



Neutral Citation Number: [2025] EWHC 1435 (Ch)

Case No: BL-2024-001746

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
BUSINESS LIST

Rolls Building
Fetter Lane
London, EC4A 1NL

11 June 2025

Before :

DAVID MOHYUDDIN KC sitting as a Deputy Judge of the Chancery Division

Between:

YODEL DELIVERY NETWORK LIMITED

Claimant

- and -

(1) JACOB CORLETT

(2) YDLGP LIMITED

(3) SHIFT GLOBAL HOLDINGS LIMITED

(4) GREGORY CRANE LIMITED

(a company incorporated under the laws of the Isle of Man)

Defendants

- and -

MICHAEL JOHN HANCOX

Third Party

- and -

CORJA HOLDINGS LIMITED

(a company incorporated under the laws of the Isle and Man)

Fourth Party

- and -

JUDGE LOGISTICS LIMITED

Fifth Party

Mr Andrew Thompson KC, Mr Ben Griffiths and Mr Samuel Parsons (instructed by **Herbert Smith Freehills Kramer LLP**) for the **Claimant** and the **Fifth Party**

Mr Edward Davies KC and Mr Jack Rivett (instructed by **Wordley Partnership**) for the **Third Defendant**

**Mr Edward Davies KC and Mr Jack Rivett (instructed by Richard Slade & Partners LLP) for the
Fourth Party**

Hearing date: 5 June 2025

APPROVED JUDGMENT

This judgment was handed down remotely at 12 noon on 11 June 2025 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

DAVID MOHYUDDIN KC

DAVID MOHYUDDIN KC:

This judgment

1. This is my judgment on the various applications which I heard on 5 June 2025 which, given the circumstances, has been prepared urgently.

Introduction

2. Yodel Delivery Network Limited ('**Yodel**') is a well-known and significant home delivery and logistics company operating in the UK. Despite the size of its operations and revenue it is in a precarious financial situation, and has been for some time. It requires extensive and ongoing financial support.
3. Yodel was acquired, through YDLGP Limited ('**YDLGP**') (a special purpose vehicle), on 13 February 2024. Mr Jacob Corlett ('**Mr Corlett**') is YDLGP's sole statutory director and shareholder. He became one of Yodel's statutory directors on 13 February 2024 and remained so until 21 June 2024. On that day, in circumstances which are controversial between the parties, the shares were sold to Judge Logistics Limited ('**JLL**'). JLL is owned by InPost UK Limited ('**InPost**') which is itself part of a larger, multinational group of companies. InPost also provides delivery and logistics services.
4. Whilst the disputes between the numerous parties to this litigation are wide-ranging, for present purposes the focus is on what has been called the '**Warrant Claim**'. In summary:
 - 4.1. Mr Corlett says that Shift Global Holdings Limited ('**Shift**'), of which he is a statutory director and shareholder, has the benefit of a Warrant Instrument issued by Yodel on 19 June 2024 ('**Second Warrant Instrument**'). A certificate of the same date states that Shift is entitled to subscribe for up to 1,469,795,088 Ordinary Shares of £0.0001 each at a price of £0.0001 per share subject to the terms of the Warrant Instrument and the Conditions.
 - 4.2. Mr Corlett also says that Corja Holdings Limited ('**Corja**') has a similar entitlement, for 341,813,276 shares. Corja is wholly owned by Mr Corlett. Corja seeks permission to amend its statement of case to raise the Warrant Claim in its own name in materially identical terms to the way Shift expresses it.
 - 4.3. It is then said that Shift and Corja exercised their subscription entitlements on 7 January 2025 (the delay being attributed to the need to obtain advice and to corral a number of Warrantholders to take action) but that Yodel has wrongfully and in breach of contract refused to allot and issue the shares. As such, Shift seeks and, if its proposed amendment is allowed, Corja will seek, specific performance of the warrant alternatively damages.
 - 4.4. The effect of success on the specific performance claims would be to make Shift and Corja the majority shareholders in Yodel, displacing JLL.
5. Yodel denies the Warrant Claim.

6. In essence, the Warrant Claim is a battle for ownership of Yodel. It is common ground that Yodel requires not only financial support but also some sort of urgent transformation. There is no common ground as to how that transformation should look although it appears that whoever carries out the transformation will integrate the Yodel business with another business.
7. The parties had, by the time of the hearing, agreed that, subject to the Court's view, the trial of the Warrant Claim should be expedited. Pending its resolution, Shift and Corja seek injunctive relief restraining JLL from carrying out its intended transformation of Yodel's business. Yodel resists that application but said that if any injunctive relief were to be awarded the requisite cross-undertaking in damages ought to extend to JLL. JLL provides the money which Yodel needs to continue its business.
8. Additionally, Yodel seeks security for its costs of the Warrant Claim.

Relevant procedural history

9. On 5 December 2024, the Claimant, Yodel, by Part 7 Claim Form, commenced these proceedings against:
 - 9.1. the First Defendant, Mr Corlett who was a statutory director of Yodel between 13 February 2024 and 21 June 2024;
 - 9.2. the Second Defendant, YDLGP of which Mr Corlett has at all times been the sole statutory director and 100% shareholder and which was between 13 June 2024 and 21 June 2024 Yodel's immediate sole parent company;
 - 9.3. the Third Defendant, Shift of which Mr Corlett is a statutory director and a shareholder; and
 - 9.4. the Fourth Defendant, Gregory Crane Limited ('GCL') of which Mr Corlett and his mother Ms Tamara Lea Gregory are the directors; Ms Gregory is the sole shareholder.
10. The claim against Mr Corlett is for breach of duty, from which Yodel asserts that the other Defendants benefitted. Those claims are defended; the Defence of Mr Corlett, YDLGP and GCL is dated 31 December 2024.
11. Shift's Defence and Counterclaim is dated 5 February 2025. In paragraphs 58-66, it raised, by way of counterclaim, the Warrant Claim. By its paragraphs 34-58 of its Reply and Defence to Shift's Counterclaim dated 19 February 2025, Yodel denied the Warrant Claim. Yodel now seeks to introduce, by way of amendment, an additional line of defence to the Warrant Claim in what would be new paragraphs 39A, 39B and 40(d) of its Defence to Shift's Counterclaim.
12. Also on 31 December 2024, by Part 20 Claim Form, Mr Corlett, YDLGP, Shift and the Fourth Party, Corja raised additional claims. One of the additional claims is by YDLGP and Corja against the Fifth Party, JLL, the detail of which is not presently relevant.

