

# Genelec Installations Limited (in liquidation)

**Preliminary Report pursuant to Section 218 of the Insolvency Act  
2011**

**8 May 2026**



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# **1 Brief History**

## **1.1 Liquidator's appointment**

On 9 March 2026, I was appointed Liquidator of Genelec Installations Limited (“Genelec” or “the Company”) pursuant to Section 160 of the Insolvency Act 2011 (“the Act”). I was appointed on grounds of insolvency by the Supreme Court of Gibraltar, on application of a creditor as the Company was unable to pay its creditors as and when they fell due. The application was supported by other creditors of the Company.

Notice of my appointment, together with an invitation to creditors to submit details of their claims to the Liquidator, was advertised on 16 March 2026 in a local newspaper and on 19 March 2026 in the Gibraltar Gazette.

## **1.2 Statutory information**

Genelec was incorporated on 15 June 2018 under incorporation number 117522 and commenced trading on 18 July 2018. The Company's principal activities comprised of electrical and construction services.

The sole director of the Company is Mr Khalid Chaouki, and the Company secretary is Vaughan & Co Company Management Services Limited. The Company's registered office prior to the liquidation was situated at 2 Crutchett's Ramp, Gibraltar. Following my appointment as Liquidator, the registered office has been changed to the offices of PricewaterhouseCoopers Limited at 327 Main Street, Gibraltar.

Genelec is a private company limited by shares, with an authorised share capital of 100 ordinary shares of £1 each, all of which have been issued and are fully owned by Mr. Khalid Chaouki, who is the sole shareholder.

## **1.3 Preliminary investigations**

Upon my appointment, my team commenced the process of gathering information on the Company, in order to understand the Company's assets, liabilities and general affairs. This process proved difficult due to the lack of information available to us, and the general completeness and accuracy of the financial and business information available. As the Company had effectively ceased trading several months prior to my appointment, no employees were present to assist us with our investigations and assets of the Company were not readily available. We therefore had to contact third parties and service providers to gather the information required to perform our duties.

# **1 Brief History - continued**

## **1.3 Preliminary investigations - continued**

We contacted the local banks to determine whether there were any accounts held in the name of the Company. We discovered that there were three bank accounts held with Gibraltar International Bank, which were all overdrawn. We obtained bank statements for the two years prior to my appointment, so that we could investigate the position leading up to the Company entering liquidation and any potential antecedent transactions or malpractice.

I have also contacted the Company's auditor, to obtain the previous audited financial statements and any other financial information.

### **Operating locations**

Based on the information available to me, my understanding is that the Company operated from three different locations:

- The office in Victoria House;
- The shop in Ocean Heights; and
- The storeroom in Town Range.

Shortly after my appointment, with the assistance of the landlords, I obtained access to all three Company locations and arranged for my team to attend each site to identify any assets that may be capable of realisation.

The office located at Victoria House contained minimal assets, primarily comprising of furniture and office equipment. The premises also held a substantial volume of confidential client and personal employee information. I have taken control of this information and ensured that it has been securely stored.

I have also recovered a number of hard drives from the Victoria House office containing Company data. Given the significant volume of information, I have instructed my IT team to extract and process the data to enable further review.

Upon entry to the retail premises at Ocean Heights and the storeroom at Town Range, my team identified no assets of value. Both locations were found to be in a highly disordered condition.

I have now handed back possession of the premises at all three locations to the respective landlords, either directly or through their legal representatives.

# **1 Brief History - continued**

## **1.3 Preliminary investigations - continued**

### **Assets**

The investigations of my team have identified a number of assets which we are in the process of realising. The main assets of the Company consisted of motor vehicles, amounts owed by clients (“trade debtors”), computer equipment and electrical inventory. More information on the recovery of assets is presented in section 2.2 of this report.

### **Creditors**

Genelec was in a substantial insolvent position and had several significant creditors at the time of appointment. The petitioning creditor was HM Government of Gibraltar in relation to unpaid PAYE and Social Security liabilities in excess of £1M, which is classified as a preferential creditor.

