Neutral Citation Number: [2026] EWHC 2056 (Ch)

Case No: CR-2025-000724

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES COURT (ChD)

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 10/08/2026

Before :

ICC JUDGE MULLEN

- -

In the Matter of Genesis (2014) UK Ltd

And in the Matter of the Insolvency Act 1986

Between :

SQN Global Limited	**Claimant**
- and -	
1. Marcus Hughes	
2. Tracy Greening	
3. Helen Walker	
4. David Hughes	
5. Nicholas Plant	
6. Daniel Clarke	**Defendants**

- -
- -

Mr Rory Brown KC (instructed by **Black Swan Law**) for the **Claimant**
The Defendants did not appear and were not represented

Hearing date: 26th June 2026

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Approved Judgment

This judgment was handed down remotely at 10.30am on 10th August 2026 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

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ICC JUDGE MULLEN

ICC JUDGE MULLEN :

1. On 20th January 2025 the liquidators of Genesis (2014) UK Ltd ("Genesis" or "the Company") issued a claim in the Business List of the Chancery Division naming as defendants the following individuals:

   i) Mr Marcus Hughes;

   ii) Ms Tracy Greening;

   iii) Ms Helen Walker;

   iv) Mr David Hughes;

   v) Mr Nicholas Plant; and

   vi) Mr Daniel Clarke.

   The claim was expressed to be for fraudulent trading pursuant to section 213 of the Insolvency Act 1986 ("IA 1986") and, in respect of each of those defendants, the claim sought a declaration that they were liable to contribute to Genesis's assets accordingly.

2. The claim was transferred into this list on 22nd January 2025 and, on 5th February 2025, Deputy ICC Schaffer directed that the claim proceed as if commenced by IA 1986 application and provided for the filing of points of defence. No points of defence were filed in accordance with his order.

3. On 17th March 2025, I directed that SQN Global Limited ("SQN") be substituted as claimant, SQN having taken an assignment of the liquidators' cause of action. I gave permission for the amendment of the particulars of claim and directed that the defendants file their defences within 14 days of service of the amended particulars. Again, no defences were filed.

4. The matter returned before ICC Judge Prentis on 20th October 2025. His order recites the service of the claim form, particulars of claim and response pack on the defendants on 24th January 2025 and the service of the amended claim form and particulars of claim on 20th March 2025, although that appears to have been an unsealed version of the amended claim form because he directed the service of a sealed copy of the amended claim form by 4pm on 27th October 2025. He gave the defendants a final opportunity to file defences. In default of filing of defences he directed that the defendants would be debarred from defending the claim. In that event, he directed that there be a disposal hearing and that the claimant should file and serve evidence and a schedule of loss. The defendants were permitted to serve a counter schedule. The defendants did not file defences. I varied the time limits for filing of the schedule of loss and counter schedule on 2nd May 2026 and these were further varied by order of ICC Judge Barber on 28th May 2026.

5. The matter was listed before me as a disposal hearing. A document described as a counter schedule was filed, apparently on behalf of the defendants, dated 8th June 2026. It is really a short defence of sorts. It touches on other matters outside the scope of the claim but does not really engage with either the claim or the schedule of loss.

6. Mr Plant appears to have sent a number of emails to the court office referring to applications that had been made. I cannot see those applications on the court file but I was provided with some unsealed applications that had been sent to the claimant's solicitors.

7. There is an unsealed application in the name of "Marcus Hughes and others", dated 20th May 2026, seeking to set aside the directions order of 2nd May 2026 on the basis that the claim is misconceived and an abuse of process. It says, among other things, that "the present proceedings are a recycled version of the original 2021 claim" and "it is unjust to require me to travel over 200 miles to London for a disposal hearing in a misconceived claim." The application notice bears the claim number BL-2021-000754. It does not appear on that file and nor does it appear under the correct file reference for this case, CR-2025-000724.

8. There is then an unsealed application notice dated 8th June 2026. It simply says that it is made by "the defendant" and bears the printed name of Mr Plant in the signature box. In the box in which the applicant is to set out the order sought it says "Misidentification, Improper Service and Safety Concerns." It bears the case number CR-2025-000274, which is an unrelated case. I can see on that case number that some emails from Mr Plant have been uploaded to the file, but the application does not appear on that file or on the correct file. Nor can I see it on file BL-2021-000754.

9. There is also an email from Mr Plant contending that he has been wrongly identified as a defendant. He says:

> "I am not the accountant 'Peter Plant & Co' of Lichfield Road, Stone, nor do I have any connection to Genesis (2014) Limited or the matters alleged. Despite this, Mr Young has caused repeated attempts at service to be made to incorrect addresses, including those of family members, causing distress and raising significant data protection and harassment concerns."

