<u>258,139.00</u>	<u>540,980.00</u>
Shortfall		<u>- 79,131.43</u>

It has been assumed that the legacy to Michelle West has been paid by the beneficiaries

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Summary of Funds held at Grove Tompkins Bosworth

	£	
Funds held at Grove Tompkins Bosworth	<u>85,081.30</u>	
Due to the following:		
Fell Family Settlement	58,256.98	
Grove Tompkins Bosworth	25,425.60	
Christopher Fell	1,398.72	
	<u>85,081.30</u>	
Reconciliation of the funds owed to Christopher Fell		
	£	£
Loans due to the Estate (probate value)		27,141.66
Amounts paid to Estate:		
Standard Life policy proceeds	24,946.28	
proceeds from disposal of Standard Life shares	<u>3,594.10</u>	28,540.38
		<u>- 1,398.72</u>
Summary of funds to be distributed subject to accounts and Trust statement being agreed.		
Funds held by Grove Tompkins Bosworth (as shown above)		85,081.30
Add funds to be paid in to estate from Tim		<u>934.92</u>
		86,016.22
less Grove Tompkins Bosworth fee		<u>25,425.60</u>
		<u>60,590.62</u>
To be distributed as follows:		
Chris		
Money owed from Estate	1,398.72	
Refund of overpaid distribution	<u>1,052.41</u>	346.31
Timothy		-
Martin		5,073.72
Jonathan		55,170.59
Laurence		-
		<u>60,590.62</u>

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Monies owed to the estate by Cressingham Properties Limited. Treated as distributions to the beneficiaries in proportion to their shareholding

-	28,221.37	-	28,221.38	-	56,442.75
-	18,879.51	-	18,879.51	3,613.40	79,131.43
-	1,052.41	-	934.92	5,073.72	58,256.98

Shortfall of funds in the estate
Laurence's shortfall
Still to be distributed

Summary of assets received:

Estate residue	18,879.51	-	18,879.51	-	-
Laurence's share of Fell Settlement transferred to Jonathan Cressingham Properties Limited shares	129,069.50	129,069.50		116,364.93	116,364.93
Freefield Investments - Martin Fell		24,702.00			258,139.00
Fell Family Settlement	116,364.93	116,364.93		116,364.93	116,364.93
	226,554.92	226,554.92	137,453.53	232,729.86	258,139.00

Funds held at Grove Tompkins Bosworth
Money owed by Cressingham Properties Trust
Money owed by Cressingham Properties to the Estate

58,256.98
37,759.01
56,442.75 (see below)
<u>152,458.74</u>

The shortfall of funds in the Estate

As can be seen from the Estate accounts there is a shortfall of £79,131.43. The shortfall arises as the beneficiaries preferred that the shares be transferred to the beneficiaries rather than sold. It was agreed that the shortfall would be made up from the proceeds of this Trust. The view was taken that the shortfall should be divided equally between the beneficiaries that received the shares.

The calculation is as follows:

	Value taken from Estate £	Percentage	Share of Shortfall £
Christopher	129,069.50	23.86%	18,879.51
Tim	129,069.50	23.86%	18,879.51
Martin	24,703.00	4.57%	3,613.40
Cressingham share Trust	258,139.00	47.72%	37,759.01
	<u>540,981.00</u>	<u>100.00%</u>	<u>79,131.43</u>

The problem is how does the money owed by the Cressingham Share Trust get collected? As the Trust has insufficient Funds to settle this amount it is suggested that Jonathan's entitlement is reduced by £37,759.01 to cover the amount due. This will be a debt of the Trust still but it will be owed to Jonathan.

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Funds owed by Cressingham Properties

Cressingham Properties owes the Estate £56,442.75. To allow the correct distributions to be made it is important that this is either repaid by the Company or that the amount owed is treated as a distribution to one or more of the beneficiaries and then the Company repays that person(s) when funds are available. It is suggested that both Tim and Christopher's entitlements are reduced to cover the amount due by the Company. This will mean that the Company instead of owing the Trust the money it will owe it to Tim and Christopher (£28,221.37 and £28,221.38 respectively) This will mean that they will both have to repay a small amount of their distribution to the Trust Fund but they will have the freedom to collect the monies owed to them as they wish bearing in mind the business requirements.

The calculation of the money owed to the Estate is as follows:

Loan from the estate: cash 22 Sept 2006	28,540.38
Less repaid to meet Meridian fees	2,115.00
	<hr/>
Less loaned from the Company to pay Inheritance Tax	26,425.38
	75,840.49
	<hr/>
Further loans from Cressingham to pay Meridian 18 June 2007	49,415.11
	-
	<hr/>
	6,226.63
	700.00
	<hr/>
	6,926.63
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Partial repayment 30 Oct 2007	56,341.74
	17,944.00
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Loaned from Company to pay Inheritance Tax and interest	38,397.74
	-
	<hr/>
	30,241.72
	<hr/>
Partial repayments to Cressingham from Estate	68,639.46
	-
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	75,840.49
	30,241.72
	<hr/>
	106,082.21
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Add balance in loan account at the date of death	37,442.75
Funds owed by Cressingham Properties Limited to the Estate	19,000.00
	<hr/>
	56,442.75
	<hr/>

Monies owed by Laurence

Laurence owes the Estate money as he received a share of assets not collected by Grove Tompkins Bosworth and in respect of professional costs. It has been suggested that the shortfall should be set against Jonathan's entitlement and that Laurence reimburses Jonathan out of assets held and future income.

