



**North South Partnership Aid Norway v North South  
Partnership Kenya Limited (Insolvency Petition E022 of 2024)  
[2025] KEHC 10051 (KLR) (Commercial and Tax) (10 July 2025) (Judgment)**

Neutral citation: [2025] KEHC 10051 (KLR)

**REPUBLIC OF KENYA  
IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)  
COMMERCIAL AND TAX  
INSOLVENCY PETITION E022 OF 2024**

**PM MULWA, J**

**JULY 10, 2025**

**IN THE MATTER OF NORTH SOUTH PARTNERSHIP KENYA LIMITED**

**AND**

**IN THE MATTER OF THE INSOLVENCY ACT (CAP. 53 LAWS OF KENYA)**

**BETWEEN**

**NORTH SOUTH PARTNERSHIP AID NORWAY ..... PETITIONER**

**AND**

**NORTH SOUTH PARTNERSHIP KENYA LIMITED ..... RESPONDENT**

**JUDGMENT**

**Introduction and background**

1. This is a creditor's petition filed by the Petitioner, a company incorporated in Norway, against the Respondent (the Company), a limited liability company incorporated in Kenya on 15<sup>th</sup> November 2010 with its registered office in Voi, Kenya. The Petitioner avers that the Company owes it Kshs. 2,347,000.00 as of 8<sup>th</sup> December 2021 and that this debt arose from unsecured credit facilities granted by the Petitioner on 3<sup>rd</sup> November 2020, 30<sup>th</sup> November 2020 and 16<sup>th</sup> December 2020, to enable the Company to start a fish farming business. The Petitioner contends that it does not hold any security for this debt and that it has repeatedly requested payment, but the Company has failed, neglected, or refused to pay the debt.
2. The Petitioner states that the debt amount is within the prescribed insolvency level according to the [Insolvency Act](#) and that more than 21 days have passed since the Petitioner served a Statutory Demand



for payment on 18<sup>th</sup> September 2023, and the Company has failed to comply. The Petitioner believes there is no application to set aside the Statutory Demand pending and that the Company is unable to pay its debts, and therefore, it is just and equitable that the Company be liquidated. The Petitioner prays that the Court declares the Company insolvent and liquidates it under the *Insolvency Act* and it also requests that the Official Receiver be appointed as the Liquidator, and that the costs of the petition be granted to the Petitioner and paid out of the Company's assets on priority.

3. The petition includes a verifying affidavit sworn by Anders Myrene, the Managing Director of the Petitioner, confirming the truthfulness of the statements in the petition and his authority to make the affidavit. Board resolutions from North South Partnership Aid Norway dated 29<sup>th</sup> January 2024 are attached, authorizing the involuntary liquidation of the Company and the appointment of Anders Myrene to handle related proceedings. A Certificate of Compliance confirms that the Petitioner has filed the prescribed forms and paid a mandatory deposit of Kshs. 40,000.00 towards the Official Receiver's expenses.
4. Despite service, there has been no response or opposition to the petition by the Respondent. A return of service also confirms that the Official Receiver was served with the petition and the requisite fees paid.

### **Analysis and determination**

5. Section 425 of the *Insolvency Act* allows creditors, among others, to apply to the court for a liquidation order when a company is unable to pay its debts or meets other grounds specified under section 424 thereof. Further, section 384 outlines the circumstances under which a company is considered unable to pay its debts including when a creditor, to whom the company owes Kshs. 100,000.00 or more, serves a written demand for payment at the company's registered office, and the company fails to pay, secure, or compound for the debt to the creditor's reasonable satisfaction within 21 days.
6. In the present case, the petition is unopposed and it has not been controverted that the Company is unable to pay its debts. The Petitioner has also annexed inter alia its Articles of Association, which document, translated from Norwegian, outlines the Petitioner's organizational purpose, which includes raising and managing funds for development projects in African countries and giving contributions to or investing in companies that promote its purpose. It has also annexed a Register Transcript from the Register of Non-Profit Organizations confirming the Petitioner's registration as a non-profit organization in Norway; a Financial Loan 2020 Summary – Terms detailing the unsecured credit facilities totaling Kshs. 2,347,000.00 granted to the Company for the fish farming business; Payment Records/Bank Statements showing the transfers of funds from the Petitioner to the Company, corresponding to the loan amounts; A Statutory Demand for payment of the Kshs. 2,347,000.00 served on the Company by the Petitioner, warning of liquidation proceedings if the debt is not settled within 21 days and a Demand and Recovery Letter from the Petitioner's advocates, dated 17<sup>th</sup> July 2023, demanding repayment of the Kshs. 2,347,000.00 loan and indicating that the Company is insolvent, with a threat of liquidation proceedings if payment is not made within seven days.
7. I find the above to be sufficient proof that the Company is indebted to the Petitioner and that it is unable to pay its debts. I am also satisfied that the Company was served with the statutory demand and that it was given ample time to respond to the same but it failed or neglected to do so. I find no reason why the Company should not be liquidated and in making this decision, I am cognizant of the effect a 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**

8. In the foregoing, I issue the following final orders:
- i. The petition dated 31<sup>st</sup> January 2024 is allowed.
  - ii. A Liquidation Order is hereby issued against the Company, North South Partnership Kenya Limited
  - iii. The Official Receiver is hereby appointed the Interim Liquidator of the Company
  - iv. The costs of the petition shall be costs in the liquidation cause.

**RULING DELIVERED VIRTUALLY, DATED AND SIGNED AT NAIROBI THIS 10<sup>TH</sup> DAY OF JULY 2025.**

**PETER M. MULWA**

**JUDGE**

In the presence of:

Mr. Oirere h/b for Mr. Nyabuto for Petitioner

N/A for Respondent

Court Assistant: Carlos

