

Regulator removes trustees and charity is wound up after trustee attempted to avoid business rates

The regulator found serious misconduct and/or mismanagement in the administration of the charity due to poor financial management and governance.

The Commission's inquiry found that the charity had made payments totalling £129,800 to Dasim Partners, a property development company of which two trustees, Sidney and David Chontow, were partners.

The charity's objects included the relief of poverty, assistance of the elderly, the advancement of education and the advancement of religion.

In 2013, Achiezer was included in a class inquiry conducted into charities which have defaulted on their statutory filing obligations with the Commission on two or more occasions in the last five years. During this class inquiry, concerns were identified about Achiezer's governance and financial management. The Commission opened a statutory inquiry into the charity in June 2015.

The inquiry concluded that the trustees had not managed the conflicts of interest, as there were no independent trustees, and the basis of these payments was unclear.

The regulator also concluded that one of the trustees, Sidney Chontow, had obtained personal benefit. Potential Investment Portfolio, of which Sidney Chontow was a partner, attempted to avoid paying £59,000 of business rates to Bury Metropolitan Borough Council, by letting out property to the charity. Potential Investment Portfolio would be liable for business rates on an empty property, whereas property used for charitable purposes is exempt. The charity became liable for the business rates when it was found that the property was not used solely for charitable purposes and therefore was not entitled to an exemption.

The inquiry also found that the trustees failed to properly manage the charity's funds and did not distinguish between the charity and other entities with which they were connected. The trustees did not effectively manage conflicts of interest, allowing numerous complex transactions to be made to related organisations and their personal companies.

The Commission concluded that the trustees' actions constituted serious mismanagement and/or misconduct. Sidney and David Chontow were removed as trustees in August 2020, and thus disqualified from acting as a charity trustee. Interim managers were appointed to the charity in October 2018 to take over the operational management, governance and administration of the charity, and secure the charity's property and assets.

Sidney Chontow paid the outstanding business rates to Bury Council and the charity's remaining funds, amounting to over £400,000, were distributed to charities with similar charitable aims. The charity was wound up and removed from the Commission's register of charities on 7 April 2022.

Amy Spiller, Head of Investigations at the Charity Commission said:

Trustees should manage their charities effectively and responsibly, including ensuring financial decisions are taken in the best interests of the charity.

The Chontows abused their position as trustees, to derive personal gain for themselves and their businesses to the detriment of the charity. It is right that they were removed as trustees, and that this charity has ceased to operate.

ENDS

Notes to Editors

1. The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.
2. The Commission opened the inquiry on 23 June 2015, following a class inquiry opened on 11 November 2013.
3. View the full [inquiry report](#).
4. The class inquiry into the other charity which had the same trustees, Achiezer Association Ltd, is ongoing.