Neutral Citation Number: [2025] EWHC 1460 (Fam)

IN THE HIGH COURT OF 7160 FAMILY DIVISION

JUSTICECase No. 1710-3481-7262-

Royal Courts of Justice
Strand
London, WC2A 2LL

4 June 2025

Before:

Mr Justice Harrison

Re P (A Child) (Financial Provision: s 423 Insolvency Act 1986)

Mr Simon Purkis (instructed by **[a firm]**) appeared on behalf of the **applicant mother**

The **first respondent father**, appeared in person

The **second and third respondents** did not appear and were not represented

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Approved Judgment

Hearing dates: 6, 7, 8 and 9 May 2025 and 4 June 2025

Mr Justice Harrison:

Introduction

1. This, primarily, is an application for financial provision for the benefit of a child under Schedule 1 of the Children Act 1989. I am also concerned with an application under section 423 of the Insolvency Act 1986 for the setting aside of various transactions.

2. I shall refer to the child as P. He is now aged 7. The applicant is P's mother. The first respondent is his father. There are two further respondents who were joined as parties pursuant to an order I made on 4 March 2025: P's paternal grandfather and the trustee of the T Trust, which, as I shall set out below, holds or held substantial wealth mainly generated by the father.

3. The mother has been represented by Mr Purkis of counsel. The father acted before me in person. His English is fluent, although occasionally he was assisted by an interpreter. Previously he instructed specialist family law solicitors: Family Law in Partnership and then Hughes Fowler Carruthers. The second and third respondents have not played any part in the hearing before me. Each of them submitted short statements to the court stating that they did not wish to be involved. By contrast with the stance he now adopts, the paternal grandfather was represented by direct access counsel at the pre-trial review on 4 March 2025, when he pursued an application to be joined as a party.

4. The mother's case is that the father is substantially wealthy with assets measured in tens of millions of pounds. She does not accept the father's case that he has divested himself of his wealth. She asserts that the T Trust, founded by paternal grandfather and which came to hold assets previously in father's name, was set up and/or used as a vehicle to shield the father's assets from her claims. She seeks conventional financial provision for P which includes:

(a) A housing fund of £1,050,000 to be used for the purchase of a home, to be held on trust for P's benefit during his minority and any subsequent years of education, and ancillary costs of purchase.

(b) A lump sum to discharge liabilities and fund the cost of a car and other capital expenses.

(c) A further lump sum for legal services to fund the cost of representation in welfare proceedings in the amount of £150,000.

(d) Discharge of rent pending the purchase of the home.

(e) Child periodical payments of £6,000 per month.

(f) A school fees order.

5. The father's case is that since he disposed of his assets into the trust, his resources are very modest. He says he cannot afford to meet the mother's claims. He accuses her of being financially driven and of using P as a means of satisfying her own financial ambitions, claiming that she engineered a move to this jurisdiction to take advantage of the generous approach to financial provision available in the courts of England and Wales.

6. The father claims that he personally lacks the means to make any financial proposal for capital, but relies upon an open proposal purporting to come from the paternal grandfather (sent, on the father's case, on behalf of the family collectively). Under the terms of this offer, a property in South West London, currently held in the name of the grandfather, would be sold. After meeting various payments including in respect of the mother's costs, the balance would be applied to the purchase of a property of the mother's choosing to be held on trust for the benefit of the child until his eighteenth birthday. The property has not been valued but is said by the father to be worth some £750,000. The sum available for the purchase of a property, on this proposal, is likely to be in the region of £550,000. It is a term of the offer that the mother permits the father to have specified contact with P in the Czech Republic as well as in England. The father offers to pay child maintenance at the rate of £1,000 per month and suggests that P's school fees, up to

a cap, be met from the T Trust provided the mother co-operates in having him added as a beneficiary.

7. I heard oral evidence from the parents. I have also read a considerable amount of material in the core bundle (742 pages) and a supplemental bundle (1490 pages) provided on behalf of the mother as well as a further bundle provided by the father (although I was careful not to look at without prejudice material which, impermissibly, he had inserted within it). I was also provided with Form ES2, although this has only been completed by

the mother's solicitors (it was not sent to the father in time for him to complete it), and position statements on behalf of both the mother and the father.

Background

8. The principal parties and P are all nationals of the Czech Republic. The parents are both in their early 40s. The paternal grandfather is in his seventies.

9. The parents first met in 2015 and began a relationship shortly afterwards. They lived together until 2019 in a property in the Czech Republic owned by the father's parents. P is their only child, although the father has two older daughters from a previous relationship. The parents' relationship finally ended in 2022.

10. In August 2020, the mother and P moved to England with the father's agreement and financial support (which included payment of rent and P's nursery fees). On the father's case, the amount he was sending was £3,000 per month for the first year, a figure which he reduced to £2,500 per month during their second year.

11. In August 2022, the mother returned to the Czech Republic after becoming unwell. She learned at that time that the father had formed a new relationship.

12. The parties each give different accounts of discussions that were held around that time concerning the potential for them to maintain a physical relationship. These are not relevant to these proceedings.

13. Following the ending of the relationship, the father reduced his financial support to the sum of £400 per month.

14. In January 2023, the mother and P returned to England. The circumstances of this move are disputed and not relevant to the issues with which I am now concerned. Following the move the father continued to pay £400 per month, albeit on the mother's case payments were made sporadically.

15. Following a holiday which P enjoyed with his father in the Czech Republic over the 2023 Christmas period, the parents had a falling out which led to proceedings being issued; relations between the two of them worsened.

16. At the end of January 2024, the mother made an application for child arrangements orders including a 'lives with' order. At the outset of the proceedings, she sought and obtained a prohibited steps order and an order requiring the father to deliver up P's passport to his solicitors. On 3 April 2024, the father cross applied for a 'lives with' order and an order permitting him to remove P permanently to the Czech Republic.

17. The welfare proceedings remain ongoing. It is obvious to me that they have generated considerable rancour. Each of the parties, in different ways, has sought inappropriately to link what is happening within those proceedings with this financial remedy process. The welfare dispute is likely to have made this relatively straightforward financial case more difficult to resolve.

18. These financial proceedings were initiated by the mother on 13 March 2024, the date upon which her Form A was issued. At the outset of the proceedings she made an application for the father to provide her with sums of money to meet her legal fees. This application came before the court on 23 May 2024, when Cobb J made a legal services order in the total sum of £200,668. The father remains substantially in breach of that order, having made only a limited payment of £15,000. Cobb J also made a freezing order against the father in respect of several assets including in relation to the South West London property. It later transpired that father had already transferred his interest in that property to his father, a fact he chose to withhold from the court.

19. On 19 July 2024, in the light of the father's breach of the legal services order, Cobb J made a so-called 'pound-for-pound order' which required the father to match any payments made to his own solicitors with an equal payment to the mother's solicitors. Various directions were given to enable the case to be considered at a Financial Dispute Resolution Appointment ('FDR').

20. The 'pound-for-pound order' did not have its intended effect of causing the father to provide funds to the mother's solicitors. Instead, in August 2024 the father unilaterally reduced his maintenance payments to the sum of £150 pm. Thereafter he made payments sporadically. On 10 October 2024 the father dispensed with the services of his solicitors in the financial proceedings; he has acted in person since then. He did, however, continue for a period to instruct solicitors and counsel within the welfare proceedings.

21. On 29 November 2024, the FDR was held by Cusworth J (an earlier date having been vacated by Cobb J in order to accommodate the father's work commitments). This did not lead to a settlement.

22. On 14 January 2025, the matter once again came before Cobb J. He varied the 'poundfor-pound order' so as to prevent the father from incurring fees with any solicitors in respect of both these

proceedings and the welfare proceedings until he had paid an equivalent sum to the wife's solicitors. Various other directions were given, including in respect of disclosure.

23. On 4 March 2025, I dealt with the pre-trial review. I varied the legal services order so as to increase the amount payable by the father by an additional £62,500 (none of which has been paid). I also made an order for interim child maintenance in the sum of £1,000 per month with which the father has complied. I made orders for replies to schedules of deficiencies to be filed and served by 1 April 2025 and a further order for the father to provide a schedule setting out all fees incurred by him in these proceedings and the welfare proceedings. I also directed statements to be filed, including in respect of the mother's application under section 423, and that each party should provide to the other particulars of properties contended by them to be suitable to meet the child's housing needs. I joined the paternal grandfather and the trust as respondents and made provision for them to file statements in response to the mother's evidence in respect of her section 423 claim.

