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Neutral Citation Number: [2021] EWFC 94

Case No: FD20F00034 and FD19P00380

**IN THE FAMILY COURT**

Royal Courts of Justice

Strand

London

WC2A 2LL

Date: 19 November 2021

**Before :**

**Mr Justice Moor**

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**Between :**

**HER ROYAL HIGHNESS HAYA BINT AL HUSSEIN**

**Applicant**

**-and-**

**HIS HIGHNESS MOHAMMED BIN RASHID AL MAKTOUM**

**Respondent**

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Nicholas Cusworth QC, Emma Chamberlain and Nicholas Wilkinson (instructed by Payne Hicks Beach)  
for the **Applicant**

Nigel Dyer QC, Lord Pannick QC, Brian Green QC, Daniel Bentham and Stephen Jarmain (instructed  
by Harbottle and Lewis) for the **Respondent**

Hearing dates: 25<sup>th</sup> October to 3<sup>rd</sup> November 2021 and 19<sup>th</sup> November 2021

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**JUDGMENT**

**MR JUSTICE MOOR:-**

1.

I have been hearing three applications made by Her Royal Highness Princess Haya Bint Al Hussein against His Highness Sheikh Mohammed Bin Rashid Al Maktoum, although, as it has turned out, only two of the applications have been actively pursued. I propose to use the convention that has been adopted by the President in his previous judgments and refer to them throughout as “HRH” and “HH” respectively. I do so for the sake of convenience and I obviously mean absolutely no discourtesy to either by so doing.

2.

The first application made by HRH is dated 9 December 2019 and is pursuant to Schedule 1 of the Children Act 1989. It is for financial provision for the two children of the marriage, Jalila and Zayed. The second, dated 19 June 2020, is made by HRH pursuant to Part III of the Matrimonial and Family Proceedings Act 1984 for financial provision following an overseas divorce. As I will explain in due course, it is a limited application rather than one seeking the full range of financial provision. The third application was brought pursuant to the Married Women’s Property Act 1882 for declarations as to the ownership of various horses, jewellery and the like. In fact, HRH accepts, realistically in my view, that there are insurmountable hurdles in relation to her making a claim for individual horses and that, even if I made a declaration in relation to items such as jewellery, she would never see the items, given that it is HH’s position that he does not have them. Instead, she seeks financial recompense for the losses she says she has sustained in consequence of losing these items.

The relevant history, including the litigation history

3.

HH was born on 15 July 1949 and is therefore aged 72. He is the Vice President and Prime Minister of the United Arab Emirates; its Minister of Defence; and the Ruler of the Emirate of Dubai. HRH was born on 3 May 1974, so she is aged 47. She is the daughter of the late King Hussein of Jordan and his third wife, Queen Alia. She is the half-sister of King Abdullah II. She resides with the two children at HRH’s home near Kensington Palace, London, W8 and at Castlewood House, Egham. They married on 10 April 2004. It was the second official marriage of HH. The two children are Sheikha Al Jalila Bint Mohammed Bin Rashid Al Maktoum (“Jalila”), who was born on 2 December 2007. She is therefore aged 13 but will be 14 within the next month. Sheikh Zayed Bin Mohammed Bin Rashid Al Maktoum (“Zayed”) was born on 7 January 2012. He is therefore aged 9 but will be 10 early in the New Year. HRH’s home near Kensington Palace was purchased in May 2016 for £87,500,000. It was placed in a trust structure for the benefit of HRH and the children. It was refurbished in 2017/2018 in the sum of £14,680,000.

4.

On 7 February 2019, HH divorced HRH by talaq under Sharia law, without HRH’s knowledge at the time. This was a final divorce but, on 8 May 2019, it was registered with the Dubai Court, meaning that it is entitled to recognition in this jurisdiction. The breakdown of the relationship was acrimonious. It has been set out in detail in previous judgments of the President. I do not need, therefore, to set it out again, other than to refer to the previous judgments. Some of the findings are, obviously, of significant importance to this judgment and I will refer to those findings in due course. Suffice it to say that, on 15 April 2019, HRH travelled to England with Jalila and Zayed. There is no doubt whatsoever that I can treat this now as a permanent move and proceed on the basis that HRH and the children will be habitually resident in this jurisdiction for the foreseeable future. HH informed HRH on 26 April 2019 that her funding would cease on 29 April 2019 and it did so. On 14 May 2019, HH made an application for the children’s return to Dubai but he subsequently withdrew the

application and accepted that the children would be remaining here indefinitely with HRH. Indeed, on 17 July 2019, the President made the children Wards of Court, which remains the position to this day.

5.

On 18 October 2019, HRH requested that the children's very substantial allowances of AED 5 million per month for Jalila and AED 2 million per month for Zayed be paid to a UK bank rather than to their accounts at N Bank. These were very substantial payments indeed amounting, at the current rate of exchange, to approximately £12 million pa to Jalila's account and £4.8 million pa to Zayed's account. The result of the request was that the standing orders to the N accounts were ended on 28 October 2019.

6.

A fact finding hearing took place before the President in November 2019. HH had made it clear that he would not attend and that he would not give evidence to this court, either in writing or orally, arguing that his position prevented him from so doing. The court, however, has decided that his position does not give him immunity in relation to private law matters. Nevertheless, he has not attended at any point, although he has instructed top quality lawyers to represent him. The judgment of the President is dated 11 December 2019. It has been widely reported. A number of very serious findings were made, including that HH had ordered and orchestrated the abduction of two of his elder children, Sheikha Shamsa (born 1981) and Sheikha Latifa (born 1984); had forced them to return to Dubai; and had detained them there since. In the case of Sheikha Shamsa, the abduction took place from this country in August 2000. Turning to this case, the President records HRH's evidence that HH threatened to remove Zayed from her care, such that she would not see him again and that he said that both children "do not need their mother any more". The President found that HH had not been open and honest with the court and that HRH had been placed in a position of great fear. HH had deliberately used his connections with the Press to generate hostile stories aimed at destabilising her and harming her. He had published poems considered by HRH to be threatening, including one entitled "You lived; you died". The President concluded that HH would use his very substantial powers to achieve his aims.

7.

Reporting restriction orders were made by the President on both 28 January 2020 and 3 February 2020, although these orders have subsequently been varied to permit the reporting of various judgments. Nevertheless, I took the view that, as is currently normal practice in the Family Court, the hearing of HRH's financial claims should be heard in private, albeit with accredited members of the Press attending. I gave permission for it to be reported that her claims were being heard but I refused to permit the reporting of any detail as the case progressed on the basis that I would decide after I had given judgment whether to allow the reporting of my judgment and, if so, the extent of any necessary redactions. At all times, I had the welfare of the two minor children at the forefront of my thinking.

8.

The issue of the legal costs being incurred by HRH has loomed large over these proceedings and has resulted in a number of different applications by her. In the early days, these were heard by the President before he reassigned the financial proceedings to me. I have dealt with them since. On 11 February 2020, HRH applied for security for costs. Subsequently, she has made a number of applications for legal services funding. I will set out her financial disclosure later in this judgment but suffice it to say, both the President and I came to the same conclusion, namely that, although HRH does have significant assets, they are not readily available to fund this litigation and, in the case of the

two biggest assets, the English properties, it would be unreasonable to expect her to do so. In comparison, it was clear that funding the litigation was of no consequence for HH. Moreover, at all times, both the President and I have proceeded on the basis that, whatever HRH has spent in legal costs, HH has spent more. HRH also applied for interim financial provision pursuant to Schedule 1 on 21 February 2020. She had not received any financial assistance from HH for the children since the separation and had been forced to utilise her own resources. At the time, she sought what, in the context of this exceptional case, I consider to be modest funding, namely £84,000 per month to pay the outgoings on HRH's home near Kensington Palace and, initially, £40,000 per month for the Castlewood Estate in Egham that she had inherited from her father, the late King Hussein of Jordan. She also sought £533,000 per month to cover security costs for her and the children.

9.

The President heard the application on 5 March 2020. HH accepted that his wealth was sufficient to meet any reasonable order. On that basis, the President decided that he should not require him to provide financial disclosure and he dispensed with the requirement for the parties to file Forms E1 setting out their respective financial positions. He did, however, make a number of directions as to the evidence that would be required in relation to HRH's budget and he provided for a private FDR to be heard in July 2020 before a retired judge, Sir David Bodey. If the case did not settle, I was to deal with the PTR on 22 July 2020 with the President hearing the claim over five days commencing on 12 October 2020. He made an interim order of £439,000 per month, which was made up of £355,000 per month for security costs and £84,000 per month for the running costs of HRH's home near Kensington Palace, backdated to 1 December 2019. At the hearing, HRH did not press for additional maintenance in relation to Castlewood. The first payment, including the arrears, was to be paid in the sum of £1,756,000 by 19 March 2020. He made an order for security for costs in the sum of £4 million. In his judgment, he does refer to HRH withdrawing many millions of pounds worth of money from the accounts in the names of the children in Dubai on her departure for this country. The funds have been used over the past year. He refers to HH claiming that a significant part of this money had been used inappropriately on, for example, show jumping horses for the Olympic Games. I will obviously have to return to this in due course. The President did make the point that the only contribution made by HH since separation had been a sum of £1 million for the children's education. Two independent companies, U and, subsequently, O had been providing security in this country for HRH. The cost had been £354,066 in January 2020. HRH wished to take the provision of security "in house". Moreover, she made the point that the costs would increase dramatically if the family was able to live a more normal life post Covid-19. The President allowed the sum paid to O in January 2020 going forward but did say that, if HRH could produce better evidence of the actual cost of security, he would consider the matter again. He rejected HH's contention that she should fund herself from money already provided by him prior to the separation. He made the order for security for costs on the basis that there was no evidence of HH having assets in his sole name in this country against which HRH could enforce a costs order.

10.

In fact, when HRH produced her budget in April 2020, it was clear that the sums she had sought on an interim basis were far lower than those she was seeking long term. Indeed, that first budget was in the sum of £42,093,100 per annum, of which the general maintenance provision was £14,072,000 per annum; £8,115,000 was for security; and £19,905,200 was the reinstatement of the children's allowances at the then rate of exchange. In May 2020, HH produced a counter budget for HRH and the children. The figure he proposed for general maintenance was £2,589,000 per annum, which he subsequently revised to £3,158,000. He also proposed a security budget of £3,600,000 per annum

(£300,000 per month). HRH applied on 14 May 2020 to vary the interim provision based on further evidence of the costs of security. She exhibited a letter from an anonymous director of her security operation dated 11 May 2020, redacted to preserve anonymity. A new company had been incorporated on 1 February 2020 to run the security operation. It was said that the use of O was not an appropriate long term model. There was a need for dedicated, trustworthy long-term staff and an increased number in the team. It had to be sufficient to enable HRH and the children to leave the house separately at the same time. The level of threat required enhanced pay. It is right to say that the budget included 25% of the costs of salaries for “ severance costs ”, which Mr Dyer QC, who is the main leading counsel for HH, has long criticised. Finally, the letter said that HRH needs a property nearby to house the security team. The budget included salaries etc at £3.4 million; consultancy fees for the management team at £962,650; severance costs of £824,542; rent at £450,000; professional fees of £306,000; legal fees of £175,000; and VAT at £672,000, making a total £8,115,000 per annum.

11.

On 3 June 2020, the President refused an application that HH had made to instruct an expert in security to report on the reasonable security needs of HRH and the children and the cost of doing so. In his judgment, the President made the point that, although the security budget had increased from £4.6 million pa as recently as March 2020 to £8.1 million pa, the exceptional feature here is that the main risk is from HH who is the very person challenging the quantum. The President said that it was in HH’s interests to reduce the budget if he wished to abduct the children. He was of the view that any such expert instruction was bound to compromise the confidentiality of HRH’s security arrangements. If such information was not made available, the report would be anodyne and unlikely to assist the court.

12.

On 19 June 2020, HRH made two applications. The first was for leave to apply for financial provision after an overseas divorce pursuant to Part III of the Matrimonial and Family Proceedings Act 1984. In the application, HRH made it clear that she was only seeking capital provision to cover the long-term costs of her security and that of the children. The second was for legal services orders or, in the alternative, for further security for costs. She exhibited to her application the requisite refusal from two financial institutions to provide her with a legal fees loan; a refusal from one of her trusts, the R Trust to provide her with a loan due to the conflict with the interests of the children who are also beneficiaries of that Trust; and a letter from her solicitors, Payne Hicks Beach (“PHB”) setting out her outstanding costs, which were (£1,482,177) as at 11 June 2020 and an estimate of her future costs. The letter also said that the firm was not prepared to enter into a Sears Tooth deed, namely that they were not prepared only to be paid out of the proceeds of the litigation.

13.

HRH has given financial disclosure at various points in the case. I propose to summarise her disclosure in one place at the conclusion of this section of my judgment, before I deal with the law, the evidence that I heard, my findings and my conclusions. She did, however, file a statement dated 4 June 2020 in support of her application for leave pursuant to Part III. She said that she was not attempting by her application to replicate the lifestyle the family had enjoyed in Dubai. She said she was fast eroding her capital trying to provide some semblance of what the children had been used to. She had no intention to claim in her own right, other than for the costs of security for the rest of her life, although she made the point that, after a marriage of 18 years that produced two children, she had a legitimate financial claim in her own right. She said that she could not apply in Dubai for reasons that are obvious and do not need further explanation. She added that she made the application just to

avoid her budget being pared down on the basis that it was in part for her and therefore impermissible pursuant to Schedule 1 of the Children Act. She did say that, as the children get older, their security costs will increase due to the requirement for them to have their own separate arrangements. She added that she had had to sell clothes, jewellery, horses and handbags to manage. She accepted that a number of show jumping horses, described as "Team Harmony" horses were owned by her and that, in so far as the children's money had been used to fund these purchases, she owed the money to the children. To give some idea of the standard of living during the marriage, she said that the family's holiday costs at a hotel in Italy one summer were £631,000 with another €274,000 at a hotel in Greece. The flight costs were £210,000 to Greece; and £180,000 to Italy, due to the need to have a private plane for security reasons. A further £55,000 per week would be required for expenses, such as the hire of a private yacht. The children have a tutor who had charged £250 per hour for teaching and £200 per hour for preparation. Last year, HRH had purchased a fleet of five cars to enable the children and her to move around safely at a cost of £130,000 each plus VAT. These cars, however, did not have enhanced security.

14.

HH served a Questionnaire on 12 June 2020 that ran to 40 questions set out over 12 pages of text. HRH responded to the salient points by way of a statement. On 22 June 2020, HH asserted immunity in relation to the Part III application. Two days later, on 24 June 2020, he made his first Open Offer. In her evidence, HRH had referred to budgets prepared by her Office in Dubai during the marriage that showed enormous levels of expenditure. HH asserted that there had only been two such budgets. He said that, although the 2019 budget was signed as agreed by HH and was in the sum of £72.9 million, only £7.4 m related to the children. He added that these historic budgets were not meaningful as HRH then had the status of the wife of the Ruler of Dubai, which she does not now have. He added that generosity, such as in relation to the children's very substantial allowances, was discretionary, not a matter of legal obligation. He said he would meet the reasonable running costs of HRH's home near Kensington Palace, which he put at £1.19 million pa and provide an education fund of £2.5 million. HRH should contribute because of the way she had stripped the children's N bank accounts, which he then put at £55.8 million. He said that the question of how much had been spent on the children, how much had been misspent, and how much remained were issues in the case. He objected to paying a large sum of money upfront as capitalised child maintenance. Moreover, the costs of running HRH's London office and her Jordanian office in Amman should be excluded. There were no horses owned by HRH. Some ran in her colours and were registered in her name but they were at all times owned and entirely financed by Godolphin. Zayed, then aged 8, did not own any cars. Zayed was, however, very fond of one particular car and HH would send that vehicle to London for Zayed. HH made the point that the President had, on 5 March 2020, refused to order him to disclose his legal fees. He asked what contribution Jordan was making to the cost of HRH's security and questioned how the security budget could have gone up by so much when the final O figure was only £301,000 per month. He said that it is quite impossible to predict the position after the children attain their majority. The Beach Palace in Dubai was not owned by the children. It was registered in the name of HH The Ruler's Court. He said that HRH had taken very significant belongings from Dubai to the UK in the run up to her move. There had been 66 shipments weighing 8,000kg and costing £70,000.

15.

I heard various applications in the case on 29 June 2020. I found that HH's costs exceeded HRH's costs and that, without legal fees funding, she would not reasonably be able to obtain appropriate legal services. I increased the interim provision for security to £445,000 per month from February 2020 to June 2020 and then to £470,000 per month, based on a new schedule which in part contained

actual expenditure. Overall, this meant that the interim periodical payments rose to £529,000 per month and then to £554,000 per month, when the sum of £84,000 per month for HRH's home near Kensington Palace was included. I also directed that HH pay education and medical costs. Turning to legal services funding, I made an order that HH pay £2 million to cover the position to the end of July 2020 on the basis the matter would be reconsidered at the PTR on 27 July 2020. I adjourned HRH's application for security for costs and for financial disclosure from HH until the hearing on 27 July 2020. I made no order for HH to disclose his costs.

16.