13. Corja now wishes to amend the Particulars of Additional Claims so as to bring a claim in its own name in materially identical form to the Warrant Claim as expressed by Shift. That is set out in what would be new paragraphs 27-35 of those Particulars. (There is a further small amendment proposed by Corja to its claim against JLL which is not relevant for present purposes.)
14. Yodel seeks permission for a Rejoinder to the Reply to Shift's Reply to Yodel's Defence to Shift's Counterclaim.
15. By Application Notice dated 9 May 2025, Shift seeks:
 - 15.1. the determination of the Warrant Claim as a preliminary issue;
 - 15.2. the expedition of the trial of the Warrant Claim;
 - 15.3. an injunction to restrain JLL from carrying out its intended transformation of Yodel's business.
16. By Application Notice also dated 9 May 2025, Corja seeks:
 - 16.1. permission to amend to bring the Warrant Claim in its own name ('**Corja's Amendment Application**');
 - 16.2. the determination of the Warrant Claim as a preliminary issue;
 - 16.3. the expedition of the trial of the Warrants claim;
 - 16.4. an injunction to restrain JLL from carrying out its intended transformation of Yodel's business.
17. By Order made on 15 May 2025, Rajah J gave directions for the hearing which came on before me, having accepted undertakings from Yodel which paused JLL's transformation plan. He also accepted a cross-undertaking from Shift and Corja. Because I reserved this judgment for a few days following the hearing on 5 June 2025, Yodel was content to continue its undertakings for a very short period.
18. By Application Notice dated 27 May 2025, Yodel seeks security for its costs of the Warrant Claim ('**SFC Application**'), which was not ready for determination at the hearing before me. Insofar as need be, I will give directions on the SFC Application.
19. In the remainder of this judgment, I will use the following abbreviations:
 - 19.1. the applications for the determination of the Warrant Claim as a preliminary issue will be referred to as the '**Preliminary Issue Application**';
 - 19.2. the applications for the expedition of the trial of the Warrant Claim will be referred to as the '**Expedition Application**'; and
 - 19.3. the applications for the injunction will be referred to as the '**Injunction Application**'.

20. The evidence before me comprised the following witness statements and their respective exhibits:
 - 20.1. on behalf of Shift and Corja:
 - 20.1.1. Jacob Corlett dated 9 May 2025;
 - 20.1.2. Mark Fishleigh dated 9 May 2025;
 - 20.1.3. Tamara Lea Gregory dated 9 May 2025;
 - 20.2. on behalf of Yodel:
 - 20.2.1. Jeremy Paul Garson dated 22 May 2025;
 - 20.2.2. Michael John Hancox dated 22 May 2025;
 - 20.2.3. Paul Raymond Patrick McCourt dated 22 May 2025;
 - 20.2.4. Neil Oliver Kuschel dated 22 May 2025;
 - 20.2.5. Nicholas Wiles dated 22 May 2025;
 - 20.2.6. Lyndsey Michelle Taylor dated 22 May 2025;
 - 20.3. in reply on behalf of Shift and Corja:
 - 20.3.1. Jacob Corlett dated 28 May 2025;
 - 20.3.2. Jacob Corlett dated 30 May 2025;
 - 20.3.3. Mark Fishleigh dated 28 May 2025;
 - 20.3.4. Mark Pearson dated 28 May 2025.

Warrant Claim

21. There are two warrant instruments which are said to have been issued by Yodel. The first, which was drafted by Harper McLeod LLP (Shift's solicitors), was made in support of certain advance subscription agreements in about May 2024. It is not relevant for present purposes.
22. The second, which I will call the Second Warrant Instrument, which is the subject of the Warrant Claim, was prepared by Mr Corlett. He says he based it on the earlier version prepared by the solicitors. It asserts on its face that it was executed by Yodel, acting by Mr Corlett, on 19 June 2024 in the presence of his mother, Ms Gregory.

23. The Second Warrant Instrument relevantly provides as follows:

"2. THE WARRANT

2.1 The Company [i.e. Yodel] hereby grants to the Warrantholder [defined as a person whose name is entered and appears in the Register as a holder of any Warrants] an option to subscribe for such number of Ordinary Shares as represent the issued share capital of the Company as at the date of this Instrument or as at the date of issue of the Warrant, whichever represents the lower shareholding, subject to the following conditions:

- Corja Holdings Ltd: no less than 10% or 341,813,276 shares...
- Shift Global Holdings Ltd: no less than 44% or 1,469,795,088 shares.

Where the shareholding percentage or number of shares listed above applies, the higher value shall prevail.

2.2 The Company shall perform and observe the Conditions [set out in Part 3 of the Schedule to the Second Warrant Instrument] and shall give effect to the subscription rights set out there in and the Warrant shall be held subject to and with the benefit of the Conditions and such subscription rights all of which shall be deemed to be incorporated in this Instrument and shall be binding on the Company and the Warrantholder and all persons claiming through or under them.

3. WARRANT CERTIFICATE

3.1 The Warrant Certificate shall have endorsed thereon or attached thereto the Conditions and an Exercise Notice.

3.2 A Warrant Certificate shall be issued to the Warrantholder, such certificate evidencing the Warrantholder's entitlement to the Warrant...

