

East Midlands directors banned for Bounce Back Loan abuse

Muhammad Rais, 42, from Leicester, has been disqualified for 9 years for exaggerating the turnover of his takeaway business to claim £31,000 of Bounce Back Loans to which the company was not entitled.

And Lee Mankelow, 42, of Arnold, Nottinghamshire has been disqualified as a director for 6 years, after claiming £50,000 from the loan scheme to support his timber supply business through the pandemic, before paying it all to a former director of the company.

The two directors received the money as part of a government scheme to support businesses that were facing hardship during the Covid outbreak.

Companies were entitled to claim Bounce Back Loans of up to 25% of their 2019 turnover, to a maximum of £50,000, for the economic support of their business.

Lee Mankelow was the director of Wolf Timber Ltd, which traded as a builders/providers of timber products. The company, however, entered into liquidation in December 2020 before Wolf Timber Ltd's insolvency triggered an investigation by the Insolvency Service.

Investigators uncovered that Mankelow applied for a £50,000 Bounce Back Loan in June 2020, after the company had seen a rise in online business during Covid lockdowns.

Mankelow, however, transferred the full £50,000 the day after he received the loan to a former director of the company, breaching the terms of the loan which stated that the money must be used to support the business.

Investigators found no evidence to support Mankelow's claims that the money was used to pay the wages, bonuses, dividends and expenses of the former director who had stayed on as an employee of the company.

And Muhammad Rais was the sole director of Lokma BBQ Ltd in Leicester until the company went into liquidation in January 2022.

The company came to the attention of the Insolvency Service following its liquidation before investigators uncovered that Rais applied for a £50,000 Bounce Back Loan, stating that the takeaway's turnover the previous year had been £200,000.

However, Lokma BBQ's actual turnover for 2019 had been around £74,000, resulting in the company receiving £31,000 of government-backed loans which it wasn't entitled to.

Rais has agreed with the liquidator to re-pay £8,000 of the money owed through monthly installments.

The disqualifications prevent Mankelow and Rais from directly, or indirectly, becoming involved in the promotion, formation or management of a company, without the permission of the court.

Tom Phillips, Assistant Director of Investigation and Enforcement Services for the Insolvency Service, said:

“Bounce Back Loans were put in place to provide vital support to help viable businesses through the pandemic. Both Mankelow and Rais completely abused the government-backed loans to further their own interests, which was totally unacceptable.

“Mankelow and Rais’ bans should serve as a stark warning to other directors who may have misused financial support during the pandemic that we have the ability to bring your actions to account and remove you from the corporate arena.”

Notes to editors

Lee Mankelow is of Arnold, Nottinghamshire, and his date of birth is August 1980

Wolf Timber Ltd (Company number: 12174859)

Muhammad Rais is of Leicester and his date of birth is April 1980

Lokma BBQ Ltd (Company Reg no.11232141)

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership
- be a receiver of a company’s property

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 other restrictions](#).

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