On 13 July 2020, HRH applied for a fund of £95 million to be paid by HH into court immediately to secure his periodical payments obligations. Four days later, on 17 July 2020, her new Head of Security, known throughout the case as Director 1, filed his first statement. He is ex-Army and he had never met HRH until June 2020. He had conducted a review of her security and its cost without seeing the earlier costings, although he then cross-checked his conclusions against the earlier figures. He considered that, although the threat level to HRH changes daily, it remains of a significant magnitude at all times. He exhibited his security assessment. He assessed the current threat level as "severe". In other words, an attack is highly likely at some point, given the proven history of abduction. If there is a vulnerability in HRH's security, the threat level rises to "critical", which means an attack is highly likely in the near future. In addition to the main threat from HH, there ; plus the ever present risk of kidnap and ransom. He said that the team needed reinforced vehicles. These cost £450,000 each. In addition, there was a need for CCTV at the property at all times, a safe room and the like. There would have to be a revised assessment when the children became adults. In terms of costing, he put the budget then at an annual cost of £7,409,154 plus VAT, making a total of £8,496,000 but this excluded international travel which would increase the figure to £9,724,232.

17.

HRH filed a statement dated 20 July 2020. She denied any misuse of funds. She said she had been the caretaker of the funds. HH's presentation is artificial. He encouraged her to undertake a project for Team Harmony to enter show jumpers into the Olympics. In so far as she had spent some of the money on her own projects, it was no more than 1/3<sup>rd</sup> which was her notional share. Although HH paid £14.2 million pa into Jalila's account and £5.678 million into Zayed's, it was all one fund. HRH had herself been paid £10.4 million pa in Dubai, which had completely ended when she came to this country. A retrospective audit involved unfair pressure, given that the family had been cut off completely in April 2019. She took HH through every page of the 2019 budget in Dubai before he signed it. HH had unilaterally removed the children's ownership of the Beach Palace, Logo Island and the like. He had removed the children as beneficiaries of trusts. He had trusted HRH to deal with Godolphin by putting her in charge of a review of expenditure whilst they were still married . He offers no evidence to back his claims. HH had committed to finance a charity sponsored by HRH in Jordan to tackle extreme poverty there. It is known as TUA and £10 million had been spent on it during the marriage. She had to continue to support it after the separation. In the same way, HH had agreed to support relatives of HRH in Jordan , such as her brother, Prince Ali, who was financed to the tune of £400,000 pa. After the separation, she had to honour this commitment so she had given Prince Ali £4 million to cover the next ten years. This would enable him to pay the running costs of his home, Baraka Palace. Money had been invested by agreement on behalf of the children in a hotel in Dubai known as La Ville . Some £21 million had been paid over but it was not a success. A repayment schedule had been agreed. The first payment had been made but she was not sure if the other two payments had arrived. She said she received £15 million for the winnings of her horses in March 2018. She had placed \$5 million of this in the R Trust. All Team Harmony horses belong to her. She had owned show-jumping horses pre-

marriage. The Team had been run through Godolphin initially but it had been removed between 2016 and 2019. By then, the horses had a low value so, with the agreement of HH, she had reinvested in horses during March/April 2018 with the intention that they would compete at the 2020 Tokyo Olympics. The total costs of these horses was €8.1 million although a further horse known as PSG Final was purchased in November 2018 for €7.2 m and one called Irenice Horta was bought for €5 million in November 2018. HH was fully aware. These horses were moved into an entity known as King Hussein's Team in May 2019. Money from the children's accounts in the sum of £13.6 million had been used to fund these purchases. PSG Final was sold in November 2019 for €7.1 million. The project is now at an end, so HRH will sell the remaining horses and repay the loans to the children in the sum of £13.6 million. During the marriage, HRH had agreed to fund a campaign by her brother, Prince Ali, to become President of FIFA. HH was aware of this and in agreement, although he may not have known it was called P T. Once the campaign was over, P T continued investigating corruption in sport, particularly football. HRH had continued to fund this at £110,000 per month. She then dealt with a number of payments that had been made to four security staff during the marriage. These individuals had blackmailed HRH over an affair she had with one of these four people. She accepted that some of the total money spent had come from accounts in the name of the children and she considers this to be her responsibility. To make ends meet, she had sold jewellery by this point for \$1.6 million, although she has since had to sell far more.

18.

HH made an application dated 21 July 2020 for a security expert to deal with the reasonable security needs and the costs of those needs for HRH, on the basis that, unlike the first application he made, this expert would only have access to the disclosed material. In consequence, there would be no risk to HRH's security operation. There would be no contact with HRH or her premises and a confidentiality agreement would be signed. I approved this application on 27 July 2020. Indeed, Mr Cusworth QC, the lead advocate for HRH, did not oppose the application. As it has turned out, no report has ever been served by HH so the only evidence I have is that of Director 1 on behalf of HRH. At the PTR on 27 July 2020, I made a significant number of other orders. I dismissed HRH's application for a payment into court of £95 million, taking the view that there was no jurisdiction to order such a payment. I did, however, order that, unless HH had put in place a bank guarantee in the sum of £95 million by 31 August 2020, he should provide a schedule of all his assets valued at £15 million or over anywhere in the world in which he had any kind of chargeable interest, with the location and approximate value of each asset. As it transpired, HH put in place the bank guarantee so he did not have to provide the disclosure. Finally, I dealt with the further legal services funding application of HRH. By then, she had outstanding costs of (£2.4 million) but £1.4 million had been outstanding at the time I had last dealt with the application. I therefore declined to make orders in relation to that element of the debt but I took the view that the other £1 million needed to be covered. I was also of the view that her costs going forward should be met in full. In consequence, I made an order that a sum of £5,834,000 be paid in six instalments, namely £1 million per month for five months with a final payment in December 2020 of £834,125. I should make it clear that every such interim order made either by myself or the President, whether for interim periodical payments or for legal services funding, has been met in full by HH in accordance with the orders made.

19.

On 14 August 2020, HRH made her first Open Offer. The structure of the award she seeks has remained constant throughout, although the figures have changed as, on her case, more information has become available. She sought general maintenance for the children of between £13.6 million to £13.9 million for 11 years, reducing by 50% for the next four years. She sought that this sum should



be capitalised at £155 million. Turning to security costs, she sought £8.1 million per annum for 15 years, capitalised at £103 million; thereafter, she sought £9.7 million for the rest of her actuarial life (capitalised at £152 million); followed by £8.8 million for the rest of the children's actuarial lives (capitalised at £229 million). She asked for the restoration of the children's allowances at £9.9 million each for 11 and 15 years respectively, capitalised at £223 million. She claimed an education fund of £3.04 million and existing capital costs of £15.7 million. At that point, total provision would have been £883 million of which £171 million would be paid direct to HRH; £485 million would be paid into a security trust; and £223 million into a children's trust. Finally, she sought a future legal costs fund of £50 million. She asked for the return of all property to which she had access in April 2019, including horses, jewellery, clothes, rugs and paintings, as well as Zayed's car collection and Jalila's jewellery.

20.

The original timetable for the case had to be changed when it was brought to the attention of HRH that her mobile phone, the telephones of her PA and two of her security staff, and the telephones of at least two of her lawyers, namely Baroness Shackleton of Belgravia and Nicholas Manners, had been hacked. She sought a fact finding hearing as to the allegations and, in consequence, the President adjourned the listed Schedule 1 hearing from 12 October 2020 to the Easter Term 2021. In consequence, HRH applied for further legal services funding to cover the additional legal costs as well as further financial provision for security consequent upon the new allegations. In support of that, Director 1 filed a second statement dated 5 October 2020 in which he said that HRH needed urgent and necessary new capital expenditure, involving security upgrades to both HRH's home near Kensington Palace and Castlewood in the sum of £615,300 as well as specific expenditure of £116,300; an upgrade to the lodge at Castlewood in the sum of £72,000; additional expenditure on electrical work at £19,000; and accommodation costs of £50,000, making a total of £872,000, of which £275,000 had already been spent. He also recommended a new post of Cyber Security Officer, as well as a private communications network for the telephone system operated by the security staff and technical surveillance counter measure sweeps. In the first year, the cost of this would be £514,200 but with an ongoing annual cost of £220,000. He also set out that HRH's security operatives required to be paid at rates based on those of the pay of Special Forces, which include recruitment and retention pay at a daily rate.

21.

On 14 October 2020, the President considered there was reasonable evidence that the phones of HRH and her team had, indeed, been hacked and, in consequence, it was reasonable for her to spend additional money on security on an interim basis. He increased my order by £42,833 per month to £596,833 per month as well as directing an additional sum of £152,663 to meet urgent capital expenditure on security. Sensibly, the parties agreed an increase in HRH's legal services funding and the President made a consent order on 12 November 2020 in which the monthly payment was increased to £1.4 million per month until 3 April 2021, although HRH made the point that this involved compromise on both sides and would entail a shortfall on her legal fees of some £500,000.

22.

Another issue then emerged. On 9 December 2020, the President found that there had been a deliberate course of conduct by HH to attempt to purchase a substantial property, known as Parkwood, situated adjacent to HRH's Castlewood property in Egham. He found that information was withheld from HRH and that it would have had the effect of intimidating HRH to a "very marked degree". HH's case was that an offer had been accepted by the vendors on 19 September 2019 but the purchase had been paused due to the pandemic and that an eventual decision was taken to cancel

the purchase when it became apparent that HRH was alleging it was harassment. The President and Chamberlain J had found, on 29 October 2020, that the doctrine of Foreign Act of State did not preclude the court from full investigation of the hacking issue. HH obtained permission to appeal the ruling on 10 December 2020, which led to the President making a further legal services funding order on 13 January 2021 in the sum of £943,236 to enable HRH to deal with the appeal hearing.

23.

HH made a further Open Offer on 9 February 2021. The importance of this was that he accepted that, due to the special circumstances of this case, it was appropriate for the court to continue to make provision for the children's security after they had attained their majority and ceased full-time education. The offer, therefore, was for general periodical payments for the children of £3.158 million per annum; and security payments of £3.6 million per annum payable indefinitely. The HSBC bank guarantee that was already in place in the sum of £95 million would continue and, unlike his previous proposal, would not decrease yearly as payments were made. He agreed the education fund of £3.04 million, which I believe I am right in saying is the only financial provision actually agreed between the parties in this case. On 19 March 2021, the President and Chamberlain J rejected HH's claims for immunity in relation to the application made by HRH pursuant to Part III and an additional application she had made for financial provision pursuant to the inherent jurisdiction of the High Court. In the judgment, the court said that HH had not established, to the required standard of proof, immunity from civil jurisdiction for heads of government in respect of non-official (private) acts, although he had not expressly waived immunity. Again, HH sought to appeal this decision. On 23 March 2021, Peter Jackson LJ took the decision that the final hearing of the Schedule 1 application had to be adjourned as the judgment in relation to the hacking allegations had not, as yet, been handed down. As it turned out, this had the added advantage that it would be possible to hear HRH's Part III application at the same time, if HH's claims for immunity had finally been dealt with in all courts.

24.

The delay meant that, on 14 April 2021, HRH made a further application for interim provision, to provide three armoured vehicles at a cost of £1,350,000; £1,257,000 for summer holidays (including additional costs of security for those holidays in the sum of £550,000) and for further legal services funding. On 23 April 2021, HH accepted the justification for the new application, offering £500,000 for a summer holiday for HRH and the children, together with further legal fees funding of £2.5 million, payable at the rate of £500,000 per month. I heard the application on 27 April 2021. I made provision for legal fees funding at the rate of £1 million per month up to and including 3 October 2021. I awarded interim financial provision in the sum of £1.9 million, comprising £1 million for summer holidays (including the costs of security during the holidays) and £900,000 for two armoured vehicles, as against a request for funding for three on an interim basis. I dismissed HRH's application for increased security provision and for financial disclosure from HH. I extended the final hearing of her financial claims from five to ten days. I listed a further hearing to determine whether she should be granted permission to make a claim for herself pursuant to Part III of the 1984 Act but to be subject to HH's appeal as to immunity.

25.

The President delivered his hacking judgment on 5 May 2021. The allegation was that HH had utilised software known as Pegasus, from the Israeli based group, NSO, to hack into the various mobile telephones. It was asserted that the software, which is intended for use by sovereign states against terrorists, can, amongst other things, track the location of the telephone; read text messages and emails; listen to calls; and access contact lists. The President heard expert evidence and set out the

way in which the alleged hacking had been brought to the attention of HRH's lawyer, Baroness Shackleton. He said that NSO only provides the software to Governments and it had terminated the contract of the customer involved, although it was not able to identify that customer. The President found to the required civil standard of proof that all six telephones had been successfully infiltrated or subjected to attempted infiltration by the Pegasus software. Moreover, in relation to HRH's mobile telephone, the hackers had managed to extract a very substantial amount of data, namely 256 MB. In addition, there had probably been successful hacking of Baroness Shackleton and Mr Manners. HH was the probable originator of the hacking and no other person comes close as a likely instigator. He had previously used his State apparatus to achieve his aims and had harassed and intimidated HRH. The President added that these findings were of the utmost seriousness and the opposite of building trust. Inevitably, on 25 May 2021, he made an injunction preventing the use of any information obtained by HH from the hacking but, as HH continues to deny any involvement in such hacking, the simple fact of the matter is that this injunction has little to which it can really apply. I do, however, make it clear that all his English legal advisers tell me, and I entirely accept, that they have made very careful checks to see if there is any information they have that could have come from such a hack and they have concluded that they do not believe they have any such information. I of course accept the point made in reply by HRH that they cannot be absolutely certain about this but I accept they have acted with complete propriety and due diligence in this regard, particularly in this trial where all Mr Dyer's detailed questioning of HRH was based on the documents disclosed in the proceedings.

26.

The President and Chamberlain J had also heard HH's claim to immunity from jurisdiction in relation to HRH's claim pursuant to Part III and the inherent jurisdiction of the High Court. On 19 March 2021, the court dismissed his application, finding that he has no immunity in respect of HRH's financial applications for herself. On 9 June 2021, the Court of Appeal (Moylan and Dingemans LJJ) refused HH permission to appeal against the immunities judgment. On 10 August 2021, the Court of Appeal (the Chancellor of the High Court, Macur and King LJJ) dismissed HH's appeal against the hacking judgment. The Supreme Court (Lord Hodge, Lord Lloyd-Jones and Lord Burrows) refused HH permission to appeal that decision on 6 September 2021, on the basis that it did not raise an arguable point of law. It follows that the judgment of the Court of Appeal therefore stands. Despite the continuing denials of HH, I must proceed on the basis that "... the phones of HRH, her legal advisers, and various associates were hacked through the use of Pegasus software and that this surveillance was carried out by the servants or agents of HH and with his express or implied authority."

27.

I dealt with HRH's application for permission to apply for financial provision following an overseas divorce on 27 July 2021. Shortly before the hearing, on 21 July 2021, HH's solicitors wrote that he would not oppose leave being granted subject to two conditions, namely that the claim would be limited solely to her claimed security needs for the remainder of her lifetime and that HH would not be required to give any financial disclosure on the basis that he can meet any reasonable order. He also sought an order dismissing her application pursuant to the inherent jurisdiction of the High Court. HRH's solicitors replied on 23 July 2021, saying that conditions to the grant of leave were neither appropriate nor justified. Her position, that she will not seek substantive provision for herself other than for her security, remains unchanged but that is a voluntary position. In relation to her connections with this country, she relied on a statement filed by HH's previous solicitor, Lady Ward dated 21 June 2019 in which she set out HRH's close connections with the UK, including her education here in Bristol, then at Bryanston in Dorset, and finally at Oxford University; the horses that are based here; and the fact that HRH had spent between 91 and 114 days here each year since 2015.

Further reference was made to various statements of HRH in which she referred to HRH's home near Kensington Palace being purchased in 2016 at her request; that they considered the UK their home; that HH's racing operations are based here; that HH has multiple businesses here; and that the children's mother tongue is English. HRH also said that it had never been her intention to make an application for financial provision in her own right but that she sought the costs of her security as their mother and primary carer, to include the costs of her security after the children are independent. Her main statement in support of the application was dated 4 June 2020. It made the point that the children need to know that their mother is safe. She added that she was foregoing her own legitimate claims following an eighteen-year marriage that produced two children. She made the point that it is logical to hear the Schedule 1 application and the Part III application together. She said her own resources are tied up, mostly in providing housing for the children; or are required to meet her needs; or have already been sold.

28.

On 27 July 2021, I was quite satisfied that I should give HRH permission to make her application pursuant to Part III on the basis that there was more than sufficient connection with this country. Whilst I accepted that I had power to impose conditions on the grant of leave, pursuant to s13(3) of the 1984 Act, I rejected HH's contention that I should do so. I was clear that HRH should be held to her concession but I did not want any unnecessary dispute as to whether a particular head of her claim involved personal benefit and was thus not permitted by a condition I had imposed. In particular, I was concerned that it might be said that her claim in relation to her horses and jewellery might involve such personal benefit. Second, I was clear that I should not impose any condition as to disclosure. If disclosure became necessary, I had to have the ability to order it. Having come to this determination, I did, nevertheless, refuse to direct any disclosure by HH but, on this occasion, on the basis that HH is able to pay any order sought by HRH, fully capitalised as cash within three months of my so ordering. By doing so, I removed the word "reasonable" although I consider this is a distinction without a difference as, by definition, any order that I make must be reasonable in so far as it is not successfully appealed. I dismissed HRH's application pursuant to the inherent jurisdiction of the High Court. I was clear that there was no need for such an application as I had full jurisdiction to make any financial order I needed to make within Part III. I considered that the application pursuant to the inherent jurisdiction was fraught with jurisdictional difficulty. Indeed, I very much doubted that there was jurisdiction to make such an order. After all, if there was, there would have been no need to pass either Part II of the Matrimonial Causes Act 1973 or Part III of the Matrimonial and Family Proceedings Act 1984. Finally, I was clear that I should hear both the Schedule 1 claim and the Part III claim together at this hearing.

29.