4. THE REGISTER

4.1 The Company shall at all times maintain a register in the United Kingdom showing the entitlement to the Warrant, the details of the Warrant held by the Warrantholder, the date of issue of the Warrant Certificate together with the name and address of the person entitled to be registered as the Warrantholder.

5. GENERAL

- ...5.4 Any notice to be given by the Warrantholder to the Company shall be delivered or sent to the Company at its registered office and shall be effective upon receipt."

24. The Conditions relevantly provide as follows:

"1.1 **Definitions**

In these Conditions except to the extent that the context otherwise requires:

'Exercise Event' means a Sale, Listing or disposal of the whole or substantially the whole of the shares or assets of the Company or its holding company or ultimate holding company, other than the acquisition of the entire issued share capital of the Company by YDL Technologies Ltd (Registered number 15598155) ...

'Exercise Period' means the period from the date of the first Exercise Event to occur to the date on which the Warrants are exercised or lapse in accordance with Condition 5 ...

'Sale' means the completion of any transaction whereby any person or group of persons acting in concert ... acquires more than 75 per cent of the share capital of the Company other than a reorganisation for the imposition of a holding company with the same shareholders as the Company ..."

25. I pause there to note that the definition given to the term "Exercise Notice" is inapt given it is defined as "the Business Day...".

26. I return to the Conditions:

"2. **SUBSCRIPTION RIGHTS**

Subject as provided in these Conditions, this Warrant shall entitle the Warrantholder to subscribe for up to the Relevant Number of Ordinary Shares at the Subscription Price. A Warrant may be exercised on any Business Day during the Exercise Period, provided that an Exercise Notice may only be issued during the Exercise Period.

3. **EXERCISE OF WARRANT**

3.1 The Warrant held by a Warrantholder may be exercised by such Warrantholder:

3.1.1 serving an Exercise Notice on the Company specifying (a) the number of Ordinary Shares to be allotted (which may be all or any number of the Ordinary Shares to which this Warrant applies); and (b) a date for the

allotment and issue of the relevant Ordinary Shares which is a date not less than 7 days or more than 14 days after the date of the relevant Exercise Notice (or if the Exercise Notice is issued in respect of an Exercise Event, immediately prior to such Exercise Event occurring); and

- 3.1.2 enclosing with the Exercise Notice a cheque for the total Subscription Price payable in respect of the Ordinary Shares in respect of which the Warrant is being exercised or making such other form of payment as is agreed by the Company.
- 3.2 The Company shall promptly notify the Warrantholder of the principal terms (including the proposed price and, in the case of a Sale, the identity of the proposed purchaser) of any proposed Exercise Event at the same time as such terms are notified to the Company's shareholders and, in any event, not less than fifteen Business Days prior to the Exercise Event in question.
- 3.3 Upon receipt of the notice referred to in Condition 3.2 or on otherwise becoming aware of the proposed occurrence of an Exercise Event the Warrantholder may exercise its rights in accordance with the Conditions provided that all rights of the Warrantholder exercised in advance of an Exercise Event shall be deemed to be exercised conditionally upon the occurrence of the Exercise Event in question and the exercise will only take effect immediately prior to the occurrence of such Exercise Event.
- 3.4 Provided that each Warrantholder has been given notice in accordance with Condition 3.2 any rights of the Warrantholder which have not been exercised on completion of an Exercise Event shall automatically lapse upon completion of such Exercise Event and shall have no further effect from such date...

5. **LAPSE OF WARRANT**

- 5.1 The Warrants shall lapse on the earliest of the following dates ...
 - 5.1.2 upon completion of an Exercise Event (in the event that the rights of the Warrantholder have not been exercised in accordance with Condition 3 above) or, if later, the tenth Business Day after the Warrantholder shall have received notice of an Exercise Event upon Condition 3.2 ..."

27. Certificate number 69 purports to show Shift's entitlement under the Second Warrant Instrument; certificate number 75 purports to do likewise for Corja. I note, but take no further because no submissions were made to me about it, the fact that those certificates are not in exactly the form prescribed by the Second Warrant Instrument. Both certificates bear the date 19 June 2024.
28. There is also a written resolution of Yodel's sole director (Mr Corlett) which also bears the date 19 June 2024 ('**Director Resolution**'). It appears to refer to the first warrant instrument but also includes this wording:
- "3.1 The Sole Director noted that...
- 3.1.4 Other agreements to grant shares have been entered in to both formally and informally with partners including the company's management and investment partners...
- 3.2 After considering all of the above and to protect all parties in the case of a none merger event, the sole director resolved that the Company issue all warrants as referred to in the ASAs (over the number of shares required for the warrant to be equivalent to the value of the sum invested by each investor), alongside a warrant granted to SGH resulting in a similar holding to that under which shift shareholders would have in the proposed merger (43% of the company), alongside any further warrants reflecting the agreements that have taken place formal and informal with other parties and take all such action necessary to do so.
29. The wording in clauses 3.1.4 and 3.2 refers to the Second Warrant Instrument.
30. On 21 June 2024, YDLGP sold its shares in Yodel to JLL, pursuant to a written sale and purchase agreement, for £1 ('**21 June SPA**'). It is common ground that pressure was brought to bear on YDLGP to sell Yodel. Mr Corlett says that he was put under severe pressure to sell at a meeting which took place on 20 June 2024. Of course, I am not able to resolve any disputed issue of fact.
31. Also bearing the date 21 June 2024 is a written resolution of Yodel's sole shareholder, YDLGP acting by Mr Corlett ('**Shareholder Resolution**'). It provides:

"I the undersigned, having the right as at the Circulation Date to attend and vote at General Meetings of the above Company hereby resolve the following resolutions, such resolutions to have effect as a Special Resolution as indicated:

SPECIAL RESOLUTION

1. THAT, it is hereby acknowledged that the articles of association of the Company (the "**Articles**") were put in place by Logistics Group Limited (the previous owner of the entire issued share capital in the Company defined as the "**Parent Company**" in the Articles) and that,

notwithstanding the provisions of articles 52, 53, 58.3 of the Articles, and Model Articles (as defined in the Articles) 11(3)(b) and 38, since Friday 14th June 2024 that nothing shall require the Company to have more than one director, within the meaning of the Articles or otherwise, and a sole director of the Company be and is hereby generally and unconditionally authorised to take decisions.