24. On 10 April 2025 I conducted a remote hearing at which I refused an application by the father to adjourn this hearing.

Legal Framework

Schedule 1 of the Children Act 1989

25. The mother's primary application is brought pursuant to Schedule 1 of the Children Act 1989. This empowers the court to make a range of orders for the benefit of the child and is most typically deployed to provide for housing and maintenance. In exercising its discretion under Schedule 1, the court is required to have regard to paragraph 4 of the Schedule which provides as follows:

> 'In deciding whether to exercise its powers under paragraph 1 or 2, and if so in what manner, the court shall have regard to all the circumstances including—

(a) the income, earning capacity, property and other financial resources which each person mentioned in sub-paragraph (4) has or is likely to have in the foreseeable future;
(b) the financial needs, obligations and responsibilities which each person mentioned in sub-paragraph (4) has or is likely to have in the foreseeable future;
(c) the financial needs of the child;
(d) the income, earning capacity (if any), property and other financial resources of the child;
(e) any physical or mental disability of the child;
(f) the manner in which the child was being, or was expected to be, educated or trained.'

26. In *Y v Z* [2024] EWFC 4, Peel J summarised the key principles to be drawn from the authorities in which Schedule 1 has been considered as follows:

'i) The main orders which Schedule 1 entitles me to make are:

a. Settlement of property, which invariably will be on a trust, licence or lease arrangement such that the payer retains ownership thereof, and the payee is entitled to occupy with the children during their minority, or until conclusion of tertiary education; *Re A* [2015] 2 FLR 625 and *UD v DN* [2021] EWCA Civ 1947.
b. Lump sum or sums for the likes of furniture, car, and clearing debts.
c. Child maintenance (secured or unsecured).

ii) Each such order, by the wording of the statute must be "for the benefit of the child", or made direct to the child (which will be very rare).

iii) The court shall have regard to the matters set out at para 4 of Schedule 1 in the exercise of its discretion.

iv) Although para 4 does not expressly refer to the welfare of the child, in the generality of cases welfare will be a constant influence on the discretionary outcome; *Re P* [2003] EWCA Civ 837 at para 44.

v) Nor does para 4 refer expressly to standard of living, although in my judgment that is likely to be a highly material factor in many cases, particularly those which fall into the so-called "big money" category.

vi) In *Al Maktoum* [[2021] EWFC 94] at para 91, Moor J suggested that "...the children should be able to have a lifestyle that is not entirely out of kilter with that enjoyed by them in Dubai and that enjoyed by [the father] and his family". In *Collardeau-Fuchs v Fuchs* [2022] EWFC 135 at para 119, Mostyn J observed that standard of living before breakdown of the relationship "... should not however be allowed to dominate the picture as there will be many children, particularly children dealt with under Sch 1, who will not have experienced a standard of living within a functioning relationship either because the liaison between the parents was very brief, or because the child was born after the relationship had come to an end". In my judgment the relevance of the standard of living during the relationship, and the standard of living of each party after the end of the relationship, will vary from case to case, and, as was said at para 21 of *Re A* (supra), will have to be seen in context.

vii) The court will ordinarily determine the claims in sequence as to (a) property, (b) lump sum or sums, and (c) child maintenance; *Re P* (supra) at para 45.

viii) The court deals with property first because, as stated at para 22 of *Re A* (supra), "The nature of the child's home environment provides the obvious base line from which to consider commensurate levels of maintenance and is as good as any other".

ix) Child maintenance can be interpreted sufficiently broadly to include elements referable to the claimant in his/her capacity as the child's carer; *Re P* (supra) at paras 48-49. For many years this proposition, or concept, was known as the carer's allowance. More recently, at para 129 of *Fuchs* (supra) Mostyn J has suggested referring to it as a Household Expenditure Child Support Award [HECSA]. Whatever terminology is applied, the principle is clear, although its application is highly discretionary. It is not always easy to draw a bright line between budgetary items to which the claimant has no entitlement as being exclusively personal to him/her, and personal items which may reasonably be claimed as being necessary to discharge the carer's duties, including items which help sustain the carer's physical/emotional welfare; *Re P* (supra) at para 81. The court "... has to guard against unreasonable claims made on the child's behalf but with the disguised element of providing for the mother's benefit rather than for the child"; *J v C* (supra) at 159H.

x) The court should "not generally attach weight to the risk that the father may reduce or withdraw his support when the child comes of age (or ceases education or training) thereby obliging the child to adapt to a lower lifestyle at that time"; *Re P* (supra) at para 77(iii).

xi) In general (and particularly in the bigger money cases), the court is entitled to paint with a broad brush and will not ordinarily need to descend into a line-by-

line budgetary analysis; *Re P* (supra) at para 77(i) and *Fuchs* (supra) at para 129(f).

xii) Ultimately, "the overall result... should be fair, just and reasonable taking into account all of the circumstances"; *Re P* (supra) at para 76(viii)'

27. I have also considered the decision of Mostyn J in *Seymour v James* [2023] EWHC 844 (Fam). He held that the Child Support Agency formula '*provides a useful and logical starting point*' in relation to applications for child maintenance where the income of the payer exceeds the statutory ceiling of £156,000 for the purposes of the Child Support Act but is less than £650,000. The formula was not, however, relevant in cases where the court was being asked to make what he had previously described in *Fuchs* as a 'Household Expenditure Child Support Award or HECSA'. He proceeded to hold, however, that in certain respects the formula required some adjustment and he provided a table at the conclusion of his judgment setting out the outcome in different scenarios on the basis of the adjusted formula.

28. In *Y v Z* Peel J described the table as '*helpful but not determinative*'. He observed that it is of no application in the following categories of case:

a. Where the child maintenance claim includes a HECSA or carer's allowance (most typically, in Schedule 1 cases);
b. Where there are four or more relevant children;
c. Where the payer's income is largely unearned;
d. Where the payer lives largely off capital;
e. Where the payer's gross earned income exceeds £650,000 pa.

In my judgement, as I previously held in *Re C (A Child) (Financial Provision: Nondisclosure)* [2024] EWFC 115, the table is also of no application in cases where the payer has failed to provide full and frank disclosure of their assets, leaving the court in the invidious position of having to draw inferences as to their ability to pay.

29. In both *Al-Khatib v Masry* [2002] 1 FLR 1053 and *NG v SG (Appeal Non-Disclosure)* [2012] 1 FLR 1211 consideration was given to the court's ability to draw adverse inferences from a party's material non-disclosure. In the second of these cases, Mostyn J conducted a review of the relevant authorities and summarised the position at paragraph 16 of his judgment as follows:

> 'Pulling the threads together it seems to me that where the court is satisfied that the disclosure given by one party has been materially deficient then:
> (i) The court is duty bound to consider by the process of drawing adverse inferences whether funds have been hidden.
> (ii) But such inferences must be properly drawn and reasonable. It would be wrong to draw inferences that a party has assets which, on an assessment of the evidence, the court is satisfied he has not got.
> (iii) If the court concludes that funds have been hidden then it should attempt a realistic and reasonable quantification of those funds, even in the broadest terms.
> (iv) In making its judgment as to quantification the court will first look to direct evidence such as documentation and observations made by the other party.
> (v) The court will then look to the scale of business activities and at lifestyle.
> (vi) Vague evidence of reputation or the opinions or beliefs of third parties is inadmissible in the exercise.
> (vii) The *Al-Khatib v Masry* technique of concluding that the non-discloser must have assets of at least twice what the claimant is seeking should not be used as the sole metric of quantification.
> (viii) The court must be astute to ensure that a non-discloser should not be able to procure a result from his non-disclosure better than that which would be ordered if the truth were told. If the result is an order that is unfair to the nondiscloser it is better that the court should be drawn into making an order that is unfair to the claimant.'