10. The basis for the defendants' contentions is not set out and none of those documents provide a reason for adjourning the disposal hearing. They do however show that the defendants were aware of the hearing and, indeed, I have certificates of service in the bundle, proving service of the documents upon each of the defendants.

11. I heard evidence from Mr Howard Robert Gillespie Young on behalf of SQN. He confirmed the truth of the contents of his two witness statements, dated 22nd May 2026 and 25th June 2026. The latter statement makes three corrections to the first. None of the defendants attended the disposal hearing and they were not represented. Mr Young was not therefore cross-examined. I accept his evidence.

12. I was addressed shortly by Mr Brown KC who appeared for the claimant. Mr Brown referred me to commentary in the *White Book*, at 29.9.2 as to the effect of a debarring order as follows:

> "In response to major or repeated rule disobedience by a claimant, claims are sometimes struck out or dismissed with costs. The equivalent sanction for defendants is an order striking out that defendant's defence and debarring that defendant from

> defending the claim. Subject of course to its precise terms, a debarring order extinguishes any right the debarred defendant would otherwise have to participate in any way in the determination of all the issues which fall for determination at that trial (*Michael v Phillips [2017] EWHC 1084 (QB)*). The order may debar the defendant from making submissions, calling witnesses or cross-examining witnesses called by other parties. The claimants are still required to prove every fact upon which their case depends, except any facts which the debarred defendants had admitted in their struck out pleadings."

I bear in mind that, despite the debarring order and the absence of the defendants, it is for the claimant to prove its claim on the balance of probabilities. The claimant is of course hampered in doing so by the failure of the defendants to engage with the proceedings, and much of what it says is based on what Mr Young has been told and inferences drawn from what evidence there is.

Fraudulent trading

13. Section 213 IA 1986 provides:

> "(1) If in the course of the winding up of a company it appears that any business of the company has been carried on with intent to defraud creditors of the company or creditors of any other person, or for any fraudulent purpose, the following has effect.
>
> (2) The court, on the application of the liquidator may declare that any persons who were knowingly parties to the carrying on of the business in the manner above-mentioned are to be liable to make such contributions (if any) to the company's assets as the court thinks proper."

14. A claimant alleging fraudulent trading must plead and prove dishonesty. To establish dishonesty, the court must first ascertain the subjective state of a defendant's knowledge or belief as to the facts and then determine whether the defendant's conduct was honest or dishonest by reference to the objective standards of ordinary decent people. There is no requirement that the defendant must appreciate that what he or she had done was dishonest by those standards (*Ivey v Genting Casinos (UK) Ltd* [2017] UKSC 67; *Group Seven Ltd v Notable Services LLP* [2019] EWCA Civ 614). An intent to defraud one creditor may suffice (*In re Gerald Cooper Chemicals Ltd (in liquidation)* [1978] Ch 262, per Templeman J).

15. The jurisdiction extends not only to those undertaking a managerial role in a company and to its employees but also to persons who actively and dishonestly assist the company in adopting a dishonest course of conduct (*Morris v Banque Arabe Internationale d'Investissement SA (No.2)* [2001] 1 BCLC 263, per Neuberger J).

The facts here

16. The claimant's case, as set out in the particulars of claim, is that the defendants were concerned, in various ways, in putting the Company's assets beyond the reach of

creditors from January "2020" until the Company's liquidation in April 2022. I think that "2020" is likely to be a typographical error for "2021" because, as I shall explain, it was in January 2021 that a decision was made which had the effect of preventing the Company from being able to trade. In particular, it is averred that the Company made payments out of its bank accounts in breach of a worldwide freezing order ("the WFO") made on 21st May 2021.

17. Genesis was incorporated in October 2014 and operated a haulage business. From its incorporation until 4th December 2018, the director and shareholder of the Company was Mr Marcus Hughes. Mr Marcus Hughes's resignation appears to have come about as a result of his disqualification for a term of five years by the traffic commissioner from acting as a transport manager or holding an operator's licence or the directorship of a company which held such a licence. The commissioner found that Mr Marcus Hughes had failed to disclose two convictions, both of which had resulted in immediate custodial sentences for substantial periods. The commissioner also revoked the Company's operator licence. The commissioner concluded his findings, which are dated 22nd October 2018, by saying:

> "I am not disqualifying the company Genesis from holding a licence in the future. It may be that, if it restructures itself so that Marcus Hughes is no longer the controlling mind or majority shareholder of the company, an application for a licence would be eligible."

