

NORTHERN TERRITORY OF AUSTRALIA

BUILDING PRACTITIONERS BOARD

Net assets certificate

If you are applying for registration as a building contractor, you must provide an **original** net assets certificate from your accountant showing you have net assets of at least \$50,000.

Building contractors must maintain at least that amount during the entire period of registration. The Building Practitioners Board can at any time require a registered building contractor to produce evidence of compliance with this requirement, in accordance with section 25B of the *Building Act 1993*.

This applies to both individuals and companies.

The net assets certificate must be prepared and certified by an accountant* in accordance with Australian Accounting Standards. **The financial information used must be less than 12 months old from the date of the certificate.**

Tangible assets are things such as property and cash. Intangible assets are things such as copyrights and customer loyalty which are not used in the calculation of net assets.

A template of a net assets certificate is attached.

A building contractor cannot rely on the assets of another person for the calculation of net assets. For example, if the builder owns property jointly with another person, only the builder's share may be included.

If a building contractor applying for registration or renewal is a corporation, the corporation must hold the net assets and cannot rely on the assets of another person (including the director of the registered corporation).

If the builder applying for registration or renewal is a director or nominee of a registered corporation, the builder may rely on the net assets of the corporation, but only if the builder's registration is solely for the builder to carry out building work for the registered corporation. There must also be a written agreement to that effect between the registered corporation and the individual builder applying for registration or renewal.

*For the purposes of the *Building Regulations 1993*, an accountant is:

- A member of the Institute of Chartered Accountants in Australia who holds a current certificate of public practice issued by the institute;
- A member of the CPA Australia who holds a current public practice certificate in accordance with the by-laws of CPA Australia;
- A person who holds a current public practising certificate issued by the Association of Taxation and Management Accountants;
- A registered tax agent;
- A person registered as an auditor under the *Corporations Act 2001*;
- A member of the Institute of Public Accountants who holds a current certificate of professional practice issued by the institute.

Net Asset Certificate

Certification of Net Tangible Assets by a registered accountant

TO: The Chairman
NT Building Practitioners Board
GPO Box 9800
DARWIN NT 0801

Applicant name: _____

I, (accountant name): _____

Of (business name): _____

Business address: _____

Being an accountant by virtue of being (tick which applies):

- A member of the Institute of Chartered Accountants in Australia, who holds a current certificate of public practice issued by the Institute.
- A member of the CPA Australia who holds a current public practice certificate in accordance with the by-laws of CPA Australia.
- A person who holds a current public practising certificate issued by the Association of Taxation and Management Accountants.
- A registered tax agent.
- A person registered as an auditor under the *Corporations Act 2001*.
- A member of the Institute of Public Accountants who holds a current certificate of professional practice issued by the Institute.

state that I have reviewed the financial information dated (insert date): _____
and, taking into account the matters mentioned in Regulation 39B(3) to (5), based on my
review of the financial information of the applicant, declare that, in my opinion, the net assets
of the applicant as at the date of financial information and in accordance with Australian
Accounting Standards, are above \$50,000.

this declaration is made at (location): _____ On (date): _____

Accountant's signature: _____