IN THE CENTRAL FAMILY COURT

Neutral Citation Number: [2026] EWFC 224

B E T W E E N:

IC **Applicant**

- and -

AD **Respondent**

IMPORTANT NOTICE

This judgment was delivered in private but the judge has given leave for this version of the judgment to be published, but no other version.

All persons, including representatives of the media, must ensure that this condition is strictly complied with. Failure to do so will be a contempt of court.

Mr Michael Glaser KC (Counsel instructed by Mishcon de Reya, Solicitors) appeared on behalf of the Applicant husband.

Mr Richard Sear KC (Counsel instructed by Broadfield, Solicitors) appeared on behalf of the Respondent wife.

Written Judgment of His Honour Judge Edward Hess dated 20 July 2026 (sitting as a Deputy High Court Judge).

1. This case concerns the financial remedies proceedings arising out of the divorce between the husband and the wife.

2. The case proceeded to a final hearing over five days on 13, 14, 15, 16 and 17 July 2026 and I am handing down judgment by email on 20 July 2026.

3. Both parties appeared before me by Leading Counsel: Mr Michael Glaser KC (Counsel instructed by Mishcon de Reya, Solicitors) appeared on behalf of the applicant husband. Mr Richard Sear KC (Counsel instructed by Broadfield, Solicitors) appeared on behalf of the respondent wife.

4. I am grateful to both Counsel for their assiduous hard work to assist the court and their respective skilful and persuasive presentations before me. Both parties have been represented before me by legal teams of the highest level; but it has, of course, come at a cost. The wife has incurred a total of £362,750 in legal costs and the husband a total of £674,372. More than a million pounds of family money has been spent on this dispute.

5. The court was presented with one electronic bundle running to 840 pages and a number of other documents have been exchanged during the final hearing. I have considered all the documents presented to me, in particular I have considered:-

   (i) A collection of applications and court orders.

   (ii) Material from the wife including her Form E dated 23 September 2025, her narrative statement on the pre-nuptial agreement also dated 23 September 2025 and her narrative section 25 statement dated 22 April 2026.

   (iii) Material from the husband including his voluntary pre-proceedings Form E dated 8 July 2024, his formal Form E dated 22 September 2025, his narrative statements on the pre-nuptial agreement dated 15 July 2025 and 7 October 2025 and his narrative section 25 statement dated 22 April 2026 (and slightly amended on 28 April 2026).

   (iv) Material from an SJE (Ms Sue Daye of Crowe UK LLP) on tax issues.

   (v) A completed ES2 document.

   (vi) Selected correspondence and disclosure material, including a copy of the pre-nuptial agreement.

6. I have also heard oral evidence from the wife and the husband, subjected to appropriate cross-examination.

7. I have also had the benefit of full submissions from each counsel in their respective opening notes and their closing oral submissions.

8. The history of the marriage is as follows:-

   (i) The wife is in her early 40s. Although initially carrying out some beauty therapy work, she has largely been a child-carer and homemaker since the marriage and is not currently in employment; but she is currently studying digital marketing and AI integration at a London university and expects to graduate in Summer 2027.

   (ii) The husband is in his early 40s. He is Head of Investor Relations at an investment equity finance business ('the Partnership') specialising in projects in Europe and the USA. On any view he has had, and is continuing to have, a successful career in investment finance.

(iii) They started a relationship of cohabitation in January 2010, became engaged in 2011 and married in February 2012.

(iv) Prior to the marriage, the parties entered into a pre-nuptial agreement. It is common ground before me that the agreement was signed by both parties, probably in early January 2012, although the signed copy has not emerged (of which more below). The written terms and conditions are not in themselves in dispute; but the interpretation of the meaning of the terms and conditions is a controversial issue (of which more below). The different interpretation the parties have of the terms of the pre-nuptial agreement appears, in fact, to be the main issue which divides the parties in this case and which has probably prevented any compromise.

(v) From January 2010 to March 2012 the parties lived at a property in the husband's sole name which he had owned prior to the relationship, that is Pre-matrimonial Property A.

(vi) In March 2012, shortly after the marriage, a property was purchased in North London in the joint names of the parties and this remained the family home until the end of the marriage. I shall refer to this property as 'the family home' in this judgment.

(vii) The marriage produced two children: one child approaching their teenage years and one a couple of years younger.

(viii) Both children attend a fee-paying IB day school in London, not far from the family home. Whilst there have been issues raised about a possible change of school, and while the situation still has a degree of unresolved uncertainty, it is common ground that for the purpose of my judgment at this hearing that I should assume that the children will probably remain at their current school for the remainder of their school days. On this basis the younger child (and these calculations are relevant to the pre-nuptial agreement) will leave school in the summer of 2034. If, as both parties assume is likely, he then goes on to attend a university course of three years duration, it is likely (on a balance of probabilities) that he will cease education in the summer of 2037.

