Master 37

09/01/2006

IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND

FAMILY DIVISION

C

Petitioner

V

C

Respondent

(No 4 of 2005)

Master Redpath

The parties to this application were married on the 5 April 1977 and there are four children in the family now living. Only one of the children was under the age of 18 when the hearing commenced; she has now reached the age of 18.

Since the separation the parties have continued to live in the same house and indeed continued to do so throughout the protracted hearing of this case, the Decree Nisi in the case having issued as long ago as October 2003.

The application in this matter has been bitterly contested throughout and issues have arisen in relation to the filing of affidavits and the provision of discovery etc. There was also a contested application for maintenance pending suit. Very little could be agreed between the parties as a result of which the litigation has been protracted and extremely expensive. I would imagine that costs to date are well into six figures.

There are a number of assets in the case: -

1. The matrimonial home;

2. A time share;

3. The parties' interests in X P Limited – This company is wholly owned by X H Limited but I intend to deal with it separately for the purposes of valuations as this follows the course that the accountancy evidence took before me.

4. The parties' interests in X H Limited.

5. A share portfolio in Mr C's name valued as at the 10 January 2005 at £74,153;

6. Investments in the name of Mrs C of £1,626;

7. Three pensions schemes in the name of Mr C, total value £458,918.

8. Unpaid dividends of £18,000 due to Mr C;

9. Unpaid dividends of £9,100.00 due to Mrs C;

10. A car which I do not intend to take into account;

11. A Prudential Endowment policy, latest valuation for which was in the region of £20,000.00.

The parties also had certain liabilities that I will return to in due course.

Having heard evidence from a valuer, I value the matrimonial home at £405,000 less the mortgage of £9,752.00 leaving a net valuation of £395,248.00. One of the areas of dispute was that Mr C wished to purchase this house, but in essence wished to purchase it for the same price as the highest bidder at that stage in the bidding. Upon hearing evidence from the valuer, I will direct that the house be sold to the highest bidder and the money put into the matrimonial pot. If the Respondent is the highest bidder, he is of course at liberty to purchase the house.

After the matrimonial home, the main area of contention concerned the valuation of the parties' interests in the two limited companies referred to above. Many hours of accountancy evidence and many hundreds of pages of accountancy

reports were directed to establishing what the true value of these companies was. The value of the other assets was not in dispute.

I should state at the outset that I find as a fact that the respondent in this case set out with a deliberate course of reducing the value of his interest in both these companies.

I could recite a litany of reasons for coming to this view but will make do with three:-

1. The respective valuations placed on X P Limited was £500,000 for the Petitioner and zero for the Respondent. It appeared that the Respondent's accountant had liaised chiefly with the Respondent's brother, who had provided the information on which this report was based. I had considerable reservations about some of the conclusions drawn by the Respondent's accountant in relation to the valuation of X P Limited.

2. An attempt was made to considerably reduce the value of X H Limited by producing assessments for replacement of asbestos on the premises owned by the company. At appendix 5 of the Respondent's accountants report a figure of £700,000.00 is placed as cost of removing this asbestos. This figure came from information provided by the Respondent's brother. I came to the view, having heard the evidence, and I will return to this issue later, that there was no justification whatsoever on the evidence before me of placing such a cost on removing the asbestos yet the Respondent's accountant seems to have accepted this figure without any further investigation.

3. The Respondent's accountant, although under a duty of independence to the Court seemed to accept the opinions of the Respondent and his brother on other

crucial aspects of the valuations, in particular in relation to figures for depreciation and the value of seconds stock.

For reasons that I will make clear later in this judgment I intend to deal first with the equalisation of the property aspects of the case. Mr C in his evidence accepted that after a marriage of 26 years the appropriate approach would be to divide the assets on the basis of equality.

The exercise of valuing a minority shareholding in a private limited company can be a difficult and complex one. In virtually every case the Articles of Association will limit the right of the minority shareholder to dispose of his shares and in most cases they will limit that right to either selling the shares back to the company or to the other shareholders. There are a number of ways of valuing such shareholdings:-

1. Dividend Basis – this involves looking at the record of the company in paying dividends or profits to the shareholders and the likelihood of those profits being sustained so as such dividends and profits will be paid in the future. At that stage a multiplier is applied which is often in the region of 5 years.

