

ENGLAND AND WALES / JUDGMENT

LH Global Group (UK) Limited v Ryan Henderson & Ors

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Neutral citation number: [2025] EWHC 2832 (Ch) IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN MANCHESTER BUSINESS LIST (ChD) Case No: BL-2023-MAN-000076 Manchester Civil Justice Centre 1 Bridge Street West Manchester M60 9DJ Date: Monday, 18 August 2025 Before: HIS HONOUR JUDGE HODGE KC Sitting as a Judge of the High Court Between: LH GLOBAL GROUP (UK) LIMITED

- v -

(1) RYAN HENDERSON

(2) TRAVEL SCHOLARS LIMITED

(3) BLUE POPPY LIMITED Claimant Defendants MR MARTIN BUDWORTH (instructed by Birmingham) appeared on behalf of the Claimant THE FIRST DEFENDANT appeared in person for himself and as a director for the Third Defendant MR GUIJAN WU appeared as a director for the Second Defendant Davies & Partners, Neil APPROVED JUDGMENT (approved on 30 October 2025)

This Transcript is Crown Copyright. It may not be reproduced in whole or in part other than in accordance with relevant licence or with the express consent of the Authority. All rights are reserved. Transcribed from the official recording by eScribers Ltd Ludgate House, 107-111 Fleet Street, London EC4A 2AB Tel: 0330 100 5223 | Email: uk.transcripts@escribers.net | uk.escribers.net HIS HONOUR JUDGE HODGE KC: 1. This is my extempore judgment on three applications in pending litigation proceeding in the Business List of the Business & Property Courts in Manchester under case number BL- 2023-MAN-000076 . 2. The claimant is the UK trading entity of an Australian parent company, LH Global Group (UK) Limited. The three defendants are Mr Ryan Henderson, Travel Scholars Limited and Blue Poppy Limited. Mr Henderson, who is the principal defendant, was a director of the claimant company until 8 August 2023. He was also a director of the second defendant, Travel Scholars Limited, until 22 July 2023. Mr Henderson remains a director and shareholder of the third defendant company, Blue Poppy Limited. The claimant is represented by Mr Martin Budworth (of counsel), instructed by Neil Davies & Partners. The first defendant, Mr Henderson, who also appears for the third defendant company as its director, is a litigant in person who attended remotely via CVP. The

second defendant is represented before me today by its director Mr Guijun Wu. 3. By a Part 7 claim form, issued on 16 August 2023, the claimant seeks loss and damages for the first defendant (Mr Henderson)'s alleged breaches of fiduciary duty and his duty of fidelity as the sole director of the claimant in diverting business away from, and misappropriating assets of, the claimant. Relief is also sought against the second and third defendants on the basis that they conspired with Mr Henderson, or are liable as accessories to his alleged wrongdoing. There are no less than 199 case events on the CE file for this case, extending over 20 pages. There have been a number of previous hearings before different district judges and, more recently, before His Honour Judge Cadwallader, sitting as a judge of the High Court. As Mr Budworth pointed out, there has been a regrettable lack of judicial continuity in addressing this case. On 17 March 2025, this case was listed for trial. Monday 1 September 2025 has been set aside for judicial pre-reading, with the trial to continue over the next four days before His Honour Judge Cadwallader, who will hear the case between 2 and 5 September 2025. 4. For present purposes, I can start with an order of District Judge Banks made on 4 November 2024. It is at page 45 of what is a relatively modest bundle prepared for the purposes of this hearing. That bundle, regrettably, does not contain either the claim form or Transcribed from the official recording by eScribers any of the statements of case. Paragraph 9 of District Judge Banks's, order relating to disclosure, required the parties to give search-based extended disclosure in accordance with the disclosure review document approved by the district judge. Such disclosure was to be given in accordance with paragraphs 12.1 and 13 of Practice Direction 57AD. The relevant disclosure review document is to be found starting at page 167 of the hearing bundle. For present purposes, the principal issues for disclosure are 1, 3, 4 and 5. Issue 1 is Mr Henderson's involvement with the setting up and operation of the two corporate defendants. Issue 3 is all three defendants' involvement with courses for overseas students at Wadham College, Oxford, in the case of Mr Henderson from 1 January 2022 to date, and in respect of the two corporate defendants from the dates of incorporation to date. Issue 4 concerns the defendants' involvement in the recruitment of Bhutanese students to study in the United Kingdom over the same time-frame. The 5th issue for disclosure is the defendants' dealings with York St John University over the same time-scale. The disclosure review document records that the second defendant claims to have no connection either to the Bhutanese student recruitment or to York St John University. 5. The claimant asserts that the disclosure given by all three defendants fails to comply with the terms of paragraph 9 of District Judge Banks's order. That led to an application by the claimant, issued on 4 March 2025. That application was supported by the second witness statement of the claimant's solicitor, Mr Neil William Davies, dated 4 March 2025. That application came on for hearing before District Judge Obodai on 16 June 2025. Regrettably, her order was not sealed, or issued, until almost a month later, on 12 July 2025. That order appears at page 84 of the hearing bundle. That hearing was attended by Mr Budworth for the claimant, by Mr Henderson, in person, for himself and for the third defendant, Blue Poppy Limited, and by Mr Wu, as director on behalf of the second defendant, Travel Scholars Limited. Paragraph 1 of the order provided that unless, by 4pm on 30 June 2025, the defendants fully complied with their search-based extended disclosure obligations, pursuant to paragraph 9 of District Judge Banks' order, then their defences were to stand struck out without further order, and the claimant was to be at liberty to enter judgment for an amount to be assessed. Paragraph 2