(ix) The marriage appears to have been in difficulties from as early as 2020 and I have heard of some difficult times between 2020 and 2024; but a divorce application was formally made by the husband in May 2024. There followed a period when the parties continued to live in the family home together and the physical separation only took place when the husband left the family home in January 2025. The **'duration of the marriage'** within the meaning of Matrimonial Causes Act 1973, section 25(2)(d) has in this context been in dispute before me with the husband arguing that I should treat the marriage as having ended with the making of the divorce application in May 2024 and the wife arguing that it subsisted until the husband moved out of the family home in January 2025. In this context I have in mind the relevant case law on this subject - for example Peel J in *VV v VV* [2022] EWFC 41 and Recorder Allen KC in *FT v JT* [2023] EWFC 250 (B). Having heard the rival accounts of the parties, I propose to identify the date the marriage ended for my purposes as being May 2024, when the husband made his divorce application. While the parties continued living separate lives under the same roof for a period after that, and while there may have been moments of friendliness and togetherness and intimacy after that date which may have presented a degree of ambiguity as to the position, my overall impression is that the presentation of the divorce application was a decisive moment when the relationship moved from one where the parties were a committed couple to one where the commitment was no longer. One persuasive piece of evidence supporting this proposition is the wife's text message of June 2024 in which she said: "*You are still expecting your wife to ask you about your day and how your trip is when she is soon to be an ex-wife?!?! Well in essence she already is – as divorce papers have been filed. Court has sent me an order and my lawyer will be replying soon.*" For my purposes, therefore, I conclude that the 'duration of the marriage' was between January 2010 and May 2024, a period of just over 14 years.

(x) Since January 2025 the wife has remained living at the family home and the husband has been living in rented accommodation in North London.

(xi) Since separation the children have spent a broadly equal time between their parents and, I am happy to note, the marriage difficulties have not prevented both parties having a good relationship with both their children. It is, of course, very important for everybody that this continues.

(xii) In this case, as in most cases, the reasons for the breakdown of the marriage are of little relevance to the financial remedies proceedings and, although I did hear some evidence on the subject, I do not propose to make any findings about it. It suffices for me to say that a conditional order of divorce was ordered in August 2025. The final order of divorce awaits the outcome of the financial remedies proceedings and is not, in itself, controversial.

9. The financial remedies proceedings chronology is as follows:-

(i) Forms E were exchanged on a voluntary basis in July 2024 in the context of what was then hoped to be a voluntary process; but the parties were unable to reach any agreement.

(ii) The husband then issued Form A in July 2025. He simultaneously made an application for 'notice to show cause' why the terms of the pre-nuptial agreement should not be converted into an order.

(iii) Notwithstanding that they now had a court timetable, the parties decided to try and progress matters on a voluntary basis and exchanged formal Forms E and statements about the pre-nuptial agreement and attended a private FDR hearing in October 2025 before Sir Nicholas Francis; but sadly no settlement was reached.

(iv) The First Appointment was heard by me on 13 November 2025. I decided not to list another FDR and listed the case for a PTR on 10 March 2026 and a 5-day final hearing to commence on 18 May 2026. For reasons connected with my diary, the final hearing was then moved back to commence on 13 July 2026.

(v) I made further directions orders on 13 January 2026 and 13 May 2026.

(vi) Narrative section 25 statements were exchanged in April 2026.

(vii) A final hearing has taken place before me in July 2026 on the dates identified above.

10. In dealing with the claim I must, of course, consider the factors set out in **Matrimonial Causes Act 1973, sections 25 and 25A,** together with any relevant case law.

11. Matrimonial Causes Act 1973, section 25 reads as follows:-

> (1) It shall be the duty of the court in deciding whether to exercise its powers under section 23, 24, 24A or 24B above and, if so, in what manner, 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 eighteen.
>
> (2) As regards the exercise of the powers of the court under section 23(1)(*a*), (*b*) or (*c*), 24, 24A or 24B above in relation to a party to the marriage, 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 it 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 which 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 to the marriage and the duration of the

marriage;

(e) any physical or mental disability of either of the parties to the marriage;

(f) the contributions 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.

12. Matrimonial Causes Act 1973, section 25A reads as follows:-

(1) Where on or after the grant of a decree of divorce or nullity of marriage the court decides to exercise its powers under section 23(1)(*a*), (*b*) or (*c*), 24 or 24A or 24B above in favour of a party to the marriage, it shall be the duty of 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 after the grant of the decree as the court considers just and reasonable.

(2) Where the court decides in such a case to make a periodical payments or secured periodical payments order in favour of a party to the marriage, the court shall in particular consider whether it would be appropriate to require those payments to be made or secured only for such term as would in the opinion of the court be sufficient to enable the party in whose favour the order is made to adjust without undue hardship to the termination of his or her financial dependence on the other party.

13. Accordingly, I bear in mind that I must give **first consideration to the welfare while a minor of any child of the family who has not attained the age of eighteen.** In this case both children of the family are under 18. It is therefore necessary for me to consider how their welfare will affect this case; although on the rival cases advanced by each party respectively the children's welfare will be properly protected and promoted so this is not a major area of contention on the facts of the case.

14. In relation to the "**property and other financial resources which each of the parties to the marriage has or is likely to have in the foreseeable future**" almost all of the figures are agreed and the ES2 and computational part of my task has not

been a source of much controversy in the case – the real arguments have lain elsewhere. Accordingly, I need only make the following few comments before setting out a schedule which represents the current capital position of the parties:-

(i) The only item actually in dispute on the schedule was the £94,000 said to be owed by the husband to the HMRC. Mr Sear said at the outset that there had been no documentation provided in relation to this liability and he was not minded to accept the existence of this liability without such documentation and none was in the end provided. I regard this as a debt which has not been established and I do not propose to include it in my schedule.

(ii) I have decided that my schedule should divide the assets between those that are realisable (i.e. could be realised now if that was thought to be a good idea) and those that are deferred or non-realisable (i.e. could not be realised now, even if that was thought to be a good idea). The deferred / non-realisable assets include the pension assets; but they also include a substantial portion of the husband's business-related assets.

