IN THE HIGH COURT
CHANCERY DIVISION
INSOLVENCY & COMPANIES **Claim ref: CR-2025-005970**

BEFORE: ICCJ BARBER

BETWEEN:

Intelligence UK Investigations Ltd

Claimant/Applicant

-and-

(1) Anthony Hannon & the Official Receiver of London

(2) Justin Dionne & the Official Receiver of London

(3) Dean Beale the Inspector General of the Insolvency Service

(4) Middlesbrough Football & Athletic Company (1986) Ltd

(5) H.M.C.T.S (His Majesty's Courts & Tribunals Service)

(6) Lord Chancellor & Secretary of State for Justice

Defendant/Respondent

ORDER

UPON hearing the Claimant in person by Edward Magan having granted Mr Magan permission under CPR 39.6(b).

AND UPON the Defendants being represented but deciding not to have responded or to have attended.

AND UPON reading the claim form and supporting witness statements by Martin Richard Walsh and the Claimant's application dated 12 September 2025.

IT IS ORDERED THAT:

1. The order by ICCJ Prentis of 10 September 2025 staying the claim be set aside.

2. My order of 28 March 2018 winding up Earth Energy Investments LLP is declared void and is set aside.

3. Pursuant to CPR 25.20(2), the Fourth Defendant do pay to the Claimant the sum of £1,481,900 within 21-days of this order.

4. Costs in the case.

REASONS:

1. I make the order on the terms of, and for the reasons given by the Claimant.

2. The stay was granted in error in my judgment, and it became clear to the Court that the Claimant's place for service pursuant to CPR 6.23(1) had not changed during the course of the litigation and there is no other reason to stay the claim.

My order of 28 March 2018:

3. The Claimant drew my attention to the short transcript of the hearing before me on 28 March 2018. Mr Staunton, counsel for the Fourth Defendant negated to mention the EEI 6 January 2017 statutory demand claim in the sum of £530,000 which was based on the assigned investment.

4. I read all the Claimant's supporting witness statements (3 – 6) with care and at paragraph 9.3 of Mr Walsh's 5th, dated 26 September 2025, he recited a passage from the official transcript before Mr Justice Nugee on 5 February 2018. For clarity I recite that snippet of the transcript below:

*"**Mr Staunton:** Second page in. Reading that second paragraph, what's assigned to EEI are the investments, the £200,000.*

***Nugee J:** Yeah.*

***Mr Staunton:** But not the cause of action, because in this second paragraph, third line:*

"We agree to separate out what went in as an investment to the project, so there were two causes of action with the payment recovering funds invested and Empowering recovering consequential loss."

So, it's still its claim.

Nugee J: Well, I'm not sure I've quite understood how that fits with the claim that was in the statutory demand. Because the statutory demand is for £200,000 on the lease premium and £330,000 in legal and technical project development processes, and that could be the parent's investment, could it not?

5. It became clear to me that on 5th February 2018 it was Mr Staunton, counsel for the Fourth Defendant's actual knowledge of fact and circumstance as to the assignment, and the Earth Energy Investments LLP ("**EEI**") claim against the Fourth Defendant, that at least £530,000 (which he knew to be the sum of the EEI statutory demand dated 6 January 2017), was assigned.

6. Before me however, Mr Staunton told me that the cross claim was the claim that vested in the subsidiary, Empowering Wind MFC Ltd ("**EW**"). What happened was that on 15 November 2017, EEI brought proceedings as a member of EW under Rule 14.11 of the Insolvency Rules 2016 against the First Defendant, Mr Hannon, who, as Liquidator of EW, had accepted 3 proof of debt claims from the Fourth Defendant in substantially different amounts (£256,269.89, £541,308.89 & £4,111,874.75). On 18 August 2017 Edmund Robb of Prospect Law, counsel instructed by Mr Millinder served on behalf of EEI and Mr Millinder a letter before action on Mr Hannon, the First Defendant and the Fourth Defendant in respect of the claim vested in EW, said to be, net of interest, £9,231,096, which is the net operating position of the turbine over the 25-year operational life, of which EW was to have received statutory guaranteed 20-year minimum tariff payments for the sale of all energy produced by the turbine. On 19 August 2015, the Fourth Defendant is alleged by EW to have fraudulently and or negligently forfeited the wind turbine lease based on an unwarranted demand in the sum of £256,269.89, which is the claim they later sought to prove against EW.

