

IN THE FAMILY COURT

Case No: LV18D02430

The Civil Justice Centre
Manchester
Sitting remotely

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Before:

HIS HONOUR JUDGE BOOTH

Between:

MR S
- and -
MRS S

Applicant

Respondent

MISS S. HILLAS QC for the Applicant

MR P. MARSHALL QC for the Respondent

APPROVED JUDGMENT

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2nd Floor, Quality House, 6-9 Quality Court, Chancery Lane, London WC2A 1HP.
Telephone No: 020 7067 2900. DX 410 LDE
Email: info@martenwalshcherer.com
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HIS HONOUR JUDGE BOOTH:

1. This is my judgment in the financial remedy proceedings brought by Mr S within the divorce proceedings which were commenced by Mrs S.
2. In these proceedings Mr S has been represented by Miss Samantha Hillas QC and Mrs S by Mr Philip Marshall QC. I am grateful to them for the considerable efforts they have put into this case. The documentation has been substantial. A trial bundle was prepared. It was then agreed by the parties that I needed to see a supplemental bundle, which had 3,808 pages in it.
3. I heard the case in the week commencing 21st June 2021. The first day was set aside as a reading day, but thereafter I heard the evidence, limiting the cross-examination of the parties and heard bullet point submissions, both in writing and orally, from both advocates, and that consumed the week. I was, therefore, obliged to reserve this judgment, which has given me necessary thinking time.
4. Given the calibre of advocates on both sides of the case, it is probably fair to say that no stone has been left unturned that might have been turned and no argument that could have been run has not been. That raises then the question of how necessary it is for this judgment to deal with every point raised. I have concluded, for reasons I will explain, that I need delve into the details relatively little. Many allegations have been made in this case. Few have been substantiated and next to none make any difference to the outcome of the case.
5. The tragedy for these parties is that they have spent over £600,000 between them not only fighting over the financial consequences of their divorce, but

have spent money on the divorce itself and on an injunction application to put pressure on Mr S to leave the family home, which he did pursuant to an undertaking. Had they spent but a fraction of that sum of money on this dispute they would both be in a significantly better financial position.

Background

6. Let me set out some of the background. Mrs S is now 66 and Mr S is 67. They have three adult children. They were married pursuant to an arrangement made between their parents in August 1973. They separated in February 2018 when Mr S left the family home. Mrs S commenced divorce proceedings in March 2018 and a decree nisi was pronounced on 7th June 2018. Mr S issued his application for financial relief by Form A on 23rd June 2018. So far, so straightforward.
7. However, in about 1980 Mr S commenced a relationship with a young woman Miss K and he has had two further children with her, who are both now adults. Mr S described his two families as his Indian family and his English family. Over the years, following the establishment of his English family, he would spend one or two nights a week with them. He was able to keep his English family, it appears, secret from his Indian family.
8. According to Mr S in 2000, according to Mrs S in 2004, Mrs S discovered the existence of Mr S's English family and his two other children. I have no doubt that that will have been a difficult matter for her to come to terms with and, indeed, it seems she never has. Despite that, they continued to live together for at least a further 14 years before separation. Due to Mr S's deception Mrs S feels unable to believe a word that he says or to accept the

accuracy of any document he produces. That has had unfortunate financial consequences.

9. As well as having a traditional Indian marriage, Mr and Mrs S have adopted traditional roles. Mrs S has primarily been a home maker, although she has done some work independent of the family and has assisted Mr S in his business affairs to a small degree. Mr S began life as a market stall holder, selling men's clothing. He has been very successful.
10. Over time he established a limited company, M Enterprise Limited, which was incorporated in 1982 with him and his mother as the shareholders. Miss K, the mother of Mr S's English family, worked in Mr S's business from about 1982. In 1998 Mr S began to invest in buy-to-let properties and, over the years, has been an active landlord, buying and selling as well as renting out his properties. Reflecting the success of Mr S, the family moved home on several occasions, the final move being in 2003 when they moved to a substantial property in south Manchester. By 2010, however, M Enterprise Limited was in some difficulty and the company was placed in voluntary liquidation in 2011 with, according to Mr S, debts of £500,000. I have had described to me the effect of that business failure on Mr S, leading him to suffer from depression and being described by a friend as a broken man.
11. It appears that before the collapse of M Enterprise Limited Mr S and Miss K set up as a partnership, trading as "D". Some of the stock sold by the liquidators was purchased by Miss K in the operation of her partnership business. But simultaneously with the collapse of M Enterprise Limited Miss K established a limited company, P Retail Limited, but that did not trade until