(iii) One of the reasons for dividing up the asset schedule in this way is to illustrate the very real difficulty of placing a value now on equity-business-related items which exist now, are to some extent the product of endeavour during the marriage, and which may very well have a substantial value in the future, in some instances in the distant future; but the eventually realisable value and the likely date of receipt substantially depends on what will happen in the future and are volatile and really very unpredictable. The sorts of interests we are talking about here are described in some detail in my judgment in *ED v AP* [2025] 399 at paragraphs 56 to 58 and many of the issues described there are similar in this case. If these type of assets are to be shared, the fairest solution to this problem will often be to adopt a *Wells*-sharing solution, though this of course comes with its own difficulties in terms of ongoing links between the parties which require ongoing disclosure and are in many ways inimical to the aspiration to disentangle the parties' lives.

(iv) In this category in the present case are:-

(a) The husband's 5.872% share in the Partnership which has existed since 2011 but he can (almost certainly) only realise it by receiving a phased payout on his departure from the Partnership which, unless something unexpected happens, is likely to be a decade or perhaps two decades away. The value of the share will depend on the assets under management at the time of departure and the volatility of the value is illustrated by the significantly different value ascertained in 2024 (when a partner left) and in 2026 (when a different partner left). Further, if the husband departs by taking a job elsewhere and is deemed to be a bad leaver then he may lose his entitlements in this respect altogether.

(b) The husband also has carry and co-investment interests in five private equity investment funds (Funds V, W, X, Y and Z).

Again, whilst an estimate can be made of the current value these funds, and this is done for internal business purposes, the estimates are volatile and the likely date of receipts uncertain.

(c) The husband's SIPP contains his co-investments in Fund V and is subject to the same caveats.

(v) As a result of the matters referred to above, many of the valuation figures adopted in my schedule below in the deferred / non-realisable portion of the table, have to be treated with caution; but, although unreliable in some ways, they should be regarded as properly illustrative of the magnitude of the value of the asset concerned.

15. Having made these comments I shall now set out my assessment of the assets and debts representing the parties resources in this case. The position can be tabularised as follows:-

REALISABLE ASSETS/DEBTS

Joint

Family home[1]	1,406,500
Investment Property A [2]	555,523
Investment Property B [3]	626,135
Investment Property C [4]	267,935
Investment Property D [5]	189,825
Investment Property E [6]	138,315
Investment Property F [7]	251,822
Investment Property G [8]	195,334
Investment Property H [9]	203,664

[1] This figure is based on an agreed value of £1,450,000 less notional sale costs at 3% = £1,406,500

[2] This figure is based on an agree value of £598,250 less notional sale costs at 3% less an agreed latent CGT figure of £24,780 = £555,523

[3] This figure is based on an agree value of £645,500 less notional sale costs at 3% = £626,135

[4] This figure is based on an agree value of £594,000 less notional sale costs at 3% less an outstanding mortgage of £300,728 less an ERP of £7,517 = £267,935

[5] This figure is based on an agree value of £508,750 less notional sale costs at 3% less an outstanding mortgage of £292,793 less an ERP of 7,319 less an agreed latent CGT figure of £3,550 = £189,825

[6] This figure is based on an agree value of £400,000 less notional sale costs at 3% less an outstanding mortgage of £243,596 less an ERP of £6,089 = £138,315

[7] This figure is based on an agree value of £626,500 less notional sale costs at 3% less an outstanding mortgage of £332,295 less an ERP of £8,289 less an agreed latent CGT figure of £15,298 = £251,822

[8] This figure is based on an agree value of £556,500 less notional sale costs at 3% less an outstanding mortgage of £336,070 less an ERP of £8,401 = £195,334

[9] This figure is based on an agree value of £549,250 less notional sale costs at 3% less an outstanding mortgage of £318,749 less an ERP of £7,968 less an agreed latent CGT figure of £2,392 = £203,664

Joint bank account A	262
Joint bank account B	978
Joint bank account C	155
Monies owed on rental deposits	-18,269
TOTAL	**3,818,179**

Wife

Bank accounts in sole name	36,106
Investment / Policies	29,301
50% x shares in the Joint Company (NAV less extraction tax)	210,416
Amex credit card debt	-86
Outstanding Legal Costs [10]	-12,701
TOTAL	**263,036**

Husband

Pre-matrimonial Property A [11]	360,744
Pre-matrimonial Property B [12]	305,113
Bank accounts in sole name	415,099
Investment / Policies	1,702,848
50% x shares in the Joint Company (NAV less tax)	210,416
Monies owed to H by the Joint Company	1,260,567
Outstanding Legal Costs [13]	-51,113
Credit card debt	-173
Tax owed to HMRC	0
2026 Bonus Payment (net of tax)	291,500
TOTAL	**4,495,001**

TOTAL REALISABLE ASSETS: £3,818,179 + £263,036 + £4,495,001 = £8,576,216

PENSIONS & OTHER DEFERRED / NON-REALISABLE ASSETS

Wife

Wife's SIPP	32,581
TOTAL	**32,581**

Husband

[10] This figure is based on a total of incurred fees of £362,750 less a total of fees paid of £350,049 = £12,701. In fact H has paid all of W's legal costs by agreement.

[11] This figure is based on an agreed value of £400,000 less notional sale costs at 3% less CGT at £27,256 = £360,744

[12] This figure is based on 50% x an agreed value of £662,500 less notional sale costs at 3% less CGT at £32,400 = £305,113

[13] This figure is based on a total of incurred fees of £674,372 less a total of fees paid of £623,259 = £51,113

Husband's SIPP	1,038,036
5.872% share in the Company (net of tax)	8,134,754
Fund V Carry (net of tax)	3,271,349
Fund W Carry (net of tax)	3,813,924
Fund X Carry (net of tax)	1,363,666
Fund Y Carry (net of tax)	0
Fund Z Carry (net of tax)	0
Fund W Co-Investment Interest (before tax)	489,896
Fund X Co-Investment Interest (before tax)	775,742
Fund Y Co-Investment Interest (before tax)	763,902
Fund Z Co-Investment Interest (before tax)	58,442
Fund V Funding Requirement	-96,916
Fund W Funding Requirement	-74,214
Fund X Funding Requirement	-117,538
Fund Y Funding Requirement	-427,138
Fund Z Funding Requirement	-1,058,159
Monies owed to H by W’s brother	87,112
TOTAL	**18,022,858**

TOTAL NON-REALISABLE ASSETS: £32,581 + £18,022,858 = £18,055,439

TOTAL OVERALL ASSETS: £8,576,216 + £18,055,439 = £26,631,655

16. In relation to “**the income, earning capacity…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 it would in the opinion of the court be reasonable to expect a party to the marriage to take steps to acquire**” and “**whether it would be appropriate to require periodical payments to be made or secured only for such term as would in the opinion of the court be sufficient to enable the party in whose favour the order is made to adjust without undue hardship to the termination of his or her financial dependence on the other party**” I have the following comments and findings:-

    (i) In addition to the capital interests the husband has from his work at the Partnership, he is also paid a substantial income, which there is no real reason to believe (and the husband has not suggested it) that he will not continue to receive income at a similar level for the foreseeable future, though the precise amount will always vary year on year. His recent income can be tabularised as follows:-

y/e 5 April (£)	**2024**	**2025**
Profit Share (gross)	2,233,642	2,188,596
Bonus (gross)	500,000	725,000

Dividends & Interest (gross)	8,959	22,019
TOTAL INCOME (per annum gross)	2,744,625	2,937,640
TOTAL INCOME (per annum net)	1,464,372	1,678,877

(ii) In addition to this earned income the husband also receives rental income from the real properties, although the extent to which that will continue will depend on my order.

(iii) The wife has not had remunerative employment for a long time, at least nothing of any significance, although she likewise receives rental income from the real properties, although (again) the extent to which that will continue will depend on my order.

(iv) There has been an issue before me as to the wife's future earning capacity. She is currently mid-way through a Degree course in Media Communications and AI integration at a London university. She is doing well on this course and expects to graduate in Summer 2027. The wife has suggested that it is reasonable to expect her to achieve remunerative employment at "*a salary of say £25,000 to £30,000 a year gross within a year or two of graduating*". The marketing material for this course from her university(which the husband has put into evidence) claims that "*recent graduates*" from this course have achieved a range of employments with starting salaries ranging from £32,174 to £46,886 per annum gross. The wife, however, in my view fairly, expressed some caution here, noting that the recent graduate jobs market is now more difficult than it has been in the past and that she (in her forties) will be competing with graduates in their twenties. I am inclined to give the wife the benefit of the doubt here and proceed on the basis that it is reasonably likely that the wife will be earning (or have the capacity to earn) about £27,000 per annum gross or about £23,000 per annum net by about Summer 2028.

(v) I shall discuss below the extent to which the wife has a spousal periodical payments claim here; but (whatever it is) in my view there is sufficient capital in the case to capitalise the claim and not have the distraction of an ongoing and potentially variable periodical payments order, with all the complications that this can cause.

17. I shall next turn to the issue which has most divided the parties in this case – the **pre-nuptial agreement.**

18. It is common ground here (now anyway) that there was a pre-nuptial agreement signed by the parties in about early January 2012, some seven weeks or so before the marriage took place in February 2012. It is common ground that this was the product of a negotiation between solicitors: Ms Bendika Johal of Johal & Co, Solicitors (representing the wife), and Ms Maeve O'Higgins of Silverman Sherliker LLP, Solicitors (representing the husband) and that both solicitors gave advice to their respective clients about the pre-nuptial agreement and had a role in its drafting. It is not suggested that there was any duress or undue pressure in this context – the agreement was freely entered into by both parties at the time. The negotiation process

involved contemporaneous disclosure (in the husband's case at Appendix A of the agreement, in the wife's case at Appendix B). The only possible non-disclosure issue here - the absence in Appendix A of any reference to his 5.872% share in the Partnership (which he was awarded in 2011) – was dealt with in the oral evidence before me and it was clear that the wife was at least broadly aware of this interest prior to the marriage and prior to the execution of the pre-nuptial agreement. I agree with Mr Glaser's suggestion that the comments by Lord Phillips in *Granatino v Radmacher* [2010] UKSC 42 at paragraph 69 are pertinent here. On the face of it, this pre-nuptial agreement can properly be regarded as a valid and binding pre-nuptial agreement.

