

Fitness Australia Annual Report 2016-17



Fitness Australia®
THE HEALTH & FITNESS INDUSTRY ASSOCIATION

Our vision

Our vision is for more Australians to adopt a healthy, active lifestyle supported by our members

Our values

PROUD
CREDIBLE
REAL

Who we are

Fitness Australia is the peak health and fitness industry association providing a range of support services and solutions to almost 28,000 AusREPs, fitness businesses and suppliers Australia-wide.

Our purpose is to empower the industry to engage more Australians in quality health and fitness services.

Our People

Fitness Australia Board of Directors:

David Allan (Chairman)
Michael Jordan
Kristen Green
Andrew Simmons
Justin McDonell
Elizma Bolt
Chris Hicks
Julie Garland-McLellan
Rod Harvey

WE ARE:



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Chairman & CEO Report

Chairman's report



David Allan
Chairman

The past 12 months for Fitness Australia has seen the solidifying of changes in leadership as well as the development of our new strategic plan. This followed a significant engagement of all key stakeholders by the Fitness Australia board through a series of listening tours and engagement opportunities. The outcomes clearly defined the purpose of the association to 'empower the industry to engage more Australians in quality health and fitness services.'

The successful delivery of the strategic plan will assist our members and exercise professionals to more effectively meet the growing needs of the health and fitness consumer. Success will encourage more Australians to directly engage with the industry providing an even greater impact on the health and fitness of the nation.

We continue to receive strong feedback around the value proposition for our Business Members and Registered Exercise Professionals that assists in constantly evaluating and evolving our offerings. We hear your voice to

create an expanded, more professional industry with a wider range of services offered, thereby actively growing the penetration of health and fitness services to the broader Australian public. Fitness Australia as the peak industry body is able and ready to take the lead in this endeavour.

The last twelve months has seen continued growth in fitness services available to the public. The boutique fitness studio model and to a lesser extent the 24/7 market has led this growth, and the significant investment by Quadrant in the industry with the acquisition of major fitness brands should be seen as a positive reflection on the state of the industry in Australia. We can be sure that the industry will continue to evolve and grow, and that Fitness Australia has an important role in advocating and providing a unified voice for its members.

The Fitness Australia board and management team realise that this next phase in the delivery of its strategic plan is critical, and certainly doesn't underestimate the value that the continued engagement of its existing members, and introduction of new members and registered professionals, will bring. We therefore thank both our members and registered professionals for their continued support, and at the same time challenge all to be more engaged for the greater good of the industry.

We call on all industry players to make their voices heard and to be part of the growth of the industry. This can take many forms; from ensuring that you vote for the nominated board directors, nominating to sit on the board yourself or for someone whom you see as being able to add value to the cause, or being involved where possible in the various committees and councils that the association relies on for direction and insight. In doing so you will assist in the overall development of the strategic direction for Fitness Australia and the continued growth and advancement of the industry. We should all remember that we are more powerful as a collective voice, working together in a united and cohesive manner.



Bill Moore
CEO

The 2016/17 financial year saw Fitness Australia continue to progress in its transition to a more customer focused, business-centric organisation in response to the expectations of our members and AusREPs. This transition was underpinned by the 2020 Strategic Plan completed at the beginning of the calendar year that navigates a clear path forward for a re-aligned association. The Plan is supported with bold new core values – proud, credible and real – that describe a rejuvenated team ready to embrace the rapidly evolving Australian fitness industry.

Importantly the 2020 Strategic Plan identifies the three key pillars that are the focus of the reinvigoration of the association. Proactive leadership, meaningful engagement and service excellence are the supporting principles that will drive achievement of our strategic objectives.

Our initiatives have spoken to both our traditional role of the creator of standards and guidelines and to that of an attentive peak body supporting modern fitness businesses. The development of the Quality Improvement Accreditation Program for fitness facilities and the publication of the Nutrition Guidelines within Scope of Practice for AusREPs continued our contribution to raising industry standards, while the launch of our personal training app – *Worket* – will add to the growing list of benefits that make up Fitness Australia's business support tool *Grow Your Fitness Business*.