2015. The explanation for that was that the partnership traded from premises in Manchester. When the lease came up for renewal in 2015 a decision was made to transfer the lease into the name of a limited company and, thereafter, to trade through the limited company.

12. The value of the partnership introduced into the limited company, which itself began trading as D, was credited to Miss K and Mr S as capital in a director's loan account, with them each being credited with the same amount. Mr S was given shares in the business and made a director to allow that to happen and that business continues to trade. Subsequently, Mr S's son from his English family has joined the business, working in it full-time and has acquired shares.

Valuation of assets

13. The value of Mr S's shareholding was the subject of a single joint expert accountancy report, which valued the business at nil as it was making losses. The single joint expert was less than confident in the trading figures reported by the company, but given the Covid-19 pandemic and its effect on shop businesses, this business trading through a number of shops, there is nothing to suggest that I should adopt a different valuation.
14. There has been a dispute between the parties as to some of the valuations of the assets available to them. The most significant relates to the family home occupied by Mrs S. At the first appointment in 2018 the parties had put forward valuations, Mr S £1.5 million, Mrs S £1.7 million, and, as was recorded on the face of the order emanating from that hearing, they agreed a valuation at £1.6 million. Subsequently, it was agreed that it was necessary to have the house valued. The valuation evidence that I have gives a current

value for the property of £1.1 million. Given that the house was purchased for £930,000 18 years ago, that valuation is perhaps surprising.

15. Mr S sought to persuade me that in order to establish the true value of the house it ought to be sold as being beyond the needs of a single woman such as Mrs S. He also challenged the validity of the valuation given that it is clear that Mrs S attempted to manipulate the valuer by presenting him with five other valuations she had obtained suggesting it was worth £1.1 million and by refusing to let him take photographs of the interior of the property, contrary to his letter of instruction where he was told not to take instruction from one party alone, which he did when Mrs S refused to let him take photographs.
16. The appropriate way for Mr S to have challenged that valuation if he was unhappy with it was to ask questions of the valuer in the first instance, which he did. That elicited responses describing Mrs S's attempt at manipulation. It did not cause the valuer to change his view as to the value of the property.
17. The next stage would have been for Mr S to obtain evidence, ideally another valuation, suggesting a different figure, with that evidence being used to support a *Daniels v Walker* application for the court to admit further evidence. That step was not taken. There is no other evidence.
18. Unless it can be shown that the single joint expert is clearly wrong by reference to other evidence, then I must accept what that evidence tells me. There is no other evidence.
19. The picture of the family home is complicated by the presence of the parties' youngest son, who remains living there although making no financial

contribution. According to his sister, who gave evidence to me, he is due to be married shortly in an arranged marriage. As the son of the family he will be expected to assume responsibility for his mother, who will be looked after by his wife.

20. Additionally, the parties' second daughter told me in evidence that she lives at the former family home. What is undoubtedly the case is that she has registered her two children at that address for the purposes of securing their attendance at a well-regarded primary school, that being the feeder school for a well-regarded secondary school. Whilst it may be that they spend some time at that property, I am satisfied that it is not their home. They have a home. It is a different home from that which they had when they first registered at the primary school. The home they now have is within the catchment area of the primary school. It is a house occupied by the parties' daughter's husband. It is from where Mr S collects his grandchildren when he takes them out and to where he returns them.
21. Mrs S's case was that she requires the assistance of her adult children to help look after her. Sadly, Mrs S has in the past had problems with alcohol. She told me she is now abstinent, but benefits from the presence of adult children to prevent against any relapse.
22. There was a dispute between the parties which their daughter was called to address in evidence about the contents of a safe. Whatever was in the safe, whatever might have been missing from the safe, was not an asset of the parties but an asset of Mr S's mother and would now fall as an asset of her

estate. Her estate was not joined as a party to these proceedings and I make no findings in relation to the safe.

