

Bans for two directors who abused Bounce Back Loan scheme

Aamer Aslam, 39 from Huddersfield, and Razwan Ashraf, 31 from Keighley, were co-directors of Scholars Academy Ltd based in Brighouse, West Yorkshire. They have been disqualified for 11 and 10 years respectively.

Scholars was incorporated in December 2018 and purported to be a specialist tuition centre for children aged 5 to 17. Aamer Aslam applied for a Bounce Back Loan in May 2020 and provided an estimate of company turnover at £200,000.

Although it was permitted for a company to apply for a Bounce Back Loan (BBL) based on projected income in certain circumstances, the Insolvency Service investigation found that Scholars' bank statements showed maximum monthly income of just £640, suggesting that annual turnover was a maximum of £7,680. This meant the business would not have been eligible for a Bounce Back Loan, as it did not meet the £8,000 minimum annual turnover threshold.

Despite this, Scholars received a BBL of £50,000 in May 2020 and subsequently went into voluntary liquidation in January 2021. At the time of liquidation, the directors listed the company's liabilities to the bank as £7,000, but the bank later notified the liquidator that it was owed £50,000 by the company due to the BBL.

The Insolvency Service investigation found that as well as fraudulently inflating the company's turnover, Aslam and Ashraf used the BBL funds to make monthly payments to four individuals.

All four, one of whom was related to Ashraf, began receiving £2,000 per month following receipt of the BBL funds. Although Aslam and Ashraf claimed that these payments were genuine business expenses, there was no evidence to support this.

Separately, Razwan Ashraf was also sole director of another educational company, Progress First Ltd, which had been incorporated in January 2018.

Ashraf applied for a BBL in May 2020 and fraudulently declared in the application form that annual turnover in 2019 was £200,000, when Progress' bank statements showed that turnover was £38,973.

This resulted in Progress obtaining a BBL of £50,000 when it would only have been entitled to a BBL of £9,927.

As with Scholars, Ashraf claimed that the BBL funds were used to pay for company expenses. Regular payments were made to three individuals and no evidence has been produced to show that these payments were genuine business expenditure.

Ashraf has since repaid £35,000 to the liquidator to settle claims against

him for the Progress BBL funds, and a further £25,000 in settlement of claims against both directors in relation to the BBL taken out by Scholars.

The Secretary of State accepted disqualification undertakings from both directors, with Amer Aslam banned for 11 years, and Razwan Ashraf banned for 10 years.

The disqualification undertakings prevent both from directly, or indirectly, becoming involved in the promotion, formation, or management of a company, without the permission of the court.

Mike Smith, Chief Investigator for The Insolvency Service said:

Government loan schemes have provided a lifeline to millions of businesses across the UK – preserving their existence during the pandemic and protecting millions of jobs. As these cases show, The Insolvency Service will not hesitate to investigate and use its powers against those who appear to have abused the COVID-19 support schemes.

Notes to editors

Amer Aslam is of Huddersfield and his date of birth is November 1982. His disqualification began on 2 November 2021 and runs to 1 November 2032.

Razwan Ashraf is of Keighley and his date of birth is April 1990. His disqualification began on 1 November 2021 and runs to November 2031.

Scholars Academy Ltd company registration number: 11707497

Progress First Ltd company registration number: 11133063

All directors have a duty to ensure their companies maintain proper accounting records. The use of a Bounce Back Loan must be for the economic benefit the business and not for personal use. Failure to account for how a Bounce Back Loan was used, or using it for personal payments, can result in being disqualified as a director or the extension of bankruptcy restrictions.

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a [range of restrictions](#).

[Information about the work of the Insolvency Service, and how to complain about financial misconduct](#).

Contact Press Office

You can also follow the Insolvency Service on: