

WANdisco shares to be suspended amid potential fraud that casts doubt over firm's future

Tech firm WANdisco says it has uncovered “potentially fraudulent” activity by a salesperson that significantly alters its financial position and casts doubt over its future.

The Sheffield-based firm made the revelation to shareholders, saying its chief financial officer and chief executive officer had investigated “significant, sophisticated and potentially fraudulent irregularities” to do with received purchase orders and related revenue and bookings. The data specialist said the irregularities were represented by one salesperson and could shave as much as £12.6m (\$15m) off its stated revenue for 2022, taking it from £20.2m (\$24m) to just £7.5m (\$9m).

In an update to the London Stock Exchange, WANdisco said the discovery could lead to significant going concern issues and now meant it had “no confidence” in its announced 2022 bookings expectations. As result, the firm said it had requested its shares traded on AIM be suspended while it conducts an investigation with the help of external legal and professional advisers.

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The shock update comes only days after WANdisco said it was considering a flotation in the US – a move that would give it dual listings. In January, WANdisco said that it was expecting revenues to have tripled in 2022 and be above \$24m, while bookings were reported to have grown a huge 967% to \$127m.

It said the record levels came from significant interest the “internet-of-things” industry. A series of multimillion dollar deals had been hailed in market updates by the firm in recent months.

WANdisco CEO and chairman David Richards had called 2022 a “watershed” year in which demand translated into contract wins. Writing in January’s trading update he said the firm expected continued progress with more revenue in 2023.

The company – a specialist in helping firms move large volumes of data into the cloud – was founded in 2005 and has bases in Sheffield and San Ramon, California.

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