Allegations

23. Mrs S has made extensive allegations against Mr S of financial misconduct. My first involvement with this case was at final hearing. No direction had been given for the allegations of misconduct to be put into pleaded form so that Mr S could reply specifically to each such allegation. Miss Hillas very helpfully extracted the allegations from the statements of evidence and put them in tabular form. They came in different forms. There were allegations of dissipation of assets to defeat Mrs S's claim, allegations of dishonesty or non-disclosure and other financial or behaviour allegations. The grand total was 33 different allegations. Included amongst them were seven allegations of fraud. Very few of those allegations were put to Mr S in cross-examination. In reality, none of the allegations were made out and nothing arises, save for one point, which affects either the quantification of the assets or their distribution.
24. Since the parties separated the family home has been maintained by Mr S paying the bills and, pursuant to a court order, paying interim periodical payments to Mrs S. There have been valid complaints by Mrs S that Mr S has unilaterally reduced the amount that he was paying before accepting that he was wrong to do so and reinstating the payments in full and in negotiating a mortgage holiday without reference to Mrs S and in breach of his agreement to pay the bills at the family home.

25. An analysis of Mrs S's bank statements by Miss Hillas indicates that Mrs S has not been spending all the maintenance that she has been receiving from Mr S.

The assets available to the parties

26. In broad terms the parties have the following assets: the family home, with a net value of £1,029,975; a property portfolio with a net value of £1,352,171; they have cash investments and a joint policy, in total worth £80,099; they each have a motor car; Mrs S has jewellery worth £14,222; Mr S has a director's loan account in P Retail Limited standing at £14,000 and is owed £17,684 by Miss K referable to drawings she has made which have been taken from Mr S's director's loan account.
27. They each have debts. Mr S claims to have debts of £456,209. Mrs S claims to have debts of £284,916.
28. They have between them pensions worth £1,315,632.

The parties' open proposals

29. What do they each say should happen? They each made open offers following the financial dispute resolution appointment. Both have modified their positions and so, at the start of the final hearing, their respective cases were as follows:
- a) Mr S's open proposals. He wished the former matrimonial home to be sold and, after repayment of the mortgage and Capital Gains tax, the net proceedings to be divided equally. He made proposals for him to

pay the outgoings and continue to pay the interim periodical payments to Mrs S, but to claw back 50 percent of his payments following sale. He proposed to sell four of the buy-to-let properties with the net proceeds divided equally. He proposed to sell a further four with Mrs S to receive the proceeds of sale. On that basis he would retain eight of his buy-to-let properties. The joint policy was to be cashed and split equally. There was to be a pension sharing order in respect of his most significant pension as to 57.6 percent which would, pursuant to the pension report of the jointly instructed expert, have achieved equality of income. All of that was on the basis of a clean break, with no order as to costs. He wished to retain items of jewellery belonging to his mother. That proposal was on the basis it would give Mrs S approximately £850,000 to rehouse in the locality of the former family home;

- b) Mrs S's open offer was that she should receive the former family home free of mortgage, with Mr S to pay the costs of transfer and Capital Gains Tax arising on the transfer, Mr S to retain the whole of the buy-to-let portfolio and the joint policy, but to pay a lump sum of £210,350 designed to repay Mrs S's outstanding legal costs. Mrs S proposed a pension share of 63.59 percent of the largest pension, calculated on the basis of adding back in lump sums drawn from his pension by Mr S. Mr S was to continue to pay the interim maintenance until the transfer of the house. All of that to be on a clean break basis, together with a payment by Mr S to Mrs S of a further £98,162 in respect of her costs since her open offer following the FDR, but otherwise no order as to

costs. It was said on Mrs S's behalf that that would divide the totality of the assets 54.25 percent to Mrs S, 45.75 percent to Mr S.