I heard the Pre-Trial Review on 9 September 2021. I made a declaration that HRH was a vulnerable witness but I rejected Mr Cusworth's submission that she should not be cross-examined by Mr Dyer QC on behalf of HH. I did, however, set out ground rules for the cross-examination, including that the questioning was to be directed to the quantum and structure of the award and was only to be based on information and documents within the court bundles, to avoid any suggestion it might be based on material illegally hacked from her telephone or those of her lawyers. I made provision for the evidence of Director 1 to be taken in such a way as to ensure that his anonymity was not jeopardised. It was also to be limited to matters in the court bundle and was not to undermine HRH's security arrangements. Finally, I made a further legal services funding order by consent in the sum of £1, 133,333 per month for October, November and December 2021. Happily, as I told the advocates at the time, this was almost exactly the quantum of provision that I myself had provisionally had in mind

when I had read the papers. This provision takes the litigation beyond this financial hearing to cover further hearings before the President when he is dealing with the welfare of the children. I made some modest further directions, to include short Scott Schedules of the personal items being sought by HRH.

Evidence filed in support of the respective cases

30.

In the run up to this hearing, a considerable number of documents have been filed setting out HRH's financial position and the respective contentions of the parties. Given that I did not require any disclosure from HH, his contribution to the issue of disclosure has been, understandably, limited. He did file some Replies to HRH's Questionnaire. He said that, other than shares in a hotel in Dubai known as La Ville Hotel, the children do not own any real property in Dubai. The "affection plans" that they should have, for example, the Beach Palace, are not proof of title. Their interest in La Ville Hotel amounted to AED 190m in November 2018. In addition, they do have deposits in bank accounts amounting to AED 35 million in the case of Jalila and AED 14 million in the case of Zayed as well AED 51.8 million for Jalila in W deposits.

31.

HRH has filed a detailed schedule of her assets, which is to be found at pages 1181 and 1182 of the Core Bundle. HRH's home near Kensington Palace is held in a trust structure with HRH, Jalila and Zayed as discretionary beneficiaries. As at December 2017, the property was valued at £95 million. It will be subject to an IHT charge to tax of £5.278 million in 2026 and a further sum of £5.7 million in 2036. In consequence, the net value ascribed to the property is £83,156,664. Turning to the C Trust, again HRH and the two children are discretionary beneficiaries. It has a net value of £18,886,522, of which the house itself is valued at £4.5 million. There are various assets held in portfolios of approximately £10,375,000. The property will incur IHT charges in 2026 and 2036 of £388,500 and £420,000. There are two further trusts, the G Trust and the R Trust containing £2,922,030 and £5,325,244 respectively but in both cases, by far and away the largest asset is money owed to the Trusts by HRH herself, in the sums of £2.6 million and £5.15 million respectively. Again, HRH and the children are the discretionary beneficiaries. Turning to her own financial position, she has land in Jordan worth £2,781,729; a sum of £180,386 in C (which previously owned a property near Newmarket) and £192,538 in J Ltd, both of which are companies in which she is the 100% shareholder. She is also the sole shareholder of King Hussein's Team Ltd which owns the various horses. The remaining horses, valued at cost, are worth £7,616,089 and there is cash of £4,282,413 from the sale of some of the horses. However, HRH owes (£13,582,720) to the children as the money to purchase many of the horses came from their bank accounts. Overall, HRH herself is owed approximately £1.25 million. Taking all this into account, King Hussein's Team Ltd is in deficit to the tune of (£2,935,639). HRH owes money to a number of entities. Overall, she owes (£6,293,417). She is owed money by G Trustee in the sum of £545,000; she owes (£205,200) to her London Office; she is owed £2.2 million by R Ltd; £83,645 by T Ltd; £335,887 by the Security Company; and she has a net figure of £2,475,680 in various bank accounts. Her estimated outstanding legal fees were (£1,482,177) after the order I made at the Pre-Trial Review is paid in full, but they have since increased. This all meant that, in terms of her personal resources, HRH's net position had deteriorated from a positive figure as at 29 May 2020 of £6,363,000 to a negative position on 31 August 2021 of (£2,217,134).

32.

HRH had also set out, at page 1184 of the Core Bundle, a schedule of the various asset sales that she has made to help her meet her shortfall in expenditure during the period of the litigation. In total, from August 2019 to July 2021, she had sold assets to the value of £15,568,997, consisting primarily of horse sales of £9,692,089; jewellery sales of £2,059,849; and other sales of £3,817,059. In the latter category, the biggest component was the sale of a property known as 31 Chestnut Court in the sum of £2,559,266 but, by way of indication, she sold clothes with a value of £200,100. At the conclusion of her oral evidence, either I or Mr Dyer requested further schedules of expenditure. The first was a schedule showing her total expenditure on all aspects of life from December 2019 to September 2021 (namely 30 months) in the total sum of £35,643,751. This is an annual level of expenditure of £14,257,500. Projected to the end of the hearing, this increased to £39,220,137. There are many components to this schedule but the magnetic ones seem to me to be £1,874,568 on HRH's home near Kensington Palace; £1,589,189 on Castlewood; £10,701,068 on security; £7,354,435 on her London Private Office; £2,908,139 on her Jordan Private Office; £1,706,216 on Capital Expenditure; and £2,877,782 on legal fees, not connected with this litigation. She also produced a schedule of her spending from the sum of £1 million that I awarded to her for summer holidays in 2021. Unfortunately, due to the pandemic, she had not been able to go on a foreign holiday but she had spent £397,421 on holidays in this country and £77,770 on additional security for those holidays. I accept that the latter figure would be far greater if foreign travel was involved. This does mean that, out of the provision I made in the sum of £1 million, a sum of £524,809 remains.

33.

In addition to the above, HRH filed a significant number of statements in support of her case. She said in her statement dated 12 October 2020, that she was continuing to fund the PT operation via O to promote integrity in sport in the sum of £100,000 per month. She was using her resources, held in R, to do so. At the time, she had received an offer of £8 million to acquire all the remaining King Hussein's Team Ltd horses after a recent sale of Chianti's Champion for €1.5 million. She had recently accepted an offer of £480,000 for the property near Newmarket and had started to sell her jewellery. She also dealt with the allegations of blackmail made against her by four security operatives. She said she had paid a total of £6.7 million to these four men. There is little doubt that this money emanated from accounts held by the children into which their "allowances" were being paid but it happened prior to the separation of the parties. I will obviously have to return to this when I consider my findings of fact.

34.

Director 1 filed two further statements, dated 23 April 2021 and 24 August 2021. In the third statement, he said he had initially assessed the security threat to HRH and the children as severe but this could rise to critical, in other words, a serious threat to HRH's life or of the children being abducted. He made the point that HH has tried to exploit vulnerabilities in her security arrangements even whilst under the gaze of the English High Court of Justice. He considered that there is a serious risk of her being killed or harmed and the children being abducted unless the requisite security measures are in place immediately. In his fourth statement, he made the point that the hostile threat to HRH is made by one of the wealthiest and most powerful states in the world. He added that the cost of security increases if either or both children are at boarding school, when they are at university and when they are subsequently living separately. He had reduced the figure in the security budget for severance costs from the original figure which was 25% of salaries down to 15%. This is an aspect of the budget which is particularly contentious. There had been substantial delays to the delivery of the two armoured vehicles that I had provided for in my April judgment. As a result, the family had been having to travel by helicopter on occasions. By the time of his statement, one had been delivered

and another was due soon. He reaffirmed HRH's case about the total that is needed and that they should be replaced every two years. A new provision was being claimed for additional security in the sum of £2.16 million per annum from an outside contractor, known as Company X. The statement also deals with other immediate capital provision required, such as to extend the provision at Castlewood; for further improvements to the security lodge at the property . There are also plans for a parking facility for the cars at a cost of slightly over £1 million. Director 1 ends by saying that an annual budget for security of £3.6 million would leave the family seriously vulnerable to risk of abduction, harm and loss.

35.

HRH's three final statements are dated 7 September 2021 and 15 September 2021. In the first, she referred to Lord Pannick QC saying at a hearing in April 2021 that it should not be assumed the order for security would continue for the rest of the children's lives as all such orders are subject to variation. This was a real concern for her. She said that her application for capitalisation was therefore crucial. She said she felt hunted and harassed. She could not be involved in further litigation. She made the point that HH should not, as payer, be the ultimate employer of her security operatives, which she felt would be the position if security was paid for by continuing periodical payments. She said that she had been forced to borrow £5 million from the R Trust to meet their everyday expenses. It had been progressively harder to manage on the sum of £84,000 per month which was the interim periodical payments order. It had merely been designed to cover the costs of HRH's home near Kensington Palace rather than all the other areas of expenditure for the children. She had been forced to liquidate assets to the value of £15.6 million, including horses at £9.7 million; jewellery at £2.1 million; as well as cars, property, gold and the like at £3.8 million. The items that should be returned to her included Persian rugs; the children's bedroom contents; Jalila's jewellery; Zayed's car collection; her horses from Godolphin; cars that had previously belonged to her parents; haute couture clothing, which had cost approximately €74 million; and her jewellery that cost £20 million. She said that one particular horse, New Approach, had been given to her by HH on the birth of Jalila. It had gone on to win the Epsom Derby. The horse's stud fees ran to many millions and had all been retained by Godolphin. She complained that HH had been telling the world he had paid her billions when nothing could be further from the truth. She asserted that the risk from Dubai will continue even if HH passes away. She said that her financial position was so bad that she was fast approaching the point where she would have to sell paintings but she did not wish to do so as the children would then see what she was doing as there would be gaps on the walls of the property.

36.

The second recent statement, her 15<sup>th</sup> in all, deals with the findings of the President in relation to hacking. She reminded the court that the President said that his findings were " of the utmost seriousness in the context of the children's welfare ". She said she felt under siege. The psychological impact on her has been overwhelming. Surveillance of this nature could not be more intrusive and distressing. She felt hunted. She referred to the Guardian's description of the hacking as a " pernicious form of abuse ". Her final statement supported publication of the various judgments to date, which was ordered shortly before this final hearing commenced. Finally, on 24 September 2021, she filed her position statement in relation to the Scott Schedule of the items which she says should be returned to her. She said that over 400 horses had run as belonging to Princess Haya of Jordan. Indeed, she asserts that she and the children are still the registered owner of the horses. Some horses had been transferred into the name of Godolphin without her consent, such as Terebellum. Only the most basic items of clothing had been returned to her. She does not seek a declaration as to the specific ownership of each horse but rather a declaration that there was a common understanding

that these horses were hers together with an order for financial compensation. She seeks in total an award of £75 million under that heading. She puts the cost of her clothing at €74 million but the compensation she seeks is £32 million. She refers to some specific items, such as some motor vehicles that she had inherited from her father, King Hussein.

37.

HH has filed a significant number of Position Statements, as he himself has not filed any statements of evidence. On 17 September 2021, a Position Statement gave his response to the hacking judgment. It said he was not able to comment on matters of state intelligence or security. He has no "hacked" material in his possession and there was no surveillance undertaken with his express or implied authority. I remind myself that I am bound by the President's findings of fact to the contrary. He has now removed from the internet the "Lives and Dies" poem that upset HRH so much. He said he has no intention of causing harm to HRH. He opposed the publication of the judgments due to an inability to anonymise the identities of the children. On 27 September 2021, a Position Statement was filed in relation to his case as to the use by HRH of funds belonging to the children. He accepted that he regularly deposited AED 5 million per month in accounts for Jalila and AED 2 million per month for Zayed, making an annual payment at the time of £18 million. These accounts were administered by HRH. In his view, they were not to be used by HRH for spending on herself. He reminded the court that she had £83 million per annum for her household spending plus an allowance of £9 million per annum for herself as well as various ad hoc payments, although this does ignore the fact that all this provision came to an end on the separation. He said that it was a recent invention of HRH that this was all one fund or family money available to be spent. He referred critically to the payments to the blackmailers and the cost of the elite show jumpers, saying that they could have been added to Team Harmony for the children. He also referred to her payments to Prince Ali and to O for PT. He asserted that, due to this misuse of funds, there should be a conventional, albeit secured, periodical payments order.

38.

On 11 October 2021, he filed a Position Statement dealing with HRH's recent evidence. He made it clear that his Open Offer was now to pay £1.9 million per annum per child payable quarterly for their general maintenance as well as £6.2 million per annum for their security. He proposed that this should be secured by the provision of a bank guarantee in the sum of £500 million. He agreed to pay a lump sum of £5.278 million payable by 31 October 2026 to cover the IHT that year on HRH's home near Kensington Palace, together with the agreed payment of £3.04 million for the children's education fund. He said that, in total, he has paid the sum of £36.9 million so far by way of general maintenance, security provision and legal funding. He accepts that there are special circumstances in the case. In relation to the earlier suggestion that he should have to fund payments to the TUA poverty charity in Jordan, he said that it is not the function of the English Family Court to intervene in a dispute between a foreign government and a foreign charity. He referred to the fact that HRH had taken 66 containers of belongings from Dubai and he asked, rhetorically, why did she not take her most valuable items if they really had been left behind. He did not accept that any clothing was still to be returned to HRH, although I do not understand this point, given that I was shown, during the trial, a 28 minute video of staff at the Beach Palace filming a great deal of HRH's designer clothing at that venue. He said he knows nothing about HRH's jewellery as he has had no access to her safe. Again, I was shown, during the trial, a 23 minute video of the safe being opened and various items of jewellery inside being filmed. I will return to this in due course. He said it would be wrong to remove all trace of the children from HH's properties, but he will send the contents of the children's bedrooms to the UK with great sadness. He will also send the Persian rugs. He asserted that HRH's valuations were completely



arbitrary. He contended that the horses that had been purchased had, at all times, belonged beneficially to Godolphin, which had bought them and paid for their upkeep, whilst receiving any winnings, stud fees or sale proceeds as part recompense. He said that the nomination to family members, including HRH, to permit the horses to run in the colours of the family member was merely a licence. He said that HRH had never received any stud fees for any of the horses. Finally, in relation to the legal fees fighting fund, he said that the court can, in the future, make legal services funding orders without the need for a capital fund.

39.

In relation to the Scott Schedule, he made the point that the court had not, at least at the time, made any finding of fact as to the legal ownership of these items. He said that, initially, HRH claimed ownership of 53 horses. It then increased to 63 horses before becoming 42 for her and 19 for the children. It had now gone up again to 89, of which 62 were racehorses and 21 showjumpers. The original 16 racehorses were, on her figures, worth £9.89 million, whereas she now claims horses to the value of £19.1 million. Many of the horses she valued had sold for far less than the valuations. He gave as an example a horse called Ben Vrackie which she had valued at £400,000, yet it had sold for £20,000. In total, horses she valued at £5.6 million had sold for £2.5 million. Three of the horses, which she valued at £660,000, have died. The stud fees of New Approach, which she had put in the millions of pounds per annum, had fallen in value. 15 of the horses she claims were sold before April 2019. He also complained that she argues that she should benefit from the assets but not from the liabilities. He added that registration of a horse in the name of an individual can be only for a single race and can be easily varied. He said that HRH had never received any prize money, although there is clearly an issue about this as she says she was paid £15 million at one point. He says that a claim for a lump sum of £95 million to cover these items is well outside the ambit of her permitted Part III claim. Finally, he acknowledged that a number of heirlooms, such as some ballet shoes given to HRH by Dame Margot Fonteyn and Rudolf Nureyev, would be sent to her.

#### The respective Open Proposals

40.

HRH's final Open Proposal is dated 11 October 2021. It is based entirely as a clean break with all maintenance claims capitalised into a lump sum. General child maintenance is sought of £13,966,035 per annum, reducing to half when the children are in tertiary education, together with holiday costs, capitalised at £153,208,590. The security costs are sought at £12,103,018 per annum, with different figures depending on if the children are at boarding school, in tertiary education and living independently. The figure increases to a claim for £17,169,369 per annum from 2036 to 2062; and then at £12,692,047 per annum from 2063 - 2098 all index linked. In addition, there is a claim for the costs of holiday security ranging from £3.5 million per annum to £6.8 million per annum. In total, all these security figures are capitalised at £787,749,331. The general child maintenance should be paid to HRH outright. It is accepted, if I think it appropriate, that the capitalised security budget should go into a trust, albeit that HH should be excluded from benefit completely. The child allowances of £19,905,200 per annum should be reinstated and capitalised at £216,599,034. This money should also be held in trusts, but with both HH and HRH excluded from benefit. A lump sum is sought for immediate capital needs of £23,288,779 together with the agreed figure of £3,040,000 for education; and £50 million for a legal fees fund. On the basis of these figures, arrears are sought in the sum of £65 million. Turning to the Scott Schedule, a sum of £97,863,126 is sought to compensate for the fact that the items will never be returned. A payment of £13,430,145 is claimed in relation to the TUA charity in Jordan and a payment of 2.5% to cover the Islamic Zakat charitable giving. Finally, the

proposal invites a joint public statement to be issued to draw a line under these proceedings. Adding all these sums together gives a figure of £1,418,819,587 which is the total amount sought.

41.

HH's Open Proposal was dated 11 October 2021. It is on the basis of a global maintenance payment of £10 million per annum, uncapitalised and paid quarterly. This is made up of £6.2 million per annum for security indefinitely and £3.8 million per annum for the children's general maintenance until the end of tertiary education. It should be paid on conventional terms, with CPI indexation. It should be secured by an irrevocable bank guarantee with HSBC in the sum of £500 million which will survive the death of HH. In addition, there should be the agreed education fund paid in the sum of £3.04 million and a lump sum of £5,278,000 to cover IHT on HRH's home near Kensington Palace payable by 31 October 2016. There should be no order as to costs.

#### The parties' Case Summaries

42.

