

## *Cavendish Divorce Service*

*March 2022*

Over the last 30 years we have been involved in the advice, counselling, and ongoing management of the affairs of divorced clients. In fact, some of our best client relationships have come about directly as a result of being introduced during a matrimonial break up and have lasted decades.

This document explains in greater detail how we might be able to assist in what is of course a highly emotional and traumatic experience.

### **Advisors?**

We have often found that during the divorce process, the “non-financial” spouse, usually a woman, has been cut off from their previous marital advisors. This list of Advisors could include Accountants, Bankers, Investment Managers and Lawyers. We can also manage introductions to Divorce Coaches as the well-being of our client’s emotional needs is paramount.

At Cavendish we can actively help our clients find more suitable Advisors for their long term needs by managing the process of introduction and if required remain involved during the divorce process and well beyond. We are very adept in “managing the managers” in our work.

Our main objective is to empower our clients so that they can make informed decisions about their future, from Advisors they can trust, having first been screened by us.

### **Wealth?**

We focus on clients who have joint assets of more than £5m+ pre-divorce, including real estate and their business interests.

There is no upper limit.

## **Fees?**

Our fees start at £125 per hour (plus VAT) for the more basic work (Form E, for example) and are deliberately priced lower than Legal Partners and Associates to encourage usage of our services from both a cost and time perspective as we believe that your legal team should focus on the legal work whilst we focus on the financials.

Where possible we quote a fixed price for our work and agree on fixed outcomes.

We have also teamed up with specialist Divorce Coaches and Asset Tracing services to complete the holistic approach that we take.

## **What type of Services can we provide?**

Our services can be broadly split into two categories. The first is the divorce process and the second is how we can help post-divorce, especially with the ongoing management of our client's financial affairs, including any investment portfolio for income or capital growth.

We will help, aid, abet, monitor, consult and counsel our clients in helping them arrange some or all of their affairs. We are not a regulated firm, as defined by the FCA, and so cannot give regulated advice.

## **A) Pre-Divorce Services**

### **1. Completion of the Form E (financial only)**

In order to achieve a financial settlement following divorce, it is necessary for both ex-spouses to fully declare their finances by completing a Form E to enable the court to make a financial order.

The purpose of Form E is to provide the court with full details of the financial affairs of both husband and wife (or civil partners) so that they can decide whether to approve the proposed financial order or financial relief.

The completion of the paperwork is relatively straightforward, but the complication is twofold. The first is the high emotion often attached to such a task (and let's face it form filling isn't one of life's great excitements after all) and secondly it is the understanding of the documents that accompany it, especially if you have little or no financial background. The



list below, whilst not exclusive, gives an idea of what's involved.

- Property owned (land and buildings) along with details of interests in any other property
- Details of banks, building societies, savings, investment portfolios (including company shares)
- Life insurance policies
- Expensive personal belongings
- Any financial liabilities, eg mortgages, credit cards and other debts
- Business assets and directorships
- Pensions
- Income from employment or self-employment

There is also a section on anticipated financial needs (importantly, including anything in respect of children). And towards the end of Form E is a section where any court orders sought should be stated (if known).

Your legal team will help you complete the rest of the Form E.

## **2. Planning for future income and expenditure including how to budget for property and investment**

The first step in creating your personal financial plan can often be the hardest. It involves asking yourself the big questions, like where do you see yourself in five years, in ten, in thirty? It asks you to consider what you value in life? One of the best ways to tackle these big questions is to think about what kind of life you would like to live in the future, and not to dwell too much on the specifics, or indeed in the past.

We can facilitate this thought process and once we have full understanding of your objectives, we can then review your current circumstances and see where the shortfalls occur.

The end result will be a fully costed and well thought out plan which will become your road map for the future.

This document will also help with any discussions on the financial settlement as there will be hard evidence of your needs and requirements.

### **3. Audit of Finances, including Bank Accounts and Credit Cards**

The best way of explaining how we can help in this area is to give a recent example of a previous divorce case. We were asked by the lawyers to audit several bank and credit card transactions, going back over many years, under headings such as hotels, hire cars, flights, lingerie, jewellery and so on.

We spent many hours on this project, to the extent that the lawyers would not have been able to cope with the workload, and also at a price that was less than a Legal Associate, but completed by a team of experts, especially in finance.

Our report was eventually submitted to the Court and through our investigations we were able to add back a 7 figure sum into the divorce settlement.

Whilst our client was still very hurt and emotionally frustrated the knowledge that her soon to be ex-husband was going to be less well-off due to our investigations in some way helped to start the healing process.

### **4. Asset Tracing**

There are circumstances in which one party in a relationship is secretive about his or her assets and fails to provide the full picture to their spouse or civil partner during the relationship and, more particularly, during any subsequent divorce proceedings.