provided that, to the extent that any defendant might assert that there was no disclosure to give under any of the issues at section 1A of the disclosure review document, then, by 4pm on 30 June 2025, they were to file and serve a witness statement, verified by a statement of truth, explaining the searches that they had carried out in an attempt to comply with the extended disclosure order, and why no Transcribed from the official recording by eScribers documents had become available as a result of such searches. By paragraph 3 of District Judge Obodai's order, the date for witness statements to be filed and served was extended until 28 days after the date of compliance with the order for extended search-based disclosure. As a result of that latter paragraph (paragraph 3), no witness statements have yet been served or filed for the trial, which is to commence two weeks tomorrow. In response to enquiries from the court, Mr Henderson has made it clear that his witness statement could be served in advance of the end of this week. He says that it is ready. For the claimant, Mr Budworth has indicated that some 21 days would be required for the claimant to be able to finalise its witness evidence, and to file and serve it. That would render the trial listed before His Honour Judge Cadwallader, in two weeks' time, incapable of taking place. 6. I turn, then, to the applications before the court. It is, I think, common ground that none of the defendants has strictly complied with the district judge's order. In the case of the first and third defendants, that is because Mr Henderson took the view - he now accepts erroneously - that compliance was not required in advance of the receipt of a sealed copy of District Judge Obodai's order. Since that order was not sealed until 12 July, it was not possible for him to comply by the 30 June deadline, on his understanding of his obligations under the order. I remind myself that Mr Henderson was actually present before District Judge Obodai and so would have been fully aware of the 30 June deadline. 7. In the case of Mr Wu, he asserts that he took a similar view on behalf of the second defendant. In addition, Mr Wu has made, so he says, repeated attempts to appeal from District Judge Obodai's order. He appears, mistakenly, to have attempted to appeal to the Court of Appeal in London; and he says that he has handed over various form N161 appellant's notices to the court in Manchester. I have, over the weekend, searched CE-file and been unable to find any record of any appellant's notice having been issued; but I have no reason to doubt Mr Wu's determination to seek to appeal from the district judge's order. 8. However, the position in which I now find myself is this: That there is an extant order of District Judge Obodai that clearly was not complied with by the time set down in it. I must also proceed on the basis that the district judge must have concluded that there had been non-compliance with the defendants' search-based extended disclosure obligations pursuant to paragraph 9 of District Judge Banks's order, otherwise she would not have made the order that she did at paragraphs 1 and 2, relating to disclosure. Nor would she have ordered the Transcribed from the official recording by eScribers defendants, by paragraph 5, jointly and severally, to pay the claimant's costs of the application, which she summarily assessed in the sum of £14,000 plus VAT. Therefore I must proceed on the basis that there has been non-compliance with District Judge Banks's order for search-based extended disclosure. 9. It is also clear that no further disclosure has been given since the date of District Judge Obodai's order by any of the defendants. It therefore seems to me that the real focus of this hearing must be on paragraph 2 of the district judge's order: whether the defendants have adequately explained the searches that they have carried out in an attempt to comply with the extended disclosure order, and why no documents

have become available as a result of such searches. 10. It is against that background that I come to the three applications that are presently before the court. The first, in point of time, is an application, issued on 15 July 2025 by the first and third defendants, for relief from sanctions. That is supported by the witness statement of Mr Henderson, dated 15 July 2025. That refers to a witness statement that is said to have been filed on 11 July 2025. However, that would seem to me to be a witness statement actually dated 5 July 2025 that was submitted to CE file by Mr Henderson, according to the records, on 9 July, and filed formally on 23 July. It is case event number 168 (at page 4 of the CE-file for this case). As I say, that is the first of the applications that is before the court.