19. I note in this context that, after it was raised by the husband in 2024, the wife did not immediately accept the existence of a signed pre-nuptial agreement and for a considerable period she declined to commit herself to the proposition that there had ever been a signed pre-nuptial agreement. I am persuaded on a balance of probabilities that she was perfectly well aware that there had been a signed pre-nuptial agreement and her non-commitment to the proposition was strategic, as Mr Glaser has suggested. Further, having heard the oral evidence of both parties on this point, I am persuaded on a balance of probabilities that the wife did, as the marriage broke down, remove the signed copy of the pre-nuptial agreement from the paper file in which the husband had carefully retained it in his study and hoped that, by doing this, the husband would not be able to establish the existence of a signed pre-nuptial agreement. In fact, the husband was able to do this by spending some time investigating contemporaneous email accounts and, in the end, the wife had to make the concession. I deprecate the wife's actions in this respect. In my view, all of this supports the proposition that, as the marriage broke down, the wife believed and feared that the pre-nuptial agreement would be disadvantageous to her financial remedies case and the husband believed and hoped that the pre-nuptial agreement would be advantageous to his financial remedies case. I do not accept that the wife believed (as she claimed before me) that she always thought that the pre-nuptial agreement was of limited effect (really only relating to two particular real properties owned by the husband before the relationship began). Further, I do not accept the wife's argument that the contents of box 4.5 of the husband's July 2024 voluntary Form E establish that the husband believed that the pre-nuptial agreement was so limited. It may be that this box was infelicitously completed by the husband, but I accept his evidence that he never believed that the pre-nuptial agreement only affected the two real properties owned by the husband before the relationship begun and that he did believe that it had a much wider effect.

20. Whilst the comments and findings in the previous paragraph set the background for my interpretation of the meaning of the terms and conditions of the pre-nuptial agreement, it is predominantly to the words of the agreement themselves to which I must turn in interpreting what it means. I start by making the general comment that the pre-nuptial agreement represents a piece of sub-optimal drafting. As I commented in the course of the hearing, it is not a model of clarity. Nonetheless, having heard the detailed submissions of counsel, and piecing together the pre-ambles and operative parts of the agreement, I have reached the conclusion, on a balance of probabilities, that its meaning should be construed in the following way:-

(i) The terms of the pre-nuptial agreement should be regarded as binding on the parties and, in the event of a divorce, would circumscribe any claims to be made in the financial remedies proceedings.

(ii) The two real properties owned by the husband prior to the beginning of the relationship – namely Pre-matrimonial Property A and Pre-matrimonial Property B – would remain his property and no claim could be made against them in any future financial remedies proceedings.

(iii) Save for some specific items set out below, the wife would not be permitted to make a sharing claim in financial remedies proceedings in relation to any asset held in the sole name of the husband.

(iv) The exceptions to this overall rule would be as follows:-

(a) Any asset held in the joint names of the parties should be shared equally on divorce.

(b) In relation to the family home (the purchase of which was specifically anticipated in the pre-nuptial agreement) then, assuming that there were children of the family before the end of the marriage (which, of course, there are) the wife, if she so wishes, and in addition to being entitled to ownership of one half of the family home, will be entitled to remain living in it (on Mesher terms, absent some other arrangement) until the youngest child has completed education, including tertiary education up to a first degree, i.e. probably until Summer 2037.

(c) The pre-nuptial agreement recorded that the husband expected to receive capital payments of up to £5,000,000 by December 2015 from a private equity investment fund (Fund T) and he promised under the terms of the agreement to have this paid directly to the wife (it was thought, rightly or wrongly, that this would mitigate tax liabilities because of her non-dom status) on the basis that any capital sum existing at the time of the divorce representing the product of these payments would be divided equally between the parties. In the end the husband received £3,645,997 in December 2014 and a further £576,988 in March 2016, a total of £4,222,985 from Fund T and the husband honoured his commitments and all of this money (it is accepted) was invested in the portfolio of jointly owned real property which appears on the above schedule (the table in paragraph 26 of the husband's statement of October 2025 sets out the details of this).

(v) In addition to the above the wife would be able to make a claim for spousal periodical payments and child periodical payments for the period up to when the youngest child has completed education, including tertiary education up to a first degree, i.e. probably until Summer 2037.

21. I have considered whether the terms of the pre-nuptial agreement would capture (as being shareable under clause 31) any of the payments received from the husband's Fund U carry on the basis that they were paid via a curious route which had as one its links in the chain a trust of which the wife was a beneficiary and later the wife herself – at some stage it was thought that this might be tax advantageous but later (as rules about the non-dom tax regime changed) this thought was revised. I have received some (late) information about the precise dates and quantum of payments, and the lateness has caused a degree of controversy between the legal teams, but in the end I have decided that a proper reading of clauses 5 and 31 of the pre-nuptial agreement should properly be construed as capturing only Fund T carry payments and not Fund U carry payments (which were both anticipated and paid some time after the pre-nuptial agreement came into existence). Although the drafters of the pre-nuptial agreement can properly be criticised for not making this clearer, it is tolerably clear to me in the end that they had in mind capturing only the Fund T payments as being shareable. The same logic applies to exclude Fund V to Z payments from sharing, for which payments have not yet been made. The same logic also applies to any future payments relating to the husband's 5.872% share in the Company.

22. Applying these conclusions, the wife's capital claim would, on an implementation of the pre-nuptial agreement, deliver for her:-

(i) The retention of the realisable assets in her sole name per the table above. These are worth £263,036 (including her shares in the Joint Company). Assuming the husband will continue to honour the obligation of paying the wife's legal costs, as in my view he should to be consistent with his previously state obligations, he would be liable to pay her an additional £12,701 so that her sole assets would be £275,737.