2. THAT any decisions of the sole director of the Company made on and prior to the date of this resolution, be retrospectively approved and ratified, notwithstanding such decisions may not have been validly made in accordance with the Articles and/or the applicable regulations contained in the Model Articles."

32. Shift and Corja say that they exercised their rights under the Second Warrant Instrument and are entitled to be issued with the relevant number of shares in Yodel. There is an Exercise Notice showing the date 4 January 2025 signed by Mr Corlett on behalf of Shift. It appears to have been sent under cover of a letter from Harper McLeod LLP which refers to a cheque for the subscription price of £146,979.51. There is another Exercise Notice showing the date 7 January 2025 signed by Mr Corlett on behalf of Corja. There is in evidence a copy of a cheque drawn on Corja's solicitors' client account for the subscription price of £34,181.33. Both Exercise Notices required the allotment and issue of the relevant shares by 14 January 2025. Yodel declined to do so.
33. Since JLL acquired Yodel, PayPoint plc (one of Yodel's trading partners) and InPost have advanced or invested monies in JLL. JLL has in turn advanced those monies to Yodel. More recently, on 17 April 2025, InPost acquired about 95% of the shares in JLL through the conversion of convertible loan notes. Thereafter, the transformation of Yodel's business has been underway. Yodel is indebted to JLL in an aggregate amount of over £106m and is continuing to receive significant support from JLL.
34. The intended transformation involves quite significant change, as set out in the evidence and as explained to me by Mr Thompson. As against that, Mr Corlett had intended his own Shift/Yodel merger towards which some steps had been taken and some funds raised.

Injunction Application

35. By the Injunction Application, Shift and Corja ask for an order that:

"pursuant to section 37(1) of the Senior Courts Act 1981, until the sealing of an order following the trial of the Preliminary Issue, [Yodel] should not conduct its business otherwise than in the ordinary course, as further detailed in the draft Order attached."

36. The relevant part of the draft Order is in the following terms:

"Injunction

5. Pursuant to section 37(1) of the Senior Courts Act 1981, until the sealing of an order following the trial of the Preliminary Issue, the Claimant shall not conduct its business otherwise than in the ordinary course and in particular shall not, without the consent of the Applicants:
 - a. Incur a liability outside of the ordinary course of business of £50,000 or more;
 - b. Dispose of any asset with a market value of £25,000 or more;
 - c. Enter into any commitment (save in respect of employment) with a duration of six months or more;
 - d. Terminate the employment of any employees of the Claimant save for gross misconduct;
 - e. Register, approve or otherwise permit the transfer of any shares in the Claimant;
 - f. Permit its business, or any material part of its business, to be transferred to InPost S.A., PayPoint or any company associated with Inpost S.A. or PayPoint.
 - g. Permit or facilitate the transfer of any of its customers to, or the transfer to or recruitment of any of its employees by, InPost S.A., PayPoint or any company associated with Inpost S.A. or PayPoint;
 - h. Alter the branding of Yodel or otherwise permit the business of Yodel to be used to advertise the business of InPost S.A., PayPoint or any company associated with Inpost S.A. or PayPoint;
 - i. Merge or otherwise combine the business or any of its operations with those of InPost S.A., PayPoint or any company associated with Inpost S.A. or PayPoint.
6. For the purposes of paragraph 5, a company is associated with another company if one is the subsidiary of the other (within the meaning of section 1159 of the Companies Act 2006) or both companies are subsidiaries of a third company or is party to a joint venture with another company.
7. In the event that the Claimant considers that compliance with paragraph 5 of this Order would give rise to imminent material harm, it may apply to vary this Order on not less than 72 hours' notice to the Applicants."

Jurisdiction

37. Section 37 of the Senior Courts Act 1981 provides:

- "(1) The High Court may by order (whether interlocutory or final) grant an injunction or appoint a receiver in all cases in which it appears to the court to be just and convenient to do so.
- (2) Any such order may be made unconditionally or on such terms and conditions at the court thinks just."

38. In his skeleton argument, Mr Davies KC on behalf of Shift and Corja referred to the decision of Morgan J in *Dilato Holdings Pty Ltd v Learning Possibilities Ltd & ors* [2015] EWHC 592 (Ch) as recognising the Court's jurisdiction to grant the interim relief presently sought.

39. In that case, the claimant and the second defendant were the main shareholders in the first defendant company. The issue between them was whether the claimant was entitled to enforce an agreement under which the second defendant had agreed to vote to amend the company's articles of association to confer voting rights on a certain class of shares in the company which would have given the claimant control of the company. In support of its claim, the claimant sought an interim injunction to prevent the company or the second defendant from taking steps to remove a non-executive director connected with the claimant and also sought an order preventing the company from entering into any transaction with a potential financial impact on it of £10,000 or more other than with the authority of a resolution of the company's board passed at a duly convened meeting.

40. At [24] Morgan J said:

"I turn to the third and last topic which arises for decision. This concerns para 2 of the draft order, which I have already read. There appear to me to be two main topics that need to be addressed in this respect. The first is whether the court has any jurisdiction to make the order, and the second is whether the court should make that order. In his opening submissions, leading counsel for the claimant was not particularly clear as to the precise basis of the court's jurisdiction. Conversely, counsel for the Company submitted that the court had no such jurisdiction, and this application should be dismissed on that ground. In the course of the hearing, I consider that there emerged a basis for the court to hold that it did have jurisdiction to make an order pending trial of the claim so as to give the claimant relief which is ancillary to the final relief it claims and which, therefore, it might subsequently obtain. The substance of the underlying dispute is as to whether the claimant is a minority shareholder or a shareholder able to control the affairs and business of the Company. If the claimant wins at trial against the Company, the claimant will control the Company. On that basis, the claimant should already be in control of the Company. On that basis, the reason that the claimant does not already control the Company is attributable to the Company's past and continuing breach

of its contract with the claimant. In those circumstances, I consider that it is open to the court on an interim basis, pending trial, to prevent, to an appropriate extent, the Company from taking advantage of its breach of contract. After all, the reason that the matter has not been rectified already is the inevitable delay in the matter coming to trial. That is on the assumption that the claimant succeeds at trial."