11. There was a hearing before His Honour Judge Cadwallader on Wednesday, 6 August 2025. That hearing was attended by Mr Budworth for the claimant, and Mr Wu on behalf of the second defendant, with no attendance by or on behalf of the first or third defendants. That application appears to have been an application by the second defendant to strike out the claim made against it. That probably explains the reason for the absence of Mr Henderson and the third defendant. That application was dismissed, with an adverse order for costs against the second defendant, summarily assessed in the sum of £10,500, plus VAT (if applicable). The relevance of that hearing, however, is to be found in paragraphs 2 through to 4 of His Honour Judge Cadwallader's order. Paragraph 2 provides that any application by the claimant for judgment to be entered based on the alleged breach of the unless order was to be filed and served by 4pm on 8 August. Paragraph 3 provided that any application by the second defendant for relief from sanctions in respect of that unless Transcribed from the official recording by eScribers order, was to be filed and served by 4pm on 8 August as well. Paragraph 4 provides that the hearing of the first and third defendants' already filed application for relief from sanctions should be heard, together with any applications made pursuant to paragraphs 2 and 3 of the order, on the first available date after 8 August 2025, with an estimated length of hearing of two hours. That hearing was to be in person, before either a district judge or a section 9 circuit judge, according to judicial availability. Such listing was certified as suitable for expedition. As a result of that, on 9 August, an attended hearing was listed today, for two hours, at 10.30 this morning (18 August).
12. Last week, Mr Henderson applied for that hearing to be put back because he was working abroad. In view of the order for expedition, and the imminent trial, it was not practicable to put this hearing back. Provision was therefore made for Mr Henderson to attend remotely (by CVP). This hearing has therefore proceeded as a hybrid hearing, with Mr Budworth and Mr Wu attending in person in court 42, and Mr Henderson attending remotely through CVP. The hearing has proceeded smoothly, with no apparent breaks in transmission.
13. The hearing proceeded on the basis that, by the time limited by Judge Cadwallader, applications had been issued on 8 August by the second defendant, seeking relief from sanctions, and by the claimant, seeking judgment against all three defendants, on the footing that there had been non-compliance with paragraphs 1 and 2 of District Judge Obodai's order; and, in consequence, the defences had already automatically been struck

out. 14. I have been referred by Mr Budworth to the relevant principles set out at paragraph 3.4.19 of the current (2025) edition of volume 1 of Civil Procedure, to be found at page 117. These make it clear that the consequence of non-compliance with paragraphs 1 and 2 of District Judge Obodai's order is the automatic striking out of the defences without further order. The commentary makes it clear that it is not appropriate for the court to try to go behind the 'unless' order. The automatic imposition of the strike out and dismissal sanction can have very serious consequences for the defaulting party. That is why the Court of Appeal, in *Marcan Shipping (London) Ltd v Kefalas* [2007] EWCA Civ 463, reported at

- [2007] 1 WLR 1864, stressed that, in making a conditional, or 'unless' order, containing the sanction of striking out and dismissal, a judge should consider carefully whether that sanction was appropriate in all the circumstances of the case. Subject to any successful appeal from Transcribed from the official recording by eScribers District Judge Obodai's order, I have to approach the present applications on that basis. Nevertheless the court retains jurisdiction to grant the party in default relief if that party makes an application.
15. At the hearing of such an application, the court's function is limited to deciding what order should properly be made to reflect the sanction which has already taken effect. The operation of the sanction does not lie in the discretion of the court; but the court may grant relief pursuant to CPR 3.9. That provides that the court is required to consider all the circumstances of the case, so as to enable it to deal justly with the application, including the need (a) for litigation to be conducted efficiently, and at proportionate cost; and (b) to enforce compliance with rules, practice directions and court orders. 16. In the well-known case of *Denton v TH White Limited* [2014] EWCA Civ 906, reported at [2014] 1 WLR 3296, the Court of Appeal clarified the approach to be followed to applications for relief from sanctions. The effect of that decision is summarised in the commentary at paragraph 3.9.3, at page 135 of the White Book. The court must address an application for relief from sanctions in three stages. The first stage is to identify, and assess, the seriousness, and the significance, of the failure to comply with the court's order which engages rule 3.9(1). If the breach is neither serious nor significant, the court is unlikely to need to spend much time on the second and third stages. The second stage requires the court to consider why the default occurred. The third stage requires the court to evaluate all the circumstances of the case, so as to enable the court to deal justly with the application, including the matters expressly set out in paragraphs (a) and (b) of CPR 3.9(1). 17. In the present case, it is quite clear that the failure to comply with District Judge Obodai's order relating to disclosure is both serious and significant. It is of the essence of a fair trial, under our system of civil litigation, that each side should properly, and fully, comply with their respective disclosure obligations. District Judge Obodai found that that had not been the case here on the part of any of the three defendants. No further disclosure has been given since her order. The failure to give disclosure by the prescribed date of 30 June has meant that witness statements have not yet been exchanged, or filed at court. That has imperilled preparations for trial; and, indeed, from the claimant's perspective, has rendered a fair trial impossible. Clearly that is a serious and significant breach. What is the reason for that? It is the failure of all three defendants to

appreciate that Transcribed from the official recording by eScribers compliance was required by 30 June, even though they were present at the hearing at which that date was specified. Their belief was founded in the failure to produce a sealed order by 30 June; but that is no excuse.