30. The *Al-Khatib v Masry* technique described by Mostyn J arose in the context of proceedings under the Matrimonial Causes Act 1973 ('the 1973 Act'). Its equivalent in Schedule 1 proceedings would be to draw the inference that the respondent has resources of a scale whereby they can meet without difficulty the award sought by the applicant. Although Mostyn J suggested that this should not be used as the sole metric of quantification, in *Moher v Moher* [2020] 1 FLR 225, the Court of Appeal declined to endorse this proposition and

instead made clear that the court is not *required* in all circumstances to attempt to quantify the assets of a non-disclosing party: the extent of that party's non-disclosure may make reliable quantification, even on a very broad basis, impossible or the exercise may be disproportionate. The court must always be astute to ensure that the non-disclosing party does not achieve a better outcome by virtue of their non-disclosure; to do otherwise would amount to a 'cheat's charter': see *Moher* at paragraphs 90 and 91.

Sections 423 of the Insolvency Act 1986

31. Sections 423 to 425 of the Insolvency Act 1986 are contained within Part XVI of the Act which is headed 'Provisions Against Debt Avoidance'.

32. Section 423, which has the sub-heading 'Transactions Defrauding Creditors', provides as follows:

> '(1) This section relates to transactions entered into at an undervalue; and a person enters into such a transaction with another person if—
>
> (a) he makes a gift to the other person or he otherwise enters into a transaction with the other on terms that provide for him to receive no consideration;
>
> (b) he enters into a transaction with the other in consideration of marriage [or the formation of a civil partnership]; or
>
> (c) he enters into a transaction with the other for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by himself.
>
> (2) Where a person has entered into such a transaction, the court may, if satisfied under the next subsection, make such order as it thinks fit for—
>
> (a) restoring the position to what it would have been if the transaction had not been entered into, and
>
> (b) protecting the interests of persons who are victims of the transaction.

(3) In the case of a person entering into such a transaction, an order shall only be made if the court is satisfied that it was entered into by him for the purpose—

(a) of putting assets beyond the reach of a person who is making, or may at some time make, a claim against him, or

(b) of otherwise prejudicing the interests of such a person in relation to the claim which he is making or may make.

(4) In this section "the court" means the High Court or—

...

(5) In relation to a transaction at an undervalue, references here and below to a victim of the transaction are to a person who is, or is capable of being, prejudiced by it; and in the following two sections the person entering into the transaction is referred to as "the debtor".'

33. Section 424 of the 1986 Act enables an application under section 423 to be made, so far as material for the purposes of the present proceedings, by a person who is 'a victim' of the transaction (as defined at section 423(5)).

34. Section 425 addresses the orders which a court may make pursuant to section 423. It provides:

'(1) Without prejudice to the generality of section 423, an order made under that section with respect to a transaction may (subject as follows)—

(a) require any property transferred as part of the transaction to be vested in any person, either absolutely or for the benefit of all the persons on whose behalf the application for the order is treated as made;

(b) require any property to be so vested if it represents, in any person's hands, the application either of the proceeds of sale of property so transferred or of money so transferred;

(c) release or discharge (in whole or in part) any security given by the debtor;

(d) require any person to pay to any other person in respect of benefits received from the debtor such sums as the court may direct;

(e) provide for any surety or guarantor whose obligations to any person were released or discharged (in whole or in part) under the transaction to be under such new or revived obligations as the court thinks appropriate;

(f) provide for security to be provided for the discharge of any obligation imposed by or arising under the order, for such an obligation to be charged on any property and for such security or charge to have the same priority as a security or charge released or discharged (in whole or in part) under the transaction.

(2) An order under section 423 may affect the property of, or impose any obligation on, any person whether or not he is the person with whom the debtor entered into the transaction; but such an order—

(a) shall not prejudice any interest in property which was acquired from a person other than the debtor and was acquired in good faith, for value and without notice of the relevant circumstances, or prejudice any interest deriving from such an interest, and

(b) shall not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances to pay any sum unless he was a party to the transaction.

(3) For the purposes of this section the relevant circumstances in relation to a transaction are the circumstances by virtue of which an order under section 423 may be made in respect of the transaction.

(4) In this section "security" means any mortgage, charge, lien or other security.'

35. Thus it can be seen that in order to trigger the jurisdiction under section 423, it is necessary for the applicant to establish, on the balance of probabilities, that:

(a) The respondent has entered into a transaction at an undervalue. This can include making a gift or entering into a transaction for no consideration; and

(b) The purpose of the transaction was either (i) to put assets beyond the reach of a person who is making, or may at some time make, a claim against them, or (ii) otherwise to prejudice the interests of such a person in relation to the claim which that person is making or may make; and

(c) The applicant is a 'victim' of the transaction, as defined in section 423(5).

36. It is not necessary to demonstrate that the purpose referred to in section 423 was the respondent's sole, dominant or even substantial purpose for entering into the transaction, merely that it was 'a' purpose. It is possible that the respondent may have had more than one purpose for acting as he did: see *IRC v Hashmi* [2002] EWCA Civ 981, and *JSC BTA Bank v Ablyazov* [2018] EWCA Civ 1176. 'Purpose', in this context, has been held to carry the same subjective meaning as the word 'intention' in the context of section 37 of the Matrimonial Causes Act 1973.

37. There is no requirement under section 423 to demonstrate that the respondent's purpose was to prejudice the interests of the applicant specifically as opposed to those of other actual or potential creditors. Thus, there does not need to be a connection between the purpose of the transaction and the specific prejudice caused to the victim: *Hill v Spread Trustees Co Ltd and Another* [2006] EWCA Civ 542.

38. Once the jurisdiction is engaged the court has wide powers to restore the position to what it would have been if the transaction had not been entered into, and to protect the interests of persons who are victims of the transaction: see *Chohan v Saggar* [1994] BCC 134, *Trowbridge v Trowbridge* [2002] EWHC 3114 (Ch) and *Mubarak v Mubarik* [2007] EWHC 220 (Fam). Section 423 cannot, however, be used to put the applicant in a better position than they would have been had the transaction not taken place: see *Ram v Ram (No. 1)* [2004] EWCA Civ 1452 where it was held that the section could not be used to give the wife priority over other creditors in the context of her husband's bankruptcy.

39. The powers of the court in this context extend to making orders against a third party who was not a party to the transaction in question, unless that third party received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances.

The parties' oral evidence

40. Both of the parents gave oral evidence to the court at this hearing.

41. I found the mother to be essentially truthful as a witness, although it was evident that, with considerable justification, she is clearly bitter about the manner in which the father has treated her since their relationship ended. She also harbours considerable suspicions about his disclosure and his motivation for having taken various financial steps in the recent past; justifiably so, in my view.

42. In one relatively significant respect, however, I do consider that the mother has not been frank with the court. During the course of her evidence, it transpired that her partner, Mr C, had emailed an estate agent to make an offer on her behalf to purchase a property in the Hove area for £350,000. The email in question referred to the mother as having funds to contribute towards the purchase in the sum of £240,000. It also emerged that the mother had approached mortgage lenders and been able to obtain offers in principle to borrow a low six figure sum.

43. During cross-examination by the father, the mother sought to explain that the sum of £240,000 was not money held personally by her; it was as sum which her parents had agreed to lend to her. She said that her discussions with her parents arose in the context of the father's diminished financial support and in circumstances where her parents were significantly worried as to her ability to house herself. I accept this evidence. I also accept her evidence that the property in respect of which she made an offer did not represent that she which considered to be a suitable home for herself and P; rather it was priced at the maximum level she could afford, with help from her parents and a mortgage, and her interest in making a purchase was driven by desperation. I do not, however, accept the mother's claim in her oral evidence that she never in fact made a serious offer and that she was merely exploring options. That assertion is inconsistent with the terms of the email in question.

44. I also find that the mother has underplayed the state of her relationship with Mr C. Whilst I accept that the two of them have not yet reached a stage where they are cohabiting fulltime, the fact that the email to the agent making the offer to purchase a property was sent by *him* (as opposed to the mother) and was expressed in terms that suggested that the offer was being made by the two of them jointly ('we'), does, in my view, suggest that their relationship is more serious than the mother has been prepared to admit. I consider it likely that the two of them will begin cohabitation at some stage in the foreseeable future.

45. I should also record that it is hugely regrettable that the father produced the email from Mr C to the agent for the first time during his cross-examination of the mother. I allowed him to do so, as he was putting questions to the mother which led to her giving answers to the effect that his questions must be based upon an email which he had obtained improperly. It became artificial to exclude the source material from evidence when the mother was giving evidence in relation to it. At the PTR I had made an order debarring the father from making reference to the mother's private emails with third parties which had not previously been disclosed in these proceedings. As it happens, this email was not caught by that order, as it was sent to the agent by Mr C, rather than by the mother. I strongly suspect that the email was – as the mother suggests – improperly obtained by the father, but I did not explore this in any detail and make no finding.