41. In his skeleton argument on behalf of Yodel, Mr Thompson KC described the injunction sought as novel, or at least highly unusual. He said that the only authority which provided any support at all for the grant of such an injunction was the decision in *Dilato* which, he said, "reveals uncertainty as to whether there is even jurisdiction for such an order; identifies that jurisdiction as being only to prevent, to an appropriate extent, the company which has allegedly failed to issue shares from taking advantage of its breach of contract in the interim; and emphasises the need, if such interim relief is to be granted, for the court to avoid unpredictable and over-intrusive restrictions on the company's business."

42. It thus appeared to me that there was an issue between the parties as to the existence of the Court's jurisdiction to make the interim order sought. It was in those circumstances that I emailed the parties on 4 June 2025 saying this:

"On the question of the jurisdiction (the existence of which I perceive to be in issue between the parties) to grant the injunction sought by the Applicants, should you wish to make them I will be grateful to hear your oral submissions as to the effect of the decision in Convoy Collateral Ltd v Broad Idea International Ltd [2021] UKPC 24; [2023] AC 389."

43. By his reply, Mr Davies thanked me for drawing that decision to his attention. By his reply, Mr Thompson said:

"The Claimant and the Fifth Party do not contend that the court altogether lacks jurisdiction to make broadly the type of injunction sought by the Applicants in an appropriate case, i.e. that such an order is necessarily a legal impossibility.

Their position is rather that this is not an appropriate case and that the jurisdiction to grant any such order is to be exercised narrowly and carefully, and where that jurisdiction is exercised so as to prohibit the exercise of corporate powers in a novel manner, that the extension is a principled one."

44. In his oral submissions, Mr Davies said that:

- 44.1. *Dilato* was a case similar to this one, in that it was about control of a company and the need to control the extent to which the party in the incumbent position could do things before the question of control was resolved;

- 44.2. it was a good illustration of the Court's ability to give appropriate relief in this type of situation;
- 44.3. the decision in *Convoy Collateral* confirmed the breadth and flexibility of the jurisdiction which is not one in which the Court necessarily adopts a particularly cautious approach in the sense that it should not veer towards not making an order;
- 44.4. the guiding principle is to provide an effective remedy and routinely the Court has to fashion its own approach, the relief being sought being that necessary to provide an effective remedy.
45. In his oral submissions, Mr Thompson said that:
- 45.1. it was not his case that there was no jurisdiction; the jurisdiction is enormously broad but in such an unusual case as this it must be exercised with great care and on a relatively narrow basis;
- 45.2. *Dilato* indicated the existence of a jurisdiction but was very factually different to this case in that the competing parties were each already shareholders; the company was not insolvent and was not in need of reorganisation in order to survive; the restraint imposed was very limited, requiring a particular director take part in certain decisions; rather than prohibiting any particular step, the Court's order required that director's participation in the decision-making process;
- 45.3. Morgan J had emphasised that any controls in this sort of situation must be realistic, clear and not over-intrusive and that the intervention sought by Shift and Corja was "about as intrusive as it could get" and was in no way about preventing Yodel from taking advantage of a breach of contract.
46. Bearing in mind the terms of section 37 of the Senior Courts Act 1981 and what Lord Leggatt said in *Convoy Collateral Ltd v Broad Idea International Ltd* [2021] UKPC 24 at [4]-[58], I am satisfied that the Court does have jurisdiction to make the order sought by Shift and Corja. It is, of course, a different question as to whether it ought to exercise its discretion to do so.

American Cyanamid approach

47. Mr Davies submitted that the question as to how the Court should exercise its discretion ought to be determined by reference to the principles in *American Cyanamid Co v Ethicon Ltd* [1975] AC 396 (HL) and he presented his application accordingly.
48. Mr Thompson said that the *American Cyanamid* principles did not directly apply because they are designed to deal with applications for interim relief in support of a claim to similar final relief; the principles can provide only general guidelines. In any event, he said, applying the principles would lead (on his case) to the same result. He presented his submissions by reference to those principles.

49. As such, I have analysed the competing submissions by reference to the *American Cyanamid* principles, but I have also borne in mind the decision in *Convoy Collateral*.

Serious issue to be tried

50. Mr Davies reminded me that this is a relatively low threshold, as explained by Sir Julian Flaux C in *Unitel SA v dos Santos* [2024] EWCA Civ 1109 at [99] which itself refers to the decision in *The Niedersachsen* [1984] 1 All ER 398, 404 ("a case which is more than barely capable of serious argument, and yet not necessarily one which the judge believes to have a better than 50% chance of success"). He also told me that Shift's and Corja's allegations of primary fact must be accepted as true, unless plainly fanciful, relying on the decision in *SportsDirect.com Retail Ltd v Newcastle United Football Co Ltd* [2024]. In that case, Sir Geoffrey Vos MR said at [29]:

"The claimant's allegations of primary fact must be accepted as true, unless plainly fanciful. As Lord Diplock explained, the court must not try to resolve conflicts of evidence or law. That is for trial. But that does not mean that disputed questions are disregarded. The question is whether the material available to the court shows that the claimant has a real prospect of succeeding in its claim for a permanent injunction. If so, the court proceeds to consider the balance of convenience."