18. One then has to look at all the circumstances of the case. The defendants rightly emphasise that, if relief is not granted, then judgment will be entered against them. They will have been unable to defend the claims against them on their merits. It is said that the prejudice to the claimant, on the other side, is limited. However, it is clear that the trial will now be unable to proceed on the date which has been fixed for it since the middle of March this year. Had there been full and proper compliance with the order as soon as the sealed order was received, then the court might well have taken a generous view towards the defendants. It might, on that hypothesis, have been possible for the parties to have proceeded to complete the process of finalising witness statements, and having them ready for exchange in the week before the trial, so that matters could still proceed at the beginning of September. However, there has been no further disclosure at all; nor has there been any adequate explanation as to why there has been no such further disclosure.
19. In addition to the two witness statements that I have referred to from Mr Henderson, he has also produced a document, dated 15 August 2025, in the form of a skeleton argument and rebuttal table for today's hearing. For his part, Mr Wu has produced a witness statement, dated 12 August 2025, in response to Mr Davies's 4th witness statement, of 8 August, in support of the claimant's application for judgment. I have paid close regard to the contents of all of those documents, and also to the witness statement of Mr Davies. In the case of Mr Wu, he has emphasised that he was seeking to appeal the district judge's order; but that is no good reason for not having complied with it, pending its reversal on any appeal. Essentially, Mr Wu has said that he no longer has access to the email account for the second defendant that was current at the time of the matters complained of in this litigation. He says that access to that email account was discontinued on 24 June 2024. I note that that is some 10 months or so after this litigation commenced; but even without access to that email account, during the course of dialogue with Mr Wu in court this morning, it has become apparent that he has made no attempt to look at his own personal email accounts to see whether they contain any email traffic from the now-deleted company email account. Mr Wu says that he did not delete that account, although that is disputed by the claimant. That is not a matter for determination today, on a paper application; but the fact is that Mr Wu has made Transcribed from the official recording by eScribers no attempt on behalf of the second defendant to seek to identify, or retrieve, any emails from what he says is the deleted company email account. Mr Wu accepted that that might be the result of his own naivety, and that he did not think along the lines of looking at other email accounts which were accessible to him to see whether they contained any email traffic from the second defendant's email account.
20. It is quite clear, as the district judge found, that there has not been compliance with the extended disclosure order of the district judge. Nor has there been any satisfactory attempt at proper searches of material accessible to the second

defendant company. In those circumstances, I do not consider that this is an appropriate case for relief from sanctions in relation to the second defendant. I acknowledge the seriousness of the consequences of that. But the second defendant has only itself to blame.

It is no excuse that Mr Wu has been conducting the defence to this litigation on its behalf.

21. I have to deal with the position of the first and third defendants quite separately to that of the second defendant. Mr Henderson says that he has had no access to the Travel Scholars Limited email account since he ceased to be a director of that company on 22 July 2023. It is clear that he has made no searches of his own personal email accounts. In response to queries from the court, he has said that he never conducts business dealings using his personal Gmail account, and therefore he has never thought to search it. Although he would be prepared to do so, he anticipates that the consequences would be entirely negative.

22. However, I am entirely satisfied, as the district judge was, that the first and third defendants are in breach of the disclosure obligations in District Judge Banks's order. No adequate explanation for that failure has been given. Whether I look at the witness statements, or the further documents relied upon in the form of a skeleton argument and rebuttal table, there is no adequate explanation offered as to the nature of the searches undertaken by, and on behalf of, the first and third defendants that have resulted in the failures to provide full and proper disclosure. Had it simply been a matter of the lateness of any compliance with District Judge Obodai's order, then this might well have been an appropriate case for the grant of relief from sanctions. However, I am satisfied that, even belatedly, there has been no adequate compliance with that order; and no adequate explanation of the nature of the searches undertaken that would explain such non-compliance. Transcribed from the official recording by eScribers 23. I have considered whether the matter should nevertheless be allowed to proceed to trial because the first and third defendants have, unlike the second defendant, provided some disclosure; but I am satisfied that the non-disclosure of documents that could, and should, have been made available is so serious an interference with the due trial process that it would be unjust to the claimant to allow the matter to proceed, simply with the claimant cross-examining the first defendant on the basis of his disclosure failures. 24. In relation to the first and third defendants, therefore, I would also refuse relief from sanctions. It follows therefore that, pursuant to the terms of District Judge Obodai's order, and the claimant's application notice of 8 August, the court will enter judgment against all three defendants for damages to be assessed. That concludes this extempore judgment.

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