46. I have accepted the mother's explanation for the £240,000 referred to in the email and her reasons for offering to buy a property at a much lower level than that for which she now contends. I do not, however, accept the submission by Mr Purkis that there was no obligation on the mother to disclose this information within these proceedings. I find that her previous offer to buy a property, her ability to obtain a mortgage and the willingness of her parents to lend her money were all matter of relevance which needed to be disclosed by her pursuant to her duty of full and frank disclosure. Her ability to borrow money from her parents was plainly relevant to her application for a legal funding order. Mr Purkis's contrary argument was based upon there being a distinction between an offer to lend money for a property purchase and for litigation purposes.

Maybe so, but this was a matter for the court to evaluate; by withholding the information the mother impeded the court in the fulfilment of its functions. Additionally, as it now transpires, the mother's parents have been willing to lend her money for her legal fees, making the averred distinction somewhat artificial.

47. So far as the father is concerned, I should first of all record that he was at all times courteous with the court both in his evidence and when he addressed the court in submissions. He is clearly a highly intelligent man whose skills have brought him substantial success in business. I also accept, as he told me, that he loves his son dearly. I regret to say, however, that in the main I found his evidence to be profoundly unsatisfactory. I find that he has failed to provide full and frank disclosure of his resources in these proceedings.

48. Although the father sought to avoid telling outright lies when giving his evidence, his presentation was at best disingenuous and, at least in some respects, dishonest. He sought to shield himself by the ownership structures into which he has placed his assets in order to justify his assertion that he is a man of limited means who cannot afford to meet the mother's claims. In so doing, I find that he has concealed from the court the reality of his position. I also find that his suggestion that the offers made to settle these proceedings emanate entirely from 'his father' or 'his family', as he sometimes put it in his evidence, is a complete charade. Whilst the author of the offers may be the paternal grandfather, their content has clearly been driven by father. Why else, I ask myself, would they include provisions which require the mother to compromise the welfare proceedings in terms sought by the father?

49. The father accepted, as he was bound to do, that he had not disclosed the full amount paid by the purchaser of his business ('G') by declining to reveal the amount received by the company BD s.r.o. (then wholly owned by him) which had owned 45% of the G shares (I address this further below). The father's explanation for adopting this stance was that he was prevented from

revealing the information by the terms of a non-disclosure agreement or 'NDA' he had concluded with the purchaser. I am unable to accept this explanation for the following reasons:

(a) It was a position he maintained at the hearing before Cobb J when a legal services order was initially made. As recorded in Cobb J's judgment (para 15), the father told the court then that he would seek permission from the purchaser to disclose the amount into these proceedings. He accepted before me that, in fact, he had not sought such permission.

(b) The father has not disclosed the NDA to enable the mother's lawyers or the court to consider whether it truly does prevent this information from being disclosed. My experience of NDAs is that they usually contain a clause permitting any disclosure to be made which is required by law (which would include compliance with an order of the court). In the absence of having been shown the NDA relied upon by the father, I consider it probable that it will contain a clause to that effect.

(c) In any event, whether or not the NDA contains such a clause, the father was obliged to provide this information. His contractual obligations do not trump his obligations to the court, including compliance with court orders and completing his Form E fully and accurately.

(d) Finally, I consider it implausible that the NDA will have acted so as to prevent the father from revealing sums paid to his company but not sums paid to him personally (which he has been willing to disclose). I can think of no logical reason for a purchaser to draw such a distinction.

50. I find that the true reason the father has been unwilling to disclose the amount paid to his company (beyond telling me in submissions that it amounted to 'millions') is a desire to conceal this information from the mother and the court. He is likely to have appreciated

that the scale of the sum paid would completely undermine the case he has advanced both as to the true scale of his resources but also in relation to the fundamental purpose of the T Trust.

51. I have given myself a *R v Lucas* direction about the father's evidence and reminded myself in particular that the fact that he has been untruthful about certain matters does not mean that I should reject everything he says.

The father's resources

52. In circumstances where the father has failed to provide full and frank disclosure, the court is left in the invidious position of having to do its best to estimate his overall wealth on the basis of the limited information available.

53. I am entitled to conclude that the father's resources are such that he can meet without difficulty the claims made by the mother. Nevertheless, in the following paragraphs I have analysed his position on the basis of such information as has been provided. I have also considered and made findings about various transactions which are the subject of the mother's section 423 application. My overall conclusions, as explained below, are that his resources can be measured in tens of millions of pounds and that they are largely accessible to him and sufficiently liquid to enable him easily to meet the mother's claims.

The sale of the 'G' business

54. I begin by recording that the father is clearly an exceptionally talented man who has enjoyed considerable success in his business life. He was responsible for founding and developing a company called 'G' (to which I have already referred) which came to be well known in the Czech Republic. The shares in G were sold to a European company, generating very substantial wealth for the father.

55. I consider it probable that the bulk of the father's wealth today stems from the sale of G. He may well also have wealth derived from other sources (eg properties now transferred into a trust structure). He is likely also to have enjoyed continued success since its sale through his ongoing involvement in a network of companies (collectively 'BX'), into which the bulk of the G funds have been placed or retained.

56. During his oral evidence, the father told me that the sale of G took place in two separate tranches. The first in 2020 and the second in 2022. Prior to the sale, 55% of the shares in G were held by him personally; 45% were held by BD s.r.o. (of which he was the sole shareholder).

57. In 2020, according to the father's oral evidence, he sold 53% of the shares (all held personally by him), leaving him with just a 2% shareholding in addition to the 45% held by BD s.r.o. At the same time, he and the purchaser, entered into an option agreement which entitled the purchaser in future to acquire all of the remaining 47% of the shares. The option price was not a fixed price, but would depend upon whether certain performance targets were achieved in the intervening period. The father, the key man in the business, remained working there over this transitional period. The amount 'received by' the father in 2020 for the majority of his personal shares was, according to his evidence, approximately €14.2 million. According to the father's replies to questionnaire, the money he received did not give rise to a tax liability.

58. In 2022 the purchaser exercised its option and acquired all of the remaining shares. The further amount 'received by' the father was approximately €2.5 million for his remaining 2% holding. When I suggested to the father that this allowed a pro rata calculation to be made as to what will have been received for the 45% held by the company (i.e. approx. €56.25m), he recoiled from this suggestion and asserted for the first time that the €2.5 million he had received was not solely in respect of his shares but included an element of 'bonus' for work he had conducted over the previous two years. The father did not provide any details as to the amount of this asserted

bonus, but this belated and wholly uncorroborated assertion by him was in any event inconsistent with his previous disclosure in the proceedings and I reject it.

59. The purchaser's publicly available financial report for the year ended 31.12.22 shows that in that year there was a decrease in the value of put options held by the company of €59.4 million. In the absence of proper disclosure from the father, I consider it more likely than not that this relates to the exercise of the purchaser's option to purchase the remaining G shares. The pro rata calculation I referred to in the preceding paragraph produced a figure for the acquisition of 45% of the shares of €56.25. If one adds the €2.5m the father has said he received for his residual 2% interest, the total figure is just short of €59m. The difference could well be accounted for either by rounding in the calculations and/or by payment of fees on the transaction. A figure in this ballpark is broadly consistent with the fact that the most recent balance sheet of the BH s.r.o. (the holding company for the BX structure into which the G funds were received) suggests it now holds net assets valued in the region of £100 million. This enhanced value is likely to reflect various transfers of assets made by the father into the business, the intrinsic value in the BX companies prior to the G sale, ongoing profits made by the business since 2022 and movements in the markets. If I am mistaken in the conclusions I have reached, the father only has himself to blame. He could have provided incontrovertible evidence of the sum received, but has not done so, meaning that the Court has had to do its best to ascertain the figure from other available information.

60. It follows from my analysis that I find that the sale of the G business generated for the father and his company a total of approximately €73 million, of which €16.7 million was received by the father personally. The payments did not give rise to tax.

Use of the G proceeds

61. Of course, it does not follow from the fact that the G sums were received in 2020 and

2022 that the money still remains. The father's case is that he has spent the entirety of the €16.7 million received personally. His evidence in his first statement was that the majority was loaned to companies owned by BH s.r.o.. He also said in that statement that some of the money was used to repay loans, including a loan to his father; some was spent travelling; and some was spent refurbishing a property called S in the Czech Republic.