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THE LOMBARDS
DODDERHILL COMMON
BROMSGROVE
WORCS
B60 4AT

TELEPHONE: 01527 821017

Our ref: MAF1/JDP

Your ref:

~~06 March 2008~~

COPY

Personal to Addressees

Messrs T D S Fell and C J W Fell
The Dennis Fell Companies
Fell House
Shallowford Court
High Street
Henley-In-Arden
Warwickshire
B95 5BY

Dear Timothy and Christopher

Re: Dennis Fell Companies/Laurence's Interests in Trust

As you are aware, we last had a minuted formal meeting in May 2007 which also included discussions concerning both mother's and father's Estates, Evergreen and Dennis Fell Companies matters. At that meeting, as in many previous meetings I had expressed concerns relating to the disagreements between you both and the running of the companies, particularly with reference to Directors' remuneration and expenses. You made it clear to me at that meeting that such matters were 'none of my business' and refused any further discussion.

You both have several roles; as Executors of our parents' Estates; as Trustees of the various trusts and as Directors of The Dennis Fell Companies. I am writing to you both in my capacity as a Trustee for Laurence and with reference to your conduct as Directors of the companies and Trustees for Laurence. It is with very much regret that I find it necessary to take this step with a view to protecting Laurence's financial interests.

It is well known that you have both been at loggerheads over the running of the companies with incessant arguments and endless disputes ever since father passed away. My understanding of the roles to be played by each of you was that Timothy would deal with the property matters and Christopher would deal with the financial matters with the intention being that between you, you would be able to continue where Father left off. It was also my understanding that there would be a ~~fair and equitable distribution to the four shareholders~~ in line with the preceding arrangements. *This hasn't happened.*

Having been denied the opportunity to discuss company matters with you informally, I expected that I would be able to raise my concerns at the Annual General Meeting, which I anticipated would have taken place last year in accordance with the statutory requirements. ~~Unbelievably, the statutory accounts have still not been filed and neither have the Annual Returns.~~ As Directors, it is both your duty and responsibility to ensure all statutory obligations are complied with in a timely manner. Are you both aware that it is a criminal offence not to file on time?

Further, I believe you are both only working part-time in the business and yet have unilaterally determined your own Directors' remuneration including pension, car, medical insurance, telephone and bonuses, ~~far in excess of that provided to Laurence.~~ You are also paying Jonathan at a far higher rate than Laurence. It is manifestly unfair that the gap in remuneration to Laurence has widened to such an extent and has increased even further in the current financial year; this at a time when there hasn't been an overall increase in assets and borrowings have increased by half a million pounds. To correct this unauthorised position, will either require ~~Directors repaying some of their remuneration~~ or alternatively increasing Laurence's remuneration and pension to at least the same level as Jonathan for both the last and current financial years. To do otherwise, would be ~~unfairly prejudicial to the~~ interests of Laurence as a minority shareholder in what is effectively a four way partnership. Merely selling historical long standing assets to create large current profits on which tax must be paid does not constitute wealth creation and therefore does not justify the large discrepancy between the rewards to each of the shareholders, particularly when little new business is being found by you.

It is with further dismay that I now learn that Michele, a loyal employee of nearly 20 years standing has been given cause to hand in her resignation. I do not believe you have any cognisance of her contribution to the running of the business, her loyalty to our late parents and her concern for the interests of Laurence. Her loss will not only be detrimental to the day to day running of the companies but may also lead to a substantial claim for constructive dismissal. I strongly urge both of you to try and persuade Michele to withdraw her resignation whilst there is still some hope of reconciliation and before it is too late.

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All the aforementioned matters are damaging to the worth of Laurence's shareholdings. You are both failing in your duties as Directors and also as Trustees where you have a clear conflict of interest. I have previously endeavoured to assist you and give advice but this has been unheeded and as you have made crystal clear, your opinion is that these matters are 'none of my business' and I know from experience it is pointless trying to discuss these matters in a reasoned way with you.

~~As a Trustee for Laurence, I take my role very seriously~~ and to that end I must protect Laurence's financial interests in the companies. It seems to me you are both incapable of working together, therefore an alternative needs to be found that is fair and equitable to all parties. In the circumstances, I strongly urge you to agree to divide the companies and assets four ways so that you are each responsible for your own properties. Alternatively, I propose the appointment of a non-executive Director to ensure impartiality and fairness to all parties.

Can you please confirm your proposals to either reimburse the companies for the excessive remuneration expenses etc., drawn or make additional payments to Laurence to at least bring him in line with the total amount paid out to Jonathan in salary, pension, etc., for the last two years. As Directors' remuneration has still to be approved for the year end 31st March 2007, let alone for the current financial year ending in a few weeks time, can you please not draw any further remuneration, expenses, pension, etc., for the year commencing 1st April 2008 until all the above outstanding matters have been dealt with.

To enable me to properly carry out my duties as a Trustee for Laurence, and in readiness for the AGM, can you please forward to me the monthly bank schedules for the last two years and the draft accounts for the year ending 31st March 2007.

Finally, as the companies are being put at risk due to your detrimental actions can you please immediately forward Laurence's loan account, which I believe is nearly £100,000, in its entirety to Grove Tompkins Bosworth client account, to be put on deposit for safekeeping. Laurence is an un-secured creditor and cannot be left at risk in the current circumstances.

I await hearing from you.

Yours sincerely



M A Fell

c.c. JPQ Fell, MW Ingamells, C Denney

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