2. Net Assets Basis – if a trading company is not performing particularly well this is the basis that is often used. This involves essentially looking at the assets of the company or company in question and assessing what they will realise and then coming at a figure after deducting liabilities.

3. Earnings Basis – this is often used in relation to more substantial concerns with a history of growth and potential growth. This will look at the earning power of the company rather than its assets.

4. Good Will – this generally applies to smaller companies and an attempt will be made to value good will which is essentially a price that a willing purchaser would pay to purchase the business on the basis of its customer base and its profitability.

In this particular case both accountants approached the case on the basis of valuing the companies on a net assets basis. It is quite clear, in this particular case, that was the correct approach.

**X P Limited**

The shares in X P Limited are owned by X H Limited. X H Limited is owned 20% by the Respondent 10% by the Petitioner, 20% by the Respondent's brother with 10% to the Respondent's brother's wife and the remaining 40% to the Respondent's sisters.

As I have already pointed out, in his evidence in relation to the valuation of the limited companies in this case, the Respondent's accountant concluded that X P Limited had no value. The valuation had been adjusted to take account of: -

1. The non-marketability of private company shares;
2. The size of the company;
3. The fact that the company was heavily reliant on family members involvement and therefore there would be few buyers willing to purchase a company where key positions were filled by family;
4. The lack of liquidity of the company;
5. The lack of outside investors;
6. The declining industry in which the company operates.

Having looked at the accounts for the company there is no doubt that the company's profitability has suffered seriously in recent years and accordingly it was the view of the Respondent's accountant that because of this lack of profitability, the company should be valued on a net asset basis.

The audited accounts of the company showed as at 31 March 2004 the net assets were £952,344.00. Purely on the basis of information provided by the Respondent's brother, this net asset base was reduced as follows: -

1. £34,917.00 for planned redundancies;
2. £64,000 for plant and machinery which was no longer used and which would only realise 50% of its book value;
3. £90,000 for the reduction in the value of seconds quality stock;
4. £278,000 for adjustment for losses to 17 January 2005;
5. Adjustment for an onerous lease of £142,000. This referred to a property in Manchester the company was no longer using.

Accordingly he summarised that 5.3.5 of his valuation report: -

> "Taking into account the accelerating trading losses and large liabilities that are anticipated to crystallise in the short term I believe that X P Limited has no value at this point to X H Limited and is potentially a significant drain on group resources. This is £500,000 less than the value carried than the accounts of X H Limited at the 31 March 2004."

This was in sharp contrast to the evidence given by the accountant on behalf of the Petitioner. He noted in paragraph 43 of his report that the last audited accounts for the company revealed a net worth of some £952,344.00 at the 31 March 2004. He valued the company at £700,000 subject to the need to clarify figures in the financial schedule and in his evidence before me at that stage of the case valued the company as having a net worth of £561,250.00.

The Respondent's accountant was cross-examined at some length. He indicated that the accounts showed an alarming trend of losses in X P Limited and an alarming fall in turnover. In fact after the accountant gave evidence, further evidence

was given some time later which showed an even more alarming decline in the company's profitability.

His evidence was however somewhat unsatisfactory in many regards. He accepted that the Respondent's brother had given the figures for discount in relation to both the stock and to the machinery. He accepted that the companies auditors had not qualified the audited accounts in any way at the date of the last accounts and that the two directors were still drawing the same amount of money from the company as they had always done in recent years. He accepted on questioning from myself that the company was also paying its debts as they fell due, an important yardstick of whether or not a company is trading whilst insolvent. It was clear from his evidence in relation to the onerous lease he had deducted the very maximum loss that might accrue and had taken no account of the fact that the property might be let earlier. It was also clear that he had taken no independent steps to ascertain the value of the redundant machinery. More importantly the depreciation on these machines had already been taken into account in the most up to date management accounts and accordingly this depreciation had been taken into account twice. The Respondent's accountant accepted that he had made a miscalculation in relation to that aspect of the case.

In relation to the seconds stock, it was put to the accountant that he had calculated the value of this stock on the basis of a forced sale and in fact no such forced sale was taking place. It was also put to him that the period of turnover for second hand stock was 7 weeks and that it was possible that this stock which had been so devalued had already been sold. His reply was that he did not know if such stock had been sold.

