

## FINANCIAL REQUIREMENTS

You must provide evidence certified by an accountant holding a public practising certificate or a Registered Tax Agent, that you have “Net Tangible Assets” of \$50,000 as determined by the Director of Building Control.

PLEASE NOTE the original of the accountant’s statement is required. Facsimiles or photocopies will not be accepted.

### ***What Are Net Tangible Assets?***

Net tangible assets are defined in accordance with recognised Australian Accounting Standards. They are to be calculated by using the following formula:

Net Tangible Assets = Assets – Liabilities – Intangible Assets

The overriding principle is that only assets that are held in the name of the building practitioner or the employer and are convertible into cash in the short term can be included. Assets that are secured against the liability of a third party cannot be included. The following are considered to be Tangible Assets:

- Property;
- Cash and money held in bank accounts;
- A Bank Guarantee in favour of the building practitioner;
- Trade Receivables (if collectable);
- Inventory (work in progress, raw materials and finished stock);
- Shares in Listed Companies;
- Boats (50% of value);
- Plant & Equipment;
- Tools of Trade (to a maximum of \$10,000);
- Motor vehicles (50% of value).

For joint assets, only the building practitioner’s share can be counted. For example, if a property is jointly owned by the building practitioner and their spouse, then 50% of the value of the property and 50% of any mortgage on the property are to be used in the calculation.

Building practitioners are permitted to value other assets that are counted as Net Tangible Assets provided those values can be substantiated to the satisfaction of the Registered Accountant certifying the Net Asset value. An accountant may request a valuation by an accredited, registered, or recognised valuer if not satisfied with the building practitioner’s valuation.

## ***What Are Intangible Assets?***

The following are all intangible assets for the purpose of calculating Net Tangible Assets:

- Goodwill;
- Rights of indemnity;
- Intellectual property, such as trade marks and patents;
- Formation expenses;
- Borrowing expenses;
- Shares in Unlisted Companies;
- Inter-company, or shareholder loans;
- Trust assets.

Liabilities include any debts, or obligations that must be paid, or settled within a certain period of time, or are payable on demand.

## ***Who Is the Holder of a Public Practising Certificate?***

For the purpose of completing the Net tangible Asset certification, a public practising accountant is:

- A holder of a Public Practising Certificate from CPA Australia;
- A holder of a Public Practising Certificate from The Institute of Chartered Accountants in Australia;
- A holder of a Public Practising Certificate from the Institute of Public Accountants; or
- A holder of a Public Practising Certificate from The Association of Taxation and Management Accountants

The certificate may also be completed by a Registered Tax Agent.

## ***Age of Financial Data***

The financial data reviewed by the accountant or tax agent and used to calculate Net Tangible Assets must not be more than twelve months old.

# Certification of Net Tangible Assets by a Public Practising Accountant or Tax Agent

This form may be found in document **GF073** under  
'Application Forms and Guides' on the Building Practitioner Accreditation (BPA) webpage  
[www.wst.tas.gov.au/bpa](http://www.wst.tas.gov.au/bpa)

Full Name of  
Builder

I

(name of accountant)

being the holder of a public practising certificate or a Registered Tax Agent

(practising certificate or registration)

state that I have reviewed the financial information dated:

of

(name of builder or builder's employer)

The builder, or the builder's employer, is responsible for the financial information.

Based on our review of the unaudited/audited financial information, in my opinion the Net Tangible Assets, calculated in accordance with the requirements of the Scheme for the Accreditation of Building Practitioners, of the builder/builder's employer as at the above date was at least \$50,000.

Signed at ..... this ..... day of ..... 20 .....

.....  
(signature)

## Employer Declaration (only required when the builder is an employee)

I

(name and position of person signing on behalf of the employer)

declare that the above named builder is employed by

(name of employer)

Signed at ..... this ..... day of ..... 20 .....

.....  
(signature)

To be returned to: Building Practitioner Accreditation  
Workplace Standards Tasmania  
PO Box 56  
ROSNY PARK TAS 7018