Both parties filed comprehensive and detailed Case Summaries. In the summary prepared on behalf of HRH, I was reminded that the budgets approved for the use of HRH and the children in 2018 and 2019 were, respectively AED 322.6 million and AED 349.9 million. It was said that the current payments made for security pursuant to the interim orders involved very restricted movement by the family due to the Covid-19 restrictions. HH's proposals include no provision for foreign travel. He has not filed any counter evidence. HRH accepts that she will not be able to compel the return of any assets, such as the Derby winner, New Approach, so she seeks payments in lieu. Restoring the children's allowances would make their futures a little less threatened and uncertain. There has been no misuse of funds by HRH. She was a caretaker and manager of the family finances, including her own expenditure, to the best of her ability. Indeed, during the trial, it emerged that the cost of HRH's home near Kensington Palace had been paid from the children's funds. She added that, in so far as there had been personal spending from those funds on her own account, it was less than her notional 1/3<sup>rd</sup> of the total. There had been no strict demarcation, hence the reason that Jalila had received so much more. Turning to capitalisation, she argued that it was impossible for HH to claim that he was more trustworthy than her. Capitalisation would avoid endless further applications as well as huge stress and worry for HRH.

43.

HH's Case Summary complains that this is, in truth, a disguised claim for HRH under the guise of a claim for the children. It is said that the proposals are complicated; excessive; legally unprincipled and unprecedented. I am asked how I could possibly predict what the position will be in 2098. The capital payment sought for the children of £256 million is wrong in principle and contrary to authority. Reference is made to the recent Supreme Court case of [Ilott v The Blue Cross and others \[2018\] AC 545](#), which upholds the principle set out in [Lilford \(Lord\) v Glynn \[1979\] 1 WLR 78](#) that the court should not order payments to children when their parents' marriage has broken down. It is argued that the claim by HRH for £97.8 million as compensation for the chattels is, essentially, just another claim by HRH. The court should remember that HRH's resources are around £100 million, although it does strike me as important to remember that the vast majority of this sum is held in the two properties. The trust structure proposed will cost up to £100 million to run. There will be no prospect of redress to HH if there was an overpayment. A comparison is made between HRH's Open Proposals which, it is said, started as seeking £643 million on 4 June 2020; increased to £933 million on 14 August 2020; and is now £1.4 billion in October 2021. Complaint is made that HRH removed £37 million from the children's saving accounts and £18.6 million from their N bank accounts, making a

total of £55 million, although it is not suggested that I should restore that money. It is simply said that it goes to the issues of backdating and capitalisation. Complaint is made that HRH has used £28.6 million of that money for her own purposes, namely c£7 million to the blackmailers; £6 million to Prince Ali ; and £15 million on showjumpers. Moreover, if HRH's account is true and this was simply a fund for financing expenditure, there were no savings for the children each year, so there is no need for £256 million for that heading. It is said that it is absurd to say that it requires £2.9 million per annum to run HRH's home near Kensington Palace as £900,000 per annum of this is " wear and tear " and £1 million per annum is for refurbishment. Although HRH seeks £1.246 million per annum to run Castlewood, the trust should pay out of its own resources of £19 million, given that the property accounts for only £4.5 million of the total. Again, the figure includes £766,800 per annum for refurbishment/wear and tear. She claims £1.9 million per annum on her private offices which is for her benefit not that of the children. Further complaint is made that part of this relates to her being a Jordanian Princess, which is not the responsibility of HH. The £500 million bank guarantee will cover any difficulties in the future. If HH was to default, HRH simply goes to the bank and obtains payment. The trusts proposed by HRH are thoroughly inappropriate. They are discretionary and offshore. The class of beneficiaries is open so anybody could be added or excluded, including the children. There would be no guarantee the children would receive anything. Rather than the ultimate beneficiary being charitable entities, the ultimate remainder interest should go to HH as he provided the money. Indeed, the children could break the trusts. Finally, HRH has received loans of £7.7 million from two of her trusts, including £5 million from a trust that had refused to loan her money for legal services funding.

44.

Each side produced a number of documents. HH produced a draft bank guarantee from HSBC UK. If any sums remained unpaid 21 days after they were due, HSBC would pay the unpaid sums without set-off, counterclaim or other deduction within 14 days, provided HH had not made an application to the court by then to challenge whether there was a default or to apply to vary. The amount of security would decrease only by any payments made by the bank pursuant to the guarantee. It would be irrevocable and continue until 2099 unless discharged earlier by court order. It would be governed by English law. HRH produced a draft Security Trust. It is right to say that it provides that there is no obligation to take into account the wishes of HH, who is an excluded person. There are full powers of appointment; for transfer into another trust; and for advancement. The trust fund is to be held for the beneficiaries in the absolute discretion of the trustees. Beneficiaries may be added and excluded.

The Law I must apply - Schedule 1 of the Children Act 1989

45.

The first claim is that of HRH pursuant to Schedule 1 of the Children Act 1989. It has, in many respects, been overtaken by the claim HRH makes pursuant to Part III of the 1984 Act, so I need only deal with it briefly. Section 1(2) gives the court power to make financial orders by way of periodical payments, secured periodical payments, lump sums, settlement of property orders, or transfer of property orders but, in each case, the payment or transfer is to be either to the child himself/herself or to the applicant for the benefit of the child. Section 1(5) permits the court to make further orders for periodical payments, secured periodical payments or lump sums, at any time if the child has not reached the age of 18. Whilst orders normally end on either the child's 17<sup>th</sup> or 18<sup>th</sup> birthdays, this does not apply, pursuant to s3(2), if the child continues in education or there are special circumstances which justify the making of an order thereafter. Whilst an order shall, in general, cease to have effect on the death of the person liable to make the payments, this is not the case with a

secured periodical payments order. The matters the court is to have regard to in deciding whether to exercise its powers and, if so, how to do so, are set out in s4. The court shall have regard to all the circumstances, including:-

(a)

The income, earning capacity, property and other financial resources which (each parent) has or is likely to have in the foreseeable future;

(b)

The financial needs, obligations and responsibilities which (each parent) has or is likely to have in the foreseeable future;

(c)

The financial needs of the child;

(d)

Any physical or mental disability of the child; and

(e)

The manner in which the child was being, or was expected to be educated and trained.

46.

There are three points of law arising. The first is that the court has, repeatedly, permitted a personal allowance for a caring parent in assessing the quantum of periodical payments orders. This started with cases such as Haroutunian v Jennings (1980) 1 FLR 62 but has more recently been endorsed by the Court of Appeal in Re P (Child: Financial Provision) [2003] EWCA Civ 837. The second point concerns the making of capital awards for children, whether in Schedule 1 cases or cases pursuant to the Matrimonial Causes Act 1973. There have been numerous cases, starting with Lilford (Lord) v Glynn and continuing with the recent case of Ilott v The Blue Cross and others as referred to above, which have disapproved of such awards. In Lord Lilford v Glynn, the Court of Appeal had held at p85 that:-

“ a father - even the richest father - ought not to be regarded as having ‘financial obligations [or] responsibilities’ to provide funds for the purpose of such settlements as are envisaged in this case on children who are under no disability and whose maintenance and education is secure”.

47.

Baroness Hale of Richmond in Ilott confirms that this is justified because the Matrimonial Causes Act 1973 and, for this purpose, Schedule 1 of the Children Act 1989, place limits on the powers to make provision for children, as I have set out above. Indeed, the most obvious point made in this regard is why should the children of divorced or separated parents have financial awards bestowed on them by a court, when the court will not be making such orders for the children of parents who remain together. It is right that there is one first instance decision of Williams J, namely DN v UD [2020] EWHC 627 (Fam) which did provide for two children to purchase a property of their own following the sale of the family home once they had attained their independence. I understand that the father in that case has appealed to the Court of Appeal; the appeal has been heard; and judgment is awaited. Fortunately, I do not need to wait for that judgment before I come to my decision for two reasons. First, HRH’s lawyers respond to those of HH by arguing that not only is this case an exceptional case but it is the opposite of that where the courts decided they should not award capital to children who would not have had it if their parents’ relationship had remained intact. Mr Cusworth argues that, to

the contrary, the children were getting the allowances before their parents separated and it is the divorce itself that has caused those allowances to end. The second reason why I do not have to wait for the decision of the Court of Appeal is that the facts of this case are such that I can determine the application on the basis of the facts as I find them to be, without having to come to a decision as to the legal principle.

48.

The third point is the normal convention that a court does not capitalise periodical payments for children. There are good reasons for this. The three most often advanced are, first, the court cannot prevent a further application, notwithstanding the capitalisation; second, what happens if the child changes residence; and third, child maintenance is meant to be variable subject to the circumstances of the case and, in particular, ability to pay and the child's needs. Ability to pay is clearly not a relevant factor here and a change of residence seems extremely unlikely. There is, however, no question that there is jurisdiction to capitalise child periodical payments by awarding a lump sum although it must be an exceptional case or with the agreement of the parents. In this regard, Mr Dyer draws my attention to the decision of Mostyn J in [AZ v FM \[2021\] EWFC 2](#), an appeal where he had to consider a decision of the trial judge who had capitalised child periodical payments. Mostyn J said at [58]:-

“ I make it clear that, although I am satisfied that the jurisdiction exists, and that the trial judge was entitled to exercise it, it will remain a very rare bird indeed. In this case, the Child Support Act 1991 did not apply as the husband was habitually resident in the USA. The combination of: (1) incessant litigation, on which the trial judge found the husband thrived; (2) repeated defaults on the part of the husband with the maintenance obligation; and (3) the age of the child and the relatively short period until the maintenance liability expired, all militated strongly in favour of a capitalisation and the ending of financial links between the parties. In the overwhelming majority of cases, however, the risks and uncertainties inherent in capitalisation will lead the court, where it has jurisdiction, to make, or continue, a traditional order for periodical payments.”

#### Part III of the Matrimonial and Family Proceedings Act 1984

49.

I now turn to the law pursuant to Part III of the Matrimonial and Family Proceedings Act 1984. I have already given permission to HRH to make an application pursuant to Part III, although that does not, of course, mean that she will be successful. There is no dispute that I have jurisdiction as HRH had been habitually resident in this jurisdiction throughout the period of one year ending with the date of the application for leave [s15(1)(b)]. Even though there is clear jurisdiction, I must consider s16. I must not make an order for financial relief unless I consider it would be appropriate to do so in all the circumstances of the case. I must have regard to the factors set out in section 16(2) which include the connection which the parties have to England and Wales; the connection they have to Dubai and, indeed, to Jordan; any financial benefit HRH has received or is likely to receive by virtue of an agreement or the operation of the law outside England and Wales; any right HRH had to apply for financial relief under the law of any country outside England and Wales; the availability of property in England and Wales in respect of which an order in favour of the applicant could be made; and the length of time that has elapsed since the divorce took place. I must also consider, under s18(2), all the circumstances of the case, first consideration being given to the welfare while a minor of any child of the family who has not attained the age of 18. Section 18(3) requires me to have regard to all the matters listed in section 25(2)(a) to (h) of the Matrimonial Causes Act 1973 and section 25A(1) and (2). Section 25(2) provides that I should consider, in particular, the following matters:-

(a)

The income, earning capacity, property and other financial resources which each of the parties to the marriage has or is likely to have in the foreseeable future, including in the case of earning capacity, any increase in that capacity which it would, in the opinion of the court, be reasonable to expect a party to the marriage to take steps to acquire;

(b)

The financial needs, obligations and responsibilities which each of the parties to the marriage has or is likely to have in the foreseeable future;

(c)

The standard of living enjoyed by the family before the breakdown of the marriage;

(d)

The age of each party to the marriage and the duration of the marriage;

(e)

Any physical or mental disability of either of the parties to the marriage;

(f)

The contributions which each of the parties has made or is likely in the foreseeable future to make to the welfare of the family, including any contribution by looking after the home or caring for the family;

(g)

The conduct of each of the parties, if that conduct is such that it would in the opinion of the court be inequitable to disregard it; and

(h)

The value to each of the parties to the marriage of any benefit which, by reason of the dissolution ...of the marriage, that party will lose the chance of acquiring.

50.

Section 25A(1) provides that, when a court decides to exercise its powers, it shall be the duty of the court to consider whether it would be appropriate so to exercise those powers that the financial obligations of each party towards the other will be terminated as soon as the court considers just and reasonable. I will refer to this as the clean break objective but I make it clear that it does not apply to orders for periodical payments for children. Whilst there is jurisdiction to capitalise such payments, the overwhelming weight of authority is against doing so and there does have to be exceptional circumstances before a court should consider so doing in the face of the opposition of one of the parties.

51.

The way in which the court should approach claims pursuant to Part III is covered comprehensively in the case of Agbaje [2010] UKSC 13 where Lord Collins said under the heading " The proper approach ": -

" 71 ... the proper approach to Part III simply depends on a careful application of sections 16, 17 and 18 in the light of the legislative purpose, which was the alleviation of the adverse consequences of no, or no adequate, financial provision being made by a foreign court in a situation where there were substantial connections with England. ...

72.

It is not the purpose of Part III to allow a spouse (usually, in current conditions, the wife) with some English connections to make an application in England to take advantage of what may well be the more generous approach in England to financial provision, particularly in so-called big-money cases. There is no condition of exceptionality for the purposes of section 16, but it will not usually be a case for an order under Part III where the wife had a right to apply for financial relief under the foreign law, and an award was made in the foreign country. In such cases mere disparity between that award and what would be awarded on an English divorce will certainly be insufficient to trigger the application of Part III. Nor is hardship or injustice (much less serious injustice) a condition of the exercise of the jurisdiction, but if either factor is present, it may make it appropriate, in the light of all the circumstances, for an order to be made, and may affect the nature of the provision ordered. Of course, the court will not lightly characterise foreign law, or the order of a foreign court, as unjust.

73. The amount of financial provision will depend on all the circumstances of the case and there is no rule that it should be the minimum amount required to overcome injustice. The following general principles should be applied. First, primary consideration must be given to the welfare of any children of the marriage. This can cut both ways as the children may be being supported by the foreign spouse. Second, it will never be appropriate to make an order which gives the claimant more than she or he would have been awarded had all proceedings taken place within this jurisdiction. Third, where possible the order should have the result that provision is made for the reasonable needs of each spouse. Subject to these principles, the court has a broad discretion. The reasons why it was appropriate for an order to be made in England are among the circumstances to be taken into account in deciding what order should be made. Where the English connections of the case are very strong there may be no reason why the application should not be treated as if it were made in purely English proceedings."

52.

Earlier in the judgment he dealt with how to approach cases where the connection with England was either strong or not so strong, saying:-

" 70.....There will be some cases, with a strong English connection, where it will be appropriate to ask what provision would have been made had the divorce been granted in England. There will be other cases where the connection is not strong and a spouse has received adequate provision from the foreign court. Then it will not be appropriate for Part III to be used simply as a tool to "top-up" that provision to that which she would have received in an English divorce".

53.

I am, however, satisfied that this is a suitable case for me to exercise my powers. I am particularly influenced by the close connection of the parties to this jurisdiction and the fact that HRH and the children are now completely based here; by the inability of HRH to claim in Dubai; and the fact that she is not making a sharing claim or indeed any substantive claim for herself other than in relation to security and compensation for the "lost" chattels. I am sure it would not have been suitable for her to make a sharing claim even if she had wished to do so and I would not have granted such a claim. I do consider that she would have had a needs claim for herself had she decided to make one, particularly given her commitment to the children. As it is, I am satisfied that the claim she makes should not be constrained by the limits put on Part III claims.

#### More general matters of law

54.

I now turn to more general matters of law. There are a number of issues of fact that I will have to determine. The burden of proof for establishing a disputed fact is on the party that seeks to prove it. The standard of proof is the normal balance of probabilities.

55.

HH has not himself attended court, although he has appeared by his lawyers. He has not given evidence. He has not submitted himself to cross-examination. Inevitably, this means that the evidence I have received has been solely from HRH and Director 1. Of course, this does not mean that I simply accept everything they say. I must consider the evidence critically and make appropriate findings of fact. I can, of course, if I consider it appropriate, draw inferences from the failure of HH to attend and give evidence but they must be appropriate inferences that I can properly draw. As Moylan LJ said in Moher v Moher [2019] EWCA Civ 1482:-

" 88. When undertaking this task the court will, obviously, be entitled to draw such adverse inferences as are justified having regard to the nature and extent of the party's failure to engage properly with the proceedings. However, this does not require the court to engage in a disproportionate enquiry. Nor, as Lord Sumption said, should the court "engage in pure speculation". As Otton LJ said in Baker v Baker, inferences must be "properly drawn and reasonable". This was reiterated by Lady Hale in Prest v Petrodel, at [85]: "... the court is entitled to draw such inferences as can properly be drawn from all the available material, including what has been disclosed, judicial experience of what is likely to be being concealed and the inherent probabilities, in deciding what the facts are."

Tax

56.