On a subsequent occasion the Respondent's brother gave evidence about the profitability of X P Limited. He indicated that insolvency advice had been taken in relation to it by the company. In the period since the case commenced the losses had increased considerably and furthermore the company had been involved in very difficult negotiations with what was essentially their only customer. It became apparent however, that a deal had been reached with their customer, to continue trading, at least for the medium term.

Given the divergence in the evidence available to the Court it is an exceptionally difficult thing to calculate the value of X P Limited. It is quite clear that this company has been losing significant amounts of money for some time and if these losses were to continue, that it will be shortly be insolvent. As I have said however for reasons I will expand on later, I am calculating the value of the companies for equalisation of property purposes only.

Having heard all the evidence, I take the view that although the future for this company will be difficult, I feel the company with the steps that it has taken, should be able to trade out of its difficulties and may be able to return to profitability even if it is only modest profitability. I note, in particular, that both directors continue to draw the same amount of money from the company as they have done in years before. Accordingly for the purposes of property equalisation only I am valuing this company at £150,000.

**X H Limited**

X H Limited is a company that was set up to hold the property assets of the former X P Limited and over the years the value of one company has been transferred into the other. The Respondent's accountant valued X H Limited again on a net asset basis. The company has four main assets: -

1. Premises;
2. Share capital;
3. Quoted share portfolio;
4. Potential earn out of from sale of shareholding in CB Limited.

The company also has creditors of £658,000. Neither of the accountants in their valuations refer to these creditors. They appear in the last audited accounts as: -

1. Loan from director £62,000
2. Sundry creditors and accruals £90,000
3. Bank overdraft £506,829

It seems to me that the vast proportion, if not all of these creditors relate to accrued losses in the Company's trading arms, particularly X P Limited which I have already taken account of. Accordingly I intend to disregard these creditors but am happy to hear further submissions if I am incorrect.

The Respondent's accountant valued the premises owned by the company at £2.3 million. From this he deducted £700,000.00 for asbestos removal to leave a net value of £1.55 million. As I have already stated he valued X P Limited at zero.

X H Limited also has a portfolio of shares quoted in the London Stockmarket, valued at 3 December 2004 at £1.429 million after allowing for Capital Gains Tax on their disposal.

The last aspect of the valuation concerned a potential earn out from the sale of shares of CB Limited. This was valued at zero. Accordingly his net valuation for X Holdings Limited was £2,979,133.00 after making allowance for Capital Gains Tax. This makes no allowance the rise or reduction in the value of the shares between the hearing and today's date. His evidence was that this valuation should be discounted

to allow for the fact that the shares were not marketable for similar reasons given for the lack of marketability of the shares in X P Limited.

Some discussion took place on the fact that the companies had made significant losses in various ill advised ventures that the Respondent had entered into and that some of this loss should be returned to the estate for distribution. I take the view that these were genuine attempts to make a profit and that it would be inequitable to take them into account as if they had made a profit, no doubt that would have been taken into account increasing the wife's share of the available estate.

The accountant for the Petitioner relied on a valuation of the lands at £2.6 million less £180,000 Capital Gains Tax to which he added the £1,479,133.00 to give a total valuation of £3,938,896.00. He did not discount this valuation as a result of the minority shareholding. His report states at paragraph 104: -

> "I note that these shares are all held by a small number of members of the C family as shown in paragraph 12. The brothers, X and Z C and their wives own between them 60% of the company and the remaining shares are held by their two sisters. In these circumstances that the company is owned entirely by one family with a majority concentrated in a smaller group, I believe that the shareholders will act in concert and it is appropriate that the value of the shares in J and C C on a pro-rata basis treating the company as a quasi partnership."

On this basis he valued the shares of the Respondent at £788,000 and those of the Petitioner £394,000. As a result of the unpaid dividends which I referred to earlier, he took the view that Mr C was due £18,000 and Mrs C £9,000 from the company. In accountancy terms these figures should be credited to the net worth of the parties and deducted from the net worth of X H Limited. For the purposes of my calculations however I will leave these figures in the net value of the company.

One of the most lamentable aspects of this case was the evidence given in relation to the alleged asbestos contamination in the premises owned by X H Limited.

During a full afternoon of evidence I was presented with a detailed report running to approximately 100 pages, although I have not counted them, which was compiled by the Respondent's brother. The Respondent's brother, apart from being a businessman, is an architect, but accepted freely that he had no particular expertise in either asbestos contamination or its removal. He accepted that he was not even qualified to carry out what is known as a type 1 survey.