18. According to documents filed with the registrar of companies, Mr Marcus Hughes ceased to be a person with significant control of the Company on 8th November 2018 and ceased to be the director on 4th December 2018. Ms Greening, who, according to the evidence, is Mr Marcus Hughes's partner, was appointed as a director of the Company and became a person with significant control on 9th November 2018. Ms Helen Walker was also appointed as a director on 9th November 2018. The Company was able to regain its licence in February 2019.

19. The commissioner had cause to revisit the Company in 2020. In a further decision issued on 29th January 2021, the commissioner noted that evidence had emerged which suggested that Mr Marcus Hughes continued to be closely involved with the Company. In the course of an investigation by the Driver and Vehicle Standards Agency a number of the Company's drivers reported to the investigator that they knew Mr Marcus Hughes as the manager. The commissioner held a public inquiry in which he was shown screenshots of texts between a driver and Mr Marcus Hughes in which Mr Marcus Hughes appeared to be giving instructions to the driver and, subsequently, informing the driver that he had been sacked.

20. The commissioner found a number of breaches of the rules related to drivers' hours and tachographs, as well as considering that Mr Marcus Hughes had "continued to play a significant managerial role within the company". He did so in the face of statements from Mr David Hughes, Ms Walker and Ms Greening, which, he summarises, were to the effect that Marcus Hughes had no day-to-day involvement with the running of Genesis. He found that Mr David Hughes, Mr Marcus Hughes's brother and the transport manager of the Company, must have been aware of Mr Marcus Hughes's continued involvement. He revoked Genesis's licence and disqualified it from holding a licence for three years from April 2021. In doing so, he said the following:

> "In considering the Bryan Haulage question of whether the company deserves to go out of business I remind myself that had Marcus Hughes' very serious convictions been declared as was required on application in 2014 there would have been no road haulage business in the first place, because the application could not have been granted. The company's subsequent failure sufficiently to divest itself of his involvement means that, with reluctance, I conclude that the answer to the Bryan Haulage question is 'yes'."

21. I do not treat the commissioner's findings as evidence of the facts found, bearing in mind the principle in *Hollington v Hewthorn* [1943] 1 KB 587. The significance of the commissioner's decision however does not lie in his findings of fact but in that it was apparent to him that the effect of his order was likely to be that the Company would go out of business. That was evidently the conclusion of those behind the Company too. On 3rd February 2021, Ms Walker emailed an agent with regard to the sale of Genesis's business. On the same day an email was sent from Mr Marcus Hughes's email account with a list of assets that were available for sale.

22. The revocation of Genesis's licence was not the only threat to its business, however. On 20th May 2021, SQN commenced proceedings against the Company and Mr Marcus Hughes for breach of contract in failing to pay invoices, ultimately obtaining judgment against Mr Hughes in the sum of £6,145,772.69 after Genesis was placed into compulsory liquidation on 26th April 2022. The liquidators have accepted SQN's claim in the liquidation of the Company in the same sum.

23. At the outset of the proceedings, SQN obtained the WFO against Genesis. The without notice order was granted by Adam Johnson J on 21st May 2021 and it was continued by Sir Anthony Mann, sitting as a High Court Judge, on 11th June 2021.

24. It is against the background of the WFO that SQN now says that the business of Genesis was carried on in order to defraud it. The allegation is that monies were paid away in breach of the WFO and assets were transferred to an associated company to prevent their realisation in a liquidation.

25. In this regard, SQN alleges involvement by three other parties. The first is Mr David Hughes. In addition to being employed as the Company's transport manager he assumed the role of a director pursuant to a letter of authority signed by Ms Greening on 8th June 2021. It provided as follows:

> "I [...] hereby authorize Mr David Hughes and Wade Johnson to operate in my capacity as major shareholder and Director in the day to day running of Genesis 2014 (UK) Ltd with immediate effect. All decisions made by Mr David Hughes have my full authorisation."

SQN therefore submits that Mr David Hughes was a de facto director from this point.

26. The second is Mr Plant. Mr Plant confirmed in a hearing before Zacaroli J on 11th August 2021 that he worked with Plant and Co Chartered Accountants, which was the Company's accountant from at least 5 September 2019. He represented the Company

at the hearing, apparently with the approval of Mr David Hughes, set out in an email to the court on the morning of the hearing. He was also the director of a company called UK365 Limited, which, SQN says, received monies diverted from Genesis from the hire of trailers.

