

# Matrimonial

Bringing Perspective



Fairness is the prevailing approach to modern divorce settlements, requiring equitable division of both income and assets which means it is often necessary to value business interests such as shareholdings or partnerships and to assess the parties' ability to fund the settlement.

## Our Services

We will advise parties on the:

- value of a business (including goodwill)
- value of shareholdings
- liquidity of a business
- availability of cash
- income from a business
- tax issues associated with the extraction of funds from a business

In carrying out such work, we consider the results of the business over a number of years, and seek explanations for any significant changes over that extended period, so that we achieve absolute clarity throughout the trading accounts.

Our clinical approach to forensic examination continues to uncover wide ranging irregularities such as sister companies being established to take on the profitable contracts from an original business, irregular balance transfers and overstatements of costs and provisions – all common and dishonest practices that are intended to conceal the financial truth.

We can act on behalf of either applicants or respondents, and we are increasingly instructed to act on behalf of both interested parties so that the overall costs are reduced.

Where possible, we will look to assist in a collaborative environment whereby all parties join together with appropriate representatives in order to reach an agreeable settlement without the need for contested proceedings.

When it is necessary to take a matter to court, our forensic accountants are confident and effective communicators well versed in providing expert oral evidence to great success.

## Case Examples

### *Acrimonious Dispute*

As the single joint expert, our personnel handled the acrimonious dissolution of a husband and wife partnership in a large farming business. The instruction included the restatement of all capital accounts and property transactions, and various revaluations which were complicated by quotas and cash-flow difficulties. A full restructuring of the business was undertaken and a successful settlement was reached.

### *Offshore Trusts*

BTG Global Risk Partners personnel acted on a case involving, among other matters, the sale of two companies and the use of complex tax planning schemes and trusts. The husband had used two offshore trusts and one UK trust to try to avoid Capital Gains Tax on significant gains. A "Flip-Flop" scheme was put in place to avoid 64% tax charges on distributions from the trusts. We were able to work alongside our sister company, BTG Tax, to advise on this and the recent House of Lords case relevant to the scheme, whilst carrying out valuations of various related business interests.

### *Uncovering Accounting Irregularities*

BTG Global Risk Partners personnel valued a famous Yorkshire-based chain of mill stores for a matrimonial dispute. In the course of investigations, we uncovered tax and accounting irregularities as well as the diversion of income to a newly formed sister company.

### *Guarantees*

Our personnel reported on the value of a husband's shares in two trading companies. We reported that one company had a nil value due to losses and borrowing issues. We investigated the bank security and personal guarantees to prove that any future buyer of the second company would have to purchase the business and provide £550k of security. The expert on the other side agreed our valuations, having previously claimed a business valuation of £360k.