

# RFS - Assets

Last Modified on 15/12/2022 3:26 pm CAT

**Problem:** A client is not always clear on which assets are on the personal balance sheet. There is confusion between the share value in a business and the assets and liabilities of that business. The same confusion exists for the assets and liabilities of a Trust. Business and trust assets are often bequeathed in a Will, which is impossible to do. The inclusion of Business or Trust assets on a personal balance sheet results in several inaccuracies on the FNA. Loan accounts are either an asset or a liability in the estate.

## Houseview

Understand the 4 Bucket Approach and apply it to the estate plan.

Loan accounts: List under either assets or liabilities and include in the estate plan.

Suretyship: Ensure that this is addressed at its source.

Shareholding/Interest: Ensure that only the shareholding is captured in the balance sheet, nothing else.

Trust assets: Exclude it completely, it does not form part of the balance sheet of the client.

## Action

On the balance sheet, accurately reflect the value of an interest in the business and personal assets. Exclude the assets of a trust.

Consider that a trustee or a beneficiary of a trust holds no interest in or right to any asset in a Trust.