

FINANCIAL REQUIREMENTS

You must provide evidence certified by a registered accountant 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 applicant 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 applicant;
- 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 applicant’s share can be counted. For example, if a property is jointly owned by the applicant 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.

Applicants 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. The Registered Accountant may request a valuation by an accredited, registered, or recognised valuer if not satisfied with the applicant’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 A Registered Accountant?

For the purpose of completing the Net tangible Asset certification, a registered 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 National Institute of Accountants;
- A holder of a Public Practising Certificate from The Association of Taxation and Management Accountants; or
- A registered Tax Agent.

Age of Financial Data

The financial data reviewed by the registered accountant and used to calculate Net tangible Assets must not be more than twelve months old.

Net Tangible Assets Statement



Full Name of Applicant

I,

(name of accountant)

being a registered accountant by virtue of

(qualification)

state that I have reviewed the financial information dated:

of

(name of applicant, or applicant's employer)

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

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

Signed at this day of 20

.....
(signature)

Employer Declaration

I,

(name & position of signatory)

declare that the applicant is employed by

(name of employer)

Signed at this day of 20

.....
(signature)