The law

30. What is the law? The relevant statute is the Matrimonial Causes Act 1973 as amended. Not all of the scheme set out in the MCA Part II is brought into play by the facts of this case.
31. Section 23 provides a list of orders that are available. Section 23(1)(c) provides for one party to the marriage to pay a lump sum to the other. Section 24 allows the court to order the transfer of property from one party to the other. The power to order a sale of property, if that is needed, is contained in section 24A. Section 24B gives the court power to make one or more pension sharing orders.
32. The matters to which the court is to have regard in deciding how to exercise its powers under sections 23, 24, 24A and 24B are set out in section 25. The court is required by section 25(1) to have regard to all the circumstances of the case, first consideration being given to the welfare, while a minor, of any child of the family who has not attained the age of 18.
33. Section 25(2) specifies that the court shall, in particular, have regard to the following matters:
 - a) The income, earning capacity, property and other financial resources which each of the parties to the marriage has, or is likely to have in the foreseeable future, including in the case of earning capacity any

increase in that capacity which would, in the opinion of the court, be reasonable to expect a party to the marriage to take steps to acquire;

- b) The financial needs, obligations and responsibilities that each of the parties to the marriage has, or is likely to have in the foreseeable future;
- c) The standard of living enjoyed by the family before the breakdown of the marriage;
- d) The age of each party and the duration of the marriage;
- e) Any physical or mental disability of either of the parties to the marriage;
- f) Any contribution which each of the parties has made, or is likely in the foreseeable future to make, to the welfare of the family, including any contribution by looking after the home or caring for the family;
- g) The conduct of each of the parties if that conduct is such that it would, in the opinion of the court, be inequitable to disregard it;
- h) In the case of proceedings for divorce or nullity of marriage, the value to each of the parties to the marriage of any benefit which, by reason of the dissolution or annulment of the marriage, that party will lose the chance of acquiring.

34. Section 25A(1) then requires the court to consider whether it would be appropriate so to exercise those powers that the financial obligations of each

party towards the other will be terminated as soon as is just and reasonable (often referred to as the clean break provision).

35. Consideration of the statutory scheme by the higher courts has identified the following factors that are applicable to the facts of this case:

- i) The analysis must be gender neutral and non-discriminatory -- *White v White* [2001] AC 596 HL;
- ii) The starting point in every inquiry is a two-stage process. First, computation, then distribution -- *Charman v Charman (No 4)* [2007] 1 FLR 1246 CA;
- iii) In considering section 25, there are three main distributive principles: needs; compensation; and sharing, shaped by the overarching requirement of fairness -- *Miller v Miller; McFarlane v McFarlane* [2006] 1 FLR 1186 HL;
- iv) The objective of financial orders is to meet the needs of the parties to enable a transition to independence to the extent that that is possible;
- v) The main needs in this case, as in most cases, are for housing and present and future income, including income in retirement;
- vi) “Need” will be measured by assessing available financial resources and assessing the standard of living during the relationship. Generally, the longer the relationship’s duration, the more important the standard of living will be;

- vii) “The main drivers in the discretionary exercise are the scale of the payer’s wealth, the length of the marriage, the applicant’s age and health and the standard of living, although the latter factor cannot be allowed to dominate the exercise” -- *FF v KF* [2017] EWHC 1093 (Fam), per Mostyn J. I feel sure Mostyn J did not intend his reference to age and health to be taken out of context. The age and health of both parties may be equally relevant, as here.
36. The question of what is conduct, pursuant to section 25(2)(g), has dominated this case. Miss Hillas, on behalf of Mr S, has invited me to consider *OG v AG* [2020] EWFC 52, where Mostyn J said that conduct falls into four distinct scenarios:
- i) The rare cases where “gross and obvious” personal conduct has a financial consequence and which may be reflected in the substantive award;
 - ii) “Add backs” in cases of wanton and reckless dissipation which may be reflected in the substantive award;
 - iii) Litigation misconduct -- this can be penalised in costs but should not affect the substantive award;
 - iv) Drawing of adverse inferences: this is part of the process of computation rather than distribution.
37. His observations in relation to litigation misconduct do not fully reflect the subsequent decision in *TT v CDS* [2020] EWCA Civ 1215, where the Court of Appeal made it clear that in circumstances where it is appropriate to do so