The proposed rebranding of the register of exercise professionals to AusREPs will pave the way for the creation of the Rewards Membership, opening the door for members to benefit from a wide range of discounted

products and services, simultaneously enhancing the value proposition of membership and cultivating revenue producing relationships with our commercial partners. Recognising excellence amongst our AusREPs, our industry awards program once again had strong appeal with participation growing year on year.

Revenue diversification to meet challenging market conditions during the year remained a priority as Fitness Australia continued to actively identify and pursue income producing opportunities that align closely with the strategic plan and objectives, ending the year with a modest profit of \$35,383, a welcome result in a disrupted market place.

Our advocacy activities have continued to provide industry support through ongoing representations to the Fair Work Commission on the Fitness Industry Award that is currently being reviewed, in particular as it relates to overtime rates for casuals. The proposed amalgamation of PPCA and APRA/AMCOS into a single music tariff collecting agency, One Music, provided the opportunity for Fitness Australia to take the lead once again in ongoing negotiations leading up to the new entity's launch in late 2018. The review of the National Training Package, due in 2019, has commenced and the Association has taken a seat on the Industry Reference Committee to commence this important work.

The organisational structure has been a focus for the executive for much of the year. We go into the new financial year with a flatter structure, a significant realignment towards revenue producing core activities and an increased investment in our customer facing personnel, both in numbers and training. As the CEO, I thank the Fitness Australia team for their commitment and loyalty throughout a demanding year, the Board for their wisdom and belief, and our members and AusREPs whom we continue to serve.

Our Vision & Strategic Objectives

Our purpose is to empower the industry to engage more Australians in quality health and fitness services

Our vision is for more Australians to adopt a healthy, active lifestyle supported by our members



Proactive Leadership

Fitness Australia is the credible, recognised voice of the industry and is influential in driving improvement, innovation and reform.



Meaningful Engagement

Fitness Australia provides value to stakeholders, resulting in strong, mutually beneficial relationships.



Service Excellence

Fitness Australia embodies and enables ongoing quality improvement, building industry credibility and driving growth.

Strategic Highlights 2016-17

Our achievements in the key areas of strategic priority

Proactive Leadership

- Developed and commenced executing the 2020 Strategic Plan and the restructured Operational Plan.
- Convened high level working groups to address industry issues on employment, music licensing and sham contracting.
- Built relationships with the Fair Work Ombudsman through individual representation and attendance at the Knowledge in the Public Square listening tour.
- Represented the industry in negotiations with the Australasian Performing Right Association (APRA) and the Phonographic Performance Company of Australia (PPCA) in relation to the proposed One Music tariff collection agency.
- Lead industry representation to the Fair Work Commission on changes to the Fitness Industry Award in particular as they relate to overtime for casuals.
- Continued representation to government offices of Fair Trading, Sport and Recreation, Small Business, Skills and to the ACCC on challenges and opportunities for the fitness industry.
- Continued participation in ICREPs refining standards and portability, attending the annual meeting in Los Angeles.
- Continued our collaboration with Monash University on the Victorian Active Ageing Partnership to increase physical activity opportunities for older Australians and convening the VAAP research and Practice Forum.
- Successful in our application for grant funding from Carrington Health (Community Health Service) to review gym services for people with chronic conditions.
- Attended numerous influential steering and research groups including Better Health Channel Content Partners, Aquatic Recreation Victoria ARC Health and Wellbeing Outcomes Project and Eating Disorders Victoria Fitness Interest Group.
- Conducted three Lift for Life strength training workshops for those with or at risk of Type II Diabetes.