62. In the continuation sheet attached to his Form E, the father stated that all of the proceeds which he personally received from the G sale had either been spent or put into trust. He provided a breakdown for his asserted spending of €16,427,061, as follows:

(a) €2,610,403 to repay 'loans' to his father (I note, however, that the agreement relating to one of these refers to the sum provided by the paternal grandfather as a 'donation', not a loan);
(b) €600,000 to repay two commercial loans;
(c) €1,509,341 was sent to his mother for onward transmission to his cousin as a reward for his work as CEO of G (the written instrument produced by the father in relation to this payment merely says that it is a gift to his mother);
(d) €158,878 to a 'key employee' of G (based upon the written instrument produced by the father, this too appears to have been a gift);
(e) €99,000 to settle an invoice;
(f) €397,195 to another individual for his work at G (again, this appears to have been a gift);
(g) €278,037 to repay a mortgage;
(h) €614,950 on works at the S property;
(i) €5,056,661 was loaned to BX companies;
(j) €1,102,596 was used to purchase crypto investments;
(k) €4,000,000 was used to purchase specialised computer hardware known as ASIC for the purpose of mining Bitcoins. The hardware was later gifted to his sister and his father. The father has produced gift contracts dated 12 January 2024 in respect of these donations. Each of these specifies the value of the gift to the recipient to be €2,000,000.

On balance, I am prepared to accept the father's evidence that the transactions set out above took place, although – as I shall set out below – I do not accept his case in relation to the gift of the ASIC hardware nor in relation to the asserted loan referred to in the written agreement as a donation. It is striking that the amount he decided to give to his cousin as a reward for his work far exceeds the amount claimed by the mother to purchase a home for his son.

63. The father has provided no account as to how the remaining money paid to BD s.r.o. for its shares in G has been spent or invested. As the 100% shareholder in the company, it would have been open to him to extract the money (or at least a substantial part of it) by

way of dividend, but on his case he decided to leave the money invested within the BX business.

The BX companies

64. The BX business comprises a series of companies fulfilling different functions, most of which are wholly owned subsidiaries of the holding company BH s.r.o.. The subsidiaries include BD, the previous owner of 45% of the G shares. In his Form E, the father said the following about the business: '[BH s.r.o. has invested in] *a range of companies in the fields of technology, [], real estate and more'*.

65. The father's case is that BH s.r.o. is essentially his father's company. He says in his Form E continuation sheet that his father '*has successfully grown his business 'BH s.r.o.*' and its subsidiaries throughout his career.

66. Despite the father's claim that BH is the paternal grandfather's company, the share register tells a different story. It shows that between 6 November 2017 (the date on which the company was first registered) and 18 March 2024, the company shares were held as follows: 50% by the father and 50% by BC Limited (an English company then wholly owned by the father). This

encompassed the period when G was sold and most of the proceeds came to be held within the BX structure.

67. On 18 March 2024, there was a restructuring such that the shares, previously all held directly or indirectly by the father, came to be held as follows: 1% father; 1% BC Limited (father's company); 94% paternal grandfather; 2% maternal grandmother; 2% father's sister. On 15 April 2024, all of these shares were transferred to the T Trust.

68. There is no obvious reason for that restructuring to have taken place a month before the shares were transferred to the trust. In my judgement, that step was taken to help create the illusion that the T Trust was essentially a family trust, created by the paternal grandfather for the benefit of the family as a whole, and to conceal the reality which is that it was set up as a vehicle to hold wealth, as I find, substantially created by the father.

69. As I have already recorded, based on its most recent balance sheet, the holding company for the BX structure, appears to have net assets valued in the region of £100 million. While I broadly accept the father's contention that to an extent the underlying assets within the structure may be illiquid, without proper disclosure from him I am unable to reach any firm conclusion about this. In circumstances where the business received a very substantial cash injection in 2022 and has also had other assets transferred into it by the father (albeit by way of loan), I am confident that there is more than sufficient liquidity within the business to enable funds easily to be raised to meet the mother's claims at their highest. I shall consider separately the father's ability to do so, now that the assets are held in trust.

70. The father previously owned property assets. These too, he says, have been transferred by him to companies within the BX business for no consideration other than 'receivables'.

71. Notwithstanding the father's huge financial contribution to the BX business, he claims that his status within the business is that of a mere employee of a company called BX Services s.r.o., which sits underneath the holding company within the structure.

72. To corroborate his status as an employee the father has produced a contract of employment dated 28 February 2019 signed by him and by his father on behalf of the company. The contract cross-refers to an earlier employment contract dated 28 November 2005 which I have not seen. The contract is unspecific as to the father's remuneration. It provides that he is entitled to a monthly wage which has '*an entitlement and a variable wage component*'. The amount of the entitlement component is determined by '*the current wage assessment*'. The variable component is in the nature of a bonus as depends upon '*the favourable economic results of the Employer*'. The contract is clearly sufficiently flexible to enable sizeable payments to be made to the father in his capacity as an employee.

73. On any view, the father plays a critical role in the BX business. In an attempt to obtain an adjournment of the final hearing, the father produced a letter from his employer communicating that he was being refused a leave of absence to attend court (I note in passing that under the terms of his contract he has an entitlement to five weeks leave per annum). The letter set out the requirement of the business to fulfil key strategic objectives:

- "Ensuring the achievement of development milestones for [a product]. This involves completion of both hardware and software development for the machine, as well as the associated cloud applications 'with interim deadlines set through [date]'."

- "Fulfilling a strategic task related to the preparation of a comprehensive design and development solution for [a product] which will serve as the foundation for advanced ... applications. This offer targets [potential customers], with a submission deadline of [date]."

The letter proceeds to say: "*Given the* ***critical and non-substitutable role*** *[the father] currently holds within [BX], it is not possible to release him from his duties before [the submission deadline]*" (my emphasis).

74. Despite characterising his role thus, in a more recent letter dated 22 April 2025 – purportedly sent in the light of my refusal to grant an adjournment – the company wrote to say that it had demoted the father by relieving him of his managerial duties reassigning him to a less critical role as an 'Administrative Worker', with a corresponding reduction in his salary. I regret to say that I find this letter to be a complete charade, designed to put pressure on the mother into settling the litigation on unfavourable terms. It is simply inconceivable that the company would treat the father in this way given the critical role he plays in the business, the extent of his financial contributions to the business and the close relationship he enjoys with his own father and other members of the family involved in the business.

75. I have seen an organogram which sets out the BX corporate structure, although it is not up to date and likely now to be inaccurate. The extract from the Commercial Register in relation to the holding company, BH, contains a note that on 8 November 2024 a new company called BO was established and 'part of' the assets of BH were transferred to this new company. I do not have any information about BO.

76. It is the father's case that the money which he personally loaned to companies within the BX structure resulted in him having 'receivables' from the companies in question. I assume from this the sums he provided were recorded as loans owed to him by the companies. He produced with his Form E a series of loan agreements in relation to these payments (these are mainly in Czech and so I have not been able to read them). He produced four loan agreements in respect of loans made to a company called C3 in the total sum of €2,760,000 which contain a clause requiring repayment of the loans by dates in April 2023 (a year after the loans were made).

The BX restructuring and transfer of shares into the T Trust

77. As I have already recorded, before 18 March 2024, the shares in BH s.r.o. were owned as follows [391]: 50% were owned by the father and the remaining 50% were owned by BC Limited (in which the father held a 100% shareholding).

78. On 18 March 2024, as I have said, there was a restructuring of the shareholdings in Budex Hub s.r.o.. Following this restructuring the shares (all previously held, directly or indirectly, by the father) came to be owned as follows:

Father:	1%
BC Ltd:	1%
Paternal grandfather:	94%
Paternal grandmother:	2%
Father's sister:	2%

79. On 20 March 2024, the T Trust was settled by the paternal grandfather under Czech law by the transfer into the trust of the fairly nominal sum of CZK 10,000 (approx. £350). In my judgement, the share restructuring and the creation of the trust were clearly linked, occurring as they did just two days apart. On 15 April 2024 – less than a month later – all of these BH s.r.o. shares were transferred to the T Trust.

