



Neutral Citation Number: [2025] EWCA Civ 698

Case No: CA-2024-000676

IN THE COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

Mr Justice Richards
[2024] EWHC 521 (Ch)

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 05/06/2025

Before:

LORD JUSTICE NEWHEY
LORD JUSTICE POPPLEWELL
and
LORD JUSTICE SNOWDEN

Between:

SERVIS-TERMINAL LLC

**Petitioner/
Respondent
to the
appeal**

- and -

VALERIY ERNESTOVICH DRELLE

**Respondent
to the
petition/
Appellant**

James Pickering KC (instructed by **Sterling Lawyers Ltd**) for the **Appellant**
Riz Mokal and Clara Johnson (instructed by **Madison Legal Ltd**) for the **Respondent**
Alexander Heylin (instructed by **Latham & Watkins (London) LLP**) for the **Trustees in
Bankruptcy**

Hearing date: 9 May 2025

Approved Judgment

This judgment was handed down remotely at 10.30am on 5 June 2025 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

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Lord Justice Newey:

1. We handed down judgment in this case on 31 January 2025. As can be seen from paragraphs 58-60 of those judgments, we concluded that the appeal should be allowed, the bankruptcy order should be set aside and the bankruptcy petition should be dismissed. I shall use the same abbreviations in this judgment as in that one.
2. On 9 May 2025, there was a further hearing to address consequential matters. Issues arising from judgments of this Court are, of course, normally disposed of on paper, without a further hearing. We felt that a hearing was appropriate in the present case in the light, in particular, of points raised by Mr Robert Starkins, Mr Nicholas Nicholson and Mr Russell Parkin (“the Trustees”), who were appointed by the Secretary of State as Mr Drelle’s trustees in bankruptcy on 18 May 2023.
3. We announced our decisions on the various issues on the day and the parties subsequently agreed a draft order to give effect to what we had decided. An order reflecting that agreement has since been sealed.
4. Among other things, we concluded that:
 - i) The Trustees should be removed from office forthwith and the estate should forthwith revert to Mr Drelle;
 - ii) There should be no order for costs as regards the application to set aside the statutory demand or the bankruptcy petition (including the costs of the hearing before ICC Judge Burton on 28, 29 and 30 June 2022 and the consequentials hearing on 31 March 2023);
 - iii) The Company should pay Mr Drelle’s costs of the appeal heard by Richards J and of the appeal to this Court, with a payment on account of £300,000;
 - iv) Money in Court should be used to meet the Company’s liabilities to Mr Drelle in respect of costs, and otherwise returned to the Company, subject to approval from the Office of Financial Sanctions Implementation;
 - v) Permission to appeal to the Supreme Court should be refused;
 - vi) There should be a stay to allow the Company to seek permission to appeal from the Supreme Court itself and, should such permission be granted, pending determination of the appeal; and
 - vii) There should be a hearing before a High Court Judge to determine an application by the Trustees for remuneration.
5. Two topics merit brief comment: costs and the position of the Trustees.
6. With regard to costs, Mr Drelle won in this Court and, in our view, was also entitled to succeed before Richards J. However, Mr Drelle raised the point on which he has ultimately been successful only during the appeal to Richards J, not before ICC Judge Burton. In the circumstances, we concluded that, while the Company should be required to pay Mr Drelle’s costs of both appeals, there should be no order for costs in

relation to the set aside application or the petition (including the costs of the hearings before ICC Judge Burton).

7. Turning to the position of the Trustees, they have explained that they have spent considerable time, and incurred sizable expenses, in performing their duties as Mr Drelle's trustees in bankruptcy. They proposed that there should be a High Court hearing to determine from whom and to what extent they might recover their remuneration and expenses and expressed concern that, if the bankruptcy order were simply set aside, they might not be able to recover whatever was found to be due to them. They asked that there be provision to "hold the fort".
8. At one stage, the Trustees suggested that the setting aside of the bankruptcy order should be conditional on the position as regards their remuneration and expenses having been resolved. We expressed doubt as to whether that could be a legitimate approach in circumstances where an appeal against a bankruptcy order had been upheld on jurisdictional grounds, and Mr Alexander Heylin, who appeared for the Trustees, accepted that it could suffice if they could be protected in another way. Mr Drelle provided such protection by giving an undertaking that he would not dispose of or otherwise deal with certain properties until determination of the remuneration hearing or further order in the meantime.

Lord Justice Popplewell:

9. I agree.

Lord Justice Snowden:

10. I also agree.