27. The third person is Mr Clarke, who was employed by the Company as a transport manager from at least 11th June 2019. Mr Clarke was also the sole director and shareholder of Clarence Road Vehicle Services Limited ("CRVS"). CRVS was incorporated in England and Wales on 22 January 2020. It filed one set of accounts, for a dormant company, to 31 January 2021. It was struck of the register and dissolved on 7th February 2023. Both Mr Clarke and Mr David Hughes used CRVS email addresses. CRVS hired out certain of the Company's trailers after the WFO was served, the monies, on the claimant's case, being paid to UK365 Limited.

28. The first matters complained of are sums transferred out of the Company accounts. These total, in respect of the account referred to in the evidence as "the Company Account", £342,820.95 between 21st May 2021 and 15th June 2022, and, in respect of an account referred to as "the New Account", £68,683.38 between 21st May 2021 and 16th November 2021.

29. It seems to me to be tolerably clear that the new account was used to circumvent the WFO. There is in evidence an email from Mr David Hughes notifying customers that the Company had changed its bank account details. On 20th August 2021 some £58,500 was paid out to CRVS. This represented nearly the entirety of monies in this account. No explanation of this payment has been given. Other emails include requests by Mr David Hughes for customers to pay into CRVS's bank account or his personal account. These include –

    i) An email of 21st December 2021 in which Mr David Hughes requested that £22,140 owing by EV Cargo be paid into, it would appear, the bank account of CRVS. That inference is drawn from the connections between the two companies and the response of EV Cargo, which was to state that payment into the account of a dormant company, as CRVS was, was against its policy.

    ii) An email of 7th January 2022, in which Mr David Hughes requested that £22,140 owing by EV Cargo be paid into his personal bank account, providing the details of the same.

There is also a more general letter, dated 15th November 2021 and addressed to "to whom it may concern" noting that the Company's account was "frozen" and asking that payments be made to CRVS's account.

30. I should say that many of the other payments from the Company Account appear to be payments of business expenses. They are however in excess of the £2,000 per week that the WFO allowed to be paid in respect of ordinary trading expenses. Nor is there any suggestion that the Company nonetheless retained the £1,750,000 asset value that the WFO required it to retain.

31. The Company and Mr Marcus Hughes had been served with the WFO on 24th May 2021. The inference that I draw is that those behind the Company at that time were content to ignore that injunction with a view to putting its assets beyond the reach of

SQN. That may not have been their only motivation but, particularly when taken with the treatment of the Company's plant, the overall impression is one of a concerted effort to denude the Company of its assets and defeat the claims of a creditor.

32. These are assets which were set out in Mr Marcus Hughes's email in connection with the sale of the Company's business. Some of those are, on the evidence that I have, the same goods set out in a statement made by Daniel Clarke dated 11th January 2022, in which he lists goods that he warrants to belong to CRVS, or of which CRVS was entitled to take possession. He stated that transfers of goods from Genesis were pursuant to "arm's length transactions". There is a similar statement from Mr David Hughes dated 21st January 2022, in which he states that he has inspected the goods at the Clarence Road site and none of them belong to Genesis, although some of them had formerly been owned by it.

33. There is no clear indication that these goods were in fact purchased by CRVS. There is a payment from CRVS of £70,000 on 2nd March 2021, which immediately left the Company account to an unknown account, but I have nothing to show what that was for. CRVS filed only dormant accounts and so it is not at all clear how it could have purchased the assets. Mr Marcus Hughes's email listing Company assets show some 112 trailers, and the comparables set out in Mr Young's evidence suggest that even a relatively small number of these would have been worth significantly more than the monies received from CRVS in March 2021. In the absence of any alternative account as to how these assets came to be in the hands of CRVS, or suggestion of a transfer for proper value in the evidence, I am satisfied that they were transferred to CRVS without consideration or at a significant undervalue in order to place them out of the reach of the Company's creditors. To the extent that any consideration was received, it appears to have been paid away.

34. There are also broadly contemporaneous emails which suggest a transfer to CRVS. There is an email dated 29th November 2021 from Mr Wade Johnson to Mr David Hughes, which includes the following:

> "1. I will also be advising liberty finance and close brothers where their trailers are and the companies who had hired them, effectively cutting off revenues from crvs trailer hire.
>
> I will also be contacting the companies who have hired trailers from you that the trailers in their possession, hired from you are the subject of return of goods order currently awaiting a hearing date in the courts. I will forward the trailer numbers re the same to all parties as I have the screenshot I took when liberty finance sent there [*sic*] repossession agent to Clarence road [*sic*]. I also have all documents from close brothers from my dealings with them on your behalf.
>
> 2. I will be writing to brandsmith, sqn, the court service's [*sic*] advising them of the co op bank account and your removing significant amount of money in contravention of the freezing order. Brandsmith and sqn will particularly [sic] interested in this and the fact you have sold assets belonging to genesis, who can pursue you personally for the dissipating of assets which is

> contrary to the freezing order. This will also involved [*sic*] Tracy greening and Helen Walker. brandsmith will also be advised assets are hired out to companies whose details I will provide."