7. Whilst I am not here to pre-judge on the issues set out in the claim, the background is essential in what I am getting across. I easily established from the Claimant's evidence that EEI had a claim against the Fourth Defendant arising from their 6 January 2017 statutory demand, plus commercial rate interest on the liquidated sum of the demand. EW has a claim against the Fourth Defendant exceeding £9.2 million. Both claims arise from pre-liquidation direct contractual mutual dealings.

False representations by Mr Staunton before me on 28 March 2018:

8. The Claimant took me to the transcript of 28 March 2018, the EEI winding up proceeding on a petition in the sum of £25,000 by the Fourth Defendant, presented on 12 February 2018.

9. There was no disclosure by Mr Staunton of the order by Mr Justice Nugee of 21 March 2018 which refused the Fourth Defendant's application to set aside EEI's application to set aside an order said to have been by consent, dated 16 January 2017, said to originate the £25,000 purported liability against EEI. Had that order been disclosed, I would have dismissed the winding up proceedings against EEI as obviously I had no jurisdiction to wind up the Applicant, EEI, defeating the order by Mr Justice Nugee made a week prior.

10. On 28 March 2018 the sum of the EEI claim against the Fourth Defendant (the assigned investment) was, at the very least, £607,684.93 of which £77,684.93 is accrued interest from 6 January 2017, the date of service of the statutory demand. There was no debt on which the Fourth Defendant's winding up petition was based.

11. It was an abuse of process to have wound up EEI on 28 March 2018, and it was an act that the Court had no jurisdiction to have done in absence of administration of the rule on set off, 14.25 of the Insolvency Rules 2016. My order of 28 March 2018 is automatically void for failure to comply with the statutory requirement and the Claimant asked the Court to declare it to be so, exercising its right, ex debito justitiae to do so. I had no option but to do so in these circumstances.

Failure to comply with the statutory requirements for consent orders:

12. It appears to me that the Claimant was also right in submitting that there was in fact no consent by EEI to pay the Fourth Defendant's costs. This became evidential from a letter from EEI's solicitors dated 11 January 2017 complaining of significant material non-disclosure, listing 11 items said to have been withheld, including the assignment on which the demand was based. The letter expressly stated that the appropriate order for costs is that 'each party bears its own'.

13. Womble Bond Dickinson (UK) LLP ("**WBD**") in Newcastle, acting for the Fourth Defendant, responded to the Penningtons Manches LLP letter of 11 January 2017, on 12 January 2017.

14. There is a continuing legal duty on the ex-parte Applicant to return to Court with disclosure of any change in circumstances, and that duty exists up until the first hearing on notice in the ex-parte case. I understand that the Fourth Defendant withheld both of those letters in breach of their duty to have disclosed and in my judgment, had they done so, the order of 16 January 2017 would not have been made. Any judge would have discovered, having had that prerequisite disclosure, that there was no genuine consent by EEI to pay the Fourth Defendant £25,000, and that there had been prolific material non-disclosure by lawyers. No judge acting reasonably would have continued the injunction, the order of 16 January 2017 would not have come about, but for material non-disclosure and severe breach of one's legal duty of full and frank disclosure during the ex-parte financial injunction proceeding.

15. Crucially, I draw from that evidence that EEI did not consent to paying the Fourth Defendant's costs and therefore the alleged consent order was not drawn up on the terms agreed by the parties. Additionally, there is no signature on the purported consent order and therefore in my judgment the consent order dated 16 January 2017 is automatically void for failure to comply with the statutory requirements at Practice Direction 40B, Rule 3.4(1) and 3.4(a) 3.4(b).