51. Mr Davies submitted that it was clear that Shift and Corja were able to discharge that burden. He said that it was surprising that Yodel was even attempting to say that there was no serious issue to be tried. He pointed to the amendments which Yodel itself was proposing as showing that this is not a straightforward matter. Both he and Mr Thompson took me through the arguments raised by Yodel in support of its assertion that there is no serious issue to be tried (i.e. some of its defences to the Warrant Claim) and I will now look at those in turn. When I set out the parties' cases, I have borne in mind their pleaded cases (in their desired amended form), what was set out in the witness statements they deployed on these applications and the submissions made on their behalf, both written and oral.

Authenticity

52. Although Yodel (subject to any issue as to the way in which its case is pleaded) asserts that the Second Warrant Instrument, Warrant Certificates and the Director Resolution are not "authentic", Mr Thompson realistically recognised that I could not reach any conclusion whether those documents were forgeries. As such, authenticity is not a basis upon which Yodel invited me to conclude that there was no serious issue to be tried and I say no more about it.

Want of authority

53. Yodel did however press its assertion that, in creating and executing the Second Warrant Instrument and Warrant Certificates, Mr Corlett did so without authority. This assertion breaks down into two parts.

54. First, it is said that Mr Corlett acted in breach of his fiduciary duties as Yodel's director and, in consequence, they were issued without authority. As set out in its pleaded case, Yodel says that:

"38. The sole or predominant purposes of Mr Corlett creating, authorising and executing the Second Warrant Instrument and Warrant Certificates were:

- a. not to promote the success of Yodel or in furtherance of any proper or legitimate commercial aim; but rather
- b. to cause loss and damage to Judge Logistics by denuding it of the benefit of the 21 June SPA; and
- c. to deliberately conceal the existence of the same from Judge Logistics and Yodel's new management until such time as Mr Corlett could improperly use them to destabilise Yodel and/or gain or threaten to gain control of the company after its acquisition by Judge Logistics."

55. It defines those as the Improper Purposes.

56. This allegation founds Yodel's pleaded case of breach of sections 171, 172 and 175 of the Companies Act 2006 and (by amendment) of the creditor duty which, Yodel says, arose because in the period 11-21 June 2024 it was or would imminently become insolvent.

57. As set out in its proposed Rejoinder, Yodel says none of those breaches is capable of ratification because Yodel was insolvent at the relevant time.

58. In consequence, it says, the Second Warrant Instrument and Warrant Certificates are invalid and/or unenforceable and/or avoidable (and if so have been avoided).

59. Shift and Corja's answer to these points is as follows:

59.1. Mr Corlett was not told about the proposed sale of Yodel to JLL until 20 June 2024 and JLL was not incorporated until 21 June 2024. On the basis that the Second Warrant Instrument was executed on 11 June 2024 (which is what Mr Corlett and his mother say) then Yodel's case on improper purpose must fail because he cannot have had the alleged improper purpose when he executed the Second Warrant Instrument. Mr Corlett's purpose in issuing the Second Warrant Instrument was a proper one in that it was for the benefit of Yodel in a broad sense;

59.2. the section 172 duty is a subjective one and, on the present state of the evidence, there can be no conclusion that Mr Corlett acted otherwise than in the way in which he considered, in good faith, would be most likely to promote the success of Yodel as whole. His motive was to incentivise key members of the management team (the Warrants granted to Corja and the

individuals) and to encourage Mr Pearson (a venture capital investor) to provide funds to the company;

- 59.3. the creditors' duty had not arisen because Yodel was not insolvent or bordering on insolvency nor was it probable that it would enter insolvent liquidation or administration. Even if the creditors' duty had arisen, it remained a subjective one and, again, on the present state of the evidence there can be no conclusion that Mr Corlett breached it.
60. Mr Davies made it clear in his reply submissions that he did not put Shift and Corja's case on the basis that any breach of duty had been ratified. Rather, he said, his case was that there had been no breach of duty which required ratification.
61. The next point taken by Yodel is that because Mr Corlett was Yodel's sole director at the time but its articles of association required a quorum of two directors, he had no authority to issue the Warrant Instrument or the Warrant Certificates. As such, Yodel says, the Second Warrant Instrument and Warrant Certificates are invalid and/or unenforceable and/or avoidable (and if so have been avoided). Yodel says that there can be no ratification of this failure.
62. The answer given by Mr Davies to this point is that the Shareholder Resolution of 21 June 2024 which was passed before the issue of the Second Warrant Instrument is not really a ratification at all but rather is, in effect, the alteration of Yodel's articles to allow Mr Corlett to act whilst he was its sole director. Mr Davies said that he disputed that the principle preventing ratification of breach of duty in circumstances of insolvency extended to a resolution the effect of which was to alter the articles.

Warrants had lapsed

63. Yodel also says that the Warrants lapsed before they were purportedly exercised. Its argument works like this:
- 63.1. condition 5.1.2 of the Conditions of the Warrant Instrument provided for the warrant to lapse upon the completion of an Exercise Event or if later on the 10th Business Day after the Warrantholder received notice of an Exercise Event under Condition 3.2;
- 63.2. the sale of the shares in Yodel to JLL on 21 June 2024 was an Exercise Event (and such is common ground);
- 63.3. the question is therefore whether Shift and Corja are to be treated as having received notice of the Exercise Event under condition 3.2 on the true construction of condition 5.1.2 when Mr Corlett executed the 21 June SPA;
- 63.4. condition 3.2 does not require written notification only that the Company should promptly notify the Warrantholder of the principal terms of the proposed Exercise Event at the same time as such terms are notified to the Company's shareholders and in any event not less than 15 days prior to the Exercise Event in question;