A type 1 survey is essentially a location survey which identifies any piece of material that may (or may not) be contaminated by asbestos.

A type 2 survey includes sampling to decide whether or not the material includes asbestos and whether or not it is dangerous.

A type 3 includes full access to all areas, and full identification and sampling of all items, usually prior to demolition.

The Respondent's brother accepted on cross-examination that many of the items he had take into account in his calculations might have been fibreglass, cork, silicate etc. Only four samples had been taken from one factory which he accepted was nowhere nearly enough. His evidence was in essence entirely useless for helping the court to arrive at an accurate estimate of how much the materials contaminated by asbestos were going to cost to remove.

The next witness called in relation to this problem, Mr O, was qualified to manage asbestos removal projects. He had visited the two sites in 2004 and had seen the documents prepared by the Respondent's brother. He had drafted a letter with valuations assuming that the material was all contaminated by asbestos. He said some areas were in a horrendous condition and was fairly confident that some of the material contained asbestos. He accepted that a type 2 survey was necessary before a calculation could be arrived at and it appeared that a type 2 survey would cost

£28,500.00. His evidence was that if such a survey was carried out the estimate might go up or down.

On cross-examination he indicated that he told the Respondent's brother that it was imperative that a type 2 survey be carried out and also accepted that some of the things he looked at would not have been contaminated by asbestos.

The last witness in relation to this asbestos, Mr B was the Managing Director of an analytical laboratory specialising in asbestos contamination. He hadn't visited either site. His evidence was that from a scientific point of view, it was impossible to speculate without positive identification of fibres and that a proper costing could only be provided with a type 2 survey. He accepted that the valuation provided by the Respondent's brother presented to all intent and purposes a doomsday scenario.

Accordingly in the light of this evidence it is impossible for the court to arrive at any informed decision as to how much it will cost to remove this asbestos. For that reason, amongst others, I intend to deal at this stage with the division of these assets on an equalisation of property basis only and will reduce the valuation of the company by £150,000 for removal of this asbestos. It is my best guess only and is based on the evidence available to me, particularly that of Mr O.

Accordingly if I take a mid point between the valuation of the agents I arrive at a figure for the premises of £2.45 million less approximately £170,000 of Capital Gains Tax which leaves a figure of £2.28 million. To that I add the £1.429 million. I arrive therefore at a figure for the assets in the company of £3,709,000 from which I will deduct £150,000.00 for asbestos contamination leaving a value of £3.559 million

The case was made to me during the course of the hearing in relation to both companies that because these were minority shareholdings in a Private Limited

Company they should be discounted to allow for the fact that the minority shareholding in a company such as this is not in fact marketable.

This is an important issue and one that comes before me in very many of the larger case of this type. I am naturally inclined to disregard such a discount in this type of case for two reasons: -

1. It is clear that I will not be ordering a forced sale in the shares of either of these companies. Accordingly I am of the view that the proper valuation exercise for the court to take is to simply value the holding on an open market basis. Where I to do otherwise, any Respondent could remove the bulk of his estate from any Ancillary Relief by careful forward planning and by using the protection of the Articles of Association of a private limited company of which he was a shareholder.

2. It is clear that following White v White [2001] AC956 that the approach of the matrimonial court must be based on fairness and avoidance of discrimination between husband and wife. Duckworth in looking at the nine principles that emerge from White v White concludes as B3 [13] (3):

> "Fairness is a flexible concept that can move with the times but in current conditions, it means at the very least there can be no discrimination between husband and wife and their respective roles. In White v White at page 981 Lord Nichols states:-
>
> If, in their different spheres, each contributed equally to the family, then in principle it matters not which of them earned the money and built up the assets. There should be no bias in favour of the money earner and against the home maker and the child carer"

I take notice of the fact that the vast majority of the parties that come before me holding shareholdings in private limited companies will be male and very much the minority female. Where I to allow the discount that has been suggested in this and indeed other cases for the purposes of a valuation of such an artificial nature it

would undoubtedly impact to a much greater extent on females and could therefore be considered discriminatory. I need hardly remind myself or counsel of the Right to Freedom from Discrimination enshrined in Article 14 of the European Convention on Human Rights which in turn impacts on Article 1 of the First Protocol to the Convention.