16. My decision to set aside my order as required by the Claimant was reenforced when I read the transcript as to what I was told my Mr Staunton. I will recite the passage:

"MR STAUNTON: Indeed, but that matter has been fully ventilated in front of Judge Jones, terminating Monday of this week when he dismissed (inaudible) application. I can explain what that is. And also, the adjournment to 10th June is because he wanted to make a second application, the first having been dismissed by Mr Justice Nugee on 5th February. Can we go back? Earth Energy has a fully owned subsidiary, Empowering Wind, which is now in the process of being wound up. The liquidator is Mr Hammond from the OR's office. The subsidiary had an agreement with the petitioner. The petitioner has, as part of that group, terminated the agreement and also a lease underlying it and Mr Millinder then said, "Well, the subsidiary has a significant claim for damages against Middlesbrough", but it never brought any proceedings.

JUDGE BARBER: It's not a cross-claim then.

MR STAUNTON: That is the cross-claim.
JUDGE BARBER: Well, it's not a cross-claim though, is it?
MR STAUNTON: Well, I – in my submission, no, however, the company – the subsidiary then goes into liquidation and Mr Hammond's the OR.

Mr Hammond's filed a report that the subsidiary has no assets, so he cannot investigate the claim that Mr Millinder says the subsidiary has against Middlesbrough"

17. Naturally the rule, 14.25 of the Insolvency Rules 2016, I must observe, required mandatory set off of D4's claim of £256,269.89 against EW's multi-million-pound claim, the cross claim.

18. Mr Staunton represented the Fourth Defendant on 9 January 2017 during their ex-parte financial injunction proceeding to refrain presentation by EEI of a winding up petition based on the claim of the EEI demand that was based on the assignment.

19. On 5th February 2018 it is evidential from the transcript that Mr Staunton knew that the EEI claim was the assigned investment, the liquidated sum of its statutory demand, and Mr Justice Nugee told him that the claim was the £200,000 lease premium paid by Mr Millinder, and £330,000 in project development costs that were assigned.

20. Before me, knowing of the investment that had been assigned, Mr Staunton lied to me to misrepresent me into belief that EEI had no cross claim when he knew it did. In my judgment my order was founded by fraud on the part of D4's counsel, Mr Staunton, making those knowingly false representations. 'Fraud unravels all, even post judgment'.

21. I had no jurisdiction to 'contract out' or otherwise bypass the mandatory rule on set off that was engaged on EEI's claim from 6 January 2017 and on 12 February 2018 when the Fourth Defendant sought to prove by way of a winding up petition, the '*occasion for taking an account*' took effect (as per p.7 by Hoffman LJ in Stein v Blake [1995] UKHL 11).

22. The set off rule was engaged and due to Mr Staunton's false representations that ICCJ Jones concluded the proceedings on 26 March 2018 in respect of the subsidiary;

23. And that the EEI claim is the claim said to have vested in the subsidiary, I wound up EEI because I was misrepresented into belief that there was no such cross claim when that is evidentially not the case.

24. Consequentially, for all the reasons I have established the order winding up EEI on 28 March 2018 is void ab initio and pursuant to CPR 40.20, I declare the order to be void and I set it aside accordingly.

Interim payment pursuant to CPR 25.20(2):

25. I ordered that the Fourth Defendant pays the sum of £300,000 aggravated damages compensation to the Claimant in consequence of their fraudulent acts in winding up EEI to evade justice in the way I have examined and;

26. Rule 25.20(2) enables me to do real justice in these circumstances by ordering that the Fourth Defendant pay the sum of £1,481,900 in the interim, which includes the above and interest on EEI's £530,000 at 12% commercial rate (8% plus 4% average base rate) from 30 June 2015, the date of the assignment notice, through until 30th September 2025 and continuing to accrue until the sum is paid.

27. Rule 25.20(2) means that the court must not order an interim payment of more than a reasonable proportion of the likely amount of the final judgment. I consider there is a 'high degree of assurance' that the interim payment I have ordered, is less than 10% of the total damages sought by the Claimant, which on the claim form, exceeds £21 million.

28. I considered that the Claimant's quantum provided a high degree of assurance on the basis that EW's turbine scheme was accredited to receive the OFGEM 20-year Feed in Tariff scheme payments, which crudely equated to £500,000 a year increasing with the Retail Price Index rate of inflation, over that 20-year statutory guaranteed period.

29. For those reasons I made this order.

SERVICE

The court has sent a sealed copy of this order to the Claimant who must serve it on the Defendants.