- 63.5. by 21 June 2024, Shift and Corja knew that information and thus had notice of it because Mr Corlett knew that information when he executed the 21 June SPA at which moment he was the sole director of Yodel, the sole director of Corja and a director of Shift such that his knowledge is to be imputed to Shift and Corja, Yodel having a duty to provide the information to Shift and Corja and those companies having a duty to receive it;
- 63.6. the true construction of condition 5.1.2 does not require notice of the requisite information to be given by Yodel before the 10-day period is triggered; the only requirement is that the Warrantholders have the information (so that they can exercise their option as provided for in condition 3.3);
- 63.7. Shift and Corja therefore had the requisite notice on 21 June 2024 and the Warrants lapsed 10 business days thereafter.
64. Shift and Corja's answer to these points is as follows:
- 64.1. Yodel's pleaded case is that the requirement to give notice was waived but that waiver argument was not relied upon in response to the Injunction Application;
- 64.2. the construction now contended for by Yodel is inconsistent with the express wording of the Conditions. Condition 3.3 expressly distinguishes between Yodel serving notice under condition 3.2 and the Warrantholder otherwise becoming aware of the Exercise Event;
- 64.3. condition 5.1.2 only applies where notice has been given under condition 3.2. That such is the true construction of the Conditions is supported by condition 3.4 which refers to condition 3.2;
- 64.4. where notice has not been given, the Warrants do not lapse;
- 64.5. the Conditions are not well-drafted; Yodel's case is a plea to the notion of commercial common sense. There is ambiguity about the wording of the Conditions.

Conclusion on serious issue to be tried

65. In my judgment, on each of its defences upon which Yodel relies in opposition to the Injunction Application, Shift and Corja have done enough to persuade me that there is a serious issue to be tried. Essentially, I agree with the points made by Mr Davies. Shift and Corja have a case with a sufficiently good prospect of success that:
- 65.1. Mr Corlett did not breach his duties when he issued the Second Warrant Instrument and Warrant Certificates such that the question of ratification does not arise;
- 65.2. the requirement for Yodel to have a quorum of two directors was addressed by the resolution of 21 June 2024; and

- 65.3. the true construction of the Conditions does not mean that the Warrants lapsed before they were purportedly executed.
66. Of course, I make no findings on these points. My conclusion is that there is a serious issue to be tried on them and so I move to the question of damages.

Adequacy of Damages

67. Mr Davies said that damages would not be an adequate remedy for Shift or Corja because:
- 67.1. the imminent transformation of Yodel's business will result in it being completely dependent upon InPost for its survival;
- 67.2. Yodel's business will become unrecognisable from its current form in that customers will be encouraged to choose locker deliveries (InPost's model) rather than to-door deliveries (Yodel's model);
- 67.3. depots will be closed;
- 67.4. the "yodel" brand will be discarded;
- 67.5. contracts will be novated to InPost;
- 67.6. employees will be made redundant;
- 67.7. the transformation plan is not for the benefit of Yodel but for the benefit of InPost;
- 67.8. upon the execution of the transformation plan, Yodel will no longer be recognisable or able to operate as an independent entity;
- 67.9. when Shift and Corja succeed on the Warrant Claim, the intended Shift/Yodel merger, which is viable, will have been frustrated.
68. As for the debt owed by Yodel to JLL, Mr Davies accepted that it will ultimately need to be discharged although he said that was not a reason for doubting the seriousness or genuineness of the plan for the Shift/Yodel merger. He accepted that there was no evidence on behalf of Shift or Corja as to how that debt was going to be repaid in the event that they succeeded on the Warrant Claim and obtained control of Yodel.
69. Mr Thompson submitted that the Warrant Claim is a claim to shares and it is that claim which is sought to be protected by the injunction. He said that the claim is a financial claim and the relevant question is, therefore, as to the equity value of the shares. He said that Shift and Corja were very unlikely to suffer any loss to the value of their putative shares if no injunction was granted. He observed that Yodel is loss-making and insolvent on a balance sheet basis, and that, if granted, the injunction would not change that. If the transformation was restrained, the loss-making would continue, accompanied by the risk that customers would lose confidence in Yodel and go elsewhere which, Mr Thompson said, could be catastrophic. If the transformation was not restrained, there was a potential for Yodel's financial position to improve and

with it the value of the shares in Yodel. He pointed out that neither side saw the Yodel business as continuing as a standalone business; both intended some form of change in order for that business to survive. The transformation which is already underway is an integration of the Yodel and InPost businesses whereby Yodel may become a sub-contractor but still with its own operations; it is not a hollowing out, and it is not a dismantling. In any event, he said, if they did suffer financial loss by the delay in getting their shares, they could in principle recover damages in addition to specific performance.

70. In my judgment, damages would be an adequate remedy for Shift and Corja. I reach that conclusion for the following reasons:
- 70.1. As I was told by Mr Thompson, there is not going to be a dismantling of the Yodel business.
- 70.2. It will, albeit in likely substantially modified form, continue to exist.
- 70.3. If Shift and Corja succeed on the Warrant Claim, there will still be a company with a business in which they will be the majority shareholders.
- 70.4. If they have suffered loss by having to wait for the Warrant Claim to be vindicated, they can be compensated in damages.
71. In those circumstances, the Injunction Application must fail. However, in case I am wrong to conclude that damages would be an adequate remedy for Shift and Corja I move on to consider whether Yodel would be adequately compensated under the cross-undertaking which they have offered.

Adequacy of cross-undertaking offered

72. Shift and Corja have offered the usual cross-undertaking in damages.
73. It is conceded that Corja has no substantial assets. As for Shift, it is a newly-incorporated company which has not yet filed its first set of accounts. Its director, Mr Fishleigh said in his witness statement that its cross-undertaking has real value. He pointed to a consolidated balance sheet taken from its management accounts at the end of April 2025 showing net assets of £2.75m with £1.025m in cash the vast majority of which is tied up as working capital for its subsidiaries. He suggests that the sale of its non-core subsidiary businesses could realise between £11m and £31m. He also says that Shift has an historically highly supportive investor base.
74. Mr Davies pointed out that the level of any loss that might be suffered by Yodel had to be borne in mind. He said that Yodel's case in this regard was simplistic and lacked credibility. Its assertion that it could turn around its loss-making was not supported by the evidence. Rather, he submitted, the ongoing losses that would be suffered would be caused not by the injunction but by the transformation plan itself. In any event, he said, Shift's financial position was more than adequate to give the Court comfort that Yodel was adequately compensated by its cross-undertaking in damages.

