

Press release: Birmingham supermarket bosses banned after dodging business rates

Pak Supermarket Washwood Heath Ltd, known as Pak Supermarket, was incorporated on 3 August 2010 and operated in Washwood Heath, Birmingham.

However, the company went into Creditor's Voluntary Liquidation in January 2015 with an estimated deficiency of more than £2.8 million.

Following the company's liquidation, an investigation by the Insolvency Service found that the company had provided misleading information to Birmingham City Council as to the identity and potential liability of the occupants of the supermarket between August 2010 and 13 October 2014.

Over the four years of trading, the company submitted to the council documents relating to eight third-party companies, suggesting these eight companies were, at separate times, the occupants responsible for business rates. As a result, this information hid the fact that the true occupant was Pak Supermarket and it was the supermarket that was liable to pay business rates.

Prepared accounts and bank analysis showed a turnover for the company in excess of £35million and the company only made a single payment of £5,000 towards a business rates bill of at least £680,000.

Investigators then spoke to Mohammed Younis as he was the sole appointed director of Pak Supermarket between August 2010 and January 2014.

However, he told investigators from the Insolvency Service that from November 2010 he took no part in the management of the company and left it under the control of Zahir Rasul, who was only formally appointed on 15 January 2014.

The Secretary of State for Business, Energy & Industrial Strategy has since accepted disqualification undertakings of eight years from Zahir Rasul and three years from Mohammed Younis, effective from 10 April and 3 May respectively.

This means that they cannot be directors of a company whether directly or indirectly, or be involved in the management of a company in any way for the duration of their disqualifications.

Martin Gitner, Deputy Head of Investigations at the Insolvency Service, said:

Directors have a duty to provide their local council with complete and accurate information with regard to the occupants of trading premises in order to ensure that liability is properly attributed.

Where information provided is found to be false and/or misleading, resulting in a loss of funds to the Council, directors can expect to be investigated by the Insolvency Service and enforcement action taken to remove them from the market place.

Notes to editors

Mr Younis was born in April 1971 and he resides in Bradford. He was appointed director on 3 August 2010 and resigned on 15 January 2014

Mr Rasul's date of birth is December 1979 and he resides in Birmingham. He was appointed director on 15 January 2014.

Pak Supermarket Washwood Heath Ltd (CRO No. 07333282) was incorporated on 3 August 2010 and latterly traded from Washwood Heath Road, Washwood Heath, Birmingham B8 2XJ as a supermarket

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](#).

The Insolvency Service administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

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

Contact Press Office

Media enquiries for this press release – 020 7637 6498

Press Office

The Insolvency Service

4 Abbey Orchard Street
London
SW1P 2HT

Email

press.office@insolvency.gsi.gov.uk

Media Manager
020 7596 6187

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