Meaningful Engagement

- Commenced the establishment of the RTO Council to support the Board and the association in improving education outcomes for fitness industry students and graduates.
- Restructured the commercial department to establish a sustainable framework aimed at returning benefits to our commercial partners and providing long term viability.
- Commenced our roll out of service offerings with the Complete Online Marketing Digital Marketing Check.
- Transitioned Continuing Education partners advertising to social channels resulting in 25% growth in engagement.
- Integrated the Guild Insurance product offering into our website providing insurance purchasing capability at the point of sale.
- Continued to build on the success of Grow Your Fitness Business by building credible and tangible resources providing enhanced value for members.
- Conducted Symposium 2016 at Randwick Racecourse combining the event with our annual gala dinner and awards pre presentation.
- Participated in The Fitness Show at Darling Harbour with a stand and resources to engage with new and existing members.
- Partnered with the 2016 Women's Health and Fitness Summit in Melbourne as a sponsor and presenting at the event.
- Continued our success with the Awards program with #ActiveAchievers and #ActiveStudents, and introducing #ActiveCommunities Award recognising work by fitness trainers and businesses in their communities.

Strategic Highlights

Service Excellence

- Restructured the organisational chart to better resource the association to meet the needs of our members and the execution of the Strategic Plan.
- Successfully completed the migration of our online platform to improve service levels and response times.
- Created the Australian Fitness Industry Standards Council providing a highly qualified technical advisory group that will support the Board and the association to improve service quality and support registration and accreditation programs.
- Developed the Fitness Australia Quality Accreditation program to enhance the service standards of gyms by raising the standard of their offerings to meet accreditation.
- Progressed work on the Nutrition Advice within the Scope of Practice of AusREPs guideline ready for launch in September 2017.
- Added to the suite of iLearn education pieces with the launch of the third risk management session in the risk management series.
- Continued our collaborative research with various partners including the Fit and Well study in conjunction with Victoria University's ISEAL Fitness Industry Research Program, REVAMP IT with Deakin University.

Acknowledgements

We would like to extend our thanks to the Board of Directors, Council members, stakeholders, partners, and other industry volunteers for their hard work, support and guidance throughout the year. Fitness Australia continues to advance and benefit from the efforts of many skilled, energetic, dedicated and passionate people.

We would also like to pay tribute to the talented and hard-working team at Fitness Australia. They all continue to demonstrate a deep commitment to the vision and values of Fitness Australia and to serving the expectations and needs of our stakeholders and the broader fitness industry.

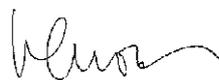
We extend our sincere thanks to the growing number of people within the industry – businesses, exercise professionals, course providers and training organisations - that choose to support and promote Fitness Australia

and what it is trying to achieve for the benefit of the fitness industry. We share a bold vision of a strong association that delivers on its promise of a robust and sustainable industry. We know that by working together as a united industry, underpinned by a single world class exercise professional register, we can be more powerful and influential when and where it matters, and we can continue to demonstrate the enormous value that the fitness industry brings to society.

For the year ahead we continue to have a strong focus on connecting more accurately with our audience and providing an enriched range of products and services. We have a talented and committed Board of Directors and industry members who volunteer their time and expertise to contribute to Fitness Australia through a range of Councils, Committees and Project Groups. Our professional team is committed to ensuring that all of our customers are provided with a positive experience when engaging with Fitness Australia.

We have commenced execution of the 2020 Strategic Plan that will lead and support us into the fitness industry of the future. We look forward to continuing to share this journey with you.

Thank you for your support and commitment to a thriving, growing and dynamic organisation.



Bill Moore
Chief Executive Officer



David Allan
Chairman

Key Project Achievements



Proactive Leadership



Meaningful Engagement



Service Excellence



2020 Strategic Plan

The development of the 2020 Strategic Plan commenced in September 2016 and was completed and approved in June 2017. The Plan describes a bold vision of more Australians adopting a healthy, active lifestyle supported by our members whilst continuing to establish quality standards and enhancing its standing in the fitness community.

Importantly the three core strategic pillars of proactive leadership, meaningful engagement and service excellence underpin the identified strategic objectives to take the association to a new level of financial stability and quality offerings.

