

From: [Andy Doves](#)
To: ["Lorraine Newlyn"](#)
Cc: ["Kaye Glover"](#); ["Jeff Revell"](#); ["Lane, Marianne"](#); ["Mandile, Barbara"](#); ["McKnight, Ron"](#); ["South Coast"](#)
Subject: RE: QUAYS FINANCIALS
Date: Wednesday, 1 May 2024 17:43:00

Dear Ms Newlyn

I thank you for your email – it is much appreciated as it is the first piece of correspondence I have received from the Treasurer or indeed the first I have heard from anyone on the committee regarding any of my questions on our financials.

The first paragraph of my earlier email below, which you seem upset about, deals exclusively with the financials for the year ended **31 March 2022**. In relation to that financial year, it is absolutely correct to say "that false figures are represented in the accounting of the financials for The Quays". Or do you in fact believe that those financials voted on the AGM in 2022 were true and correct? I hope that you, as a highly qualified person in Accounting and Financial Management, did not vote for them as they were proven, by the issue of revised, audited financial statements in November 2022, to be a gross misrepresentation of the Quays financial position at that time.

As you know, being the Treasurer, the financials for the year ended 31/3/2024 have not been distributed to us ordinary owners in any way, shape or form, and so I have not made any comment on them.

BTW - can you tell me why you, as a highly qualified person in Accounting and Financial Management and as our Treasurer, have by your silence, endorsed the following aspects of Stansure's financial management?

1. Refusing to use YE AF & SF fund balances as the starting point to calculate levies. (You must know that b/f balances cannot be ignored).
2. Convincing the committee to raise a special AF levy when it was: a) not needed; and, b) for a ridiculously small amount which would, in any case, be corrected automatically in the next budget.
3. Not understanding cash flow and not being able to distinguish between account balances and cash flow balances/funding.
4. Giving incorrect base starting figures to QIA for our Sinking Fund on two occasions; viz., in Aug/23 - \$1,201,387 & in Nov/23 - \$860,492.

I am simply saying to you and the committee to check everything that Stansure produces very, very carefully before sending the AGM papers to Owners so as to avoid a repeat of past mistakes. Also I said, "I implore the committee to seek independent financial advice on the 23/24 financial statements^^, the budgets and levy calculations" so as to "not expose yourselves to personal liability by engaging in negligent conduct by ignoring warnings that things are not be as they should". Clearly this is requesting future action and giving advice on possible future events. Noted that yesterday was in fact 30 April.

Regards
 Andy Doves
 Owner Lot 3006

From: Lorraine Newlyn <lnewlyn@bigpond.com>
Sent: Wednesday, May 1, 2024 2:39 PM
To: Andy Doves <dovesadd@bigpond.com>
Cc: Kaye Glover <kaye.glover@bigpond.com>; Jeff Revell <jkrevell@bigpond.com>; Lane, Marianne <mariannelane@bigpond.com>; Mandile, Barbara <johnandbarb125@gmail.com>; McKnight, Ron <ron@mcknight.com.au>; South Coast <southcoast@stansurestrata.com.au>

Subject: Re: QUAYS FINANCIALS

Mr Doves,

I am writing as Treasurer of The Quays Body Corporate Committee, to whom you addressed an email on this date.

I do not thank you for this email, because as I read it, it is very accusatory that false figures are represented in the accounting of the financials for The Quays.

To be very clear, the accusations in this email and at the Budget Meeting held on the evening of the 30 March, are unfounded. There is absolute evidence from our qualified and approved auditor that everything is as it should be - a complete audit confirmed by email sent on 29 April 24 to the Body Corporate Manager. The Body Corporate Manager verbalised the receipt of the audit of the financials to the meeting on 30 March. It was announced that the report from the Auditor will be available to the Lot Owners for the upcoming Annual General Meeting (AGM) on 11 June 24. Further, to add the following statement in your email, is libellous - that the Committee of volunteers, led by qualified accountants are persons of "negligent conduct", and "not financially aware or experienced and led by a BCM ignorant of accounting basics", is slanderous - be careful. To suggest that the committee was not "financially aware or experienced" is further unacceptable - I can speak for myself; I have extremely high qualifications in Accounting and Financial Management - you don't know what qualifications and experience each of the Committee Members may have.