(ii) A half share in the ownership of the family home (worth £703,250) plus the use of the husband's half share on *Mesher* terms.

(iii) A half share in the monies owed by the Joint Company to the husband (even though they are not a joint asset as such)[14]. This would give the wife an entitlement to an additional £620,284.

(iv) A half share of the other jointly owned assets, i.e. half of the assets in the table below. The value of these assets total £2,411,679, so a half share is worth £1,205,839.

Investment Property A	555,523
Investment Property B	626,135
Investment Property C	267,935
Investment Property D	189,825

[14] That this was the husband's position was confirmed in an email sent directly to me at 2.49 pm on 17 July 2026 and is consistent with the table in the open offer letter of 11 November 2025

Investment Property E	138,315
Investment Property F	251,822
Investment Property G	195,334
Investment Property H	203,664
3 x joint bank accounts	1,395
Monies owed on rental deposits	-18,269
TOTAL	**2,411,679**

(v) The retention of the non-realisable assets in her sole name, that is £32,581.

(vi) Adding these figures together, the wife would (on the implementation of the pre-nuptial agreement in toto) be left with assets totaling £275,737 plus £703,250 plus £620,284 plus £1,205,839 plus £32,581 = £2,837,691. In addition she could if she wished require the use of the husband's share of the family home on *Mesher* terms.

(vii) In addition the wife is entitled to make a claim for spousal periodical payments and child periodical payments (including school fees) for the period up to when the youngest child has completed education, including tertiary education up to a first degree, i.e. probably until Summer 2037. I would in the circumstances be inclined to capitalise the spousal element of this claim so providing extra capital for the wife.

23. Subject to any adjustment by reference to the periodical payments claims, the net position of each party would thus be £2,837,691 for the wife and the remaining £23,793,964 (i.e. £26,631,655 less £2,837,691) for the husband. Albeit that a significant portion of the husband's assets are deferred and non-realisable, this is plainly a substantial imbalance in his favour.

24. The question thus arises as to whether it is fair and appropriate to hold the wife to the pre-nuptial agreement. In this context I remind myself of some of the leading authorities on this topic.

25. In relation to the general public policy of the court in financial remedies proceedings upholding agreements, the following citations are in my view relevant to my deliberations:-

(i) ***Granatino v Radmacher* [2010] UKSC 42 (Per Lord Phillips, delivering the majority judgment in the Supreme Court):-**

"[75] White v White [2001] 1 AC 596 and McFarlane v McFarlane [2006] 2 AC 618 establish that the overriding criterion to be applied in ancillary relief proceedings is that of fairness and identify the three strands of need, compensation and sharing that are relevant to the question of what is fair. If an ante-nuptial agreement deals with those matters in a way that the court might adopt absent such an agreement, there is no problem about giving effect to the agreement. The problem arises where the agreement makes provisions

that conflict with what the court would otherwise consider to be the requirements of fairness. The fact of the agreement is capable of altering what is fair. It is an important factor to be weighed in the balance. We would advance the following proposition, to be applied in the case of both ante- and post-nuptial agreements, in preference to that suggested by the Board in MacLeod v MacLeod [2010] 1AC 298: The court should give effect to a nuptial agreement that is freely entered into by each party with a full appreciation of its implications unless in the circumstances prevailing it would not be fair to hold the parties to their agreement."

…

[78] The reason why the court should give weight to a nuptial agreement is that there should be respect for individual autonomy. The court should accord respect to the decision of a married couple as to the manner in which their financial affairs should be regulated. It would be paternalistic and patronising to override their agreement simply on the basis that the court knows best. This is particularly true where the parties agreement addresses existing circumstances and not merely the contingencies of an uncertain future."

(ii) ***MN v AN* [2023] EWHC 613 (per Moor J):-**

"[85] Litigants must realise that it is a significant step to instruct top lawyers to prepare a PNA prior to marriage. It is highly likely they will be held to these agreements in the absence of something pretty fundamental that vitiates the agreement. These agreements are intended to give certainty. Those signing them need to know that the law in this country will provide that certainty. Litigants cannot expect to be released from the terms that they signed up to just because they do not now like what they agreed."

26. In relation to the question of what circumstances may cause the court to impose a solution which departs from a valid pre-nuptial agreement, the following citations are in my view relevant to my deliberations:-

***Granatino v Radmacher* [2010] UKSC 42 (Per Lord Phillips, delivering the majority judgment):-**

[82] Where… each party is in a position to meet his or her needs, fairness may well not require a departure from their agreement as to the regulation of their financial affairs in the circumstances that have come to pass. Thus it is in relation to the third strand, sharing, that the court will be most likely to make an order in the terms of the nuptial agreement in place of the order that it would otherwise have made.