80. Article IV(2) of the T Trust deed provides that:

"The purpose of the trust fund is, in particular, to:

a. Hold and ensure the unity and appreciation of assets in the trust fund for the purpose of paying income and providing other benefits from the trust fund for the benefit of the beneficiaries;

b. Meet the living, housing, health, educational and social needs of the beneficiaries;

c. Motivate and support the development of upcoming generations;

d. Ensure intergenerational transfer of assets;

e. Ensure professional management of assets allocated to the trust."

81. By virtue of Article VI(2) the father was appointed as the first trustee. Article VI(3) enables the grantor (the paternal grandfather) to appoint anyone as a trustee. In the event of his incapacity, that power is vested in the family protector, subject to limitations as to who can be appointed. Article VI(5) enables the father to request the appointment of a second trustee '*with whom he will act jointly*', a request which the family protector is obliged to grant.

82. Article XI provides for the trust to have one family protector which initially is the grantor. In the event of his incapacity or resignation, the role is conferred upon the father's sister. Article XII provides for the appointment of a professional protector.

83. Article XIII(1) specifies that 'The Family Council' is '*a collective body made up of all beneficiaries with legal capacity and the family protector*'.

84. Article VI(7) confers a wide discretion upon the trustee to dispose of trust property '*in any way*', subject to a general requirement to ensure that the purpose of the trust and the grantor's will are fulfilled. Unless either the father or the paternal grandfather act as trustee(s), the trustee is required to obtain the written consent of the family protector prior to taking various steps.

85. Article IX enables the grantor to dismiss the trustee and appoint a new trustee. By virtue of Article IX(7), in the event of the grantor's incapacity this power of dismissal

is vested in the family council, subject to the proviso that '*The family council may not dismiss [the father]*.

86. Article XIV specifies who the beneficiaries of the trust are to be. At the date of establishment, the initial beneficiaries are the grantor, his wife and the father's sister. By virtue of Article XIV the grantor has the power to add or remove beneficiaries. In the event of the grantor's incapacity this power is vested in the father, save that if he '*will not act as a trustee*' the family council shall have the power of addition and removal. The family council is obliged to appoint the father as a beneficiary if either (a) he does not act as trustee, or (b) he acts as trustee jointly with another person. The family council is entitled to appoint as beneficiaries any descendants of the grantor.

87. Article XIV divides beneficiaries into three groups:

(a) Group 1 comprises the grantor, his wife, the father's sister and the father (if appointed a beneficiary);
(b) Group 2 comprises managers and employees of BX Group.
(c) Group 3 comprises descendants of the grantors who are not in one of the other two groups.

88. Article XV (and the following articles) enables a wide range of benefits to be conferred upon beneficiaries, subject to the terms of those articles. By way of example, Article XIX enables an interest fee loan to be made to buy a home for a beneficiary. Article XX allows a property owned by the trust to be used as a home by a beneficiary. Article XXI contains a clause allowing for educational expenses of a beneficiary to be met up to the age of 30.

89. Article XXII enables the trust deed to be amended by the grantor. In the event of his incapacity, this power is vested in the father.

90. Article XXIV deals with the dissolution of the trust fund. Upon dissolution all trust property is to be transferred to the grantor; if he is not alive it is to be transferred to the father. Article XXIV(4) confers an absolute right to decide upon the dissolution of the trust on the grantor

or, in the event of his incapacity, on the father. Alternatively, trust fund property may be transferred to a similar legal entity established under the law of Liechtenstein, Switzerland or Great Britain.

91. I have seen an inventory of the assets of the trust. It shows that all of the trust's assets were placed into the trust by the father, with the exception of the majority of the shares in BH s.r.o.. These had been held by the father until two days before the trust was created and, as I have found, were transferred to the paternal grandfather and other family members for the sole purpose of creating the appearance of this being a family trust intended to benefit the family as a whole.

92. In my judgement, notwithstanding the manner in which it has been structured, the T Trust is quite plainly the father's trust intended primarily to benefit him or to confer benefits on others at his direction. I do not accept that the father would have placed in the trust almost the entirety of his considerable fortune, leaving himself substantially impoverished, were this not the case.

93. Although notionally it appears from the trust deed that it is the paternal grandfather who is the driving force behind the trust, I do not consider that this reflects the true position. The father has a very close relationship with his father and I am confident that the latter is likely to exercise the powers he has under the trust at the father's direction. There is no reason for him not to do so, given that it holds assets substantially generated by his son (I am prepared to accept that some of the BX resources, considerably less than 50%, *may* have been generated by the paternal grandfather but without proper disclosure I cannot go further than this). If this were genuinely 'a family trust' set up by the paternal grandfather to pass on *his* wealth to future generations, it is unlikely that the father's interests would have been given such primacy over those of his sister. As I have recorded already, in the event of the grandfather's death or incapacity, the father will acquire substantial control over the trust

and have the ability to call for its dissolution with the assets being distributed entirely to him. When I asked the father why such a provision was included, the only answer he could give was that it was his father's 'will'. It is also notable that while the father acts as trustee he is incapable of being sacked by the family council and does not need to seek permission before taking steps to dispose of trust property.

94. The conclusions I have reached about the trust are further corroborated by the failure of the grandfather or any representative of the trust to come to court to give evidence to explain the position. If this trust had genuinely been created to enable the grandfather to pass on his wealth to future generations, one would have expected him to come to court to defend it. Despite having appeared with representation at a case management hearing when he sought to be joined as a party, ultimately he opted to play no role in the proceedings. I infer from this that he judged it likely that the true position would become apparent were he to be questioned in court.

95. The father was initially appointed as the trust's sole trustee. In December 2024, he was removed from that position. He asserts that the reason for his removal was his family's displeasure at his disclosure of trust documents into these proceedings. I consider that explanation to be entirely bogus. In my judgement, it is likely that the father caused himself to be removed as trustee in an attempt to distance himself further from the trust and its assets. The provisions of the trust deed require the father to be made a beneficiary if he is not serving as trustee. He has not, however, been appointed a beneficiary and could offer no explanation as to why this had not occurred. It makes no sense at all that the paternal grandfather would seek to marginalise his son from a structure holding assets wholly or substantially generated by his son. It is wholly inconsistent with the notion that just a year ago it had been the paternal grandfather's will that following his death his son should be able, if he chose, to cause all of the trust assets to be vested in him.

96. The mother's case is that the trust is essentially 'a sham' set up for the sole purpose of defeating her financial claims. I would not go so far as this. I accept the point made by the father that the trust is unlikely to have been conceived and formed within days of the mother having issued these proceedings; it is likely to have been planned for at least a number of months before it was finally concluded. I also accept that one of the trust's purposes was to enable benefits (such as the payment of school fees) to be conferred upon the next generation and to create a structure which would hold the father's assets following his death so as to prevent substantial riches from becoming vested immediately in his children. This, however, was not the sole purpose of the trust. In my judgement, another substantial reason for its creation and the transfer of assets into it was to enable the father to shield his assets from actual and potential creditors, including the mother. This is consistent with the father's replies to the mother's schedule of deficiencies where, in explaining the transfer of a receivable into the trust, he stated "*...I did not want to hold any asset on my name back on 2022 so I started this transfer process and also Trust creating process started back that time*". The restructuring of the BH s.r.o. shares was undertaken in an attempt to conceal this purpose and was an essential part of the strategy.

97. According to the father, earlier this year the assets of the trust were transferred from the T Trust into a new structure, a foundation in Liechtenstein. No proper disclosure has been provided about this. The father's case is that the step was taken by his father, motivated by a concern about Russian aggression (which I took to be a reference to the war in Ukraine). This explanation makes no sense, given that the Russian invasion of Ukraine took place in 2022 and the T Trust was founded in 2024 (why not set it up in Liechtenstein in the first place?). My conclusion is that the true motive behind the move to Liechtenstein was to enhance the difficulties which the mother would face in seeking to enforce any orders against the assets of the trust.

Other transfers into the trust

98. I consider it inconceivable that the father would have alienated himself from his wealth to the extent he has done, so as to leave himself owning essentially no assets at all, not even the home in which he lives. In my judgement, the primary purpose behind all of the transactions which have led to the father's assets being placed in trust has been to defeat the claims of creditors, in particular those of the mother which have loomed large at the time the transactions have been taking place. The assets he has transferred into the trust include various receivables from the BX companies to which he loaned money. I can think of no reason for him to have entered into these loan arrangements with the companies if his true intention was simply to write the money off.