35. Mr Young also sets out a conversation that he had with Mr Johnson in which Mr Johnson stated that a prefabricated building had been sold for £25,000 cash by Mr David Hughes with the knowledge of Ms Greening and Ms Walker. A number of trailers had been sold by Genesis or Mr David Hughes for at least £100,000, each trailer being sold for at least £20,000, and that the business and remaining assets of Genesis had been transferred to CRVS as a response to the WFO. This included a large prefabricated tent sold for about £10,000, together with two vans, one of which was sold for around £20,000, and two fork-lift trucks that were taken to CRVS's premises. CRVS was hiring out the Company's trailers for around £20,000 a month, which was being paid to UK365 Ltd. Mr Johnson told Mr Young that CRVS has been set up by Mr Marcus Hughes, but he did not wish to be linked to it, which is why Mr Clarke had been appointed as the director. Mr Clarke, he told Mr Young, took his instructions from Mr Marcus Hughes and later from Mr David Hughes.

36. There is further an email from Mr Joshua Hughes dated 25th January 2022 to Mr Young. He said:

> "It is with extreme concern I write this email to you; I am fully aware of the Worldwide Freezing order that has been placed on Genesis 2014 (UK) Ltd and Marcus Hughes's assets/finance. With Marcus Hughes currently in jail and Miss Greening removed from Genesis 2014 (UK) Ltd by David Hughes, it seems that David does not understand the term 'Worldwide Freezing Order'.
>
> 1. David Hughes gets authorisation from Miss Greening to operate as major shareholder and Managing Director of Genesis 2014 (UK) Ltd on 23rd May 2021 - Evidence attached - inside Signed Letter from Tracy Greening and David Hughes statement
>
> 2. In June 2021 (After the original freezing order) David signs DV69UUG over to his son, Alex Hughes and DV68UTT to his wife Portland Hughes, whilst under the freezing order. No payments have ever made for these vehicles and the debts are still outstanding - DVLA will confirm transfer dates, fraudulent letter from David Hughes dated 5th May 2021 (as David did not have the power to sell the vehicle on 5th May) and email sent on 28th June 2021 confirming sale of DV69UUG to Alex Hughes. All parties were and are aware of the Freezing order, but decided to continue with this contempt against the order and the court. - Sign Letter from David Hughes and email…
>
> 3. After the freezing order was placed on Barclays, Mr Hughes started sending letters to clients to pay into a different account - Evidence attached - Payment details email (Payment to CO-OP Bank)/ RE GEN001 email (asking for payment to be made into CRVS)

> 4. David Hughes asking for a payment, which at the time was around £52,000 to be paid into his personal bank account - Evidence attached - RE Payment not received email - if you scroll down this email trail an email from David Hughes on 7th January was send to Wayne Holmes at EV Cargo requesting payment into personal account.
>
> These are just four of multiple points, with evidence I can provide, may I also recommend that Clarence Road Vehicle Services Limited are looked at closely as David has wiped the slated on the more than £1,000,000 debt/asset purchased through Genesis and now under possession of Clarence Road Vehicle Services Limited aka CRVS. Mr Hughes has also transferred assets to CRVS or CRVS Hire or Galawise that were previously under Genesis 2014 (UK) Ltd's assets as of the date of the freezing order, but Miss Greening was told these were all under finance and been sent back to the companies, this was/is not the case."

37. According to Mr Young's evidence, Mr Joshua Hughes also posted pictures of trucks on Facebook between 2021 and 2023, the number plates appear to be:

    i) YN67 NRU;

    ii) PY14 LVP;

    iii) CN16 FLE;

    iv) R32 WHO; and

    v) 98 JZH.

    SQN's case is that all of these vehicles form part of Genesis's assets, or were disposed of in order to defeat its claims.