Advocacy

Fitness Australia continues its work representing the needs of the fitness industry. With the establishment of an industry leaders group the association has been able to bring together forums where the needs of its members and some non-members have been identified, positions agreed and unified statements put forward to stakeholder groups.

The advocacy efforts for 2016- 2017 are broad and cross all government segments. Work with local government continues with outdoor training policy development proving to have the greatest impact. Discussions with State-based Offices of Fair Trading are ongoing as are meetings with Offices for Sport and Recreation. These relationships have proven successful and have established strong links between industry and government.

The association has continued its representation to government in the areas of tax reform through extension of FBT exemptions for gym memberships, regulatory reform through clarification of sham contracting interpretations and the advancement of training and skills for the industry.

The commencement of relationships with the Fair Work Commission and Fair Work Ombudsman has allowed us to stay at the forefront of issues affecting industry human resourcing and continued education in this space has ensured a maintained employer quality. Maintaining the dialogue with the consumer watch dog ACCC has served to protect the industry from surprise scrutiny. The threat of detrimental changes to music copyright tariffs has been managed by practical engagement with all stakeholders to ensure a fair and reasonable outcome for the fitness industry.

Fitness Australia remains committed to voicing the position of the industry to all stakeholder groups.

Education, Health and Community Sector Advocacy & Representation

Fitness Australia has continued to be represented internationally and domestically with meetings as a member of the International Council of Registered Exercise Professionals (ICREPs) through to representation at national, state and local council levels.

The Victorian Active Ageing Partnership (VAAP) aims to increase opportunities for participation in physical activity for older Victorians, especially in areas of socio-economic disadvantage and among isolated older people currently not involved in physical activity. Led by MOVE muscle, bone & joint health and in collaboration with Monash University and Fitness Australia, the VAAP has had some significant achievements in the second year of its three-year term, including:

- Examination of factors influencing the engagement in physical activity of traditionally 'hard to engage' groups of older people;
- Identification of the key elements of successful transition/referral pathways to ensure sustainability of exercise for older people;
- Development of a self-assessment tool for organisations, clubs and businesses to review their current activities for older people and establish successful new activities and programs;
- Presentation about VAAP at the 15th World Congress on Public Health and the National Sports Convention 2017;
- Convening of the VAAP Research and Practice Forum with over 200 attendees from the health & fitness industry; and
- Publishing a paper in the Journal of Aging Physical Activity titled *Facilitators of Attendance and Adherence to Group-Based Physical Activity for Older Adults: A Literature Synthesis*. This article examines program features that influence attendance and adherence to group-based physical activity by older adults. Visit <https://www.ncbi.nlm.nih.gov/pubmed/28595021> for more information.



Fitness Australia received a grant from Carrington Health (Community Health Service) to review their current gym services for people with chronic conditions in their catchment. Building upon the current success of the facility coupled with reforms to healthcare and aged care, and recognition of the importance of the wellness, the report anticipated that staff, referring practitioners and clients alike, will embrace an integrated wellness model.

Fitness Australia team members have also sat on numerous influential steering and research groups, including Aquatic Recreation Victoria ARC Health and Wellbeing Outcomes Project, Better Health Channel Content Partners, Eating Disorders Victoria Fitness Interest Group and supporting fitness businesses nationally with implementation of National Disability Insurance Scheme.

Lift for Life Trainer Workshops

Fitness Australia has continued their partnership with Baker Heart & Diabetes Institute with the delivery and support of the Lift for Life strength training program for those with or at risk of Type II Diabetes. Support has primarily been through provision of training and up-skilling for licensed providers. Three training workshops were delivered in 2016- 2017; Sydney (December 2016); Melbourne (March 2017) and Busselton, WA (June 2017). A total of 60 exercise professionals (from 49 different business) completed the training.





Governance

Recognising the critical role of Registered Training Organisations in the future of the industry and as a key stakeholder in the trainer of the future, the Board approved the establishment of an RTO Council to provide support to the Board and the Fitness Australia Executive.

Their role will be to offer technical and experiential advice on matters related to qualifications, student outcomes and the Fitness Industry National Training Package.