75. The balance sheet provides as follows:

Balance Sheet

Consolidated Shift Global Holdings Ltd

As at 30 April 2025

| Fixed Assets | 30 April 2025 |
|--|-----------------------|
| Intangible Assets: IP Purchase | £ 9,334,994 |
| IP Purchase | £ 3,768,043 |
| Tangible Assets | £ 96,817 |
| Current Assets | £ 8,141,315 |
| Debtors | |
| Loan accounts | £ 2,290,426 |
| Intragroup Loans | |
| Yodel | £ 528,480 |
| Cash and Cash Equivalents: | £ 1,024,562 |
| Total Current Assets: | £ 11,984,783 |
| Creditors: amounts falling due less than one year | £ (4,455,832) |
| Creditors: amounts falling due after more than one year | |
| Long-Term Loans including accrued interest: | £ (14,179,535) |
| Total Liabilities: | £ (17,880,795) |
| Net Assets | £ 2,751,194 |
| Equity | £ 2,748,103 |
| Share Capital: | £ 3,091 |
| Total Equity and Liabilities: | £ 2,751,194 |
| | £ - |

76. Mr Thompson pointed out that even if Shift had assets of £2.75m, that would be insufficient to compensate Yodel for its losses as calculated in its evidence, notably that of Mr McCourt. He reminded me that some £1m is not available because it is tied up in subsidiaries. He also pointed out that the situation being contemplated is one where Shift and Corja have lost the Warrant Claim and therefore Shift has had to pay its own legal costs, and likely also those of Yodel. But the difficulties did not stop there, in Mr Thompson's submission. He pointed out that Shift is late in filing its first statutory accounts; that there is a basic conceptual error in the inclusion of intragroup loans in a consolidated balance sheet; that the arithmetic does not add up when looking at the two creditor figures (which appear in fact to total £18,635,367 rather than the £17,880,795 stated on the balance sheet); and that the sum of £528,480 said to be a loan due from Yodel is really one of the sums claimed in these proceedings which is disputed and should not appear on the balance sheet.
77. I agree that the balance sheet relied on by Shift is unreliable for the reasons given by Mr Thompson. I am therefore unable to conclude that there is any substance in the cross-undertaking offered by Shift. As such, and given the concession that Corja has no assets, the Injunction Application would also fail because the cross-undertaking offered is inadequate.
78. There was some argument before me as to the need for fortification and whose burden it was to seek it and demonstrate the need for it. No fortification has been offered by Shift or Corja whose obligation it is, in my judgment, to offer it in support of what is otherwise a worthless cross-undertaking. Insofar as is necessary, I am satisfied that Yodel has shown a good arguable case for fortification and that its evidence, and particularly that of Mr McCourt, does satisfy the criteria relevant to the exercise of the Court's discretion to order fortification. Had I needed to do so, I would have ordered the provision of fortification of the cross-undertaking in damages which has been offered.
79. It is not necessary for me to resolve the question whether any cross-undertaking ought to extend to JLL.

Balance of convenience

80. In the circumstances, it is also not necessary for me to consider the balance of convenience. However, in case it becomes relevant, I consider that the balance of convenience tips in Yodel's favour and would have dismissed the Injunction Application on that basis. The injunction sought would require Yodel's directors to subordinate their decision-making power on those matters set out in the draft order to Shift and Corja. That would go beyond preserving the status quo. In addition, Yodel would continue to incur vast debt by way of parental support in order to survive when Shift and Corja accept that such debt will have to be repaid but have adduced no evidence at all as to how, in the event of their success, they will do so. The transformation plan already under way does, on the evidence, in my judgment, have a prospect of turning around Yodel's fortunes and it should not be restricted by the injunction sought by Shift and Corja. Even with an expedited trial of the Warrant Claim, that plan, on the evidence, needs to proceed very quickly if it is not to have to wait until 2026 before it can be progressed at all.

81. There was argument before me about whether Shift and Corja come to the Court with clean hands. That is something which is not suitable for resolution on this interim application and I say no more about it.

Disposal of Injunction Application

82. For these reasons, I will dismiss the Injunction Application.

Amendments

83. Shift and Corja consent on the usual terms as to consequential amendments and as to costs to the amendments proposed by Yodel so I do not need to make an order about them.
84. As for the amendment proposed by Corja to bring the Warrant Claim, it was resisted by Yodel on the basis that it had no real prospect of success for the same reason that Yodel said there was no real issue to be tried, which assertion I have rejected. It follows that the amendment proposed by Corja does have a real prospect of success and therefore I will give permission for it on the usual as to consequential amendments and as to costs. I will therefore allow Corja's Amendment Application in this respect.
85. Corja seeks to make another amendment to its claim against JLL, to which JLL consents on the usual terms so I do not need to make an order about that.

Preliminary Issue and Expedition

86. I agree that the trial of the Warrant Claim ought to be tried as a Preliminary Issue and that the hearing ought to be expedited. I will therefore accede to the Preliminary Issue Application and the Expedition Application. At the end of the hearing, I invited the parties to attempt to agree the time estimate for that trial and to liaise with the Listing Officer in that regard.

SFC Application

87. I invited the parties to agree directions for the hearing of the SFC Application. Insofar as need be, I will direct the expedition of the hearing of the SFC Application so that it can come on before the end of this term.

Further directions

88. If any further or other directions are needed, they can be considered when this judgment is handed down.

Order

89. I invite the parties to agree an order giving effect to this Judgment and bring it to the hearing listed at 12 noon on 11 June 2025.