38. Further cash was seized from a residential property in Millers View, Stoke-On-Trent, which appears to be Ms Greening's last known address. Mr Young records these in his evidence as having been described at Mr Hughes's criminal trial, which he attended, as property belonging to the Company as follows:

    i) Cash from a "manbag" in an Audi RS6 = £1,340;

    ii) Desk = £335;

    iii) Wallet = £720;

    iv) Kitchen = £12,770;

    v) Amazon box = £48,000;

    vi) "Angry Birds" wallet = £960.01;

vii) Kitchen cupboard = £1,660; and

viii) Wallet, bedroom = £900.

39. This evidence has not been challenged and I accept it.

Discussion

40. Much of Mr Young's evidence is based on what he has been told by third parties. Nonetheless it is admissible and, in large measure, consistent with the documentary evidence which shows that the Company had a large number of vehicles and trailers at the point that its licence was revoked and those vehicles and assets were no longer in the Company's possession at liquidation. Against a background of the Company simply making payments in defiance of the WFO and seeking to divert monies to other accounts, and in the absence of any defence of the claim, I am satisfied that those behind the Company carried on its business with intent to defraud the Company's creditors from at least the end of May 2021. The WFO had been served, the Company's business had been brought to an end by the decision of the traffic commissioner and those behind the Company plainly wished to extract the value of the assets. They initially looked to sell assets following the traffic commissioner's decision and many of the Company's assets found their way to CRVS, without, it seems, Genesis having anything to show for it. That is consistent with an attempt to defeat the claim of SQN and possibly those of other creditors, including those who had provided finance for the vehicles. That is supported both by contemporaneous emails from Mr David Hughes, seeking to divert payments due to the Company and by Mr Johnson's November 2021 email complaining of both the payments and the transfer of assets.

41. In relation to the value lost to Genesis as a result, the claimant's schedule of loss can be summarised as follows:

<u>Payments after the date of the WFO</u>

i) Payments from the Company Account between 21 May 2021 and 15 June 2022 – £342,820.95;

ii) Payments from the New Account between 21 May 2021 and 16 November 2021 – £68,683.38;

<u>Payments diverted</u>

iii) Payment from HRVS Group Ltd to CRVS – £2,650.07;

iv) Monies owed to EV Cargo paid to either CRVS or David Hughes's personal bank account – £22,140;

<u>Assets transferred</u>

v) Assets listed in Marcus Hughes's email dated 3 February 2021 – £1,645,379;

vi) Assets set out in Schedule 4 to Amended Particulars of Claim, being two Montracon 13.6 Triaxle Boxes totalling £9,000;

vii) Assets listed in the Schedule of Goods in Witness Statement of Daniel Clarke dated 11 January 2022 – £151,590;

viii) Assets disclosed in the Wade Johnson Conversation – £550,250;

ix) Assets in the Joshua Hughes Facebook post – £109,595;

x) Assets shown on Genesis Website – £76,035;

Cash seized

xi) Cash seized from property at Millers View, Stoke-On-Trent that belonged to Genesis – £66,685.01.

Mr Young has explained how he has arrived at the figures by reference to comparators. He also explains the way in which he has sought to avoid double counting.

42. The Facebook posts are insufficient to satisfy me that the vehicles are or were assets of the Company which were fraudulently disposed of. They are simply pictures of vehicles without any distinguishing markings. I have no evidence from Mr Joshua Hughes as to what these vehicles are. No explanation has been given as to why there is no such evidence from him. I am not prepared to accept the account given in Joshua Hughes's email either. That email does not explain how he knows about the alleged transfers and does not carry the weight of a witness statement verified by a statement of truth. I am not satisfied that these items on the schedule were assets of the Company which were improperly disposed of.

43. Similarly, I have no evidence from Mr Johnson, and Mr Young's recollection of his conversation with Mr Johnson is an entirely inadequate basis on which to conclude that some £550,000 worth of Company assets, over and above those set out in the contemporaneous documents, have been improperly disposed of. The conversation and the email lend evidential support for the case that assets were being transferred but they are inadequate to satisfy me that the individual items referred to, in very vague terms, were further assets of Genesis.

44. I also consider that the starting point for liability in respect of withdrawals from the Company accounts should be 24th May 2021, the effective date of service of the WFO. While I accept that the Company sought to defraud its creditors by putting its assets out of reach, the nature of the payments at this point is consistent with meeting its trading liabilities, rather than a desire to defraud its creditors. It is only after the WFO was served, it seems to me, that payments from the account can be characterised as attempts to evade the effect of that order. The payments prior to 24th May 2021, set out in the schedule annexed to the particulars of claim, total £6,154.01.