HRH's legal team has, for many months, relied on standard Duxbury calculations as to the correct figures to capitalise periodical payment entitlements. The standard underlying assumptions of such calculations are well known. They include a uniform income yield of 3% pa (1.5% pa in the first year); a uniform rate of capital growth of 3.75% pa; a uniform rate of inflation at 3% pa; and a consistent regime of taxation, with the recipient being assumed to be subject to normal rates of UK taxation. No challenge had been made to these assumptions until Mr Dyer started his closing submissions on Day 7 of the trial and indicated that Mr Brian Green QC would be addressing the court, not just on the subject of the trust documents drafted on behalf of HRH, but also as to the effect of her diplomatic status and her non-domicile status on the Duxbury calculations. Indeed, Mr Green submitted that, by reason of her diplomatic status, HRH was totally exempted from tax on non-UK source income and capital gains, whether remitted or not and that, due to her non-domicile status until 2034, there was no reason why ongoing UK income tax and CGT should arise on investments held offshore by her with "no significant likelihood that any UK tax will subsequently arise on remittances". This led to a furious reaction from HRH's team who immediately instructed Ms Emma Chamberlain to respond, which she did on the morning of Day 8 of the trial. Ms Chamberlain was adamant that HRH would be unable to rely on her diplomatic status as she could not satisfy the required test that she must not be permanently resident in the UK, the reason being that she was not going to return to her own country as soon as her appointment in the UK ended. Second, Ms Chamberlain submitted that, although there were some advantages to her non-UK domicile status which will apply until April 2033, when she will become deemed domiciled here, these advantages are not nearly as significant as suggested by Mr Green. She said that she would be taxed on any remittances to this country of either income or capital gains. The gain is always treated as being remitted first before the original capital and, in general, is taxed at 45%. Given that Duxbury calculations require all the capital to be realised and spent, the only advantage is the ability to defer gains and income for a time before utilising them and even this



advantage will go when she becomes deemed domiciled. In response to this, Mr Green accepted most of her points and simply submitted that I should use a “broad brush” in dealing with the advantages of her current non-domicile status.

57.

Given the amount of money that has been spent on this litigation, I consider that I am entitled to be critical of the way in which this issue arose at the last minute in this case without proper pleadings or even detailed consideration. I am not an expert on taxation, although I have, obviously, encountered similar issues in cases over the years. In broad terms, I accept the submissions of Ms Chamberlain. There will be some advantages for the next twelve or so years but the need to remit the income and gains, inherent in the Duxbury model, are a significant feature as is the lack of any advantage in twelve years time. There is a separate point. Mr Green made significant attack on the discretionary trust documents prepared on behalf of HRH. These criticisms included, amongst others, that HH was not the ultimate beneficiary if the money awarded was not needed for its purpose. I had made it clear from early in the trial that I did not consider it appropriate for me to impose any such trusts on HRH, let alone make a settlement of property where HH would be deemed as the settlor of such trusts. I was clear that this case was suitable either for continuing periodical payment orders or for capitalisation and, if it was the latter, it would be entirely up to HRH how she arranged her affairs. This had the added advantage of saving anticipated fees of running these trusts asserted to be some £108 million. Nevertheless, I am clear that there would still be costs associated with the investment and distribution of very large sums of money. I do appreciate that such costs are, broadly, included within Duxbury calculations via the anticipated net rates of return but I consider that the costs are likely to be significantly larger here, given the sums involved and the particular sensitivities of this case. Equally, it is possible that HRH will decide to put any money I award into trust in any event, to give it an added layer of protection and to assist with inheritance issues, given that I was told that, pursuant to Sharia law, in the absence of such a structure, Zayed would inherit two-thirds and Jalila one-third, rather than equality. These, of course, are all matters for HRH but, utilising Mr Green’s broad brush, I am of the view that these additional costs of administering the funds and/or running the trust broadly equate to the tax savings that HRH may obtain. I therefore propose to deal with Mr Green’s point, if I decide that there should be any element of capitalisation, by disallowing the costs of running the trusts, put at £108 million but making no allowance for tax savings from HRH’s non-domicile status.

#### The evidence of HRH Princess Haya

58.

I now turn to consider the evidence that I did hear from HRH and Director 1. Although Director 1 gave his evidence first, I consider it more appropriate to deal with the evidence of HRH first in this judgment, given that it is her application. I had already determined that HRH was a vulnerable witness, although she gave her evidence confidently and without obvious distress or difficulty. I am sure, however, that it was a difficult process for her, although this is true for many litigants in these courts. In answer to questions from Mr Cusworth QC, she told me that there were several reasons why indefinite maintenance provision would be very difficult for her and the children to accept. She said it would put incredible additional pressure to be living always under the shadow of possible litigation. She would feel she had no control and would always wonder if the money was coming in.

59.

Mr Dyer then cross-examined, over what was a considerable period, namely for a day and a half of court time. I make it clear that the cross-examination was, with the exception of one question, entirely

proper throughout. It was conducted courteously and it did deal with the issues in the case. I do not propose to review all of her evidence. I will deal with some of the most salient aspects before I make such findings as are necessary for me to come to my decision. HRH began by accepting that it was important that the children live a normal life, in so far as that is ever possible given the security implications at all times. She accepted that this includes the children having an understanding of the value of money and avoiding extravagance and waste. She said she would set an example. I do not consider, however, that I should reduce her award as a result of her evidence in this regard. After all, it would not be appropriate for me to increase the award if she had disagreed with Mr Dyer and said she was in favour of extravagance and waste. She was then asked about the purchase and refurbishment of HRH's home near Kensington Palace. She accepted that the refurbishment in 2017/2018 was substantial and cost £14.7 million. It was done to her taste and specification. She acknowledged it was like moving into a new house. This does, of course, work both ways. On the one hand, Mr Cusworth can point to the amount spent as being a clear indication of the standard of accommodation appropriate for this family, whereas Mr Dyer can say that, if this amount was spent relatively recently, there is less need to do significant works in the coming years. HRH then told me that she has five housekeepers and a handyman at HRH's home near Kensington Palace, saying that it is a huge house and it absorbs all the help they can get. She added that the property has always been maintained to a high standard and I accept that entirely. She was asked about her wish to spend a further £1.9 million on a kitchen extension. She reminded me that they had only lived in the house for short periods of time in the past but, since their arrival in this country in April 2019, they had spent much of their time there.

60.

Mr Dyer cross-examined her in great detail about her budgets. On numerous occasions, he put it to her that the figures included were excessive and not in accordance with her wish for the children to have a normal life. He asked her about an additional £60,000 per annum to run HRH's home near Kensington Palace, over and above existing professional fees and tax of £115,000 per annum. She was unable to say other than her solicitors' private client team had made this estimate. She was asked about her figure of £900,000 per annum for wear and tear on HRH's home near Kensington Palace in addition to £1 million per annum for a ten year refurbishment costing £10 million, particularly given the expenditure before they moved in. Her response was that this was the standard of accommodation the family had previously enjoyed. She was asked about a claim of £1.9 million for a kitchen extension which, said Mr Dyer, had no detailed costings, architects drawings or the like. In relation to Castlewood, she was asked about a comprehensive refurbishment costing £3 million every ten years when the entire property and grounds is only worth £4.5 million. She was asked about taking nine people on holiday on every occasion, including another family of four. She made the point that the children needed to be with other families. Indeed, I can see all sorts of practical difficulties if they were to need to attend standard children's clubs or hotel activities. Mr Dyer then turned to the general budget, which includes £500,000 per annum for [item 1]; £48,000 per annum for [item 2]; £133,000 per annum for [item 3]; £48,000 per annum for [item 4], which, she accepted, cost between £500 and £1,000 each; the sum of £250,000 per annum for tutoring; and her claim for two nannies and a nurse. I will have to do my best to come to a conclusion as to what is reasonable whilst remembering that the exceptional wealth and remarkable standard of living enjoyed by these children during the marriage takes this case entirely out of the ordinary.

61.

Mr Dyer then asked her about the expenditure on Castlewood. For example, the property expenses for the year ending 5 April 2019 were £381,872 whereas her budget is for expenditure of £1,264,000. She

told me that this was not comparing like with like as, prior to April 2019, they had perhaps spent ten to fifteen days in the property per annum whereas, during Covid-19, they were there virtually full time. I accept that distinction. Mr Dyer was critical of her budget expenditure of £216,8000 on “ gardeners and machinery/supplies, general property maintenance, window cleaners, pest control, pools services, security cameras fire alarms etc ”. I do not consider this fair criticism when I note that the sum of £111,771 was spent in the year to 5 April 2019 on “ garden landscaping and maintenance ” alone, at a time when the family was hardly there. She was asked why she had bought three cars for Zayed. She said he was accustomed to being given cars as gifts. I do think this is a legitimate criticism given Zayed’s age but, if the cars are used by the family, it is not wasted money. Mr Dyer then asked her about whether “ the allowances ” for the children amounting to some £20 million per annum were to be saved or were for spending. She acknowledged that, each year, the family spent a very large sum of money. She said that the money was there to be spent and she could always ask for more if more was needed. She was asked about Jalila’s account with N Bank. It held AED 43.5 million in January 2017 which had increased to AED 84.6 million by January 2018. She said that she did not spend the money in that period, although I note that, even that year, some AED 28 million did leave the account, including a transfer to an account in the name of HRH of AED 14,696,000 on 3 August 2017. This does show that this money was not ring-fenced for the children during the marriage and there was no objection to transfers being made to HRH’s accounts. Nevertheless, HRH said that there were periods when large amounts built up in the accounts. She was asked about transfers to an entity known as M. She told me it is a property investment company. She was not sure but she thought that transfer may have been for the works to HRH’s home near Kensington Palace, which, if correct, would be another example of this money being spent on “adult” expenditure. A sum of AED 115 million had left Jalila’s account on 19 April 2016. Again, she was not sure what that was, although it might have been related to the investment in La Ville Hotel . I had wondered if this was related to the purchase of HRH’s home near Kensington Palace but I was told by leading counsel that there were other debits from these accounts for that, including a sum of AED 180 million, which was approximately £37 million at the time. It is, of course, right that the children are discretionary beneficiaries of the trusts set up to hold that property but, in general, it is entirely clear to me that the money paid into their N accounts was not ring-fenced for them but was simply used for general expenditure as and when required.

62.

Mr Dyer then turned to the show jumping horses purchased in the hope they would be able to compete in the Olympic Games. HRH acknowledged that the funds used should be returned to the children as soon as she can. She said there was no hard and fast rule about repayment and it could be done “ as and when ”. Although she has not yet paid the money back, she intends to do so. She did make the point that the horses were something that everyone enjoyed, including the children and it was akin to a family project. Inevitably, she was asked about the money that went to the blackmailers. She believed that some of the money had come from her account, such as one payment of £2.2 million. This was clearly a most unsatisfactory episode. I realise I have not heard from the alleged blackmailers but nobody should be blackmailed and HRH must have been very frightened at this point. It would have been better if she had used her own allowance to fund all these payments but I have already made the point that this money was clearly intended as a “pool” for expenditure and, as Mr Dyer recognises, it is water under the bridge. She was then asked about a horse called Aralyn Blue, which she sold in March 2021. The other horses went into King Hussein’s Team at a notional value of €16.75 million. She was not clear why Aralyn Blue did not do so as well, although she was sure there was a reason at the time. She later told me she thought it was because he was going to be ridden by different riders. I accept that Aralyn Blue had been purchased with money from Zayed’s

account and she was wrong, in this litigation, to say that it was her horse, although I am not sure exactly how this mistake is relevant to the applications she is making. She added that some horses, such as Irenice Horta (cost €5 million) and Chianti's Champion (cost AED 12.6 million) were bought with money from Jalila's account whereas other horses, such as Ms Bubbles (cost €1.75 m) were bought with her money. She said that Crispo and Chianti's Champion had been bought in January 2019 and March 2019 respectively. She accepted that the marriage was in great difficulties by then. She asked HH for a divorce by the beginning of March 2019 but he had refused so it was not obvious the marriage would end and she carried on exactly as she normally did.

63.

She was then asked about the payments made to her brother, Prince Ali. On 18 October 2019, a sum of \$5,086,759 was transferred to him. She told me that he lives with his wife, Princess Rym, and their family at the Baraka Palace in Jordan, which belongs to her family. It is a large property and there are considerable running costs. When Princess Rym was pregnant, HH and HRH had visited and agreed that they would fund the family for ten years. She acknowledged that this was very generous of HH but she took the clear view that the promise had to be honoured notwithstanding her divorce, so she paid the balance of the money due up front to clear the liability. She acknowledged that Prince Ali does, like her, have an income from the Jordanian Royal Court. Indeed, it is possible that there may be an additional allowance for the Baraka Place but HRH did not know how much it is. I would be surprised if it was very significant. She did tell me that the Palace has not been used for Jordanian State functions. She said the last big function there was her wedding to HH. She added that she did not want her children to inherit any moral obligation to their uncle if anything had happened to her. I can understand why she felt she needed to honour the obligation and get it out of the way by one lump sum. She told me Prince Ali stood against Sepp Blatter for the Presidency of FIFA in 2016 and HH had agreed they should fund his campaign. This was the origins of the campaign for integrity in sport. She said that HH was, during the marriage, very kind and generous but they had been cut off overnight.

64.

Mr Dyer returned to T H Trust. HRH said it had not been created with the sole purpose of receiving the horses that she gifted to it. There were no rules about such things or where horses should be put. If she wanted a horse, she bought it. The same applied to HH. I accept this evidence without reservation. She added that HH did not know which trust the horses went into either. She did want Team Harmony out of Godolphin. She then told me about prize money. She said that Weatherbys distribute all winnings to the owners and the jockey. She had not produced any Weatherbys' accounts showing payments to her and I am satisfied the money was paid to Godolphin. Nevertheless, she told me that she did receive the sum of £15 million. HH had telephoned her in the Beach Palace and congratulated her on doing such a good job of organising his guests that he wanted her to have the prize money. She initially resisted but he insisted saying he wanted her to have it. It was paid from the Zabeel office, not from Godolphin or Weatherbys. She acknowledged that it was incredibly generous of him and she was very honoured. I do have to say that I find that this is further evidence that the horses did not legally belong to her as this was a generous gift rather than an entitlement. She did say that she believed they were hers and I accept that is what she believed. In re-examination, she told Mr Cusworth that HH had, via his lawyers, told her in February 2020 to use the children's money for their maintenance.

65.

By now, I had watched the video of the opening of the walk-in safe that contained HRH's jewellery in Dubai. No evidence had been given in relation to that. Mr Cusworth made the point that Mr Dyer had not cross-examined about it but I reminded him that he had not led any evidence on the subject either. HRH was therefore recalled. She told me that she had kept around 25% of her jewellery in London following previous trips here and this was the jewellery that she had sold. When she came to England in April 2019, she brought one small jewellery box but the rest was left in the safe at the Beach Palace. She was really very disappointed by the video as, she said, all the really valuable pieces were simply not there. She valued what she had seen at only approximately £20,000. She said it was basically costume jewellery and leather bracelets for wearing with kaftans on a day to day basis. The large pieces, containing diamonds, pearls, sapphires and emeralds were simply not there. Mr Dyer asked her why she had not brought them with her and she said she did not want to be accused of stealing them. She had hoped she would be able to sit down with HH and sort it out. She had just taken the jewellery that she wears on a day to day basis. It would have been very difficult to empty the room, as her jewellery collection would spread across the entire court room. I accept this evidence. She added that the jewellery included gifts from HH and from other Heads of State. When asked about the mark-up involved in retail purchases, she acknowledged this was the case but pointed out for how much she had been able to sell the jewellery she retained. She made the fair point that pieces hold their value if they are of good quality and from named houses, such as Cartier. She told me she felt the most valuable item was a diamond set, namely necklace, ring and earrings and would have been worth around £1 million. She was asked about the video and she told me she did not see anything of value and certainly not her diamond pendant earrings or her diamond solitaire necklace. She said, in that regard, all she saw was small rings with sapphires. Mr Dyer asked why there was no inventory or receipts. She said she was never given receipts, which is entirely logical, and that inventories were not kept. Mr Dyer asked what would happen if they were stolen. She replied that there would not be a burglary at the Beach Palace and I consider this to be self-evidently correct. She added that she was spoiled with wonderful gifts. She accepted that her list was inadequate but she had not had time to do a long detailed itemised list. She did not want to exaggerate and considered her figure of £20 million that she now seeks to be conservative. I am certainly not an expert on jewellery let alone the valuation of jewellery. I was, however, struck at the time I watched the video as to the absence of large set pieces of jewellery with numerous precious stones, which was what I had been expecting. The jewellery found did seem pretty standard fare. It was not what I was expecting. Mr Dyer urges me not to make findings when the evidence is so unsatisfactory but this is an area where the absence of HH to answer questions as to the jewellery he gave HRH and its whereabouts is significant. I consider I am entitled to accept the evidence of HRH in such circumstances without the corroboration that Mr Dyer seeks. I do so. I believed what she told me. Indeed, my overall conclusion was that her evidence to me was, as Mr Cusworth submits, clear, calm, consistent and palpably honest.

#### The evidence of Director 1

66.

To preserve his anonymity, Director 1 gave his evidence to me from behind a curtain such that only I and the two leading counsel were able to see him. He handed up his name and address to me, on the basis that it would be kept entirely confidential. He told me he took up his post as director of security in July 2020. He is the Managing Director of the security company. The accounts are dealt with by his fellow director and he was not able to give specific details of the figures in the accounts or the date on which they needed to be filed with Companies House. The figures given in HRH's security budget (set out at page C/69 of the Core Bundle) were the costs he had looked at, even though the budget is

managed by his fellow director. He had done significant work on the budget, even though he had help, including from financial experts, in compiling the figures. He did say that, to date, they have spent in accordance with the budget that they have been given by the Court, although I do not think that can be entirely right in relation to the expenditure of £2,160,000 per annum for additional security provision from Company X. He was asked about specific items in the budget, such as the amount for salaries. I accept entirely that Mr Dyer's cross-examination in this area was constrained by the fact that it was impossible for him to be given the exact details of the operation and the number of security staff involved. Director 1 was asked about a new figure of £197,500 per annum for "temporary and contractors' costs". He said that this was to cover the costs if they had to bring in sub-contractors should employees be unavailable for reasons such as Covid-19, which they had not anticipated originally. He added, however, that such contingency for sub-contractors would be needed every year, even after Covid-19 abates. I understand why he says that but I do consider the cost likely to be lower at that time. He made the point that he has to be able to guarantee safety at all times and each of his staff can only work 231 days per annum.

67.

