FINANCIALS COMMENTARY – POST QUAYS AGM 28 JUNE 2023

You may recall that at the 2022 AGM Owners were led to believe that financials for YE 31/3/22 were true and correct, met accounting standards and were compliant with the regulations. This was however an illusion that unfortunately saw 39 Owners voting "Yes" to the following motion. (One assumes, rightly or wrongly, that the 39 included the 7 Owners on the committee.) Motion 2 stated:
"THAT the Financial Statements for the year ending the 31 March 2022 as presented be adopted and confirmed."
Note: the wording of the motion correctly defines a specific period as in "year ending 31 March 2022".

2023 FINANCIALS
Part 1 – The Motion
By contrast at the 2023 AGM Motion 2 stated:
"That the audited financial statements prepared to 31 March 2023 by Stansure Strata be adopted by the meeting."
Note: the use of the wording "***prepared to 31 March 2023***" which does not define the period of the financial statements. Wording should be specific to a period such as "***for the year ending***" or "**for the period 1/4/2022 to 31/3/2023**". The period of the "prepared" financials is undefined rendering the motion a nonsense – especially when neither of the two sets of financials received by Owners align with the motion wording. Unfortunately. we saw 22 Owners voting "Yes" to the above motion. (One assumes, rightly or wrongly, that the 22 included the 7 Owners on the committee.)

Part 2 – The Statements of Account
The Owners AGM package included two sets of financials:
Set 1. Clearly named "***For the period 1 April 2022 to 5 December 2022***"'
Set 2. Clearly named "***For the Financial Period 05/12/2022 to 31/03/2023***".
Note: that the words "**For the year ending 31 March 2023**" or the words "**For the Period 1/4/2022 to 31/3/2023**" do not appear on either of the two sets of financials received by us in the AGM packages.

So, what is the explanation for the strange motion and the oddly labelled financial statements?
My email to Stansure on the morning of 22 June 2023 asks:
"Big picture – why not correct the labelling error, if that's what it is, and let everybody know."
I did not receive an answer.

Well, it turns out there is a very simple explanation as the auditor explains in her email to me of 10 July 2023. She confirms as follows:
"The audit for the scheme was conducted for the full year to 31 March 2023, this included a review of the data between 1 April 22 and 5 December 22 and the integration of the data from Value Strata to Stansure.
Auditors understanding is that the narration on the financial statements that state for the period 5.12.22 to 31.3.23 is a Stansure system issue but the financial data relates to the full reporting period 1 April 22 to 31 March 23. This is confirmed as the opening reserve balance on the balance sheet reconciles to your end of year reserve balances for last year." **See Doc-Ref 500Y2**

So – were the committee and Stansure aware of this logical explanation but for unknown reasons did not want to explain it to Owners, even when specifically asked for an explanation? Or – did they not have a clue about what they presented to Owners or why it was incorrect?

Maybe it's third time lucky and we will receive proper financials & related motion for the YE 31/3/2024.

Andy Doves - 14 July 2023