45. As to liability for that loss, I accept that Mr Marcus Hughes remained a de facto director of the Company. The Company was established by him and, until the first decision of the traffic commissioner, he was its de jure director and shareholder. He appears to have remained involved in its management, and emails were sent from his account concerning the sale of the Company's assets in early 2021. The evidence recited by the traffic commissioner also points to him continuing to have a management role. The tenor of the evidence is that he remained a controlling mind of the Company and others

acted on his instructions. Indeed, Mr Young's evidence is that Mr Marcus Hughes accepted his continued involvement in evidence given in the criminal proceedings to which he was subject in 2022. He was, by the time of the service of the WFO, in prison awaiting trial but, given his involvement in the Company management up until that point, it is likely that he continued to exercise control over the Company through and with his partner, Ms Greening, and his brother, Mr David Hughes.

46. Mr Marcus Hughes and his partner, Ms Greening, were respectively the de facto and de jure directors of the company and I accept that they would have been responsible for the dispositions of the Company's assets and the diversion of payments following the revocation of the licence and, more particularly, the WFO. This was carried out in order to defeat the claims of creditors, in particular SQN. There can be no doubt that this conduct was dishonest by objective standards. I am satisfied that those individuals sought to defraud the creditors of the Company. They are liable to contribute to the assets of the Company on a joint and several basis in a sum equivalent to the full extent of its loss. That will need to take account both what I have said about the starting point in relation to the payments from the accounts, the items in the schedule of loss which I have excluded and the approach to the diverted rental income that I discuss in the context of Mr Plant and Mr Clarke below.

47. Similarly, Mr David Hughes held a senior position at Genesis and was actively involved in seeking to divert payments from the Company account, assuming the status of a de facto director in June 2021. It is a reasonable inference that he was concerned in the transfer of assets more generally. In this regard I note that a witness statement that he made in January 2022 asserts that the assets held at CRVS's premises belonged to it and, to the extent that they had previously been owned by Genesis, they had been transferred to CRVS in arm's length transactions. In circumstances where CRVS appears to have been dormant and not to have given consideration, or adequate consideration, for the assets, this appears to be untrue. I conclude from his attempts to divert payments and his willingness to make inaccurate statements that he too was actively concerned in the attempts to put the Company's assets beyond the reach of creditors generally. In those circumstances, in my judgment, he is liable to contribute to the assets of the Company jointly and severally with Mr Marcus Hughes and Ms Greening in a sum equivalent to the full extent of the loss of value caused.

48. In relation to Mr Plant, it is said that his Company received the payments from the hire of the trailers by CRVS. No explanation has been offered by him as to why he might have thought those receipts were legitimate. It is apparent that he was aware of the WFO, having represented Genesis at the hearing before Zacaroli J in August 2021. However, it seems to me to be too much of a leap to infer therefrom that he was dishonestly concerned in concealing the Company's assets. There is nothing to suggest that he was involved in the transfer of assets to CRVS in the first place. The key allegation is that his company, UK365 Limited, received monies from the hiring out of Genesis's trailers. SQN, however, offers no evidence that UK365 Limited received any monies at all from the hiring of vehicles by CRVS, beyond Mr Young's recollection of a conversation with Mr Johnson in which Mr Johnson said that this was so. There is no witness statement from Mr Johnson to explain how he knew this in order for the court to assess the likelihood of it being true. Further, I note from the printouts from Companies House exhibited to Mr Young's statement that there was another director of UK365 Limited in office at the relevant time. The claimant does not say why the

court can be satisfied that Mr Plant knew that the assets of Genesis had been improperly transferred to CRVS, or that UK365 Limited was receiving monies from this source (if it was) or that it was Mr Plant, rather than a fellow director, who arranged this. The evidence is inadequate to fix Mr Plant with liability for fraudulent trading.

49. Even if I had been satisfied that Mr Plant connived in the attempt to defraud creditors by causing UK365 Limited to receive monies from the hire of Genesis's assets, it seems to me that his liability to contribute should be limited to the hire fees which he was concerned in diverting. There is no evidence at all that Mr Plant was more widely involved in the fraudulent trading. Those hire fees have been calculated by Mr Young on the assumption that the trailers must have started to be used by CRVS from 31st January 2021 to the appointment of the liquidators on 27th May 2022. January 2021 seems to me to be too early a starting point. I note in this context that it was in March 2021 that the payment of £70,000 was received from CRVS, which lends some support to the proposition that it was in March 2021 that CRVS began to exploit these assets. The assets of the Company were still being offered for sale in February 2021, which suggests that they were still being used by Genesis, or at least were still held by it, but appear to have been transferred by the time of Mr Johnson's November 2021 email. The particulars of claim, however, assert that the transfer of assets was "to circumvent" both the WFO and SQN proceedings and Mr Young's evidence relies upon Mr Johnson's assertion that the transfer took place as a response to the WFO and the claim is limited accordingly. Accepting as I do that the transfer was likely to have been effected as a response to the WFO, and in the absence of any better evidence as to when the assets were transferred, it seems to me that the assets would have been transferred fairly shortly thereafter and the transfer effected by 1st June 2021.

