

## RUSSELL SYSTEMS

### Financial Disclosure Evidence Review

*Anonymised sample based on a composite/modified disclosure review. Details changed to preserve confidentiality.*

#### **Forensic Attack Points**

1. The subject's Form E leaves section 4.1 blank, even though the evidence shows very substantial asset and income movement in the last 12 months. That is a serious omission. The form says nothing in sections 4.1.1 or 4.1.2 about significant changes, yet the continuation sheet shows multiple overseas bank accounts, and one trading-linked account closes with a nominal balance while the same statement shows annual turnover in the hundreds of millions of local currency units. That is exactly the kind of movement section 4.1 was supposed to explain.
2. The overseas money trail is the biggest disclosure vulnerability in the bundle. One overseas bank account shows a large transfer from a broker-linked account, followed shortly afterwards by a large outward customer payment and then a further transfer to the subject's own account. The same pattern repeats later in the year. The linked broker/PIS-style account shows matching transfer entries. This needs a full source-and-application-of-funds explanation.
3. There are multiple unexplained third-party counterparties in the overseas accounts. Two substantial same-day credits from unrelated third parties are followed almost immediately by large transfers into a trading platform. There are also repeated payments involving other recurring individuals. These are obvious questionnaire items: who are they, why were funds moving to and from them, and does the subject claim any beneficial entitlement to monies held or moved in their names?
4. The investment ownership story is muddled in a way that could matter materially. The subject discloses a substantial broker account and labels it as jointly held with a partner. But elsewhere the form says one broker account is joint and another is in the partner's sole name, while also saying the total across both has been included. The partner's own asset schedule then omits any such investment asset. Most importantly, the supporting broker statement appears to be in the partner's name and shows a consolidated total across multiple included accounts. That is a prime inconsistency.
5. On the jointly held property, the equity figures need to be pressed. The form uses one mortgage balance, an early repayment charge, and estimated sale costs to produce a very small equity figure. But the lender redemption statement for the same property shows a materially higher amount needed to redeem, including accrued interest and the same early repayment charge. That may or may not be deliberate understatement, but it needs explanation because the disclosure appears to mix a plain mortgage balance in one place with redemption-style deductions in another.
6. The sale and relocation timeline for the jointly held property also deserves scrutiny. Contemporaneous estate agent correspondence refers to a sale within a year and to a planned move by

the following year. That suggests contemplated realisation of capital and possibly a planned disposal or restructuring that is not explained in section 4.1.

7. The subject's monthly needs look inflated or misallocated. The needs schedule claims a high monthly mortgage cost. But the statement for the former matrimonial home shows a much lower monthly payment. A separate bank statement then shows the higher mortgage direct debit going to a different lender, and another separate direct debit for the former matrimonial home. This strongly suggests the higher figure relates to the current-partner household mortgage, not the former matrimonial home. If so, the subject may be presenting the current-partner household mortgage as part of their sole needs while also saying the partner contributes their full salary to household costs. That should be challenged.
8. The valuation evidence for the former matrimonial home is weaker than presented. The estate agent document recommends a guide price, but expressly says it is pre-sale advice and should not be construed as a valuation. That opens the door either to attacking the figure or, if tactically useful, seeking a proper valuation via a single joint expert.
9. The income presentation appears designed to depress apparent affordability. The form states a high gross annual employment income and a materially lower net figure, with a recent three-month net average that is much lower again because the subject says they are sacrificing the majority of salary into pension. The payslips show highly variable and very substantial pension deductions over the relevant months. That makes the low recent net income look elective rather than unavoidable. The appropriate follow-up is to seek the salary-sacrifice agreement, confirmation whether contributions are variable, confirmation whether the subject can reduce them, and disclosure of any bonuses or employment benefits.
10. The subject declares zero investment income for the next 12 months, but the bundle shows active investment accounts, repeated broker settlements into bank accounts, bank interest, and dividend/tax-deduction-style entries. That does not automatically prove a false statement, because trading capital and investment income are not the same thing, but it makes the nil entry one to interrogate carefully with realised gains, dividends, interest, and tax records.
11. The trading platform account should be broken open in detail. The holdings statement shows a substantial current value, but the ledger shows much larger funds added and funds withdrawn over the year, with regular transfers back to an overseas bank account as mandatory quarterly settlement. The capital flow is therefore much larger than the closing snapshot, and the court should not be left with only the closing balance.
12. The business disclosure is incomplete and internally awkward. The subject says a company is insolvent, being dissolved, and worth zero. But the Form E schedule marks business-interest accounts and supporting valuation evidence as not applicable, even though the form expressly discloses the company. The company accounts show net liabilities but also record an employee in successive years. In addition, the bank statements show payments to the company after a transfer from the partner. That is enough to justify asking for all company bank statements, management information, director's loan/current account records, tax correspondence, and an explanation of who the employee is.
13. The pension section needs reconciliation. The main pension page shows one pension account only, yet the total pension assets figure is materially higher. The attached pension schedule then adds two further pension entries, while also saying one plan was transferred into another. That creates a possible double-count or at least a presentation issue that should be nailed down.

14. There are also domestic account entries worth asking about because they touch the applicant directly. The statements show a payment in from the applicant marked as a mortgage contribution, and later payments back to the applicant marked as repayment, including one substantial payment. The significance may be innocent, but the subject should explain the underlying arrangement and whether there are any off-Form-E side arrangements between the parties.
15. A foreign currency account is another useful pressure point. It shows funds received from a securities platform and then almost immediately sent on to the subject's partner, leaving a nil balance. That is exactly the kind of flow that warrants a question about whether funds are being routed through third-party accounts or transferred out before disclosure dates.

## **Overall Take**

The best pressure is not a conduct argument. The stronger and more legally credible case is that the disclosure is incomplete on major money movement; the ownership of some investments is unclear; the needs case may be overstated; and the apparent net income may have been depressed by discretionary pension structuring. That is the angle most likely to produce either better disclosure or a worse credibility outcome for the disclosing party.