litigation misconduct can be reflected in the substantive award, particularly in circumstances where the effect of the misconduct alleged is to reduce the value of the pot available for distribution so that it cannot be recompensed by the making of a costs order, even to the extent of affecting a needs award, reducing the value of that needs award to less than the party is found to need.

38. Miss Hillas also referred me to *Moher v Moher* [2019] EWCA Civ 1482, which dealt with the failure to disclose assets, reminding that the court should determine the extent of any non-disclosure without “engaging in pure speculation” and only making inferences which are “properly drawn and reasonable”.

The facts in dispute

39. What factual disputes do I need to resolve? I remind myself at the outset that it is for the party alleging a matter to prove it and to prove it on a balance of probabilities.
40. I give myself a *Lucas* direction. People can tell lies for all sorts of reasons and the mere fact that they lie about one thing does not mean that they are lying about everything. In any event, a lie does not prove anything. It can be corroborative.
41. As I have already indicated, Mrs S made a host of allegations against Mr S. She accused him of transferring assets to Miss K and to her children. She accused him of falsely claiming to owe debts. She accused him of criminal conduct. But none of that has been made out on the evidence.

42. She made allegations, supported by her daughter, that Mr S had told her that he had hidden his money. Both parties have described a volatile marriage. It may well be that things have been said in the heat of arguments. But that does not necessarily make them true. In any event, if Mrs S says Mr S has hidden assets it is for her to establish that, or to establish facts from which an appropriate inference can be drawn. She has failed in that exercise.
43. Insofar as there has been a detailed enquiry into Mr S's financial affairs, he has to some extent brought that upon himself. When he left the family home, he left behind, it appears, thousands of pages of documents. They were largely in the dining room, on the table, on the floor. There were filing cabinets in the garage and the papers were described by Mrs S as being in disarray. She swept them all up, or certainly many of them, and gave them to her solicitor. Her then solicitor appears not to have recognised what he was being given and failed to disclose that he had the documents, or to return them to Mr S and it was only a change in representation that led to that happening and for Mr S to return them by way of disclosure. The significant point is that the papers were in disarray.
44. Can I draw any inferences from the single joint expert accountancy report which casts doubt onto the accuracy of the figures provided by P Retail Limited for the purposes of the valuation exercise? I do not think I can. That company is primarily Miss K's vehicle. She gave evidence. I am satisfied that she is an independent woman, a businesswoman in her own right and, while she has known throughout her relationship with Mr S of his Indian

family, their relationship was not something for her to disclose but a matter for Mr S.

45. Mr Marshall has accepted that having a second family in these circumstances is not conduct for these purposes and, of course, this court is a financial remedy court and not a court of morals.
46. My focus is on matters that have affected the parties' finances. Whilst it will have been the case that having a second family will have involved Mr S in expense, that is not in any way measurable and was a matter that appears to have been tolerated by Mrs S for the 14 or 18 years after she learned of the existence of his English family before separation.
47. Miss K has worked throughout the years. She had financial support from her parents, she says, in the education of her children and it is right to note that Mr S has been generous in his financial support of all of his children, spending lavish amounts on his daughters' weddings and on the parties' son's 25th birthday party. He has not treated Miss K's children more generously.
48. There are two matters on the evidence that it seems to me are relevant for me to consider in the financial picture. The first is in relation to Mr S's debts. It was Mrs S's case that these debts were an artificial construct and that Mr S was saying he owed money to two people who were friends when, in reality, it was the position that he was known to lend money to people and so it was unlikely that he would have been borrowing. In one instance it proved to be the case that Mr S had lent money to a friend that had been repaid.

