



**Morgan v Nest Group Africa Limited (Insolvency Petition E025 of 2023)  
[2025] KEHC 4822 (KLR) (Commercial and Tax) (8 April 2025) (Judgment)**

Neutral citation: [2025] KEHC 4822 (KLR)

**REPUBLIC OF KENYA  
IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)  
COMMERCIAL AND TAX  
INSOLVENCY PETITION E025 OF 2023**

**JWW MONG'ARE, J**

**APRIL 8, 2025**

**BETWEEN**

**LAWRENCE CRISPIN STANFORD MORGAN ..... PETITIONER**

**AND**

**NEST GROUP AFRICA LIMITED ..... RESPONDENT**

**JUDGMENT**

**Introduction & Background**

1. The Petitioner filed a petition on 18<sup>th</sup> April 2023 under section 425 of the Insolvency Act (Chapter 53 of the Laws of Kenya) seeking inter alia, for an order for the liquidation of the Respondent (“the Company”) and an order appointing the Official Receiver as the Liquidator of the Company to take charge of its business affairs and the assets with all necessary powers under the Insolvency Act. The Petitioner states that he is the sole director of the Company, which was incorporated on 24<sup>th</sup> November 2015 and up until 15<sup>th</sup> January 2019, was running an innovation hub at the 14 Riverside complex operating under the brand name of ‘Metta’, where the start-up and investor ecosystem congregated for events, co-working and where programmes were run from (including bootcamps/accelerators/corporate technology engagement).
2. On 15<sup>th</sup> January 2019, a terrorist attack occurred at the 14 Riverside and the Petitioner avers that this greatly affected the Company’s business as its clientelle were fearful of visiting the premises and the space never recovered. That as the business was contemplating recovery, the Covid-19 pandemic occurred the following year thus bringing to a halt the activities that had re-commenced. The Petitioner contends that the business model of the Company included working with sponsors/investors from all over Africa and the rest of the world, whose representatives would travel by air to the premises to interact with start-ups that operated from the Company’s premises. That the involvement of the



sponsors/investors was affected by the global shut down of air transport services on the advent of the pandemic and virtual measures employed did not facilitate the recovery of the revenues.

3. Consequently, the Petitioner states that the Company is and has not been able to pay its debts having accumulated liabilities amounting to Kshs.50,729,960.46/= against an assets base of Kshs.4,383,509.89/=. That among the liabilities are rent arrears of USD 278,513.85 and service charge arrears of Kshs.1,264,780.00/= owed to the management of 14 Riverside. In light of this, the Petitioner states that it would only be just, fair and equitable that the Company be liquidated. There has been no response or opposition to the petition despite publication of the same in the Kenya Gazette and the notice of the publication served upon the Official Receiver. A Certificate of Compliance has since been issued by the Official Receiver as well.

### **Analysis and Determination**

4. Under section 425(1)(a) of the Insolvency Act, 2015, a company or its directors can apply to the court for liquidation of the company. Further, under section 424 (1)(e) of the Insolvency Act, 2015 a company may be liquidated by the court if it is unable to pay its debts. As stated, the petition is unopposed and it has not been controverted that the Company is unable to pay its debts. The Petitioner has also annexed the Company's financial statements which indicates that the Company is operating at a negative position. The Petitioner, as a director, is eligible to file the present petition for liquidation of the Company. All these point towards the issuing of a Liquidation Order against the Company and I find no valid reason to disallow the petition. In arriving at this decision, I am satisfied that creditors were made aware of the Petition and were given sufficient time to respond and that the Company is unable to pay its debts. I am aware of the effect the Liquidation Order under section 425 would have on the rights of secured and unsecured creditors as balanced with that of the Company but as it stands, the Company is commercially dead and cannot be resuscitated. Corporate execution by way of a Liquidation Order is the only option that remains (see *In re Ukwala Supermarket Limited* [2019] KEHC 7877 (KLR) and *In re Kilimo Innovations Limited* [2023] KEHC 20859 (KLR))

### **Conclusion and Disposition**

5. In the foregoing, I now issue the following final orders:-
  1. The petition filed on 18<sup>th</sup> April 2023 is allowed.
  2. A Liquidation Order is hereby issued against the Company, NEST GROUP AFRICA LIMITED.
  3. The Official Receiver is hereby appointed the Interim Liquidator of the Company.
  4. The costs of the petition shall be costs in the liquidation. It is so ordered.

**DATED, SIGNED AND DELIVERED VIRTUALLY AT NAIROBI THIS 8<sup>TH</sup> DAY OF APRIL 2025**

.....

**J.W.W. MONG'ARE**

**JUDGE**

In the Presence of:-

1. Ms. Githire for the Petitioner.
2. N/A for the Respondent.
3. Amos - Court Assistant

