

FDR TRAINING SCENARIO: NOT CONFIDENTIAL

[3PB Barristers](#)

Ramsberry v Ramsberry

Applicant Husband

Age: 35

Accommodation: FMH (5-bed house)

Work: Teaching Assistant (PT)

Health: Good

Children

Rob: Age 12

Ian: 9

Respondent Wife

Age: 37

Accommodation: Flat in her business premises

Work: Entrepreneur

Health: Good

Marriage

11-year marriage. Separated 18 months.

Financial Summary

	Husband	Wife	Joint
FMH (net)¹			£650,000
Other capital (savings/ISAs)	£23,240	£65,340	
Business		£2,000,000	
Total £2,738,580	£23,240	£2,065,340	£650,000
Income (net pcm)	£850	£12,500	
Income Needs (pcm)	£4,500	£7,250	
Pension	nil	nil	
Liabilities	-£2,350	nil	
Outstanding legal fees	nil	nil	

¹ Value £850,000, mortgage £183,000 (10-year term remaining, repayments £1,500pcm), CoS £17,000 (2%).

Housing Needs

W for both parties: 4-bed houses (£425,000 - £475,000)

H for H: Remain in FMH or 5-bed houses (£650,000 - £700,000)

H for W: Stay in flat above the premises.

Mortgage-raising Capacity

W: £225,000

H: £34,900 (15-year term with 10% deposit) Monthly repayments £235pcm.

Other Information

- W is a Director and 100% shareholder in two family businesses. The businesses are Coronet Dining Ltd and Ovine Services Ltd.
- The first restaurant business Coronet Dining, is a “Crush Dining experience” where restaurants are designed to be crowded noisy places. The first restaurant was opened by W 5 years before the parties married and after she was crowned the winner of a popular national TV show “3 Perfect Bakers”. W says this jump-started her business.
- During the marriage W started Ovine Ltd and diversified into commercial kitchen and restaurant supply.
- Before the pandemic Coronet Dining was valued at £3M. However for all practical purposes it is not trading at present. W maintains that the cheek by jowl dining experience which was the USP of this chain has died. W has surrendered the lease of 1 of her 5 restaurants. W says the business is now worthless and is a busted flush. H argues that with redesign and rebranding W can return Coronet Dining to past or even greater glories.
- During the pandemic Ovine Services Ltd has diversified into restaurant apps, consulting, installing social distancing procedures, fitting barriers and the like as well as supplying social distancing equipment for the hospitality and manufacturing sectors as well as facilities management. Ovine owns its own premises which includes a 3 bedroomed flat where wife has lived since separation. Pre lockdown Ovine was worth £500K. This business is now worth £2M and has liquidity of £750,000.
- The SJE says whilst the recent growth is rapid the order book of the company is larger than the company can cope with. Clients are flocking in and Ovine now has significant long term contracts. A tripling of the business over 5 years could well be achievable. The report comes with a caveat that market volatility increases the margin of error in the

report. Wife is less bullish as to the prospects. In relation to Coronet the SJE simply cannot make a prediction as to the future trading conditions.

- Historically W's income from both companies was £100,000 pa net. However Ovine services has recently enjoyed exponential growth. Last year W's income was £150,000 and next year is projected to be £350,000 net.
- W argues that the jumpstarting of the business was a pre matrimonial contribution which should be recognised by the court and that 75% of the value of Ovine and all the liquidity was generated post separation.

Before the children were born, H was working full-time as an accountant with KPMG and was on the partnership track. He took parental leave and never went back. W was opening two new restaurants at the time. He did not work again until after the parties' separated.

H points out that of an intake of 20 only he and five colleagues were on the partnership track when he married. Four of the five are now partners and receive circa £700K pa net in salary and share of profits. W points out that H suffered, and suffers, anxiety for which he received treatment and argues that H would not have secured the same trajectory as the four and that he would have been more likely to have been dropped than the fifth candidate who did not make partnership. H relies on his glowing written assessment from his supervising partner before taking parental leave saying that he was destined for partnership. Whereas W produces two statements from husband's former cohort of five who say they carried him and covered for his anxiety issues and that he would never have made the next cut as he was never as talented as they were.

H's accountancy qualifications have expired. He currently works as a teaching assistant working 3 days a week earning £10,200 pa (£850 pcm). There is a full time post available. H wishes to remain as a teaching assistant and does not seek the burden of becoming a teacher but accepts that he is eligible for the teach to learn programme where he could learn on the job in a school and qualify as a teacher. He would start on £22,000 pa and after 3 years be a fully qualified teacher earning £25,000pa (£1,875) pcm net.

W argues that with 6 months of part time study around his current work H can requalify as an accountant and with his blue chip pedigree can return to accountancy in a small / medium practice. He would earn some £45,000 (£3,750 pcm) with prospects for further income. H says to return as more or less entry level would be humiliating and he looks for a career around the children's needs.

H has a mortgage capacity of £34,900 W says it should be higher if H moves into accountancy.

W says that her income is so erratic that she has a mortgage capacity of £225,000.

Income Claim

W says that the FMH and a lump sum of £675,000 to H will give him a pot of £1,325,000 and if H downsizes he will have surplus cash of circa £850,000. Invested for a net return of 3% it would yield some £25,000 in income and if H wishes he can draw on the capital. W also points out that most of the value in the marriage has arisen due to her post separation efforts and entrepreneurial acumen.

H says firstly he should not be expected to look to his capital share to meet income needs and the claim goes nowhere near to meeting a compensation claim that W can afford.

More fundamentally H says that he cannot articulate his capital claim until the value of the businesses has stabilised.

Parties' Positions

	<u>H: Without Prejudice</u>		<u>W: Without Prejudice</u>
1.	FMH to H	1.	FMH to H
2.	Adjourn Capital Claims for 5 years with permission to restore before then.	2.	Lump sum £675,00 to H
3.	Spousal PP's £16,600 pcm (£200K pa) for 5 years pending restoration of the capital claim.	3.	Clean break
4.	Parties to retain all other assets in their sole names	4.	Parties to retain all other assets in their sole names

9 July 2020