

Cada and her family:

- Cada, who was UK domiciled, died on 20 November 2014.
- Cada's shareholdings at the time of her death:
 - Quoted shares in JW plc valued at more than cost.
 - Quoted shares in FR plc valued at less than cost.
 - Unquoted shares in KZ Ltd valued at £nil.

Required:

(a) Explain the inheritance tax advantages, other than lifetime exemptions, which could have been obtained if Cada had made additional lifetime gifts of quoted shares between 1 December 2010 and her death. (4 marks)