

Bankrupt caterer abused Covid-19 loan scheme

Mohammed Abdul Subhan (47), from West Bromwich, started a self-employment catering business called Thania Spice in 2016 before incorporating Zara Spice Limited, which traded as a restaurant from Bilston Street in Dudley.

In 2020 Mohammed Subhan focussed his attention back to his self-employment business. But by March 2022, Mohammed Subhan could not pay his debts and applied for his own bankruptcy.

The Official Receiver was appointed as his Trustee before uncovering Mohammed Subhan had abused £70,000 worth of loans.

Mohammed Subhan declared that the self-employed business Thania Spice had a turnover of £200,000 and secured the maximum £50,000 Bounce Back Loan. But Mohammed Subhan's actual turnover was closer to £3,000 to £4,000 in 2019, which would have not made him eligible for the government backed loan.

The caterer also failed to use all the money for the benefit of the business, contrary to the terms of the Bounce Back scheme, having withdrawn the funds in cash.

Further enquiries by the Official Receiver found that when the government loan ran out in November 2021, Mohammed Subhan inflated his income and applied for two further loans worth £20,000 – despite being insolvent.

Mohammed Subhan withdrew more than half the funds in cash and used £13,500 for non-essential expenditure.

Due to the risks he posed to creditors, the Official Receiver sought to impose additional bankruptcy restrictions against Mohammed Subhan.

On 27 October, Mohammed Subhan had his 11-year bankruptcy restrictions undertaking accepted by the Secretary of State. His bankruptcy undertaking means he is limited to what credit he can access, as well as not being able to act as a company director without the permission of the court.

Deputy Official Receiver, Karen Fox, said:

Throughout our enquiries, Mohammed Subhan failed to provide adequate evidence of what he used the loans on, whether it benefited the business or that he had any reasonable expectation of repaying the loans back.

He posed a significant risk to creditors and 11 years of restrictions will severely curtail Mohammed Subhan's ability to abuse his future lenders.

Mohammed Abdul Subhan is from West Bromwich and his date of birth is March 1975

Details of his 11-year Bankruptcy Restrictions Undertaking is available on the [Individual Insolvency Register](#).

Bankruptcy restrictions are wide ranging. The effects are the same whether you are subject to a bankruptcy restrictions order or to an undertaking. Guidance on the main statutory consequences flowing from a [bankruptcy restrictions order or undertaking](#).

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