As of late 2025, the Company employed approximately 48 employees, whom had not been paid for a period of approximately three months. The total claims I have received from employees to date total £311,721, of which £196,720 is a preferential claim with the remainder being an unsecured claim. Employee claims are protected by HM Government of Gibraltar’s Insolvency Fund (“Insolvency Fund”), which will review employee claims and pay them according to the relevant regulation’s specific calculations and rules. Should any employees receive a payment from the Insolvency Fund, their claims are subrogated, meaning that the Insolvency Fund stands in their position as a creditor of the Company.

Most of these employees instructed Ellul & Cruz, who provided support with the completion of their termination documentation and Insolvency Fund claim forms. In respect of those employees not represented by Ellul & Cruz, we made efforts to contact all known individuals directly and processed their termination and claim forms to the Insolvency Fund.

To date, my team have received 68 claim forms, claiming a total sum of £1,562,225.

### **Statement of Affairs**

I have instructed the director, Mr Khalid Chaouki, to submit a Statement of Affairs in accordance with Section 217 of the Act. I have received an incomplete draft Statement of Affairs from Mr Chaouki, which includes a list of assets held by the Company prior to its entry into liquidation. My team is currently liaising with Mr Chaouki to ensure that the Statement of Affairs is finalised appropriately and once received we will duly submit to the Gibraltar Supreme Court.

# **1 Brief History - continued**

## **1.4 What we have done so far**

To date, my team's work has focused on the following areas, each of which is addressed in detail in the relevant sections of this report:

- Initial investigations into the affairs of the Company prior to the liquidation appointment;
- Collection and transfer of all Company records and data to a secure location;
- Identification and realisation of Company assets (see section 2);
- Identification, classification and communication with creditors (see section 3 and 6); and
- Termination of employees and filing of claims in the Insolvency Fund (see section 3).

## **1.5 Causes of failure**

My current understanding is based on the information available to me, together with the investigations undertaken to date.

The business had been trading for several years, but after some time, significant liabilities continued to build, including unpaid PAYE and Social Insurance. In November 2025, the Company was served with a statutory demand for the outstanding liabilities owed to HM Government of Gibraltar, which was not satisfied and ultimately resulted in the liquidation order.

Around the same time as the issuance of the statutory demand, the director seems to have left Gibraltar for a period of time, leaving the Company in a state of limbo. This resulted in Genelec not having sufficient cash to pay employees, rent or outstanding amounts to suppliers. As a result, Genelec employees held a demonstration in January 2026, having not been paid for three months, placing further pressure on the Company.

The deterioration appears to have been primarily driven by two key factors, poor debtor and cash flow management. Debtor recoveries were often protracted and, in certain instances, amounts recovered were diminished as a result of settlement agreements entered into by the Company.

The matter was subsequently brought before the Supreme Court on 9 March 2026, at which point I was appointed as Liquidator.

## 2 Financial Information

### 2.1 Assets and liabilities

As previously mentioned, the director is in the process of submitting a Statement of Affairs and due to the lack of reliable and accurate information there have been difficulties in identifying and recovering assets of the Company. The liabilities presented below are based on claims received during the liquidation. The assets presented below represent my best estimate of the total amount that we could be expected to realise in the liquidation from readily available assets based on our initial investigations.

| <b>Assets</b>  |  | <b>£</b>           |
|--|--|--------------------|
| Sale of assets                                       |  | 15,000             |
| Recovery of debtors                                  |  | 125,000            |
| <b>Total estimate of potential asset recoveries</b>  |  | <b>140,000</b>     |
| <b>Liabilities</b>                                   |  | <b>£</b>           |
| <b>Preferential claims</b>                           |  |                    |
| HM Government of Gibraltar                           |  | (1,059,216)        |
| Employees  |  | (196,720)          |
| <b>Total preferential claims</b>                     |  | <b>(1,255,936)</b> |
| <b>Unsecured claims</b>                              |  | (306,289)          |
| Employees  |  | (115,001)          |
| Trade Creditors, Customer Claims and Other Creditors |  | (191,288)          |
| <b>Total unsecured claims</b>                        |  | <b>(306,289)</b>   |
| <b>Total liabilities</b>                             |  | <b>(1,562,225)</b> |
| <b>Excess of liabilities over assets</b>             |  | <b>(1,422,225)</b> |

## **2 Financial Information - continued**

### **2.2 Recovery of assets**

The following sections set out the work undertaken and progress made to date in relation to the recovery of the Company's assets.