The South West London property

99. The father previously held a 50% interest in a property in South West London, the other 50% being held by the paternal grandfather. On 3 May 2024, the father transferred his 50% interest to his father. He asserts that this transaction was undertaken as the original purchase had been funded entirely by the paternal grandfather such that he owed him a substantial amount of money. He says that rather than repaying the debt in cash (which, having alienated his assets into the T Trust, he could not afford to do), he determined that he would repay the debt by making a transfer of his 50% share in the property. In my judgement, this explanation is also entirely bogus. I accept that the father was able to demonstrate that the funds to purchase the property came from his father's bank account. It does not follow from this, however, that the funds originally came from the grandfather. It is probable, in my view, that the father will have made a contribution to the purchase by transferring funds to his father prior to the ultimate transfer being made to the conveyancing solicitors. Even if that did not occur, I reject the suggestion that the grandfather loaned his son money in connection with this purchase. In my judgement, had there been a genuine loan, the father would have

repaid it following his receipt of the G proceeds when he repaid other loans, including to his father.

100. In my judgement, the transfer of the father's interest in the South West London property (for no consideration) was undertaken for the sole purpose of defeating the mother's claims in these proceedings. As an asset held within this jurisdiction, the father will have known that the mother could seek easily to enforce her award against it.

ASIC hardware

101. I also need to consider the father's gratuitous transfer to his father and his sister of the ASIC hardware he had acquired for €4,000,000. It is the father's case that the asset in question could only mine Bitcoin profitably if the price of electricity remained relatively low. On his case, following the Russian invasion of Ukraine, electricity prices increased substantially meaning that the hardware became unviable as a Bitcoin miner and essentially worthless. In his oral evidence, he gave what I consider to be a somewhat confused explanation for transferring the asset to his relatives. If it was genuinely worthless, there would have been no reason not to throw

this bulky piece of equipment onto a skip. Why on earth, I ask myself, would the grandfather and the father's sister have wished to burden their homes with something so useless, especially when there is no evidence to suggest that either of them had any prior experience or ability in mining cryptocurrencies? The father purported to give an explanation to the effect that they had access to green energy, but this makes no sense at all. He and his father live in close proximity to each other and will have access to the same sources of energy. The reality, in my judgement, is that the father's explanation is a nonsense. The reason he transferred this potentially valuable asset to his relatives for no consideration was to shield it from the mother's claims.

Summary of conclusion in relation to the father's dispositions

102. To summarise, therefore, I find that it was either a purpose or the purpose of the following transactions, all of which were undertaken for no consideration or at most minimal consideration, to defeat the claims of creditors, including the mother:

(a) The disposition of 49% of the father's shares in BH s.r.o. on 18 March 2024 to members of the father's family;

(b) The disposition of 49% of the BC Limited's shares in BH s.r.o. on 18 March 2024 to members of the father's family;

(c) The transfer by the father of his assets into the T Trust and the more recent onward transfer of the trust's assets to a Liechtenstein foundation;

(d) The disposition of the father's 50% interest in the South West London property to his father;

(e) The gift by the father to his father and sister of the ASIC hardware.

103. I also find that the mother is a victim of those transactions. By placing assets in the names of others and in trust the father has erected barriers to the mother's ability to enforce her claims.

104. Within the mother's section 423 application, she seeks to set aside the transfer of €2 million by the father to his father. However, no such transaction took place. What this refers to is the disposition by the father of 50% of his interest in the ASIC hardware. Although the hardware was acquired by the father for the total sum of €4,000,000, I decline at this juncture, in the absence of a valuation, to find that it was worth that sum on the date on which the father disposed of it.

The mother's financial resources

105. The mother does not have capital of any significance. She has a low six figure mortgage capacity. Her parents have been willing to lend her up to £240,000 for a house purchase, although in my judgement the maximum sum they are likely to be willing to lend will be reduced by the amount which they have advanced for her legal fees.

106. The mother's income derives from various sources including her employment, child benefit and universal credit. In total she receives just under £3,300 per month.

The father's standard of living

107. Although I have found that the father has presented his financial affairs in a manner which is at best disingenuous and, in at least some respects, dishonest, it does not follow from this that I am bound to reject the entirety of his evidence.

108. I do consider that he was essentially being truthful in characterising his lifestyle as being relatively modest albeit, in my judgement, very comfortable. This is not a case involving a multi-millionaire who owns multiple luxurious homes and enjoys all of the trappings of great wealth.

109. The father lives with his partner and her child in a nice but not luxurious property in a rural part of the Czech Republic. It is probably worth a six-figure sum (although I give limited weight to its actual value, given the difference between property prices in England and the Czech Republic). The mother's reference to the father living on 'the family estate' is, in my view, an exaggeration. He and his parents live in neighbouring properties which between them probably have a few acres of land. There appears to be a tennis court on the land, but I would not characterise this as 'an estate'. The father spent several hundred

thousand Euros doing up another property, but I do not consider this a huge sum in the context of his overall wealth. It

is notable that the base he chose to acquire with his father in England was a relatively modest flat in South West London.

110. I also accept the father's evidence that he does not consider it healthy for his children to be exposed to great wealth. He does give priority to their education and has made arrangements for his older children to be privately educated, with fees being met through the trust. It is notable that the trust deed provides for educational expenses to be made until the age of 30.

111. I do not accept, however, that the father's budget appended to his Form E represents the full extent of his expenditure. I consider it likely that he has tailored his budget so as to be consistent with what he claims to be his limited income.

112. In my judgement, the father has the ability to set his own income in conjunction with his father and/or to cause funds to be extracted from the trust should he need them in order to meet his expenses. It is unnecessary for me to attempt to quantify what these truly are. I suspect that while these proceedings have been ongoing he has maintained an artificially low level of expenditure for presentational purposes.

P's needs

113. Within her Form E and her mis-labelled 'section 25' statement, the mother has provided particulars of what she says are P's needs.

114. In assessing P's needs, I have regard to all of the circumstances of the case, including the need to avoid too great a disparity between the lifestyle P will experience in the homes

of his two parents. I have already made findings about the scale of the father's resources and his standard of living, which I take into account.

115. The parents both agree that P should be privately educated (albeit the father says not before the age of 10) and it is relevant to have regard to the fact that he will be mixing with children from relatively affluent families. He needs to live in a home to which he can invite his friends without feeling embarrassed and to be able to enjoy

a lifestyle not entirely out of kilter with the social milieu in which he will find himself.

Housing

116. P's most significant need is for a suitable home.

117. I accept the mother's case that it is reasonable for him to be housed in a threebedroom property with a garden in a safe area in or around the town where she currently resides. Having three bedrooms will enable P to have friends over to stay or, from time to time, a grand-parent.

118. The mother's property particulars range in price from about £900,000 to £1.15 million. The lower end of this bracket would enable the purchase of a three-bedroom terraced house in the centre of town of approximately 1,700 square feet in size with a small garden. Alternatively, a property could be acquired in a more rural location, smaller in size but with a larger garden.

119. In my judgement, £900,000, is an appropriate figure to meet P's need for a home. The costs of purchase, such as stamp duty and conveyancing costs, and moving costs would need to be paid on top of this. Stamp duty at 5% would be £45,000. The sum of £15,000 should be sufficient to pay for conveyancing and moving costs.

120. I do not attach any significance to the fact that the mother previously made an offer to buy a different property (with only two bedrooms) for £350,000. I have accepted her evidence as to the circumstances in which this occurred.

121. The father's case is that a property should be acquired for no more than £600,000. He has not provided particulars to demonstrate what could be bought for such a sum.

122. The mother will need to furnish the property to a reasonable standard and undertake some redecoration. I consider that £40,000 is a suitable sum for this purpose.

Other

123. The mother seeks provision to enable her to acquire a car. Her present car is 11 years old and I accept her case that she needs a new car. She contends for a sum of £35,000, but in my judgement an appropriate sum would be £25,000. She should be able to buy a new car every 5 years for this sum (index linked), trading in the old one against the new purchase.

124. I also accept that it is reasonable for P to have a new bicycle. The father may wish to choose one for him as a gift, but in default I consider £250 to be a reasonable sum.

125. It is reasonable for P to have a piano, but in my view the sum of £12,000 claimed by the mother is too high. £4,000 is a reasonable sum.