3. The simple fact of the matter is that the vast majority of these family owned companies operate as quasi partnerships.

In fact this issue has been considered by the Courts recently. In the case of G v G (Financial Provisions: Equal Division) [2002] 2FLR1143 the case involved a valuation of the husband's shareholding in a private limited company, not unlike this case. At page 1151 Coleridge J states: -

> "I cannot seriously envisage a situation where the husband in this case will be forced to sell his interest in this company on the open market, in circumstances in which a discount would be forced upon him. It is just conceivable that he may sell to a friendly purchaser but in those circumstances I am sure he would get full value. Accordingly, I think it is artificial to apply any discount to the husband's shares in this company, or for that matter, the wife's, and I shall not do so."

This point was also considered at length by Singer J in the recent case of M v M (Short Marriage: Clean Break) [2005] 2FLR 533. I have no words to mirror the eloquence of Mr Justice Singer and accordingly I will quote at length what he has to say about cases of this type. The Learned Judge states at page 547 paragraph 57 and thereafter:-

> "This, if I may say so seems even more an exercise in throwing dice or playing Russian roulette with one armed bandits than does relying on a judge's instinct for what is fair when he weighs a gamut of circumstance and produces his or her result out of the hat of fair outcomes. For in reality the uncertainty and the element of chance (or as the French would put it, hazard) inherent in such a forensic valuation gamble are

at least as daunting as the unpredictability of the product of the s 25 exercise.

This is particularly so in a case such as this where the accountancy fees involved in producing almost 200 pages of forensic reports, with such irreconcilable positions trenchantly maintained throughout, are horrific. I do not have a separate figure for the forensic accountants' charges, but my belief is that they are likely to make up the lion's share of the disbursements including VAT which totalled just over £200,000 at the commencement of the hearing before me.

It does seem to me wholly wrong and artificial, particularly in this case, were I to be bound to apply the yardstick of equality as a measure of fairness to a matrimonial estate the scale of which depends so significantly on the hypothetical valuation arrived at by judicial evaluation of the experts and their methodology. That judicial evaluation must be formulated by reference to the highly sophisticated and abstracted and, in many areas, vehemently contradictory opinions of experts who end up £6m apart, 33 1/3% of a maximum valuation of £18m. What confidence can that give the judge or the parties in the validity of an exercise which can throw up such disparity, but is yet to be the basis for fixing the matrimonial award 'fairly'?

The answer, in my judgment and at least in this case, is that I derive no assistance at all from the minutiae contained in these reports, nor from the oral evidence of the protagonists (for such they have become) in support of the soundness of their own position and the transparent baselessness of the other's. Nor is the process of sifting wheat from chaff assisted by the sophistication which experienced counsel bring to the fray, each emphasising what may or may not be the weaknesses in the other's expert's presentation. If I may just put in a word for this judge: I have some pretence to a degree of numeracy and some acquaintance with the basic process of share valuation. But when confronted with expert witnesses of the degree of experience and sophistication in their rarefied specialities as Mr Nedas and Mr Clokey, each apparently as reasonable and persuasive in the witness box as the other, how am I to choose between them, or independently to arrive at my own figure in contradiction to them both?

> I content myself in this case with the observation that they may both be right without either of them being wrong. The future value of these shares is unfathomable and in this case, in my view, their present value is inestimable. But in any case, neither of these experts can exclude the possibility that events may dictate that all H gets from his share is the £200,000 he paid for them. That outcome may not be probable, but am I nevertheless bound to ignore it?
>
> Can I also ignore the even more potent consideration that at the present time the most obvious certainly is that H could not do anything to realise these shares at more that their par value? How then can it make sense to base so large an element of W's award on so uncertain foundation? The reality is that the shares are, in my view, simply not susceptible to sensible valuation as at the date of hearing. It is pointless to try to ascribe a single value to them, when the true range is from £1 each to the limits of the sky. But, I repeat, neither party proposed treating W as the beneficiary of the proceeds of disposal of any specified number of shares, no doubt because she is not prepared to await the uncertain event at its unpredictable date; and he may hope to achieve an award to her which is based on an underestimate of whatever may be their eventual proceeds."

There are great uncertainties in this case and whilst the accountants, and the accountancy evidence was of some value to me, it did not solve with any certainly any of the problems that I face in relation to making a decision in the case. Accordingly I intend to divide the assets initially on an equalisation of property basis only and to leave their respective parties with the respective shareholdings in both X P Limited and X H Limited.

