

Karen Barnes

From: Graham Donnelly <graham@goldrockaccounting.com.au>
Sent: Tuesday, 22 March 2022 3:55 PM
To: Karen Barnes
Subject: Re: 2017 Yr Info Also Needed RE: Update - Sloggett Family Superannuation Fund

Hi Karen

Please see below

If you have any queries please do not hesitate to call or email.

Kind Regards
Graham Donnelly **BCom, MIPA**
Strategist



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From: Karen Barnes <support@greenfrogsuper.com.au>
Date: Monday, 21 February 2022 at 9:39 am
To: Graham Donnelly <graham@goldrockaccounting.com.au>

Subject: RE: 2017 Yr Info Also Needed RE: Update - Sloggett Family Superannuation Fund

Thanks Graham

The information about the CommInsure premiums has highlighted a potential compliance breach that is occurring each year which they don't appear to know about. In order for the fund to pay for insurance the policy must be held in the name of the fund. Their policies are not held by the fund and instead are held by CommInsure's Total Care Plan Super. That is essentially a separate superannuation fund whose sole purpose is to provide insurance benefits. The payment of the premiums from the fund is either a rollover from one fund to another or a withdrawal of member benefits from the fund and a contribution to the other fund. The CommInsure statements reflect the latter which is how they must be treated in the absence of rollover statements. This error can often be corrected when it's only the prior year that is involved but this is happening across multiple years. This needs to stop immediately paying those insurance premiums from the super fund's money.

THE CLIENT WAS ADVISED BY THEIR PREVIOUS ACCOUNTANT THAT THIS WAS FULLY COMPLIANT!

IT WILL NEED TO BE TREATED AS A WITHDRAWAL

It's too early to make a recommendation about how to deal with the problem in the 2017 – 2021 years as I still haven't seen anything in relation to the Second to None loan or cryptocurrencies to know if there are other issues to be dealt with.

SECOND TO NONE NUTRITION PTY LTD WAS A COMPANY THAT MICHAEL SLOGGETT WAS A DIRECTOR OF BUT NOT A SHAREHOLDER.

THE FUNDS WERE INTENDED TO BE RETURNED VERY QUICKLY HOWEVER THE COMPANY EXPERIENCED FINANCIAL DIFFICULTY AND WAS EVENTUALLY LIQUIDATED

These other items are still needed before we can commence the 2017 year:

- **Details of this deposit.**

DEPOSIT		DATE
24 Feb	Direct Credit 301500 SECOND TO NONE N super june 16	1,288.09

LOOKS LIKE SUPER EMPLOYER CONTRIBUTIONS FOR MICHAEL

- **Accounting invoice for the amounts paid during the 2017 year (expected figure is \$3,438.18). These may have been paid personally. If so, we'll need the date paid.**

NOT AVAILABLE

- **Loan agreement re Second to None Nutrition Pty Ltd**

NOT AVAILABLE

- **Details about the relationship of this company to the members of the fund.**

AS ABOVE

- **Details about what happened to that loan. If written off, legal action taken, correspondence, etc.**

COMPANY IN LIQUIDATION – FUNDS LOST

- **Purchase details of the cryptocurrency on hand as at 30 June 2016**

IT WAS AN INVESTMENT IN “BITCLUB” WHICH PROVED TO BE A PONZI SCHEME

<https://www.justice.gov/usao-nj/bitclub#:~:text=From%20April%202014%20through%20December,new%20investors%20into%20the%20scheme.>

- **Annual confirmation of any cryptocurrency trading and holding summaries at year end – from FY ended 30.6.17 on. If held via a platform please provide their annual holding summary which confirms the currencies held, the number held and their market value. If held in cold storage then relevant details, screenshots, etc will be needed.**

NOTHING AVAILABLE

If Second to None is a related party there are likely compliance breaches to be advised to the ATO. From what the prior accountant said I imagine they are expecting this but wanted to draw it to your attention now as well.

UNDERSTOOD

Kind regards

Karen Barnes, MBA, SSA

Chartered Accountant

SMSF Specialist Advisor™