Commercial

Fitness Australia's emphasis on commercial returns through third party relationships has continued to steadily increase. Significant resources have been deployed to construct a framework that is sustainable and financially viable for the long-term by (re)aligning partners to provide relevance to our members. This new structure recognises the unique diversity of the industry and has been embraced by members and stakeholders.

The roll out of Service (and product) offerings to business members commenced in May with a Digital Marketing Check conducted by Complete Online Marketing, with a full suite of offerings targeted at exercise professionals and businesses launching in the 2018 financial year. These restructured partnerships provide bottom line opportunities for members to increase efficiency and productivity through revenue generation or cost savings.

We thank all of our commercial partners for their support during this transition and look forward to continuing these relationships with tangible benefits for members continuing to be our core focus.

Fitness Australia's Continuing Education (CE) partners have successfully engaged in a transition to advertising their courses with Fitness Australia via our social media channels. Diversification of the advertising channels has re-invigorated our advertisers with engagement growing by 25%.

Finally, Fitness Australia has been able to achieve an integrated insurance offering at the point of registration. The streamlining of insurance as part of the registration process is a significant enhancement to an AusREPs user experience.

The 2016/17 Financial Year for Fitness Australia has been highly productive in aligning commercial outcomes to members. The new structure will allow for growth in the offerings to our members whilst encouraging continued

investment from our partners in the association and the fitness industry generally.

We look forward to members being able to capitalise on the products and services offered through their membership. The offerings will continue to be refined to maximise relevancy and to return tangible benefits.

Grow Your Fitness Business

The Grow Your Fitness Business (GYFB) initiative was launched on 10 May 2016, to fitness businesses members and registered sole traders.

This was a new initiative and addition to the business membership value proposition, for practical support and direction, to encourage growth and sustainability, and provide credible and tangible resources.

This has been received very well predominantly amongst start-up businesses and current sole traders.

As a result of the highly relevant and practical nature of this initiative, its engagement levels have been very high and a stand-out amongst other areas of member engagement.

USAGE & FEEDBACK | 1 July 2016 to 30 June 2017

- There were approx. 24,000 unique visitors to the GYFB landing page grow.fitness.org.au.
- The templates are the most highly valued and downloaded resources in the toolbox.
- 25% of the top read news articles on our website in the 2016/17 year were Grow Your Fitness Business guide articles.
- The average Monthly Toolbox direct email Open Rate is 38.3%
- The average Monthly Toolbox direct email Click Through to Open Rate is 15%
- The most successful communication channel driving people to the Toolbox were direct email and Facebook (paid and organic).



- Membership Managers report that under the current membership value proposition the GYFB Toolbox is one of the main discussion points with current members, providing a strong sales proposition to potential members.
- The Toolbox has generated an average of 10 Member leads per month.
- In our 2017 engagement survey, 90% of respondents rated the quality of GYFB as Good or better - Good (43%), High (37%) or Exceptional (10%).

Events

The Fitness Show

Fitness Australia was again represented by way of an exhibition stand at The Fitness Show, held on 28-30 April 2017, at the International Convention Centre in Darling Harbour. The purpose of the stand was to engage with existing members and registrants, as well as promote and encourage new members and registrants. A cleaner design and targeted promotional flyers helped achieve this. The location of the stand also helped with brand awareness.



Women's Health & Fitness Summit

Fitness Australia partnered with the 2016 Women's Health and Fitness Summit, which was held on 10-11 September at RACV Club in Melbourne. Fitness Australia had presence at the event by way of a table at the trade show, acknowledgement as a supporting partner on all promotional assets, and acknowledgement in the opening address.

Fitness Australia team members Christy Collier and Sonya Barber presented at the event, introducing the Grow Your Fitness Business initiative to those in attendance.



2016 Symposium

The Fitness Australia Symposium 2016 was held at Royal Randwick Racecourse, Sydney, on Friday 14 October. Over 150 fitness professionals, personal trainers, students, business managers and gym owners attended, which allowed them to receive 6 CECs.