He was then asked about the figure for severance payments. He said that the amount had been reduced from 25% of the salaries budget to 15% following their experience over recent months. It did appear that this percentage figure was based on surveys of the usual turnover rates of staff for businesses in this country, although he was not entirely sure which businesses had been surveyed. He was asked if payments had been made and he confirmed they had. He was asked for the details but he told me he did not have the specific figures.

68.

Mr Dyer then turned to the issue of the replacement of vehicles. Director 1 confirmed that they had used the sum of £900,000 provided by me on an interim basis to obtain three vehicles, rather than the two new ones I had assumed. There was a delay in ordering new vehicles, as the provider was having problems with stock which had now been resolved. I do not know if this was due to the microchip shortage or not. One vehicle had been ordered new and was about to be delivered. The other two vehicles had been acquired second hand. One was a vehicle with less than 10,000 miles on the clock. The vehicle was approximately two years old. The other was a different armoured vehicle which was also approximately two years old with sub 10,000 mileage. The fleet also contains five soft skinned vehicles of one type, together with one soft skinned vehicles of another type and five other vehicles. They do not have to replace those immediately but they do aim to replace the vehicles every two years. He repeated that they need more armoured vehicles, but I think he must have meant. The existing fleet (and other vehicles) had cost £1,354,817. He believed there was also a vehicle from HH that had been shipped to the UK from Dubai but that was not included in the list. He was asked about the need for the armoured vehicles. He referred to HRH saying she had " never felt more vulnerable "

69.

He was asked why they could not purchase a much cheaper armoured vehicle. It is correct that he did not question the specification of such a vehicle for the purpose for which it is required but he did say that, unless they changed the entire fleet to that type of vehicle, the armoured vehicle would stand out a mile as compared to the different type of soft-skinned vehicles currently owned. This was also the reason why they could not buy cheaper versions of those vehicles as they would also be conspicuous compared to the armoured versions. He added that they utilise information from national intelligence agencies to identify individuals or groups who might be in a position to attack HRH and the children.

He reminded me that armed weapons were allegedly seen by Sheikha Shamsa during her abduction. He could not, therefore, rule out an armed attack against a convoy. He pointed out that he needed to ensure HRH and the children remained safe at all times. In one sense, this is analogous to MI5 needing to prevent every terrorist attack, whilst the terrorists only need to succeed once. He said that they had assumed that they would take the vehicles on each holiday, although I pointed out that they would not need to do so if, for example, they were travelling to the Maldives. He agreed, although he made the point that they would then need other forms of secure transport, such as a helicopter to travel to and from the island where the family was staying. He was asked about the warranty period for a new armoured vehicle. He did not know, although Mr Dyer suggested it was three years. Although I also do not know, this would seem a likely period. He was asked about the likely mileage, it being suggested it would be modest. He replied, not unreasonably, that it would be situation dependant and he cannot guarantee where HRH would wish to travel to.

70.

He was then asked about cyber security. He said that he had overseen a full review after the hacking came to light, although the cyber security experts dealt with the specifics. It is clear that this review had assumed that hacking had taken place but I take the view this was a thoroughly reasonable and appropriate assumption to make. Indeed, the approach was confirmed by the subsequent findings of the President. He told me that it assumed that the risk level was severe, meaning that an incident is highly likely. He was then asked about Company X. He told me that there remained a residual vulnerability despite their closed communications network, particularly as the family is going to be travelling more than during Covid-19. Company X had been brought in during January 2021. I have to say that I have been unclear as to the nature of the work done by Company X and how it could cost over £2 million per annum. Director 1 was not really able to help me, although I do accept that there may have been security reasons for caution. He accepted that he had not initially recommended them, telling me, not unreasonably, that he did not know that this facility was available to provide additional protection. All he was able to say was that there was no duplication and they were doing “ an awful lot of work” . He was asked, finally, about how the budget would be reduced if the children were free of fear, danger or anxiety. He said, again not unreasonably in my view, that he could not foresee that happening. All in all, I formed a favourable view of the evidence of Director 1. He is clearly a very professional, experienced and diligent Director of Security. He was undoubtedly doing his best to assist me in difficult circumstances where he cannot give away classified information to the legal team of the person who is the main threat to those he is protecting. I accept that he did not have a detailed grasp of the financial figures but Mr Dyer and his team are in the difficult position that they do not have any evidence themselves to put forward to counter either his evidence as to the security that is needed, or any alternative costings. In the latter regard, I do accept that there were constraints on such information being obtained given the decision of the President but the reality is that the only figures I have are those of HRH. I can and will do my best to assess reasonable figures, particularly on items such as the purchase and replacement of armoured vehicles but, overall, I do not find that Mr Dyer was able to cast any significant doubt on the evidence provided by Director 1.

#### My conclusions on the issues of principle

71.

Despite HH not attending before me to give evidence and be cross-examined, I am of the view that I should consider HRH's budget carefully and make any adjustments that are appropriate. If I did not do so, I would, in effect, be giving HRH carte blanche to include any item however inappropriate or unreasonable, in her figures. Equally, however, I am absolutely clear that I must do so with a very

clear eye to the exceptional circumstances of this case, such as the truly opulent and unprecedented standard of living enjoyed by these parties in Dubai and the fact that I have not heard HH cross-examined on the many pertinent matters that Mr Cusworth would wish to put to him, including, in particular, his expenditure and lifestyle. It follows that I have decided that I must go through the budgets line by line to decide the appropriate figure to award in each area whilst taking into account the many factors involved, including those set out above. Before doing so, however, I intend to consider the other matters of principle which I must decide in reaching my overall award. In particular, once I have decided the appropriate quantum of the security budget and the children's maintenance budget, I must decide whether to capitalise either or both. I must also deal with the whole question of the children's allowances and, if I consider they are appropriate going forward, whether these should be capitalised. Finally, I must deal with HRH's claim for a lump sum for herself. This will require me to consider a number of specific areas, including jewellery, haute couture, horses, legal fees and a future legal fees fund. This will also involve consideration of backdating of the figures I find appropriate for maintenance and, potentially, the security budget.

72.

Before I come to such conclusions, I am clear that there are a number of different issues on which I must make findings. In particular, I must consider the conduct of both HH and HRH and how this impacts my award. I have already indicated that I will have to factor the failure of HH to attend to give evidence and be cross-examined into my consideration of quantum of maintenance and the lump sum, if any, to which HRH is entitled. In one other respect, however, I am absolutely satisfied that his conduct is extremely relevant. The President has found that he constitutes a grave risk to the security of HRH and the children, as a result of his kidnapping of Sheikha Shamsa and Sheikha Latifa; his attempt to acquire the Parkwood Estate, as well as the way in which the court was misled as to that; and in relation to the hacking of the phones of HRH, some of her staff and some of her lawyers. I am entirely satisfied that this means that, although HRH and the children would require security provision in any event, given their status and the general threats of terrorism and kidnap faced in such circumstances, they are particularly vulnerable and need water-tight security to ensure their continued safety and security in this country. Most importantly in this regard, and absolutely uniquely, the main threat they face is from HH himself not from outside sources. This is compounded by the full weight of the State that he has available to him as seen by his ability to make use of the Pegasus software, which is only available to governments. I recognise the force of many of the points that Mr Dyer makes as to the bank guarantee offered by HH to secure ongoing income provision but I consider the magnetic feature here is that it is the payer himself who is the main threat to the payee. I am absolutely clear that, in such circumstances, it would be quite wrong for the security payments to be made over many years by the source of the main threat. Not only would it be in his interests to reduce the quantum of the payments to save himself money but it would also be in his interests to do so if that weakened the defences of HRH against him. Even leaving to one side my duty to consider a clean break in general, I consider it would be intolerable for HRH to be dependent on such ongoing provision. She is entitled to know that her security budget is written in stone; it is controlled by her, not HH; and she is able to direct how to use that budget without any fear or concern of continuing oversight by HH or his advisers.

73.

I do, of course, recognise the points that Mr Dyer makes about future uncertainty as to the level of threat; the costs of such security potentially decades in the future; the potential for huge changes in society; the death of his client; and the possibility that the children may become reconciled to him or not be under threat of abduction in the years ahead. I have decided that I can deal with these matters



in a way that does justice to both HH and HRH as follows. There is to my mind a clear and ever present risk to these children that is almost certain to persist until they attain their independence. Thereafter, there will remain a clear and ever present risk to HRH for the remainder of her life, whether it be from HH or just from the normal terrorist and other threats faced by a Princess in her position. I am equally satisfied that HRH is entitled to rely on HH to cover her need for security for life, given the marriage and HH's assumption of the burden of providing such security for her, together with the fact that he has turned out to be the main threat to her. Moreover, I am entirely satisfied that I can quantify those budgets with sufficient certainty to make capitalisation fair and just. In any event, if there was a change of circumstances, HH will only have himself to blame for having had to finance this element of security for the life of HRH, given his conduct to date, particularly when the scrutiny of the court was on him at the time of the hacking and the Parkwood incidents. The position, however, is very different with the children. I do not know what threat will be faced by the children after they have attained their independence. There may be reconciliation with their father. Perhaps more significantly, I cannot be clear as to how the death of their father at some point in the future will affect their security needs. It may be, as Mr Dyer submits, that they will then be able to travel to Dubai with impunity. Equally, they may not be able to do so and may require continuing security over and above that which I am providing for their mother. The answer, however, in relation to them is clear. Whatever I decide in relation to the capitalisation of their general maintenance, there will be a continuing order for periodical payments in place that will not terminate on their attaining their majority or completing their education, which will deal with their security provision for the rest of their lives and can be varied should circumstances change. I make it clear that they are entitled to rely on HH's concession of exceptionality given to this court and referred to in this judgment to give jurisdiction to such a claim many years hence. It follows that, provided I am satisfied as to her conduct, there will be a capitalisation on a clean break basis of HRH's claim for security for herself for her life and for the children during their dependence, but not for the children after they have attained independence.

74.

I now turn to consider the allegations of conduct made against HRH. I accept that they are, potentially, relevant to the issue of whether I can trust HRH with a capitalised sum and whether it is relevant to any other aspect of the award I intend to make, such as in relation to backdating. I am entirely clear that her conduct has not been such that I should take it into account as conduct that it would be inequitable to disregard. First, I accept her evidence that the allowances paid into the accounts of herself, Jalila and Zayed were not to be ring-fenced for the long term benefit of the individual into whose account the money was paid. This is, of course, very relevant to her claim for those allowances to continue into the future but I am clear that this was money, very generously provided by HH, that was available either to be spent or to be saved as circumstances dictated. It was not a requirement that it be saved, although at times, savings were made. Hence, the money was used to assist with the acquisition of HRH's home near Kensington Palace, a property to which HRH was as much entitled as Jalila and Zayed. I am equally clear that HH did not restrict the use of the money to projects that benefited the children. He agreed that the pot, which I accept included the money paid direct to HRH, could be used for the purchase of horses, or for the support of Prince Ali, or for the TUA charity to alleviate poverty in Jordan. I have already recognised that it would have been better if HRH had used her own funds to deal with the blackmailers but I accept that she was in a very difficult position indeed. She would have been desperate for HH not to find out. I do not consider that this error of judgment casts any serious doubt on her general level of responsibility with her finances.

75.

In relation to the purchase of horses after the separation, I am satisfied that this was no more than continuing what had happened during the marriage. In any event, HRH accepts that money is owed to the children in this regard. Moreover, HRH had, overnight, lost her own allowance of approximately £10 million per annum. HH had ceased all direct payments as soon as she left for London. I take the view that she had to use the money in the children's accounts to fund her commitments, which included those related to her as well as those concerning the children. Indeed, HH, via his lawyers, submitted to the President that she should do so. I consider the mistake in relation to the ownership of Aralyn Blue was no more than a mistake. I would not criticise her for that, nor for paying the money to Prince Ali. I am clear that HH and HRH had agreed, without reservation, that he should be funded. HRH felt a moral obligation and she was concerned that she might not be able to meet that obligation if she did not meet the payment upfront from the resources available to her. It is also of real significance that she had been cut-off financially. If HH had carried on paying as had been agreed during the marriage, she could have met her obligations from the sums he was paying her, but he did not pay. It follows that I have come to the conclusion that she can be trusted with a capitalised payment. I am satisfied she will protect the interests of the children in the years ahead. Indeed, if she did not, she would be left in the very difficult position of having no resources to fund her security needs. I am clear that she would not be in a position to approach this court again, so she has an enormous incentive to conserve what I award.

76.

My findings in this regard do, however, have one important consequence. I am clear that the money provided by way of allowances was not savings for the children. It was part of the overall spending pot, albeit that HRH could save a proportion if she wished. It follows that the payment of this money cannot now be converted into a pot for savings for the children to justify a payment of £20 million per annum, until they attain their majority, capitalised at £208 million and paid by HH. This is the case regardless of the legal arguments as to whether such provision is possible in the light of the authorities. I accept that the availability of the money during the marriage is something that I should take into account in deciding the appropriate level of general maintenance but, otherwise, this claim fails.

77.

I have had some concern as to the ability of HRH to meet her own needs in the years ahead, given that the vast majority of her, admittedly significant, resources are tied up in the two properties, HRH's home near Kensington Palace and Castlewood. I make it clear from the outset that HH should be meeting the costs of the upkeep of Castlewood in addition to HRH's home near Kensington Palace. Castlewood is, at present, used by his children as their country home in England. It is thoroughly appropriate for them to have two properties in England, one in London and one in Egham. If their parents were still happily married, they would have numerous properties to enjoy, including very substantial ones in Dubai. Although having two properties in England cannot possibly be questioned, if HRH was not looking after the children, she could arrange her affairs in a very different way. She might well not retain her home near Kensington Palace as well as Castlewood, which would free up considerable capital. She is not asking for an award for herself other than for security and to compensate her for chattels that she has lost as a result of the marital breakdown. Once the children are independent, the additional assets in the C Trust will be available to maintain the property but she should not have to use them whilst it is a home for the children.

78.

I now come to the question of whether the general children's maintenance should be capitalised. I have decided, despite some reservations, that it should not. I have already noted that capitalisation is extremely unusual. This is for very good reasons. HH should have a continuing financial responsibility for his children. I recognise that HRH has been concerned about the uncertainty of not knowing if the maintenance will be received, although that is true for many payees. I do, however, consider the proposals for an irrevocable bank guarantee from HSBC cover any possible concern in that regard. I accept that HSBC only has to pay if HH has not applied to the court but I consider that the opportunity for dispute about the general level of maintenance for the children is limited, once I have determined the quantum and I have index-linked it, particularly when there is absolutely no issue about ability to pay. Mr Dyer has pointed to the fact that HH has paid all the interim awards I have made without fail. I am satisfied he will pay the general maintenance and, if he does not, the guarantee will be invoked. HRH need not therefore be concerned, particularly as she will have had her security budget capitalised and she will have received a substantial lump sum in relation to chattels together with backdating of the general maintenance that I also intend to make. I will turn to the quantum of the guarantee when I have determined the exact level of the appropriate provision but I accept that the form of the guarantee is appropriate and that this court can rely on HSBC entirely in this respect. I am equally satisfied that HH has not paid sufficient since the separation. He cut HRH off completely at the time of separation. The general maintenance for the children to date has been £84,000 per month but that has been solely to cover the expenses of HRH's home near Kensington Palace and, in any event, is only some 25% of HH's own Open Offer. The maintenance order will be backdated to the date of the Schedule 1 application, creating significant arrears, which will enable HRH to deal with some of the liabilities she has incurred during this period.

79.

It follows that the structure of the award will be as follows:-

(a)

A capitalised payment to HRH to cover her security needs for herself for life and for the children during their dependency, to include during tertiary education;

(b)

A lump sum to compensate HRH for the chattels she has lost as a result of the ending of the marriage and to deal with other aspects such as the costs of the litigation;

(c)

A secured periodical payments order to cover the general maintenance of the children to the completion of their tertiary education and to continue thereafter to cover their security needs as adults, irrespective of the death of HH, secured by bank guarantee from HSBC, backdated, at least in part, to the date of the Schedule 1 application; and

(d)

An education fund in the sum of £3.04 million, which I accept should be administered by independent accountants.

### Quantum

80. I now turn to the issue of the quantum of these various awards. I will deal first with the question of HRH's own lump sum. In total, she seeks a lump sum of £97,863,326 to compensate her for the chattels she has lost, in addition to £5.7 million to cover the costs she paid herself and a further sum outstanding to her solicitors. She also seeks sums for the payment of IHT in 2026 and 2036 for both

properties. In addition, there is a further schedule of capital expenditure which includes various security updates and additional items of expenditure. I will deal first with the chattels. The claim is made up as to £20 million in lieu of jewellery; £32 million for her clothing; £13 million for the contents of the Beach Palace, Safa Villa II and Dalham Hall; £2 million for cars; and £10 million for [item A], making a total of £77 million. In addition, there was a claim for horses made up of £533,900 for show jumping horses not in her possession; £1,162,226 for horse related items, such as horseboxes; and £19,167,000 in relation to race horses. This makes a combined total for horses of £20,863,126. HH's offer, at the start of the trial, was only for the 2026 IHT payment in the sum of £5,278,000 but he did increase this by £300,000 to cover one horsebox on the basis that he would return the rest of the items.

