

**From:** [Andy Doves](#)  
**To:** ["Darren Mclean"](#)  
**Cc:** ["Barbara Mandile"](#); ["Kaye Glover"](#); ["Chris mathew"](#); ["Fiona Day"](#); ["jock.alexander@gmail.com"](mailto:jock.alexander@gmail.com); [Comber Margaret](#)  
**Bcc:** [REDACTED]  
**Subject:** RE: Annual Financial Statements for the Year Ended 31 March 2022; and, Proposed Annual Budgets for the Year Ending 31 March 2023  
**Date:** Tuesday, 7 June 2022 13:31:00

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Darren

Unfortunately my deadline was the end of last week, not this week, so I need to work to that.

Besides, I am sure Value's reply will be another lot of fantastical excuses - along the lines of the 3 different excuses he used to 3 different owners regarding the "GST" on the water consumption.

There can be no excuse or legitimate reason for the financials he has produced or for those who approved them.

What I and other Owners cannot understand is why Value's agreement has not been terminated for cause - given the inefficiencies, the inaccuracies, the missed deadlines, the code of conduct breaches, the missed & excluded resolutions/motions for committee & general meetings, the missed VOCMs, the excluded correspondence (including an email & letter from the BCCM), the two missed audits, his failure to supply requested BC records to several Owners, and the error-ridden financials, budgets and levy calculations.

You will recall that his first very interaction as your "advisor" at the 30/9/21 EGM was to give you incorrect advice regarding voting eligibility.....and it hasn't stopped since.

But if the Committee believe that he has complied with the following regulations [BCCM Act 1997 - S118 and, Schedule 2, Code of Conduct; and, BCCM (Accommodation Module) Regulation 2020 - S68 & S142], then that is your liability. And of course you will have no hesitation in confirming an Owner's motion to that effect at your next committee meeting? I again remind you of the standard clause in all insurance policies that obligates the committee to comply with all laws, regulations, etc., in order to maintain policy covers.

Meanwhile please use this link to access the public information: [Riverstone Crossing - Riverstone \[2022\] QBCCMCMr 182 \(13 May 2022\) \(austlii.edu.au\)](#)

I would pay particular attention to [16] d, k, l, o, w, and x.

The link might yet again prompt you to personally verify with the bank, the Quays balances in its bank accounts operated by Value Strata.

One can only guess the additional errors to be found in the financials on closer scrutiny of the journals and ledgers.

Andy Doves

Bcc'd to others for record purposes

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**From:** Darren Mclean <darren.mclean@pico.com>  
**Sent:** Monday, 6 June 2022 19:45  
**To:** dovesadd@bigpond.com  
**Cc:** QUAYS <QUAYS@valustrata.com.au>; Barbara Mandile <barbkeen@yahoo.com>; Kaye

Glover <kaye.glover@bigpond.com>; Chris mathew <buildspec1@bigpond.com>; Fiona Day <fionad@financialadvicematters.com.au>; jock.alexander@gmail.com

**Subject:** FW: Annual Financial Statements for the Year Ended 31 March 2022; and, Proposed Annual Budgets for the Year Ending 31 March 2023

Andy,

Your queries below have been forward to Mike on 1/6 for response. I will ensure you get his reply this week.

Darren

On 31 May 2022, at 4:57 pm, Andy Doves <[dovesadd@bigpond.com](mailto:dovesadd@bigpond.com)> wrote:

#### **TO: THE TREASURER and THE QUAYS COMMITTEE**

The financial and budget pages of the AGM Papers distributed by Value Strata to Owners on 26/5/22 contain a number of errors. The majority of these errors are serious and material and any one of them alone is sufficient to invalidate the integrity of the 2022 Balance Sheet & AF Inc & Exp Summary, and the 2023 AF Budget and the proposed levies.

I can only hope that the following questions will initiate the scrutiny of the financials that should have been done prior to their distribution to Owners. To think that some owners may have voted already or are voting currently on erroneous financial information is a serious failure of duty and compliance by the committee members.

The following queries should give you an indication of the major errors in the financial papers.

**1.** Why has one particular AF balance item, which should have the same \$ value in all three of the following - 2022 Balance Sheet, the 2022 AF Inc & Exp Summary and the 2023 AF Budget Summary - been given three different & diverse \$ values.

The values for this AF balance are recorded as (\$13,703.87), \$309,295.80 & (\$13,766.87) respectively? (The impact is material).#

**2.** Why is the surplus from the AF Inc & Exp Statement not accounted for in any one of the above mentioned balances? (The impact is material).

**3.** Why have two fixed and regular expense items in the 2022 AF Inc & Exp Statement been obviously understated? (Caretaking & Pest Control) (The impact is about \$60k).

**4.** Apart from the knock-on effect from 1 & 2 above, why do the Levy calculations contain a serious error in their own right? (Discount) The impact is about \$95k).

**5.** Why have the accounts for the YE 31 March 2022 not been audited? An audit of the YE 31/3/22 financials was resolved in Motion 3 of the AGM held on 24 August 2021? (The impact is as material as the errors made due to the failure to audit).

#### **# Notes to Item 1:**

**a)** the inconsistencies here affect the Balance Sheet, the Inc & Exp Statement and the Levy Calculations. By what amount is dependent on the cause or source of the error(s);

**b)** I cannot understand how the Inc & Exp balance has been under-stated in one instance and over-stated in another;

**c)** balance items such I describe are automatically carried forward by accounting software so it is peculiar to say the least that this AF balance it not consistent across the accounts. By contrast the equivalent SF balance item shows one consistent balance (\$600,632.72) recorded correctly across the accounts, which makes the

inconsistencies with the AF balance item even more puzzling;

**d)** it would appear that the accounting software has been over-ridden. This to my mind is the only explanation as to how you could have three inconsistent values for the same balance item.

#### **Summary**

**The Annual Financial Statements for the Year Ended 31 March 2022 and the Proposed Annual Budgets (including levy calculations) for the Year Ending 31 March 2023 contain numerous errors and as a result the true financial position of the body corporate is not shown nor can it be confirmed.**

#### **Other**

Interestingly, an auditor would have noticed all these anomalies and had them corrected. However, there was no audit, for whatever reason, and it appears that the committee does not have the expertise to find, let alone correct these errors. I would suggest that you have the accounts examined by a forensic accountant and then have the audit that the Owners voted for.

BTW - as there was no audit, has anyone verified that the bank balances in the YE Financials, and the software system's current bank balances, are correct as per the bank statements? If not, I would suggest you do so urgently.

Meanwhile the implications of my summary statement on certain motions at the proposed AGM are obvious and, when and to whom I otherwise report full details of the erroneous financials is dependent on your response this working week.

Andy Doves

Owner Lot 3006

Bcc'd to others for record purposes

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