49. The businessman to whom Mr S owes the most substantial debt was called to give evidence and he came across as perfectly straightforward, someone willing and able to help a friend, a man who he had known for many years and who he trusted. He was unhappy that the debt had continued to increase in recent months, with promises to repay that had not been fulfilled. He had changed the terms on which he lent money to Mr S so as to claim and charge interest.
50. I am satisfied that that debt is a genuine debt and, whilst I asked questions about the imposition of interest, it seems that Mr S had agreed to pay interest and so it forms part of the contract between the two men.
51. The second matter that it seems to me it is appropriate I consider in a little more detail is Mr S's income position. The explanation for his indebtedness, formed convincingly by Miss Hillas, was that for the duration effectively of these proceedings Mr S was continuing to pay the bills on the family home, he was paying maintenance for Mrs S and he had his own living expenses. When he left the family home, he moved in with Miss K, but that would not mean he had no expenses.
52. The information from P Retail Limited and from Miss K was that, while she and her son drew a wage from the business, nothing was paid to Mr S. Although dividends had been declared once in the past that had not happened recently and there was no immediate prospect of any dividend payment.
53. The second element to Mr S's potential income is in relation to his rental properties. The figures he gave, supported by his tax returns, show that he consistently made a loss with the expenses incurred on the properties

exceeding the rental profit. That was the case despite his having used pension lump sums effectively to repay the mortgages that had previously existed on the rental properties. I will not be adding back the pension lump sums he has drawn because they are represented in the capital values of the rental property portfolio. To add them back would be double counting.

54. Mr S, however, is an astute businessman and his financial success in the past demonstrates that. He has run a property portfolio since 1998. If he did not think that it would make him a profit, either with the capital value of the portfolio increasing or the rental generating a profit, he would not keep the portfolio and he would not keep maintaining the properties. He would have sold long ago.
55. It is clear to me that, whilst I cannot quantify it, there is very considerable potential for Mr S to make a profit on his property portfolio and for him, potentially, to be paid out of P Retail Limited if he makes a valuable contribution to that business.
56. Mr S has brought inquiry about his contribution to P Retail Limited onto himself by saying different things to different people. He told the single joint expert accountant for her report that he had no involvement in the business. When he spoke to a loss adjuster investigating an insurance claim for flooding in respect of one of the shop premises of P Retail Limited he told her that he effectively ran the business. This led Miss Hillas to describe his contribution to that business as “fluid”.
57. Insofar as he has more income available to him than he says, this gets some credence from his purchase of a Jaguar motor car in 2017 at a time when the

parties were still together where he purchased a car worth £63,000 subject to finance requiring him to repay in excess of £1,300 per month. His explanation was that the figure he will have disclosed in the application form would have been the gross income from his property business. That may well be right, but the important point is that he clearly felt he had the income capacity to service a loan of that magnitude in addition to all his other expenditure.

58. That leads me to conclude that is potential for Mr S to make money from P Retail Limited and/or his property portfolio, if he retains it.
59. As will be clear from the conclusions I have reached in this case, it may not be possible for Mr S to retain his property portfolio and rehouse himself if that is what he chooses to do. He has been housed with Miss K since separation. Neither was clear as to what Mr S's real future intentions are. He suggested he wanted to purchase a house of his own. That may be consistent with the two of them living together one or two days a week for most of their relationship and only full-time for the last three years. It is a matter for them to resolve what they do in the future. It would be wrong of me to assume that Mr S has a permanent home at a house owned by Miss K. He has no security there and she could require him to leave tomorrow.
60. As I have said, I have now heard evidence and argument about a raft of allegations. The fact that I have not mentioned all of them does not mean I have not considered them. But I have weighed carefully those matters which it seemed to me potentially make a material difference in this case and those which do not. Those which make a material difference I have dealt with. Those that do not, I have not.

