

LEGAL BULLETIN

Businesswoman's £2.7 million divorce award upheld

A businesswoman who was belittled as being 'no more than a receptionist' by her multi-millionaire husband has had her £2.7 million divorce settlement upheld after the Court of Appeal ruled that her 'exceptional' contribution to the success of a family hotel business meant that any reduction in the award would be 'plainly unfair'.

The woman's hotelier ex-husband had described her as a 'good employee' and argued that a family judge had failed to make sufficient allowance for the brief duration of the couple's four-year marriage and the fact that the business had been inherited from his parents.

However, the Court noted that the hotel had been struggling before the ex-wife used her business acumen to transform its fortunes. The Court accepted that the family judge had gone too far in finding that the hotel's goodwill was effectively worthless before she came onto the scene but nevertheless ruled that her award represented a fair assessment of her substantial contribution to the marital fortune.



In addition to a £2.2 million lump sum, the ex-wife had also been awarded the £550,000 former matrimonial home. The effect of the order was to give her approximately one third and her ex-husband approximately two thirds of the total available assets. According to the Court of Appeal, the split 'fairly reflected the derivation of the hotel and its trade'.

In her evidence, the woman had said that she and her ex-husband had 'worked ceaselessly' to transform a 'dowdy and unwelcoming' hotel for working men into a successful business catering to the lucrative tourist trade. She had designed and built the hotel's first website and transformed its advertising, as well as working up to 17 hours a day in the business.

Her ex-husband had argued that, as she was a paid employee, she was not entitled to a share of the hotel's value. However, in dismissing his appeal, Lord Justice Thorpe noted that the ex-wife's lawyers had conceded at an early stage that, as the hotel was inherited, one third of its value should be ring-fenced against her financial claims.

For assistance in dealing with the financial negotiations following relationship break-up, contact us.

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Court rejects will made under undue influence

When an elderly and ill woman was put under continual pressure by her brother-in-law to change her will in favour of his children, whom she rarely saw, her resolve finally cracked and in a bid to have a quiet life, she instructed her lawyers to draw up a new will six months before her death.

The new will left the large bulk of the woman's estate – more than £500,000 – to her brother-in-law's children and just £10,000 each to her two stepsons, who stood to inherit her entire estate under her previous will.

The woman's brother-in-law and his wife had financial problems as a result of a failed foreign property investment and the court heard that part of the reason for the pressure

being put on the deceased was to secure their own financial futures.

The court found that when the woman changed her will she was in a 'fragile' physical and mental state and that the changes had been made as a result of undue influence being put on her by her brother-in-law.

Accordingly, the court ruled that the new will was invalid and the woman's previous will should be determined to be her final will.

If you are concerned that a relative of yours is being or has been bullied or browbeaten into changing their will, contact us for advice on your individual circumstances.

Increase in the entitlement to parental leave



Employers are reminded that the right to unpaid parental leave has been extended in order to comply with EU Directive 2010/18. The Parental Leave (EU Directive) Regulations 2013 implemented

changes to the existing laws on 8th March 2013.

Changes are made to the Maternity and Parental Leave Regulations 1999 increasing the amount of unpaid parental leave that can be taken by parents who meet the 12-month continuous employment qualification. The leave will continue to be available per parent per child but an employee will be entitled to 18 weeks rather than 13 weeks. Similarly, there is no change to the age limits of a child whose parents are entitled to take parental leave – that is, five years old or 18 years

old for a disabled child. The Regulations make no change to the 21-day notice requirement or the limit on the amount of leave that can be taken in a 12-month period. This remains at four weeks in any one year, unless the employer agrees otherwise. Leave must be taken in blocks of one week, unless the employer is happy to vary the rule or the child is disabled.

The Regulations also amend the Employment Rights Act 1996, giving agency workers returning from parental leave the right to request to work flexibly.

Chancel repair liability – change in law

A recent case in which the owners of a farm faced ruin because their property was saddled with an ancient responsibility to maintain the local church received a great deal of publicity and has prompted a change in the applicable law.

So-called 'chancel repair liabilities' (CRLs) can attach to properties and have no impact on successive owners of those properties for centuries, only

coming to light when a major refurbishment of the church becomes necessary. The consequences can then be disastrous for the owner of the affected property. It is normally possible to insure against the risk of a property carrying a CRL, but not against the cost of a CRL claim where a property is known to be at risk.

A change has now been made to the law and this will come into force on 13

October 2013. From that date, a CRL will have to be registered by way of a notice against the property title in order to be effective against a buyer of a property which is registered land. This will mean that the prospective buyer of a property that is subject to a CRL will be warned of its existence when the usual property searches are done.

Existing CRLs are unaffected.



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