#### **Cash at bank**

I took the necessary steps to take control of the Company's bank accounts, and my team notified Gibraltar International Bank of our appointment. As explained above, at the date of my appointment, the Company's three bank accounts were in an overdrawn position. Accordingly, I have taken steps to request the closure of the account and have established an account for the liquidation.

The Company's funds are now being held in our client account. To date, £690 has been realised from the sale of furniture and office equipment at the Victoria House office. After bank charges of £30, the balance held as at the date of this report is £660.

#### **Office equipment, shop inventory and computer equipment**

Based on the list of assets provided by the director in the draft Statement of Affairs, Genelec is stated to have owned a number of desktop computers, laptops, tablets, mobile phones, tools and other equipment. However, I have only been able to locate a fraction of these assets.

My team were able to realise £690 from the sale of furniture and equipment from the Victoria House office. We have recently also recovered three Apple Mac computers, which, once the data has been recovered and stored safely, we will attempt to cleanse and sell. My team have also identified an amount of shop inventory that is currently being held by a third party in an offsite location and are attempting to realise the assets, although I do not expect this to generate substantial recoveries.

I am currently liaising with certain parties with a view to identifying and recovering the remainder of the assets, where possible, and realising them for the benefit of the creditors.

#### **Vehicles**

The Company owns two vehicles, namely a Fiat Doblo and a Piaggio Porter, together with two Honda motorcycles. During the liquidation, my team have worked to locate and secure these assets, as they had been impounded, resulting in fees owed which will need to be paid once the vehicles are realised.

## **2 Financial Information - continued**

### **2.2 Recovery of assets**

#### **Vehicles - continued**

My team contacted a number of parties in Gibraltar to assess interest in the purchase of the Company's vehicles. Viewings of the assets were arranged, and all interested parties were invited to submit bids by 8 May 2026. Upon receipt of the bids, I will consider each offer and determine the most appropriate course of action in the interests of creditors. I currently estimate realisations of approximately £9,000 to £13,000 from the sale of these vehicles.

#### **Trade debtors**

As previously mentioned in this report, the Company experienced significant issues with debtor recovery. The accuracy of the records maintained by the Company is questionable, and the debtor schedules received to date have been sourced solely from the director and the auditor.

Through discussions with several of the Company's clients, I believe that we will be able to generate some recoveries in the amount of £115,000 to £135,000 from the outstanding amounts owed to the Company.

My team and I will continue to pursue recovery of the outstanding balances.

#### **Summary**

Based on my current best estimates, total expected recoveries available from the readily identified assets is likely to be in the region of £140,000, which is significantly lower than the claims already received in the liquidation.

## **3 Outcome from Creditors**

### **3.1 Secured creditors**

The Company had one secured creditor, arising from a hire purchase agreement in respect of a vehicle. The vehicle was owned and registered in the name of the hire purchase entity and therefore, the entity took steps to recover the vehicle prior to my appointment. As such, the secured creditor has therefore not submitted a claim in the liquidation as they recovered the asset.

### **3.2 Preferential creditors**

Preferential creditors are those that are paid in priority to the unsecured creditors, with the classification being set out in the Schedule to the Insolvency Rules 2014. These include:

- Employee wages and salaries for the six months prior to my appointment rank as preferential claims, subject to a maximum of £10,000 per employee. Claims in respect of accrued but untaken holiday entitlement also rank as preferential. I am aware that employees were unpaid for a period of approximately three months prior to my appointment, with total unpaid wages currently estimated at £196,720.
- In addition to employee claims, HMGoG also ranks as a preferential creditor. The balance relates to unpaid PAYE and Social Insurance contributions, which amount to £1,059,216.

The total preferential claims amount to £1,255,936 and rank ahead of unsecured creditors. Based on current estimates, the anticipated recoveries will be insufficient to satisfy these claims in full.

### **3.3 Unsecured creditors**

I have received unsecured creditor claims totaling £306,289, which includes employee redundancy claims amounting to £115,001. Given the limited prospects of a distribution to unsecured creditors, I have not undertaken a formal adjudication of these claims. Based on the information currently available, it is highly unlikely that there will be funds available for a distribution to unsecured creditors.