(i) ***Brack v Brack* [2018] EWCA Civ 2862 (per King LJ), paragraphs 100 et seq. (my emphasis applied):-**

"In my judgment, the judge did fall into error in going so far as to conclude that the effect of Z v Z and Luckwell meant that the wife had inevitably "lost"

her sharing claim by reason of the prenuptial agreement. It is undoubtedly the case that since the Supreme Court's decision in Radmacher, and up to and including Roberts J's judgment in KA v MA in March of this year (2018), the courts at first instance have resolved cases where there is a valid prenuptial agreement which does not meet the needs of the wife by interfering with the agreement only to the extent necessary to ensure that those needs are satisfied. In doing so, the courts have honoured the sentiment in Radmacher [75] by respecting the autonomy of the parties and by giving effect to the nuptial agreement which has been freely entered into to the extent that it is fair to do so. ***In my judgment, in the ordinary course of events, where there is a valid prenuptial agreement, the terms of which amount to the wife having contracted out of a division of the assets based on sharing, a court is likely to regard fairness as demanding that she receives a settlement that is limited to that which provides for her needs*. *But whilst such an outcome may be considered to be more likely than not, that does not prescribe the outcome in every case. Even where there is an effective prenuptial agreement, the court remains under an obligation to take into account all the factors found in s25(2) MCA 1973, together with a proper consideration of all the circumstances, the first consideration being the welfare of any children. Such an approach may, albeit unusually, lead the court in its search for a fair outcome, to make an order which, contrary to the terms of an agreement, provides a settlement for the wife in excess of her needs. It should also be recognised that even in a case where the court considers a needs-based approach to be fair, the court will as in KA v MA, retain a degree of latitude when it comes to deciding on the level of generosity or frugality which should appropriately be brought to the assessment of those needs***. *It follows that the appeal must also be allowed in relation to Ground 1, given that, in my judgment, the judge was in error in regarding himself as being precluded, consequent upon the prenuptial agreements, from making an order in favour of the wife that was not based on her needs. I should emphasise that in allowing the appeal, the court is not advocating an award in excess of the wife's needs, nor is it saying that having considered the case, and taken into account all the circumstances of the case, the judge will not reach the same conclusion as he did before, namely that this is a "needs case". All this court is doing is remitting the case to the judge… in such a way as to leave him in a position to exercise his broad discretion, to make such order as he deems to be fair in all the circumstances."*

27. Mr Glaser has argued that, whilst I must retain an open mind by considering all the section 25 factors in accordance with the guidance given by King LJ in *Brack v Brack* (supra), on the facts of this case I should not go beyond a needs assessment. Neither Mr Glaser nor Mr Sear were able to identify any reported authority where the court has departed from an otherwise binding pre-nuptial agreement other than on the basis of needs. Mr Sear has sought to persuade me that the distinguishing feature of the present case is the uneven distribution of the assets which would result from a full implementation of the pre-nuptial agreement. While it is true that an uneven distribution of assets would result, this is a fairly normal feature of a pre-nuptial agreement case, indeed this will often be the very reason for one party wanting to have a pre-nuptial agreement in the first place – otherwise there may be little to be

gained from having one. Indeed, the *fons et origo* pre-nuptial agreement case of *Granatino v Radmacher* (supra) involved a far more uneven outcome. Mr Sear suggested that there might be a difference between an uneven outcome created by the inheritance of assets and one created by the pre-nuptial agreement barring of a sharing claim; but this seems inconsistent with the guidance of Lord Phillips in *Granatino v Radmacher* (supra) to the effect that "*it is in relation to the third strand, sharing, that the court will be most likely to make an order in the terms of the nuptial agreement in place of the order that it would otherwise have made".* Although bearing in mind all the section 25 factors in accordance with King LJ's guidance in *Brack v Brack* (supra), I have found it difficult on the facts of this case to identify any feature of the case which would cause me to depart from an implementation of the pre-nuptial agreement on the basis of anything other than need. To do otherwise would in my view not be giving suitable respect for the deliberate policy decision made in the Supreme Court in *Granatino v Radmacher* (supra), which is of course binding on me.

28. Of course, in carrying out my **needs assessment** I should have in mind other section 25 factors such as the **standard of living** that the parties jointly enjoyed during the marriage, the **ages of the parties**, the **duration of the marriage and** the respective **contributions** of the parties. In assessing contributions I should be careful not to be discriminatory as between the child-caring and home-making role of the wife against the bread-winning role of the husband – the wife here has undoubtedly made a full contribution. It is also appropriate for me, in assessing the wife's needs, to take into account the available resources and the level of income which the husband has – there is enough money here for it to be fair for me to carry out an assessment on a reasonably generous basis provided that it is still a proper needs assessment.

29. Against the above principles, I have a good amount of evidence about the wife's income needs, with a multiplicity of helpful schedules. The wife's case as to her needs is set out in the detailed schedule annexed to her section 25 statement in which she asserts a spending need, in mortgage-free accommodation, of £13,950 per month (or £167,400 per annum) for herself and £3,770 per month (£45,240 per annum) for the children. These were challenged by the husband in his own evidence and in cross-examination of the wife's evidence. Further, the husband commissioned a Pennywise Consultants Ltd analysis of what the family actually spent in two periods during the marriage (y/e 31 May 2023 and y/e 31 May 2024) and I have been able to compare the results of this. I also have the benefit of seeing the husband's own schedule of what he spends in his own life. I also have the benefit of having a draft of a child periodical payments order which (subject to the headline figure) is agreed between the parties and this commits the husband to paying (in addition to the general payment) for dental and orthodontic costs, music and dance lessons, extra tuition, holiday camps and sporting activities, subject to certain caps and mechanisms.

30. Taking into account all of the above, I propose to make a broad assessment of the wife's reasonable spending needs in the present and for the foreseeable future in the sum of £13,000 per month for herself (and I will deal with the capitalisation of this below) and £1,000 per month per child (plus the agreed additional items, plus the school fees plus extras in the clause drafted by Mr Sear and plus future CPI uprating) which will be dealt with by way of an order in the standard terms up to the completion

of tertiary education. I note in this context that the husband has expressly agreed that I can make such an order, nothwithstanding the absence of a maximum CMS assessment.