81. Dealing with the jewellery first, I have already accepted the evidence of HRH. I am clear that she only had approximately 25% of her jewellery in this country and she sold most of it for £4,561,044. She should not have had to do so. Since the conclusion of the case, the jewellery and haute couture items seen in the videos have been returned to her but I have accepted her evidence that the items of jewellery are worth only tens of thousands of pounds and that the really valuable items are missing. If 25% of her jewellery could be sold for £4,561,044, the missing 75% is £13,683,132. I award that sum by way of compensation. I am unable to say exactly what the position was in relation to the haute couture. I did not hear evidence in that regard and the items shown in the video were impressive and extensive, although Mr Cusworth told me in submissions that it did not include the really expensive evening attire. I am unable to come to a conclusion but have decided that an appropriate award for haute couture is the relatively modest sum of £1 million. I make no award for the contents of the Beach Palace, Safa Villa II or Dalham Hall. As far as I am aware, both HRH's home near Kensington Palace and Castlewood are entirely adequately furnished and it was not as though I heard any evidence of some valuable painting such as a Monet or a Picasso that HRH desperately wanted returned. Turning to the cars, she has had to fund her entire fleet of cars in the UK out of her own resources, other than the recently acquired armoured vehicles. The cost of these soft skinned vehicles came to over £1 million, so I make an award of £1 million in lieu of the cars she had available to her previously. I do not, however, make any award in relation to the children's cars. I do consider it an artificial edifice to talk of children of the ages of these children owning motor vehicles. Moreover, Zayed's precious motor vehicle has now finally been returned to him. I am not prepared to make an award in relation to Jalila's jewellery. I would hope that HH would return any item to her directly but my focus is the claims of her mother and I have not been able to form a view of the value or whereabouts of any jewellery that may have been owned by Jalila.

82. Turning to the horses, it has been agreed that HH will return to HRH some show jumpers valued by her at £533,900. I say no more about that. The figure of £300,000 is now agreed in relation to the horsebox. Finally, the race horses were clearly not owned by HRH. They were simply run in her colours. I am sure that gave her great pleasure but it is obvious that the horses were part of Godolphin. Godolphin bought the horses, paid for their upkeep and kept any winnings or stud fees. Overall, it is pretty obvious that the horses allocated to HRH would have cost money not made money. The figures suggested by Mr Dyer as to the losses incurred following the sales of some of these horses merely reinforces the point. I do accept that HRH did receive the very generous gift of £15 million from the Zabeel office on the instructions of HH to thank her for her work but I am satisfied this was a gift not an entitlement. I am, however, of the view that HRH did have a legitimate interest in horses and it would be reasonable for her to be able to own some of her own, given the enormous Godolphin operation run on behalf of HH. For example, over three days that the case was in court in October 2019, HH attended the Newmarket sales and spent £18 million on race horses. I have decided that an

appropriate budget for HRH to be able to set up a small operation, buy a few reasonable horses and run them for several years would be £5 million. This makes a total award for chattels of £20,983,132.

83. It is agreed that HH should be responsible for the IHT payment on HRH's home near Kensington Palace in 2026 in the sum of £5,278,000. He argues that he should pay it in 2026 but I disagree. It should be paid now as part of the clean break between the adults. On the other hand, I can see no reason why he should have to pay the 2036 bill. Both children will be independent by then and I consider this would fall foul of the general principle that HRH is making no claim for herself and my finding that I should not be making capital provision for the children. I cannot, however, see why he should not have to pay for the 2026 IHT on Castlewood. Finally, there is the question of costs, both in relation to HRH's outstanding costs and the question of a costs fighting fund. In relation to her costs to date, I am clear that there should be an entirely clean sheet. It is accepted that HH has spent more on this litigation, overall, than she has, perhaps best seen by the difference in the number of counsel representing each party at this final hearing. HRH spent £5.75 million from her own limited resources at the commencement of this litigation. She should not have had to do so and should be reimbursed. The amount that is outstanding to her solicitors is complicated by the fact that there is one further legal services payment to make. I have decided that the correct sum to award for outstanding costs is £2.5 million. I have therefore concluded that her lump sum should be increased by £8,250,000 to cover these two amounts. There is provision for security for costs in the sum of £4 million currently in place. That provision becomes otiose given my decision. I direct that the money held by HH's solicitors is either used in part payment of the lump sum order or is returned to HH on payment of the lump sum order in full.

84. I now turn to the question of a legal fees fighting fund. I was referred to the case of Al-Khatib v Masry [2002] EWHC 108 (Fam); [2002] 1 FLR 1053 in which Munby J made provision for a legal fees fighting fund of £2.5 million to cover further litigation. There were, however, two important aspects to note in relation to this award. The first is that the husband in that case had already abducted the children to Saudi Arabia, meaning that the need for litigation to attempt to recover them was already established. There has been no successful abduction in this case and I am making capitalised provision for security to ensure such an abduction does not take place in this case in the future. Second, Munby J was clear that this fund was only to be used for the purpose of funding future litigation, whether in this country or elsewhere, directed to the recovery of the children. Whatever was left of the fund was to be returned to the husband as soon as the children came back to the jurisdiction of this court. I consider that such a provision would be an added layer of complexity in this particular case. I want to effect a genuine clean break. I very much hope that, following this judgment, there will not be further litigation but, if there is litigation, I am satisfied that it can be covered relatively easily by legal services funding orders as has happened to date, both in relation to financial disputes and matters concerning the children. Indeed, there could, potentially, be a lump sum order in a fresh Schedule 1 application. I make it clear that HH would not be able to rely in opposing such a claim on the lump sum that I am awarding HRH, nor the capitalised sum for her security.

85.

Finally, I have to deal with a miscellaneous capital schedule. I have decided to accept all the figures for security included in this budget. There can be no compromise in this area. I have also decided to allow the kitchen extension, pizza oven and kitchen curtains HRH's home near Kensington Palace in the sum of £1,912,254. I remind myself that money was no object during the marriage. The amount spent on refurbishing HRH's home near Kensington Palace was many times that when the property was not nearly as central to the children's lives as it is today. In the same vein, I have permitted in full

the costs of the car park at Castlewood. I am providing for this extensive fleet of cars for security purposes and they do need to be stored somewhere. The only item where I have decided that I should reduce the expenditure is in relation to replacement vehicles claimed at £4,310,000 but with an allowance for the £900,000 already allowed by me for armoured vehicles. I have come to the conclusion that I should budget for a total of £2,400,000, of which I have already allowed £900,000. I therefore allow a figure of £1,500,000. The resulting lump sum is £41,302,913. This is the only sum I am awarding HRH herself as the balance of her award will be capitalised security costs. It will enable her to recoup some of her spending over the past few years, along with the backdated maintenance that I intend to award. Other than this, she will have very little outside the two property trusts. She has restricted her claim in this way and I have made it clear that I am holding her to that concession. She will just have to husband her own personal resources carefully. A spreadsheet confirming these figures is to be found at Schedule A to this judgment.

### The security budget

86.

I have already made the point that I have no counter-evidence to the budget produced by HRH. I have decided that I should approach the budget that she has provided on a generous basis throughout the minority of the children. It is far better to be safe rather than sorry, although I accept entirely that this budget is far higher than it was at the start of the case. In one sense, HH has brought this upon himself following the findings as to the attempt to purchase Parkwood and the hacking judgment. I have had some concern as to the figure for additional security services from Company X as it is such a large figure with no information to support exactly what this company is going to be doing. Nevertheless, the hacking findings mean that HRH is entitled to all the cyber protection she can get at this stage. I have therefore allowed that item in full. Indeed, I have allowed every item in full with three exceptions. The first is the figure for severance costs. I simply cannot believe that it is necessary to spend the best part of £500,000 per annum on this item. I have not been given a breakdown of what has actually been spent to date, other than that there have been payments but the figure has been reduced significantly. I consider the correct way to deal with this is by way of tighter contracts and, if necessary, injunctions but I have allowed a figure of £150,000 per annum which seems more than sufficient to cover this aspect. Second, I have reduced the figure for temporary contractor costs from £197,750 to £125,000. This sum did not feature at all in the previous schedule, which says that it was included in Consultancy fees, although Consultancy fees have not reduced from the sum of £865,300. I recognise that Covid-19 will have increased the need for temporary contractors and the spending should not, therefore, continue at the same rate. I consider my figure to be entirely fair in consequence. Finally, I have been very troubled by the figure for replacement of vehicles at £1,175,000 per annum. I do accept the need for armoured vehicles, although I note that sensible budgeting enabled three vehicles to be purchased this summer for the price of two by buying two vehicles that were two years old. I accept Mr Dyer's submission that these vehicles are unlikely to do as much mileage as those that might be protecting say a Head of State. It follows that I cannot see the need for them all to be replaced every two years. I am also not persuaded that there needs to be such vehicles. I accept that there should be vehicles for use in the UK but I would have thought that sensible forward planning would enable these vehicles to be used for the foreign trips as well. I recognise that we have had lockdowns but, until now, there have not been anything like such vehicles and I have not been told that this has caused a significant problem. All in all, I consider a fair budget is half of that claimed, namely £587,500. I attach a simple spreadsheet setting out these figures at Schedule B. It can be seen that the total budget is £10,988,228 which I shall round up to £11 million. It is quite clear that this is an appropriate budget for HRH and the two children going forward.

87.

I am not prepared to increase this budget either for the possibility that the children are at boarding school or for when they attend University. The budget is, in my view, a generous one at £11 million and the family will just have to work within the figures. In this regard, I consider it is safe to say that increased expenditure in one area is likely to lead to a reduction elsewhere. I now turn to the position going forward once the children have completed full-time education. It is absolutely clear to me that I cannot capitalise security budgets for them after this time for a significant number of very important reasons. The most obvious is that I have absolutely no idea of the level of threat, if any, that they will face. I have already made the point that they may become reconciled with their father, although I consider this possibility does not affect the provision for their security during their minority given the very serious findings made. I have also made the point that their father may have passed away. It is impossible to say what threat they may face from their siblings or anyone else ruling Dubai after he has gone. Moreover, Mr Dyer's points about capitalising the costs of purchasing armoured vehicles and transporting them around the world when the children are in their eighties are very well made. By eliminating this part of the claim, I am not doing any injustice at all. The issue can be dealt with in the Schedule 1 proceedings by applying to extend the secured periodical payments order I intend to make. This eliminates the possibility of huge injustice in my fixing what would be a very large capital sum now, whilst ensuring that the children can still be protected if needed.

88.

HRH, however, falls into an entirely different category although I accept that her own personal security needs will be very different once the children are independent. Whilst it could be said that two-thirds of the budget will disappear at that point, I consider that to be too simplistic. I do, however, accept that she will not need, let alone, armoured vehicles for her own protection. Moreover, I consider I have been generous in allowing in full the ongoing costs of Company X. It may be that this expenditure would not be necessary at all at that point but, even if some such spending is appropriate, it certainly will not need to be at the level currently provided for. I remind myself that, at the beginning of this case, admittedly before the attempted acquisition of Parkwood and the hacking had emerged, the original order made by the President was in the sum of £355,000 per month. Although that figure was then increased to £445,000 and then £488,000 per month, it is still far lower than I have allowed. It is quite clear to me that these figures were insufficient, although I was told that Director 1 had worked within these budgets, other than in relation to the costs of Company X. Indeed, if I needed any support for my view that the figures were too low, it is to be found in the fact that HH is now offering £6,200,000 per annum, which equates to over £500,000 per month. I realise that my conclusion is very much a broad brush but I am clear that it is the only way to approach this issue. I am of the view that HRH should have a total budget of exactly one-half once the children are independent, giving HRH a security budget thereafter of £5,500,000 per annum for the rest of her life. It might have been said that it should have been  $\frac{1}{3}$ <sup>rd</sup> but I consider this ignores two important elements. The first is that there are certain costs that will continue even when the children are independent. Second, HRH will need to provide some security for her own holidays, which is not currently included within this budget. Overall, I am clear that she will be able to keep herself safe with such a budget. It will, however, be entirely up to her how she husband's her resources. If she wishes to spend slightly more in the early years, she will have less for her old age but that will be something that she can control without any concern that HH is looking over her shoulder in this regard. I must then consider, for capitalisation purposes, the duration of the award. I am clear that Jalila should have four years for tertiary education, which will end in 2030 when she is aged 23. I apply the same to Zayed, so his order will end at the end of 2034, just before his 23<sup>rd</sup> birthday. The order will therefore be capitalised on the basis that the figure of £11 million per annum continues

until the end of 2030, whereupon it will reduce to £8,250,000 per annum, before reducing to £5,500,000 per annum at the end of 2034.

89.

I have already made the point that I am going to perform a standard Duxbury calculation without any adjustment to the ordinary income tax and capital gains tax assumptions. I obviously ascribe no income to HRH as anything that she earns will be used for her own personal expenditure. Equally, I do not include any capital receipts because, again, any money will have to cover HRH's own requirements. The resulting Duxbury calculation is for a lump sum of £209,542,372, which I round up to £210 million. In addition, there is the lump sum that I have calculated pursuant to all the other headings, amounting to a total of £41,302,913, which I round up to £41,500,000, making a total capital award of £251,500,000 payable within three months as per HH's concession.

#### General maintenance

90.

I now turn to general maintenance for the children. The respective figures here are almost as far apart as elsewhere in the case. HRH seeks provision of £17,505,460, per annum, once the security costs in Schedule J are deducted. It reduces to £15,642,443 if the additional holiday security costs in Schedule C are also deducted. HH offers £3,800,000 per annum, although I note that this is a significant increase on the current maintenance figure of £84,000 per month, or £1,008,000 per annum. The headings are broken down into a significant number of individual categories, namely HRH's home near Kensington Palace and housekeeping; Castlewood and housekeeping; holidays and weekends away (including security for those trips); transport; children's animals; children's leisure; children's personal staffing excluding security; children's health; private office, London; and private office, Amman.

91.

In reaching my conclusions, I have very much had in mind the figures that were spent during the marriage in Dubai, as exemplified by the 2019 budget, signed by HH. I have not heard from HH. I am unable to compare his expenditure with that sought by HRH. I accept, in accordance with authority, 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 HH and his family. I accept, of course, that it will be quite impossible to replicate, pound for pound, the standard of living they enjoyed before their parents separated but I am going to be generous and accept many of the figures put forward by HRH. In the areas where I have made reductions, I have done so for good reason based on specific points made by Mr Dyer. The first schedule that I must consider relates to HRH's home near Kensington Palace. It starts with the somewhat arbitrary increase of £60,000 per annum in relation to the trust/legal fees of the two trusts that hold the property. I accept Mr Dyer's submission in this regard and reduce the figure claimed by £60,000 per annum to £152,000 per annum. On the other hand, I allow in full the claim for employee costs. I cannot ignore the existing numbers of staff and the phenomenal number of staff previously available to HRH in Dubai. The same applies in relation to facility maintenance costs and household expenses. The most difficult aspect is the figure of £1.9 million sought for wear and tear of £900,000 pa and comprehensive refurbishment of £10 million every ten years. Both leading counsel point to the sum spent on refurbishment of the property following purchase. Mr Dyer says that, having spent that sum then, far less is needed in the future. By contrast, Mr Cusworth asserts that, if this sum was spent on a property that was only to be occupied for a few weeks per annum, surely a similar sum should be available now for one of only two main properties for the children. I must remind myself that this is a very large and prestigious house that needs to be maintained to the



highest possible standard. I consider a wear and tear budget of £500,000 per annum is appropriate but that the capital refurbishment budget is reasonable in the sum of £10 million every ten years. This makes a total budget for HRH's home near Kensington Palace of £2,476,000 per annum. It forms Schedule C.

92.

I now turn to Castlewood. I have already found that HH should be discharging the costs of this property so long as the children remain dependent. Having said that, I cannot see why the trust/legal fees should be any different to those for HRH's home near Kensington Palace, so I allow £152,000 pa. I allow in full all the various claims for the general outgoings and running costs of the property. When it comes to wear and tear, a figure of £250,000 per annum is claimed, whilst comprehensive refurbishment is sought at £3 million every ten years. I have already made the point that the latter figure is not far off the value of the property. I consider that the general wear and tear figure should be £125,000 pa and the refurbishment figure £200,000 pa. This makes a grand total of £1,009,800 pa. It is to be found in Schedule D.

93.

The next item is holidays, which is complicated by the fact that it includes large elements for the additional costs of security for those holidays. The first item is the costs of flights, claimed at £1,820,000, which involves private planes for seven separate holidays over nine weeks. I have always found this difficult as my experience is that children do not want to be away for very extensive periods as they get older, particularly if they are preparing for very important examinations. Having said that, HH's counter budget of £200,000 pa is self-evidently insufficient. I have decided to allow £1 million. I allow the hotels and accommodation costs as claimed. I assess food, expenses and activities at £300,000. I consider the trips to Jordan to be important, particularly given that HRH and the children cannot travel to Dubai. I realise that they have not been there recently but I am sure that is in large part due to the pandemic. It does mean that they have some catching up to do. Turning to the question of holidays in the UK, I allow the total claimed in full. The amount spent this summer on trips in the UK confirms that such breaks are expensive for this family. Dealing with the additional security costs, I allow each item as claimed, other than In-Country Logistics, which I assess at £1 million pa rather than £1,915,600. This means that the total budget for holidays is £5,115,544. This is to be found at Schedule E. Again, I do not intend to adjust this budget for the children being at boarding school or at University.

94.

The next item is transport costs. I consider I have already dealt with this in other parts of the budget and make no separate allowance for car storage costs in London. I then turn to Leisure costs. HRH seeks £1,859,992 pa whereas HH responds with a figure of £698,500 pa. The first item is [item 1]. The claim is for £500,000 pa as against £250,000 pa. I have decided that the correct figure is £300,000 pa. I find it difficult to see how more than this could actually be spent. I have permitted the claim for [item 2] as I cannot see that HRH can be expected to go to the shops. Equally, it would be wrong for it all to be done online. I have allowed £30,000 pa. I have then allocated items to the various other heads as I consider appropriate. I cannot see that [item 3] could possibly amount to £133,000 pa. I have decided £50,000 pa should cover it. I accept that the children have been used to presentations and that the cost does seem extremely high, perhaps when the agents of [those] involved realise who is trying to book them. I have included £250,000 pa against the very high figure of £613,000 claimed. I have reduced many of the other items to a certain extent but I have not allowed [item 4], given their ages and the other provision made. The resulting total is £1,010,500 and is to be found at Schedule F.