50. Mr Johnson told Mr Young that the revenue from the trailer rentals was around £20,000 per month, with individual trailers being rented out at £160 a week. Mr Marcus Hughes' email in connection with the sale of the business suggests 112 trailers were owned by Genesis and it is stated that certain trailers are being rented for £105, which is very roughly in line with Mr Johnson's figure. Mr Johnson's figure of £20,000 a month equates to some 30 trailers being hired out for the whole of the month. In the context of 112 trailers, Mr Johnson's figure appears to me to be realistic. Had I been satisfied that Mr Plant had been concerned in receiving the hire fees from the hiring of the Company's trailers by CRVS I would have directed him to contribute to the Company's assets in respect of the trailers hired out by CRVS from 1st June 2021 to 27th May 2022. I make some further observations as to the way in which the calculation of this should be approached in respect of Mr Clarke below.

51. Mr Clarke appears to have allowed CRVS to be used to receive the Company's assets. He too was a senior employee within the Company and must therefore have been aware of the cessation of the Company's business as a result of the termination of its licence and the freezing of its accounts. There was no genuine commercial basis for the assets to be transferred to CRVS, or for payments to be made to it for the reasons that I have discussed in relation to Mr David Hughes. Yet Mr Clarke, like Mr Hughes, asserted in a witness statement that the assets at CRVS's site belonged to it. He must have understood that that was being done to avoid the effect of the freezing of the Company accounts and defeat the claims of creditors. I am satisfied that he dishonestly facilitated the carrying on of the Company's business to defraud its creditors to that extent. I do not consider that I can fix him with liability to any greater extent.

52. There is nothing to tie him to the payments out of the Company's two accounts more generally. I am conscious too that it may be that some of the Company's assets, as suggested by Mr Johnson and Mr Joshua Hughes, were transferred elsewhere. It seems to me that the extent of his liability to contribute should be limited to the loss attributable to those assets which can be shown on the balance of probabilities to have been transferred to the CRVS site. It is also likely that those assets were exploited by hiring them out and that such hire charges would otherwise have been available to the Company. He should contribute in respect of these over the same time period that I have discussed in respect of Mr Plant. I will list a hearing at which I can be addressed on the correct amount in this regard. I will need to be satisfied that the number of trailers that can be shown to have been transferred to CRVS supports the claimant's submission that at least 30 of them will have been hired out at any one time. He will be jointly and severally liable with Mr Marcus Hughes, Ms Greening and Mr David Hughes in that amount.

53. I finally consider the position of Ms Walker. She was a director during the relevant period until she resigned on 25th May 2021, the day after service of the WFO. There is relatively little in the bundle to show the extent of her involvement in the management of the Company, although there are some emails to or from her relating to the finances of the Company and the offering of assets for sale in February 2021. It is asserted in the particulars of claim that she had stated in 2020 that she and Ms Greening controlled the Company's finances. I have proceeded on the basis, as set out in the particulars of claim and evidence, that the transfer of assets took place as a response to the WFO. Ms Walker had no formal role in the management of the Company from 25th May 2021 and the evidence is insufficient to satisfy me that she in fact continued to have any role in the management of the Company thereafter, still less any involvement in an attempt to defraud creditors, either when the transfers of assets took place or in relation to the payments out of the Company accounts.

54. The contributions which I consider that Mr Marcus Hughes, Ms Greening, Mr David Hughes and Mr Clarke should make reflect the fact that the purpose of a contribution order is to restore to the Company the value removed through the fraudulent conduct. The losses identified represent value which would otherwise have formed part of the Company's assets available to creditors and constitute an appropriate measure of contribution under section 213 IA 1986 in the case of each defendant whom I am satisfied was involved in the fraudulent trading.

Disposition

55. The claim fails as against Mr Plant and Ms Walker but succeeds in respect of the other defendants to the extent that I have set out. I will list a hearing with a time estimate of two and a half hours to consider the matter that I have identified and to consider interest and costs. I will also direct service of this judgment upon the defendants by the claimant.

56. I will ask Mr Brown to lodge a minute of order.