To add, your behaviour at the recent Budget Meeting again, was unacceptable. It has been discussed by Committee Members that future meetings will be totally run according to the guidelines set out in the By-Laws, thus avoiding accusations and allegations derived from the floor. The following extract from the legislation will apply:

Attendance by owners and their representatives

Non-members can attend committee meetings in person.

A representative of an owner will be able to attend committee meetings in place of an owner.

An owner or their representative will need to give the secretary written notice about attending a committee meeting at least 24 hours before the meeting.

The notice needs to include:

- *their residential or business address*
- *the name of the lot owner they are representing*
- *evidence the owner has asked them to represent them at the meeting, unless their name is already on the body corporate roll*
- *whether they are*
 - *a member of the owner's family*
 - *acting under the power of attorney of the owner*
 - *director, secretary or other nominee of a company that owns the lot.*

Non-members and their representatives can be asked to leave for certain agenda items (e.g. a discussion or vote on a by-law contravention by that owner), if decided by the committee.

Other persons can be invited to attend a committee meeting by the committee.

A non-member may only observe the meeting and may only speak if invited to. They can be directed to leave if they do not comply.

Regards,
Lorraine Newlyn
Treasurer
The Quays Body Corporate Committee

On 1 May 2024, at 10:59 am, Andy Doves <dovesadd@bigpond.com> wrote:

TO THE QUAYS COMMITTEE

The last time we had a committee that was not financially aware or experienced and led by a BCM ignorant of accounting basics, it ended in disaster and the remedy was expensive.

You will recall that for the FYE 31/3/2022 Owners were presented with inaccurate, false, and misleading financial statements. Despite my writing to the committee (and Owners) detailing every single one of the 20 odd errors, the committee and the BCM at the time (Value Strata), went ahead and asked Owners to vote for approval of these false financials, with the BCM stating verbally at the AGM that all figures were true and accurate. Regretfully and unfortunately at that AGM in June 2022, a majority of Owners, in a mix of apathy and ignorance, voted for these misrepresented financials.

After the AGM I sought opinions on those financials from 3 Public Accountants and 3 Chartered Accountants/Auditors and their reports/comments were presented to the committee and Owners. As a result, the financials for the FYE 31/3/2022 were re-examined in full, with the help of the Quays auditors, Dickfoss Dunn Adam, and they were reconstructed and reissued to Owners in November 2022, with all the necessary changes as were initially indicated in my correspondence with the committee. The exposure and cost of this audit, revision & reissue was substantial and there was also the additional cost of writing-off a significant shortfall in funds that was discovered - I recall it was \$11,791 "hidden" in the 22/23 AF Fund Expenses as "Prior Managers Adjustment".

Deja-vu – right now, we find ourselves in the same position.

We have owners on the committee who, despite their lack of experience and/or knowledge, have been coerced onto the committee (or may have even volunteered out of sense of duty) by those with vested interests.

And, Stansure have demonstrated a complete lack of understanding of accounting principles and norms as they relate to body corporate management. For example:

1. Not using YE AF & SF fund balances as the starting point to calculate levies.[#]
2. Convincing the committee to raise a special AF levy when it was: a) not needed; and, b) for a ridiculously small amount which would, in any case, be corrected automatically in the next budget.

3. Not understanding cash flow and not being able to distinguish between account balances and cash flow balances/funding.

I hope not to be wasting my time and energy doing the same work this year as in 2022. Therefore I implore the committee to seek independent financial advice on the 23/24 financial statements[^], the budgets and levy calculations before it is too late. Please do not expose yourselves to personal liability by engaging in negligent conduct by ignoring warnings that things are not be as they should.

I met with Tania in her offices on 1 November 2023 and gave her several hard copy examples of how levies were calculated correctly from a number of years of actual body corporate AGM papers; as well as a calculation spreadsheet. Unfortunately, all to no avail.

[^] The standard YE audit of our financial statements is a basic audit which verifies figures to the General Ledger etc. It does not look for discrepancies in allocations, budget v. actual, accruals, etc or have knowledge of the "business" as a committee should.

Regards
Andy Doves
Owner Lot 3006

Kind Regards,

Lorraine Newlyn
lsnewlyn@bigpond.com