Liabilities

126. The mother has various liabilities which have arisen mainly in the context of these proceedings and the father's non-compliance with legal services orders.

127. The mother owes her parents approximately £105,000. This debt arises as a result of her need to make a partial payment to her former solicitors, her counsel's fees and to assist her with living expenses. I do not accept that this is a 'hard debt' in the sense that non-payment will lead to the mother being sued, but equally I do not consider it reasonable for her to carry this level of debt which arises entirely as a result of the father's failure to provide adequate financial support and his noncompliance with orders.

128. I do consider that the mother should have been open about her ability to borrow from her parents. Had she been open, the court might well have provided for a lesser sum to be paid by the father under a legal services order, leaving the mother to claim the balance by making an application for costs at the conclusion of the proceedings and/or to argue that her liability should be met as a need. In these circumstances, I do not propose to provide for the debt to be met in full, but will deduct £15,000 leaving a total of £90,000 to be paid.

129. The mother continues to owe her former solicitors just under £95,000. This is a hard debt for which she could be sued, an outcome that would be contrary to P's interests. I propose to reduce this sum to allow for a notional taxation and will provide for £80,000 to be met. To the extent that there is a shortfall, I am confident that the mother will be able to borrow that sum from her parents.

130. The mother owes her direct access barrister approximately £3,500 which needs to be met.

131. As to her current solicitors' costs, I will consider these separately when I deal with issues of costs.

132. The mother's unpaid rent of £1,500 needs to be met.

133. The parents agree that P should be privately educated and it is reasonable for him to have this form of education which the father's older children are receiving.

134. So far as the mother's income needs are concerned, I have considered the mother's Form E budget which is also exhibited to her most recent statement. Overall, I consider the sums claimed for P and for herself under the guise of a carer's allowance to be reasonable save that I make the following deductions:

	Claimed (£ pm)	Allowed (£ pm)	Comment
Nanny	700	0	I am unpersuaded that the mother has a need for a nanny and assume she will be able to make use of after school clubs to cover any periods between the end of school and her finishing work. During school holidays P will be looked after by his parents each of whom will have a holiday entitlement. The
			grandmother will also be able to offer additional assistance, if needed.
Health insurance	80	0	I do not see why P cannot use the NHS.
Contact travel	500	0	This should be addressed separately in the welfare proceedings.
Education	2,120	150	I have allowed £100 for piano lessons and £50 for books and stationery. The remainder fall within the school fees order I will make.
Holidays	1,150	830	I consider c.£10,000 pa to be a reasonable sum to spend on holidays for the mother and P. I have deducted £320 pm from the combined budgets (£316.67 rounded up).

Mobile phone	110	35	Phone costs have been double counted and the total sum claimed of £110 pm is high. £35 pm is a reasonable sum
Travel	230	100	I cannot see that the mother will need to use public transport and taxis as much as she claims given that she will have the benefit of a car.
Insurance / savings	480	0	I do not consider these claimed expenses to be appropriate in the context of the mother's claims as a carer for P.
Restaurants	250	150	£150 pm is a reasonable figure bearing in mind the additional £200 pm allowance for takeaways.

135. I have not made deductions from the clothing budget, the hairdressing budget or the costs of a beautician. I do think the amounts claimed are reasonable and fall within the category of needs the mother is entitled to claim in her capacity as P's carer.

136. Applying the deductions I have made, I assess the amount needed to meet P's needs (including the mother's needs qua carer) to be £6,581 pm, which I round up to £6,600 pm. It would have been possible to make further deductions to individual items, but on a broad brush basis I consider the sum of £6,600 pm to be a reasonable one.

Conclusions on orders to be made

Housing

137. For the reasons set out above, I find that P needs a housing fund of £960,000. Given the scale of the father's resources and the mother's limited means I do not think it is reasonable to expect her to contribute towards this by borrowing money from her parents or obtaining a mortgage.

138. The order should enable the mother to choose a property, subject to the father being able to veto the purchase if her choice is manifestly unsuitable as an investment (eg a property with dry rot).

139. The father should, within 2 months of the mother making her selection, make available the funds necessary to complete the purchase. These can be held in an escrow or designated conveyancer's account (on terms that they are to be used only for the purposes of the purchase). The property can either be held in trust or, if more tax efficient, be the subject of a long lease (provided, in the latter case, that it is held in the name of the father). The trust instrument or lease must contain terms which provide for the mother and P to be able to live there rent-free until P has completed his tertiary education (first degree only) including a gap year. At this point, the property will revert to the father, or to the trustee if acquired in trust. The property will also revert to the father in the event of the mother's death or if she ceases to occupy it as a home for P.

140. The father should have liberty to apply in the event of the mother's remarriage or cohabitation for six months or more. Neither of these events should be an automatic trigger for the mother's right to occupy the property to come to an end, bearing in mind that it is to be P's home. A more likely scenario is that, depending upon the person's means (and I have no information about Mr C's means), there would be an expectation that the mother's partner should make a contribution by paying a 1/3 share of the market rental value of the property and a contribution to the outgoings, with a corresponding reduction in the father's maintenance. On the facts of this case, it is appropriate for the mother to give the father an undertaking to notify the father in the event of her cohabitation.

141. The mother should be able to move once to another property during the subsistence of the trust / lease with the costs of the move being met from proceeds of sale of the property. Any further moves would need to be funded by the mother.

142. The mother should be responsible for routine maintenance and decorative repairs and contents insurance. The father will be responsible for any structural repairs and buildings insurance.

143. In the event that the father does not co-operate with the purchase of the property, the default order should be that he pays the mother a lump sum of £960,000 subject to undertakings by her as to how the money will be applied and her subsequent occupation of the property.

Other capital

144. The father must pay the mother a lump sum of £29,250 in respect of P's other capital needs and a further sum of £173,500 in respect of her liabilities. The order should provide for the purchase of a new car every five years with a trade in of the existing car.

Child Periodical payments

145. The mother's income is, in round terms, £3,300 pm. In the context of the father's resources, I do not think it is reasonable that she should contribute all of it towards P's expenses. She should be free to spend some of her income as she chooses, including (if she wishes) meeting at least some of those elements of her budget where I have applied deductions and also saving money for her own future, bearing in mind that upon the expiry of the Schedule 1 term she will find herself without a home. I consider it reasonable for her to contribute 50% towards P's expenses and therefore I propose to ring-fence £1,650 pm for her to spend as she pleases.

146. This leaves a shortfall of £5,050 pm which I round down to £5,000 pm. In my judgment, this is a reasonable sum which the father should pay by way of child maintenance. The sum should be index-linked by reference to the consumer price index. Pending the

acquisition of the new property the father should also make a contribution to the mother's rent in the sum of £1,500 pm.

147. The payments should be made until P completes his tertiary education (first degree only). After completion of his secondary education payments should reduce by a third on the basis that during tertiary education that a sum equal to that third should be paid directly to P and/or to meet his living expenses. I will allow for a gap year save that during that year the sum payable will reduce by a third without any element going to P directly. If he chooses to take a gap year, it is appropriate that he works during the year to save up money to pay for any travel he wishes to undertake.

148. I will also make a school fees order, including provision for reasonable extras. The school would need to be agreed by the parents, both of whom hold parental responsibility. The mother should co-operate in P becoming a beneficiary of the trust so that payment can be made from this source, if the father chooses (although under the order, the obligation to pay will be his).

Security

149. In circumstances where the father has breached various court orders and is substantially in arrears in respect of his obligation to meet the legal services order, I have determined that it is appropriate to require him to put in place security for the maintenance and school fees. I judge an appropriate amount of security to be £600,000 (approximately 10 years' worth of maintenance). The sum secured can decrease with each passing year provided that the maintenance has been paid in full.

Section 423 orders

150. I have made findings which enable the court to make orders under section 423. I do not propose to do so at this stage as I hope that the father, who undoubtedly loves

his son, will be able to see the benefit of bringing this unhappy litigation to an end and complying with the court's decisions. I will adjourn the claim so that it can be reconsidered at a later stage, on the basis of the findings I have made, should there be a need to do so.

Additional legal funding

151. The mother seeks £150,000 for legal funding in respect of the welfare proceedings. I am not prepared to deal with this in the absence of a proper application. If she chooses to make an application, it does not need to be dealt with at High Court level.

Freezing order

152. The freezing order made by Cobb J should remain in place until the capital orders have been complied with.

4.6.25