Another reason why I have adopted this approach is that I do not wish the Respondent to be come involved in a forced sale which could be regarded as reducing the valuation of his various shareholdings. I am aware that the result that I am arriving at in the case may not be to the liking of either party, but that is the hazard that is entered into when a decision is taken to run cases such as this. I also appreciate that it may not produce what might be regarded as a clean break between

the parties, but for reasons that I will return to later, a clean break may in fact be produced by this approach in due course.

This is a 26 year marriage and must be approached on the basis of equality. I have accordingly valued the assets in the marriage as follows: -

1. Matrimonial Home - £390,000 allowing for costs of sale.
2. Time Share - £5,000.00
3. Prudential Policy - £20,000.00
4. Quoted shares - £75,000.00
5. Interest in X P Limited - £45,000.00 jointly
6. Interest in X H Limited - £1.067 million jointly

Accordingly leaving aside the pensions owned by Mr C, the net value of the parties estates rounds up to a figure in the region of £1,602,000.00. In additional to this must be added the pensions in the region of £472,000.00 giving a total of £2,115,200 million.

I mean to order that there should be a pension sharing order of 50% in relation to the pension funds and accordingly will leave those out of the equation.

Accordingly, if I divide the estate of £1.602 million Mrs C should receive a figure in the region of £801,600 before the issue of capitalisation of ongoing maintenance comes into account. I have valued her interest in X H Limited at £355,900 and her interest in X P Limited at £15,000. This leaves Mr C a figure of £430,700 to find to equalise the capital assets in the case whilst allowing the parties to retain their shareholdings in the two companies.

Accordingly I intend to order the sale of the house to the highest bidder with Mrs C to receive 60% of the net proceeds which will equate to a figure of £234,000 leaving Mr C with a figure from the sale of the property of £156,000. Any excess

over the valuation of £405,000 to be divided equally. In addition, I intend to order the transfer of the Prudential policy valued at £20,000 to Mrs C. This gives a total of £254,000. When I add to that Mrs C's interests in X P Limited at £15,000 and her interests in X L Limited at £355,900 that comes to a total of £624,900 leaving Mr C to find a lump sum of £177,700 which I will round up to £180,000 to equalise the property assets in the case.

In addition to this, the issue of capitalisation of ongoing maintenance arises. I heard evidence in relation to the possible future earning capacity of the parties. Mr C is presently earning a comfortable wage whilst Mrs C is unemployed. Mrs C is presently starting a course and hopes to get into employment in due course when she is retrained.

I take the view that although Mr C has presently got a very comfortable income it is not entirely certain that that will continue. Furthermore, Mrs C, because of the way I have structured this order should continue to receive an income and dividends from the two companies of which she is a shareholder. If she does not do so, she will then have the remedies afforded to her by Article 452 of the Companies (Northern Ireland) Order 1986 and Article 102 (g) of the Insolvency (Northern Ireland) Order 1989.

Mrs C is presently aged 50 and on that basis allowing for ongoing maintenance of £14,000 per annum the Duxsbury calculation show a figure somewhere in the region of £242,000 for capitalisation of maintenance. However in this case Mrs C can expect a reasonable pension, I understand from her 60th birthday and the figure mentioned above is for life. Accordingly I intend to order that Mr C pay a further lump sum of £150,000 to buy out the maintenance aspect of the case.

This of course will be in addition to any salary she can earn for herself or benefits received from XP Limited and XH Limited.

I appreciate that leaving Mrs C with her respective interests in the two companies is not an entirely satisfactory conclusion to this case. However, had I asked Mr C to make the extra payments which would have been in the region of a further £370,000 to buy out her interest, I am not sure he could have done so.

Furthermore, I am quite happy that the various protections afforded to Mrs C by company law, if they need to be put into motion will provide a much better method of resolving her grievances than I am able to do so in the Matrimonial Court. The Matrimonial Court cannot order the winding up and liquidation of a company, which in essence is the only true way of valuing it. The Chancery Court can and if these companies are run to Mrs C's disadvantage the various options open to her in the Chancery Division may provide a more satisfactory remedy. Finally I intend to order that the parties retain their respective liabilities.

I am circulating this judgment for comment and checking of my calculations and will hear argument as to costs on the 7 October.