31. I therefore turn to the **capitalisation of the spousal periodical payments** order. I have the following comments and findings:-

    (i) I start with figure of £13,000 per month or £156,000 per annum. This is, prima facie, the multiplicand for my calculation.

    (ii) I consider it reasonable in this context to use as a starting point, as the multiplier, the term of years identified by the pre-nuptial agreement, that is from now until summer 2037, that is 11 years.

    (iii) The Duxbury Table in At a Glance suggests a calculation on this basis provides a need for a capital fund of approximately £1,500,000.

    (iv) I need to consider whether this should be discounted by the contribution which the wife will be able to make to this need by her own earnings and by the utilisation of other capital not committed to meeting her housing need.

    (v) I have assessed the wife's likely future earnings as being about £23,000 per annum net from about Summer 2028. This should increase over time; but there is a degree of speculation involved in making any assumptions about this.

    (vi) As far as amortising the wife's other capital (which is not tied up by her housing needs), I have a discretion as to how much this should be treated as a discounting factor in pursuit of a fair outcome: see *Waggott v Waggott* [2018] EWCA Civ 727 and *O'Dwyer v O'Dwyer* [2019] EWHC 1838. On the one hand she should have some significant rental / investment income from the capital division proposed. On the other hand, this is one area in which I can exercise a discretion which recognises that my needs assessment should be generous and also recognises that the wife will have needs beyond 2037 which will not necessarily be met by this methodology – in contrast the husband should be in receipt of substantial sums in his later years from the various sources discussed above.

    (vii) Making a broad assessment, taking into account all the above, I have reached the conclusion that the fair outcome here is for me to discount against the figure of £1,500,000 for the above reasons by concluding that I should capitalise the spousal periodical payments order at £1,000,000.

32. The result of the above is that I propose to make an order which leaves the wife with:-

    (i) A half share of the family home and the right to live in the family home on Mesher terms. If the wife wishes to secure her position by buying out the husband's share then that is acceptable to me; but I consider that she should not be required to do this since the governing force here is the implementation of the pre-nuptial agreement.

(ii) She should be provided with assets, including her own assets, totalling £2,837,691 (the total asset division per the pre-nuptial agreement) less £703,250 (the value of the half share in the family home) plus £1,000,000 (the capitalised spousal periodical payments) = £3,134,441.

(iii) The husband should pay the wife's outstanding costs bill of £12,701.

(iv) Otherwise there will be a clean break. There will be no sharing of any of the husband's other assets, including his present and possible future carry / co-investment / shareholding assets in the Partnership.

(v) There will be child periodical payments set at £1,000 per child per month on the terms discussed above.

33. The question arises as to how her share of £3,134,441 is to be made up. I am content for the parties to reach their own agreement about this if they can; but absent agreement I propose to make up this sum is made up in the following way:-

(i) The wife should transfer her 50% of shares in the Joint Company to the husband.

(ii) The husband should transfer to the wife all his interest in Investment Property B, Investment Property A, Investment Property C, Investment Property D and Investment Property H on the basis that he is simultaneously released from the mortgages thereon.

(iii) The wife should transfer to the husband all her interest in Investment Property E, Investment Property F, Investment Property G on the basis that she is simultaneously released from the mortgages thereon.

(iv) The wife should have the joint bank accounts transferred to her.

(v) The liability owed on the rental deposits should be split 50:50.

(vi) The husband should pay a lump sum of £1,201,196 to the wife. I am content to approve the two stage lump sum payments schedule suggested in Mr Sear's draft order unless something else is agreed.

(vii) This would leave the wife with the following assets:-

Bank accounts in sole name	36,106
Investment / Policies	29,301
Amex credit card debt	-86
Investment Property B	626,135
Investment Property A	555,523

Investment Property C	267,935
Investment Property D	189,825
Investment Property H	203,664
Joint bank account A	262
Joint bank account B	978
Joint bank account C	155
50: 50 division of monies owed on rental deposits	-9,134
Wife's SIPP	32,581
Lump sum paid from H to W	1,201,196
TOTAL	**3,134,441**

34. In my view this solution properly respects the terms of the pre-nuptial agreement, meets the wife's needs appropriately and is fair in all the circumstances.

35. I heard submissions on costs and it was common ground that there should be no order as to costs and my order will adopt this agreement (for avoidance of doubt this does not exclude the husband's obligation to pay the outstanding £12,701 of the wife's legal costs bill).

36. I have been told that there is an express agreement between the parties in relation to the division of all of their chattels which should be incorporated in my order.

37. I am handing down this judgment by email on 20 July 2026. For the purposes of any appeal, the appeal period will run for 21 days from 20 July 2026, i.e. 10 August 2026.

38. This is my decision and I invite counsel to produce a draft order which matches these conclusions. I suggest a 14-day deadline for this task to be completed and would therefore request that, by 3 August 2026, I am sent either an agreed draft order or an explanation as to why there is no agreed draft.

39. I am content to receive any comments by 3 August 2026 on the possible publication of this judgment on TNA / BAILII and what anonymisations / redactions might be sought. [Later: The parties agreed on the judgment being published in the form it now appears and the court has approved that agreement].

HHJ Edward Hess
Central Family Court
20 July 2026