The 2016 program included eight market-leading presenters (up from three in 2015):

- **Fiona Bendall (Keynote)** - Learn more about the psychologic impacts on behaviour via technology
- **Tom Hart, Net Profit Explosion** - Double your sales in the next 6 months (or less)
- **David O'Rourke, Nightlife Music** - The role of Music and Vision in Fitness
- **Kayla Itsines and Tobi Pearce** - The Think Tank
- **Keith Phillips, QLBS** - Improving Business Quality for superior performance
- **Richard Toutounji, Complete Online Marketing** - New Age of Online Marketing
- **Caroline Bills, HealthChange Australia** - Simple steps to radically improve client outcomes and job satisfaction for fitness professionals
- **Jason Bennie, Researcher ISEAL** - Physical inactivity and public health: why the fitness industry is both part of the problem and the solution

Delegates were able to connect with leaders and influencers in the networking breaks, plus check out fitness products and services in the exhibition area from Complete Online Marketing, Net Profit Explosion, NSF Super, Physio Control, Ezidebit, Guild Insurance and Nightlife Music.



Fitness Australia Awards 2016

In 2016 Fitness Australia introduced the **#ActiveCommunities Award** business award. This award celebrated the outstanding work that gyms, personal training businesses, and clubs were doing in their communities through their group exercise programs.

For the second year the **#ActiveAchievers Award**, which recognises the outstanding work that registered instructors and trainers do every day to help Australians live a more active, healthy lifestyle, had strong engagement with clients nominating their trainer and sharing their fitness success stories.

The **#ActiveStudent Award** was also in its second year, recognising outstanding achievements by students who completed their fitness qualifications within the last 12 months.

The Fitness Australia Awards of Honour rounded out the suite of awards for 2016. These awards recognise the efforts and achievements made by industry leaders and champions and include the **Chairman's Award** and **Roll of Honour** inductees.

Award nominations opened on Tuesday 31 May and closed on Friday 29 July. An extensive integrated marketing campaign supported the program, which resulted in 1347 nominations received across the five award categories. The Fitness Australia Awards 2016 were presented at the Fitness Australia Gala Dinner, held on Friday 14 October at the Royal Randwick Racecourse, Sydney.

