

Drinks company that falsified accounts to get £300,000 wound up

Liquor World (Scotland) Ltd was wound up in the public interest on 11 February 2021 by order of Lord Clark in the Court of Session. Julie Tait and Stuart Preston of Grant Thornton UK LLP have been appointed joint interim liquidators of the company.

The company, which appeared to have traded as a retailer and wholesaler of alcoholic beverages, came to the attention of the Insolvency Service after concerns were raised about the accuracy of its filed accounts.

Following confidential enquiries, investigators found evidence that the company had used false and misleading documents to obtain loans and finance from lenders.

During 2019 and 2020 Liquor World filed accounts that showed a dramatic, and unexplained, improvement in its financial position. The drinks company then used this improved position to make several applications to lenders for various types of credit including loans, asset finance and invoice factoring finance.

Investigators established that to support some of the finance applications, Liquor World provided lenders with bank statements that falsely showed significantly higher levels of transactions than was actually the case. Other false or misleading documents were also produced to lenders by the company.

Whilst a number of the finance applications were rejected by lenders, investigators discovered that Liquor World successfully secured finance totalling more than £300,000.

The court wound up the company on the grounds that the company had been misused as a vehicle to obtain credit, operated in a manner that has caused harm and loss to credit providers, filed false and misleading accounts, and failed to maintain or produce adequate accounting records with its director failing to cooperate with the investigation.

Liquor World's current director, appointed in around April 2019, failed to co-operate with the investigation.

David Hope, Chief Investigator for the Insolvency Service, said:

Liquor World has blatantly and cynically used false and misleading information to persuade lenders to advance funds to it resulting in those lenders suffering a significant financial loss.

By acting swiftly in bringing winding up proceedings, we have prevented any further harm taking place at the hands of this company.

All public enquiries concerning the company should be sent to the joint interim liquidators: Julie Tait and Stuart Preston, Grant Thornton UK LLP, 7 Exchange Crescent, Conference Square, Edinburgh, EH3 8AN, tel: 0131 229 9181.

Liquor World (Scotland) Ltd – company registration number SC472891 – was incorporated on 19 March 2014. The company's registered office is at 15, Unit B/3 Edison Street, Hillington Park, Glasgow G52 4JW.

The petition was presented under s124A of the Insolvency Act 1986 on 22 January 2021 and Julie Tait and Stuart Preston of Grant Thornton UK LLP were appointed by the Court as joint provisional liquidators on 26 January 2021 before being appointed as interim liquidators on 11 February 2021 on the making of the winding up order.

Company Investigations, part of the Insolvency Service, uses powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK on behalf of the Secretary of State for Business, Energy & Industrial Strategy (BEIS). [Further information about live company investigations is available here.](#)

[Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is available here.](#)

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