



Case Study

How we helped a client claim back more than \$10,000 in tax credits.

Typically, when you injure your back or feel unwell you visit a specialist – maybe a Physio or a Doctor. Someone that you trust specialises in that field and has the skills, knowledge and expertise to provide you with the advice you need. It should be no different when you have an SMSF – for most, this is the second largest asset after the family home.

Not every accountant is a Self-Managed Super Fund specialist as this is a highly specialised field. As Self-Managed Super Fund specialists, we have seen many cases where clients come to us who are dissatisfied with their accountant.

Below is just one example of where we have helped a client claim back missing tax credits and helped restore their faith in the Financial Services sector.

Mr and Mrs Jones, are a lovely, down-to-earth couple in their early 70s who have been working really hard to build up their nest egg. They are now retired and enjoy travelling, and spending time on the beach with their grandchildren. Like most people, Mr and Mrs Jones have been with their personal accountant for a number of years. The accountant handles their company, super fund and personal tax affairs. Mr Jones enters everything into MYOB and provides copies of all information to his accountant.

Unfortunately, in recent years, the service Mr Jones received started to deteriorate. The accountant lost their files, delayed lodging their tax returns, made them feel they were less important than new business and more importantly, couldn't keep up with the constant changes in super. Mr Jones lost all trust in his accountant and upon a recommendation from his financial adviser, appointed SuperGuardian as the new administrator of their SMSF.

During the transition of Jones Family Super Fund, we conducted a health check. During this process we noted the fund's balance wasn't correct in the 2015/16 Financial Statements which was due to an error made in 2014/15 by the accountant. The balance was understated by \$700,000. This was a concern so we started to investigate how this could have happened. We later found the fund had two investment portfolio accounts, and only one account was recorded.

Apart from the missing portfolio account, we also found that the fund had a large sum of carried forward capital losses from prior years, which could be utilised to offset capital gains in 2015/16. Unfortunately this was also overlooked by the personal accountant and as a result, the client unnecessarily paid \$6,147 tax to the ATO.

We discussed these findings with the client and explained the tax implication of the inaccurate financial information and tax return. The client was quite upset and engaged us to amend the 2015/16 financial statements and tax return to reflect the correct financial position.

To amend the 2015/16 accounts, we collected over ten years' worth of investment records to reconcile the investment cost base and to ensure we had accurate information to support our work.

As a result, we amended the 2015/16 financial statement to reflect the correct investment holdings, member balances, and overpaid tax. The client ended up with a \$10,428 refund which was a great Christmas present.

Not only did Mr and Mrs Jones have extra money to spend on their grandchildren but they now have peace of mind around their SMSF. They no longer need to provide a shoebox of documentation at the end of every year and they now have daily online access to see how the SMSF is tracking. This allows them and their financial adviser to make informed decisions for their financial future.

Because of the service we deliver, clients are often surprised that we can provide the service we do, for the fees we charge. The innovative technology used enables us to be more efficient which saves our clients' money on accounting fees.

At SuperGuardian we are proud to be SMSF experts who provide clients with a high level of personalised service. 📄

If you would like to find out more about what services we can provide,
please get in touch with us on 1300 787 576.

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