The secretive party may have complicated financial arrangements and have placed assets either overseas or hidden in this jurisdiction, via undisclosed bank accounts or through nominees. The divorce courts in England and Wales have developed a number of tools over the years which can be deployed to establish the location of such assets and make them available to the weaker financial party.

The first and most important tool available to the financially weaker party is that of court-ordered disclosure of relevant financial information and documentation. All parties have a duty to provide full and frank disclosure of their financial position and failure to provide this means that the court will order the provision of such documentation and information as is needed to provide such disclosure. These orders can be extremely wide-ranging. The court can also order the provision of expert opinions about the value of companies and other assets.

If there are gaps in the parties' disclosure even after the provision of this information and documentation then other tools are available, including ordering the disclosure of

documentation from third parties, requesting the information from foreign courts and joining third parties to the proceedings. The precise mechanism that can be used will depend on the circumstances of the case. The court will want to balance whether such steps are proportionate to the assets involved against the need to ensure that full and frank disclosure of the assets has been provided.

A complicated and rapidly developing area of the law is the use of documents which one party has obtained that belong to the other party but which reveal the identity of hidden assets.

## **B) Post-Divorce Services**

### **1. Tax planning including Resident Non-Domiciles (we also deal with clients from the USA)**

Tax planning is the analysis of your Financial Plan to ensure that all elements work together to allow you to pay the lowest taxes possible. A plan that minimizes how much you pay in taxes is referred to as tax efficient. Tax planning should be an essential part of an individual investor's financial plan. Reduction of tax liability and maximizing the ability to contribute to retirement plans are crucial for success.

Tax planning covers several considerations. Considerations include timing of income, size, and timing of purchases, and planning for other expenditures. Also, the selection of investments and types of retirement plans must complement the tax filing status and deductions to create the best possible outcome.

Through our network of Advisors, we can help you structure the most efficient and practical solution.

### **2. Residency and Visa planning**

Post-divorce you may decide to reside in a different jurisdiction, or indeed you may lose some rights to stay in the UK post marriage, so planning is essential for these circumstances, especially post Brexit.

We have a significant amount of experience in this area, especially when related to the UK Investor Visa, so through our network of Advisors we can help you structure the most efficient and practical solution.

### 3. Selection and monitoring of the Investment Manager

We have a constant dialogue with our clients about how their investment managers are doing and in conversations the following observations almost always come up:

- They sometimes seem to be speaking a different language to me!
- How do I know if my investment manager is really doing a good job?
- Against what matrix should I really be measuring them?
- I'm not sure I understand their fees?
- How is my asset allocation worked out?
- What is relative performance?

This is where we can help. We have created a service for our clients where we answer all these questions, and more, whilst providing it very cost effectively. The genesis of this service is now nearly 30 years in the making.

### 4. Family Office Services

This is a very broad area to cover in this section, so it's only possible to give a high-level insight into our business.

Fundamentally we operate as problem solvers and so market ourselves as the "Entrepreneur's entrepreneur."

As the Founder of several businesses, including some in the wealth management sector, we are uniquely placed to understand the needs and objectives of our entrepreneurial families as we have had very similar experiences. In simple terms we help find solutions to their problems, big or small. Our mantra is "the answer is "yes" now what is the question?"

#### **We are independent**

We always sit on the client's side of the table.

We represent them in everything we do, and so there is never a conflict of interest.

We do not have any products to sell.

We have just solutions and services to provide.

#### **Outsource everything except the relationship with the client**

This allows us to always find the most suitable strategic partner or solution for our clients.

We can work with any strategic partner - new or old.

In any jurisdiction.

We are therefore a "Manager of Managers."



# CAVENDISH

FAMILY OFFICE

## **We are not regulated**

Remaining outside of the regulatory environment reduces our overhead so we don't need to pass these costs onto our clients. It also increases our flexibility as we don't have any authority to report our activities to, it reduces paperwork, and of course reduces costs which do not need to pass onto clients.

All regulated work is done via our Strategic Partners.

## **Small Team**

We have no desire to build a large team as we want our client relationships to be Partner led. All our clients therefore know us intimately.

A small team also means we are cost efficient to our client as they pay less in fees.

## **Conclusion**

Deciding to proceed with a divorce is clearly a difficult and emotional decision, so we have positioned ourselves, and indeed our strategic partners, to take care of your emotional, financial and legal concerns.

If you would like to know more about these services, and also have a brief introductory meeting, all at our expense, then we would be delighted to discuss how we might be able to help you.

## **Mark Estcourt**

CEO



[www.cavfo.com](http://www.cavfo.com)