## **4 Creditors' Meeting**

### **4.1 Creditors' meeting**

The first Creditors' meeting was held on Thursday 26 March 2026 at 10:00 a.m. at our offices at PricewaterhouseCoopers Limited, 327 Main Street. Creditors were also provided with the option to vote by proxy in the event they were unable to attend the meeting in person.

The purpose of the first Meeting was:

- To update creditors on the Company's financial position;
- To outline potential outcomes; and
- To decide whether to form a Creditors' Committee

A vote was taken and it was agreed by the majority of the creditors that a Creditors' Committee will not be formed.

## 5 Liquidator's costs

The total time incurred (in hours) and costs of my team and I, including disbursements, up to 6 May 2026 are set out below:

|                  | Administration, planning and investigations |               | Creditors    |              | Recovery of assets |               | Grand Total   |                 |
|------------------|---|---------------|--------------|--------------|--------------------|---------------|---------------|-----------------|
| Staff grade      | Hours                                       | Value (£)     | Hours        | Value (£)    | Hours              | Value (£)     | Total Hours   | Total Value (£) |
| Associate        | 56:00                                       | 2,800         | 24:45        | 1,238        | 37:45              | 1,887         | 118:30        | <b>5,925</b>    |
| Senior Associate | 2:45  | 275           | 00:30        | 50           | -                  | -             | 3:15          | <b>325</b>      |
| Manager          | 00:15                                       | 38            | -            | -            | -                  | -             | 0:15          | <b>38</b>       |
| Senior Manager   | 45:00                                       | 9,000         | 14:45        | 2,950        | 32:15              | 6,450         | 92:00         | <b>18,400</b>   |
| Partner          | 23:30                                       | 7,050         | 12:00        | 3,600        | 27:45              | 8,325         | 63:15         | <b>18,975</b>   |
| Disbursements    |   |               |              |              |                    |               |               | <b>128</b>      |
| <b>Total</b>     | <b>127:30</b>                               | <b>19,163</b> | <b>52:00</b> | <b>7,838</b> | <b>97:45</b>       | <b>16,662</b> | <b>277:15</b> | <b>43,791</b>   |

In accordance with the Act, I will seek approval from the general body of creditors prior to billing these costs, which will be paid from the assets of the Company.

## 6 Further enquiries

### 6.1 Matters relating to the insolvency of the Company

One of my duties is to look at the actions of anybody who has been a director or shadow director of the Company in the period before my appointment. I also have to decide whether any action should be taken against anyone to recover or contribute to the Company's assets. If you think that there is something that I should know about, please contact me by email at [gi\\_genelec@pwc.com](mailto:gi_genelec@pwc.com).

Please note that I will not be able to publish my findings and work in this area, but this will be filed with the Official Receiver in Gibraltar.

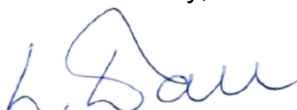
### 6.2 Future communications

Any future communications will be by email to the creditors who have filed a claim, with the relevant information also posted on our website: [https://www.pwc.gi/services/business\\_recoveries/pwc-gibraltar-genelec.html](https://www.pwc.gi/services/business_recoveries/pwc-gibraltar-genelec.html)

Should the liquidation extend beyond one year, my next report will be the annual progress report.

If you have any questions, please email [gi\\_genelec@pwc.com](mailto:gi_genelec@pwc.com). My team may not be able to answer every email, but we will ensure that any questions raised are addressed in our subsequent report.

Yours faithfully,



Luke Walsh

Liquidator

Luke Walsh of PricewaterhouseCoopers Limited ("PwC"), Gibraltar has been appointed Liquidator of Genelec Installations Limited (the "Company") by the Supreme Court of Gibraltar to manage the affairs and property of the Company. The Liquidator acts as agent of the Company only and without personal liability. Luke Walsh is authorised to act as an insolvency practitioner by the Gibraltar Financial Services Commission (IP Licence Number FSC0982FSA).

The Liquidator may act as Data Controller of personal data as defined by the Data Protection Act 2004, depending upon the specific processing activities undertaken. PwC may act as a data processor on the instructions of the Liquidator. Personal data will be kept secure and processed only for matters relating to the Liquidator's appointment.

Registered office: c/o PricewaterhouseCoopers Limited, 327 Main Street, Gibraltar.

For further information on the liquidation of the Company please contact us on [gi\\_genelec@pwc.com](mailto:gi_genelec@pwc.com).