Distribution

61. What is my conclusion? I am not attracted by the open offers of either party. Whilst it is undoubtedly the case that Mr S's proposals come closer to what I am going to order than Mrs S's, his proposals were on the absolute premise that the family home had to be sold. That is not what I am going to order.
62. If Mrs S wishes to remain in the family home and can afford to do so then she should be afforded that opportunity, other things being equal. She told me she had a plan which involved borrowing in the form of equity release. Her son contributes nothing financially. Her daughter makes use of the house but contributes nothing financially. If they want to live as a multi-generational household in this particular house (but I struggle to see how there is enough room) then they must contribute financially.
63. The rental properties should remain with Mr S. If he needs to sell them then he will have to do so. If he wants to keep them then he has the business acumen to run them at a profit.
64. They should each keep their cash assets and the joint policy should be divided equally between them.
65. They each have a car. A car is a depreciating asset. Neither is particularly valuable, and both are irrelevant for these purposes.
66. Mrs S has jewellery worth £14,222, which cannot be ignored. Equally, Mr S has value in his director's loan account with PMK Retail Limited which should be credited to him.

67. Each will have to be responsible for their own indebtedness.
68. Both of them can be criticised for the way in which they have conducted this litigation. Perhaps more criticism should be levelled at Mrs S for making multiple allegations for which there was simply no evidence, all based on her understandable mistrust of Mr S given the history, but with the inevitable consequence of raising the cost of this litigation, a cost which she will have to bear in part herself. Mr S has brought suspicion on himself by telling different people different things and he too will have to bear the consequences of that.
69. In order to arrive at a position that is close to, but not exactly, equal Mr S will have to pay a lump sum to Mrs S. I anticipate he will do that by selling part of his property portfolio. In the short-term he can borrow against the security of that portfolio.
70. My arithmetic is as follows. Mrs S will receive the family home worth £1,029,975. She must pay the costs of transfer and take over the modest mortgage. The equity release will allow her to redeem the existing mortgage. The house is in Mr S's name. He will have to be responsible for the minimal amount of Capital Gains Tax that will be payable. She will keep her cash and with her half share of the policy will have £16,799. She will keep her jewellery at £14,222. She has debts of £284,916. When they are deducted the value of the assets left in her name will be £776,080. She will receive a lump sum for Mr S of £125,000. That will give her total assets of £901,080. That is more than enough to rehouse her should she decide the cost of running the family home is beyond her and she needs to sell.

71. Mr S will keep his rental properties with a net value of £1,352,171. His cash assets and half of the policy give him £63,290. His director's loan account is £31,684. He has debts of £456,209, giving him a net figure of £990,945. If I take from that the lump sum of £125,000, that will leave him with £865,945. Again, that is more than enough to rehouse a single man if that is what he needs to do. That is a differential between Mr and Mrs S of a modest amount to represent the potential that Mr S has to receive income from what remains of his property portfolio (if he keeps it) and/or from P Retail Limited.
72. As to income going forward, the parties are fortunate to have substantial pension provision. The way the pensions should be dealt with is for them to have equality of pension income in the future. A pension transfer of 57.6 percent of Mr S's Standard Life pension will achieve that and that is what I am going to order.
73. I am satisfied that that distribution meets the parties' respective needs and achieves broad equality save to the limited extent I have identified. It represents an outcome that is as fair to both as I can achieve.
74. Neither party has won. As I started off this judgment by explaining, both have lost substantially by getting themselves into debt through their legal fees. They may both wish to reflect in the future on the wisdom of pursuing the cases that they have and in conducting themselves in the way that they have.
75. Although I have not heard representations on the question of costs, I anticipate making no order. Neither has matched their open proposals. Both are to blame for the scale of the costs incurred and each must take the consequences.

76. Insofar as I need to put timescales and other details, the transfer of the home will be subject to its existing mortgage. Mrs S must indemnify Mr S and achieve his release. I would expect her to be able to re-mortgage given that she was contemplating equity release, and, in any event, she will have more than enough income by the pension share to service a very modest mortgage on the house. There is no reason why the lump sum should not be paid within 56 days given that there is substantial equity in the property portfolio and, certainly in the short-term, Mr S will be able to borrow.

77. That is my judgment.