95.

The next schedule is animals. The total claimed is £673,306 pa, because it includes the purchase and running costs of horses. The counter proposal is £102,100 pa. I do, of course, accept that the children should have ponies to ride. The issue is the cost of these animals both to acquire them and to have them in livery. I am not convinced that the costs claimed are reasonable. I do not consider that these horses need to be expensive, although they must be safe to ride. I have allowed £25,000 pa for their acquisition; £75,000 pa for their livery and upkeep; and £25,000 pa for replacement horseboxes. I do not entirely understand the staff costs if I have allowed £75,000 pa for livery. I allow £50,000 pa for salaries and £25,000 pa for accommodation. I have reduced the other sums claimed to what I consider to be appropriate figures. I allow the costs for their pets as claimed. This makes a total budget of £277,050 pa and is in Schedule G.

96.

The next schedule is Children's staffing. The claim is for £644,876 pa. HH counters with an offer of £141,400. I cannot ignore the provision that has been available for these children over the years. I am of the view that the costs of the first nanny should be allowed in full. I cannot see the need for a second nanny given the ages of the children. I allow the nurse in full as she has always been available for the children. I have taken the view that I should allow the tutor's expenses going forward at £100,000 pa together with accommodation at £33,800 pa. HRH is entitled to obtain any payment in excess of £100,000 pa from the education fund. In any event, the resulting total under this heading is £450,077 pa, which is included in Schedule H. The dispute in relation to the health care budget is very minor. HRH seeks £32,000 pa. HH offers £22,000. I allow the claim in full.

97.

Finally, I turn to the two offices. HRH argues that the cost of her London office is £1,109,220 per annum, with a further £180,000 pa for professional fees, whereas her office in Amman costs £697,100 pa. I have no doubt that these figures are correct. The question, however, is the proportion of these amounts to be attributed to the children. HRH contends that 80% of these figures are due to the children. HH disagrees fundamentally and offers £40,000 pa in relation to London and nothing in relation to Amman. I am of the view that very little of the Amman Office relates to the children. I consider I should reverse the percentages and allow 20%, namely £139,400 pa. I accept that the costs of the London office relate to the children considerably more than the Amman office. I assess the proportions in London as being 50% for the children and 50% for HRH. I therefore allow the sum of £644,610 pa. The resulting total of all these items is £11,154,981 pa and is to be found in Schedule I. I round this up to £11,200,000 pa, which is £5,600,000 pa per child. It will be index-linked and tied to the Consumer Prices Index. The payments will be made as secured provision, the security being the HSBC bank guarantee. I decline to make any different assessment for Higher Education. It is too far ahead. Whilst in some cases, the provision might reduce at that point, I do not propose to do so in this case as I am concerned that many of the costs, such as those relating to the two properties, will continue regardless. The orders will be paid to HRH for the benefit of the children. When the children are in Higher Education, it will be up to HRH as to how she allocates the money for them.

98.

I next turn to the question of backdating. I decline to order any backdating in relation to the security budget as I was told that Director 1 had worked within the figures provided, other than in relation to the costs of Company X. HRH will simply have to deal with the past costs of the company out of the other provision made for her. She is, however, undoubtedly entitled to backdating of the general maintenance in the sum of £11,200,000 pa other than in relation to the costs of travel and security as

that travel budget has not been spent due to the pandemic, other than the provision I made in the summer. Even some of that was not spent. I have allocated £5,115,544 for travel and the security costs of that travel. If this is deducted from the maintenance awarded, the sum reduces to £6,084,456 pa or £507,038 per month. The date of the original application pursuant to Schedule 1 was 9 December 2019, some 24 months ago. However, the President made an order for £84,000 per month on 5 March 2020, some twenty months ago. I propose to backdate the order, less the travel expenses, to 9 December 2019 but with credit for payments made. The arrears would be in the order of £11,832,874 but with credit for payments made of £1,680,000. There will then be further credit for the money unspent in the summer amounting to £202,579 in relation to the holidays and £322,230 for the security for those holidays. Netting the various figures off against each another gives a total outstanding of £9,628,065. I am satisfied that this does not include any element of double counting.

#### The costs of security for the children as adults and the level of security

99.

There remain two final issues. The first is what happens when the children cease tertiary education. I have not provided for the costs of their security at that point but they almost certainly will continue to have security needs, if only as the children of such high profile parents. The claim was for provision for all three in the sum of £17,196,369 at that point. I have already allocated provision for HRH of £5,500,000 going forward. I consider that a similar sum should be allocated to each child. This is so close to the sum of £5,600,000 that they are receiving for their maintenance as to make no difference. I therefore direct that, on the children ceasing full-time education, the maintenance provision continue at the same rate but payable to them directly and for the entirely different purpose of security. If the figure is not needed, there can be an application to reduce or discharge the order at that point. If it is too little, there can be an application to increase. Either way, the position of the children is protected. Finally, I have to consider the question of the bank guarantee. In simple terms, HH offered £500 million of which I have ordered that he pay £210 million to HRH by way of lump sum. I am therefore clear that the HSBC Bank Guarantee should be in the sum offered less the capital provision ordered. This results in the figure reducing from £500 million to £290 million. I am satisfied that the terms of the guarantee as suggested by HSBC are appropriate.

#### Conclusion

100.

It follows that the award is as follows:-

(a)

A lump sum to HRH of £251,500,000 to be paid within 3 months;

(b)

An education fund in the agreed sum of £3,040,000 to be held by accountants to be agreed between the parties or appointed by the court;

(c)

Payable from the date of this order, secured periodical payments payable at the rate of £5,600,000 pa per child to HRH for the benefit of the children until they shall respectively cease full-time tertiary education or four years after they have commenced their first degree, whichever is later, whereupon it is to be paid direct to each child until further order with the figures being indexed according to the CPI index and secured by an HSBC Bank Guarantee in the sum of £290 million.

(d)

The order of the President is varied to provide for periodical payments from 9 December 2019 to the date of this order at the rate of £3,042,228 per child over and above the security budget, with credit for payments made. The arrears of £9,628,065 to be paid within one month.

(e)

No order as to costs.

101. Finally, I want to pay tribute to the advocacy that I have received, both written and oral, on behalf of both parties. It was of the finest possible quality. Nothing more could have been said or done on behalf of either party.

Mr Justice Moor

9 November 2021

Schedule A - Capital award

Description	
Security upgrades to HRH's home near Kensington Palace & CW	820,445.00
CAPEX for Schedule J [*provided for in the 29.6.20 Order]	116,300.00
Education fund for Zayed - see Schedule E(i)	
Education fund for Jalila - see Schedule E(ii)	
Replacement horse box (HRH - through Team Harmony had 3 horse boxes: 1 x custom-made 2018 Roelofson, a 2 <sup>nd</sup> Roelofson and 1 x Chardron but these remain with HH [*plus a Theault French Coachbuilt 2 horse transporter]). If HH returns them to HRH this purchase will not be required.	300,000.00
Kitchen extension, pizza oven & kitchen curtains HRH's home near Kensington Palace	1,912,254.00
Security lodge & studio upgrades CW	231,353.00
Art studio refurbishment CW	280,446.00
Gutter replacement CW	30,000.00
Shutters CW	30,000.00
Full check of electrics/RCDS/electric boards, excl. replacement CW	19,000.00
Additional gravel for the driveway & tennis court repairs CW	7,000.00
Installation of new fitted kitchen CW	216,000.00
Groundworks: drainage system to minimise waterlogging in the grounds CW	30,000.00
40 year lease of adjacent fields (£1,500 per quarter (with increase)) CW	240,000.00
Erection of garage for 3 additional vehicles (shell only, internal cost TBC)	

2 x Somersault Sunken Trampolines incl. delivery & installation (quote 18.02.20). The children had 2 at the Beach Palace in Dubai	39,000.00
Refurbishment of accommodation for security	210,523.00
IHT 10-year charge HRH's home near Kensington Palace due in 2026	5,278,000.00
IHT 10-year charge HRH's home near Kensington Palace due in 2036	-
IHT 10-year charge CW due in 2026	388,500.00
IHT 10-year charge CW due in 2036	-
ADDITIONAL EXPENDITURE NOT IN	
PREVIOUS BUDGET:	
Generator for CW	54,153.00
Professional fees for establishment of future Trusts	-
Jewellery	13,683,132.00
Haute couture	1,000,000.00
Motor vehicles	1,000,000.00
Horses	5,000,000.00
Costs paid out of personal resources	5,750,000.00
Outstanding costs	2,500,000.00
* Provided for in the 29.6.20 & 14.10.20 Orders	(872,600.00)
	38,263,506.00
CW - Property Physical Upgrades Phase 2	216,640.00
CW - Dovecotes - Phase 1	2,387.00
CW - Dovecotes - Phase 2	10,913.00
CW - ANPR Cameras	4,141.00
CW - Thermal PTZ Camera	17,879.00
CAPEX Contingency	-
8/9 - Vehicle Gate Upgrade	7,266.00
8/9 - Pedestrian Gate	4,649.00
6 & 7 - Vehicle Gate Upgrade	28,303.00

HRH's home near Kensington Palace - IT System Upgrade	83,380.00
Ballistic Blankets & Ballistic Shields	64,000.00
Equipment	53,800.00
Replacement vehicles and modification*	1,500,000.00
Car park at CW to store securely security vehicles	1,046,049.00
Cyber Security (see Dir 1 Statement of 5.10.20)	-
Provided for at §3.a of the 14.10.20 Order	-
*2 Armoured vehicles provided for in the 27.04.21 Order	-
	<b>£3,039,407</b>
<b>Total</b>	<b>£41,302,913</b>

Schedule B - Security budget for capitalisation

<b>Description</b>	<b>Award</b>
Salaries	£3,149,924
Pensions	£94,498
Healthcare & other benefits	£62,998
Bonuses	£157,496
Employer's national insurance	£434,690
Severance costs	£150,000
Training	£45,250
Flights & domestic travel for recces only	£0
Hotels for recces only	£0
Sustenance	£203,999
Mobile & fixed telephony	£19,800
Audit & accountancy fees (PWC)	£42,000
Consultancy fees	£865,300
NEW LINE: Temp & Contractors Costs (previously included in Consultancy Fees)	£125,000
Rent, rates & other premises	£450,800

Insurance (PL and travel)	£50,480
Postage & stationery	£1,000
Bank charges	£1,000
Professional fees & Company fees	£378,000
Contingency	£120,000
Annual maintenance of physical security equipment	£175,000
Overseas travel (only 14 days)	£26,315
Additional security	£500,789
IT costs	
Maintenance and running costs of security vehicles	£213,200
Replacement fleet of 14 security vehicles every other year	
Additional security services	£83,333
Vehicle Fleet Manager	£159,208
VAT on additions (excl. Vehicle Fleet Manager)	£587,500
	£2,160,000
	£90,000
	£640,648
<b>Total</b>	<b>£10,988,228</b>

Schedule C - HRH's home near Kensington Palace

<b>Description</b>	<b>Award</b>
<b>Trust/legal fees</b> : S Trust incl. associated companies & their professional fees, Savills' service charge, Crown Estate rent, legal fees & PwC fees	152,000.00
<b>Utility providers &amp; others</b> : gas, electricity, hyperoptic, internet, telephone system, Sky, water, bins, TV licence, Council Tax, etc.	57,600.00
<b>Insurance:</b> contents & buildings insurance	30,600.00
<b>House consumables:</b> food & consumables for household and staff	65,000.00
<b>Employee costs:</b> staff salaries incl. employer's pension & national insurance contributions & mobile phones. Nb excl. other employee associated costs listed in Schedule K	348,400.00
	223,200.00

<b>Facility maintenance costs &amp; others</b> : contractor for house maintenance & supplies	
<b>Household:</b> household goods, cleaning products, white goods, dry cleaning, subscriptions, miscellaneous, etc.	100,000.00
<b>Wear &amp; tear:</b> interior & exterior redecoration (paint, carpets, curtains, wallpaper, refinishing of floors, window treatment etc.). Replacement of furniture, fixtures, fittings & equipment (once every 3 years)	500,000.00
<b>Comprehensive refurbishment:</b> once every 10 years at a cost of £10 million	1,000,000.00
<b>Storage costs</b>	
<b>TOTAL</b>	<b>2,476,800.00</b>

Schedule D - Castlewood

<b>Description</b>	<b>Award</b>
<b>Trust/legal fees:</b> incl. Accuro & accountancy fees	152,000.00
<b>Utility providers &amp; others:</b> gas, electricity, internet, telephone, Sky, water, TV licence, Council Tax etc.	43,800.00
<b>Insurance:</b> household, buildings & fine art	9,800.00
<b>House consumables:</b> food & consumables for household	25,000.00
<b>Employee costs &amp; staff mobile phones:</b> staff salaries incl. employer's pension & national insurance contributions & healthcare	162,100.00
<b>Facility maintenance costs &amp; others:</b> gardeners & machinery/supplies, general property maintenance, window cleaners, pest control, pool services, security cameras, fire alarms etc.	216,800.00
<b>Housekeepers' purchases:</b> household goods, cleaning products, white goods, dry cleaning, subscriptions, miscellaneous, etc.	51,500.00
<b>Wear &amp; tear:</b> Interior & exterior redecoration (paint, shutters, carpets, curtains, wallpaper, refinishing of floors, window treatment etc.). Replacement furniture, fixtures, fittings & equipment (once every 3 years)	125,000.00
<b>Comprehensive refurbishment:</b> £3 million every 10 years	200,000.00
<b>Lease of field:</b> (to be excl. if 40 year lease acquired as per capital schedule)	3,800.00
<b>Accommodation for staff:</b>	20,000.00
<b>TOTAL</b>	<b>1,009,800.00</b>

Schedule E - Holidays



7 x return flights via private plane (incl. 1 week at Christmas, 2 weeks at Easter, 1 x 2 weeks and 1 x 1 week in the summer, 3 x 1 week during half-term holidays)	1,000,000.00
Travel whilst abroad	
Hotels & accommodation whilst abroad	667,400.00
Food, expenses & activities	300,000.00
Visas	8,800.00
3 x return flights via private plane for 3 x long weekends to Jordan	360,000.00
Food, expenses & activities during long weekends to Jordan	71,700.00
Travel insurance	
2 x 1 weeks in UK (accommodation only)	105,000.00
Food, expenses & activities during 2 weeks away	47,010.00
3 weekends away (accommodation only)	40,500.00
Food, expenses & activities during 3 weekends away	38,430.00
3 x helicopter return flights for weekends/weeks away	36,000.00
Security Costs	
Manpower	126,500.00
Flights	212,500.00
Accommodation	483,050.00
Subsistence	110,370.00
Other Travel	101,500.00
In-Country Logistics	1,000,000.00
VAT on Security costs	406,784.00
<b>TOTAL</b>	<b>5,115,544.00</b>

Schedule F - Leisure

Description	Award
[item 1]	300,000.00
[item 2]	30,000.00
[item 3]	50,000.00

[item 5]	15,000.00
[item 6]	30,000.00
[item 7]	40,000.00
Presentations	250,000.00
[item 8]	8,000.00
[item 9]	50,000.00
[item 10]	20,000.00
[item 11]	30,000.00
[item 12]	75,000.00
[item 13]	50,000.00
[item 14]	50,000.00
[item 15]	12,000.00
[item 16]	500.00
[item 4]	
<b>Total</b>	<b>1,010,500.00</b>

Schedule G - Animals

<b>Description</b>	<b>Award</b>
<b>2 ponies and 1 horse which the children ride</b>	
Food & livery costs incl. training	75,000.00
New horse once every 2 - 3 years	25,000.00
Vet	10,000.00
Farriers	5,000.00
Dentist	1,000.00
Horse box (replace every 5 years)	25,000.00
Medication and vitamins	1,500.00
Boots/hat, body protectors	4,000.00
Tack, bridle & saddle	3,750.00
Horse shows	10,200.00

Staff costs: salary incl. pension, health insurance & bonus	50,000.00
Groom cover	-
Staff accommodation	25,000.00
[Pets 1]	
Food	£5,900
Vet	£6,300
Toys, grooming, training, accessories etc.	£12,000
[Assistant]	£15,000
[Pets 2]	
Food	£300
Vet	£200
Extras	£1,000
[Pets 3] / [Pets 4]	
Food	£200
Vet	£200
Extras	£500
<b>Total</b>	<b>277,050.00</b>

Schedule H - Children's Staffing

<b>Description</b>	<b>Award</b>
Nanny (incl. employer's national insurance & pension contributions, healthcare) <sup>1</sup>	111,296.00
Nanny's accommodation	33,800.00
2nd nanny	-
2nd nanny's accommodation	-
Family nurse	137,381.00
Family nurse's accommodation	33,800.00
2nd family nurse	-
2nd family nurse's accommodation	-
Children's longstanding tutor	100,000.00

Accommodation for tutor	33,800.00
<b>Total</b>	<b>450,077.00</b>

Schedule I - Total

HRH's home near Kensington Palace & housekeeping	2,476,000.00
Castlewood	1,009,800.00
Holidays & weekends away (incl. security)	5,115,544.00
Leisure	1,010,500.00
Animals	277,050.00
Children's staffing	450,077.00
Children's health	32,000.00
Private office - London	644,610.00
Private office - Amman	139,400.00
<b>Total</b>	<b>11,154,981.00</b>