2016 Winners

#ActiveCommunities Award

Zen Ranch,
PT & Group Sessions, NT

#ActiveAchievers Award

Joy McClymont (trainer)
& Wendy Hick (client), QLD

#ActiveStudents Award

Sharni Dowling, TAFE QLD North

Chairman's Award

Dr Robbie Parker

Roll of Honour

Lorna Jane,
Maria Teresa Stone
and Emmett Williams

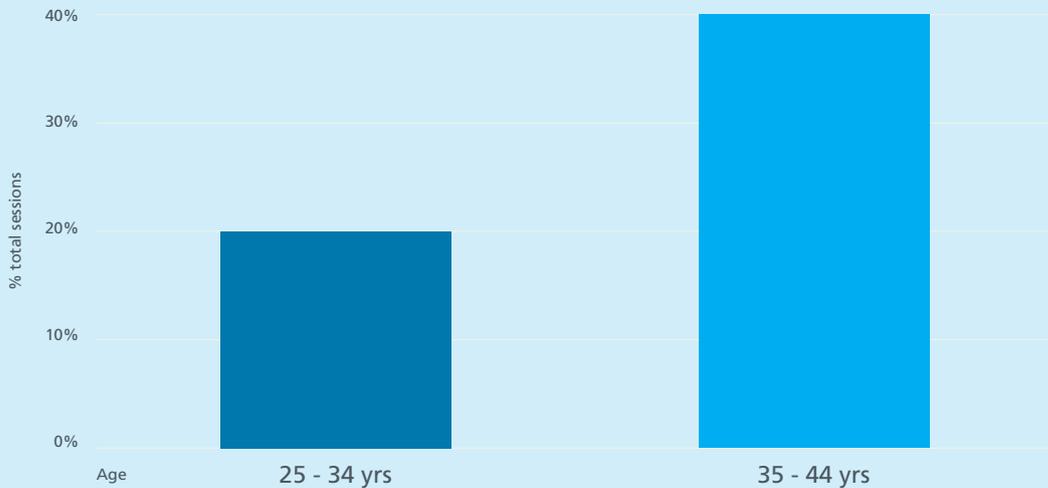
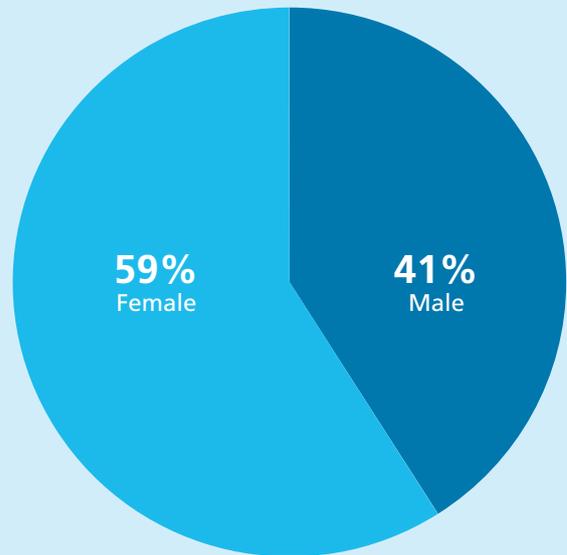
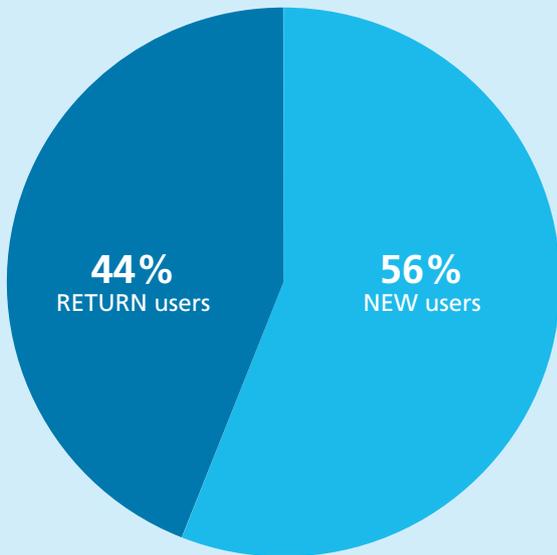




Fitness.org.au

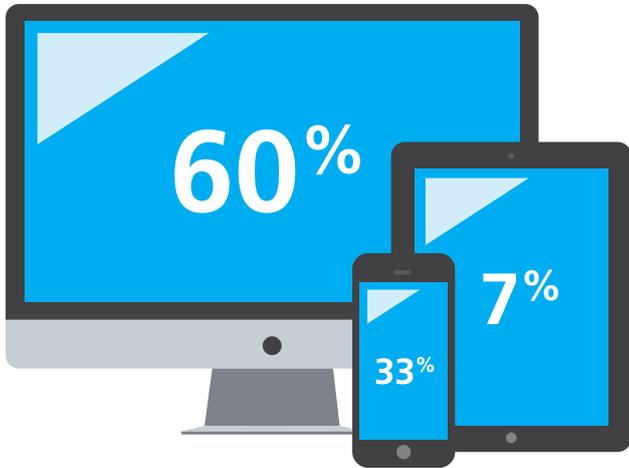
Users and usage

465,061 unique users
47,000 Avg. monthly users



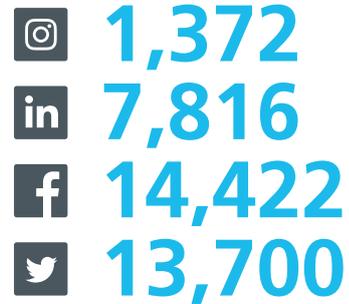


Devices Used

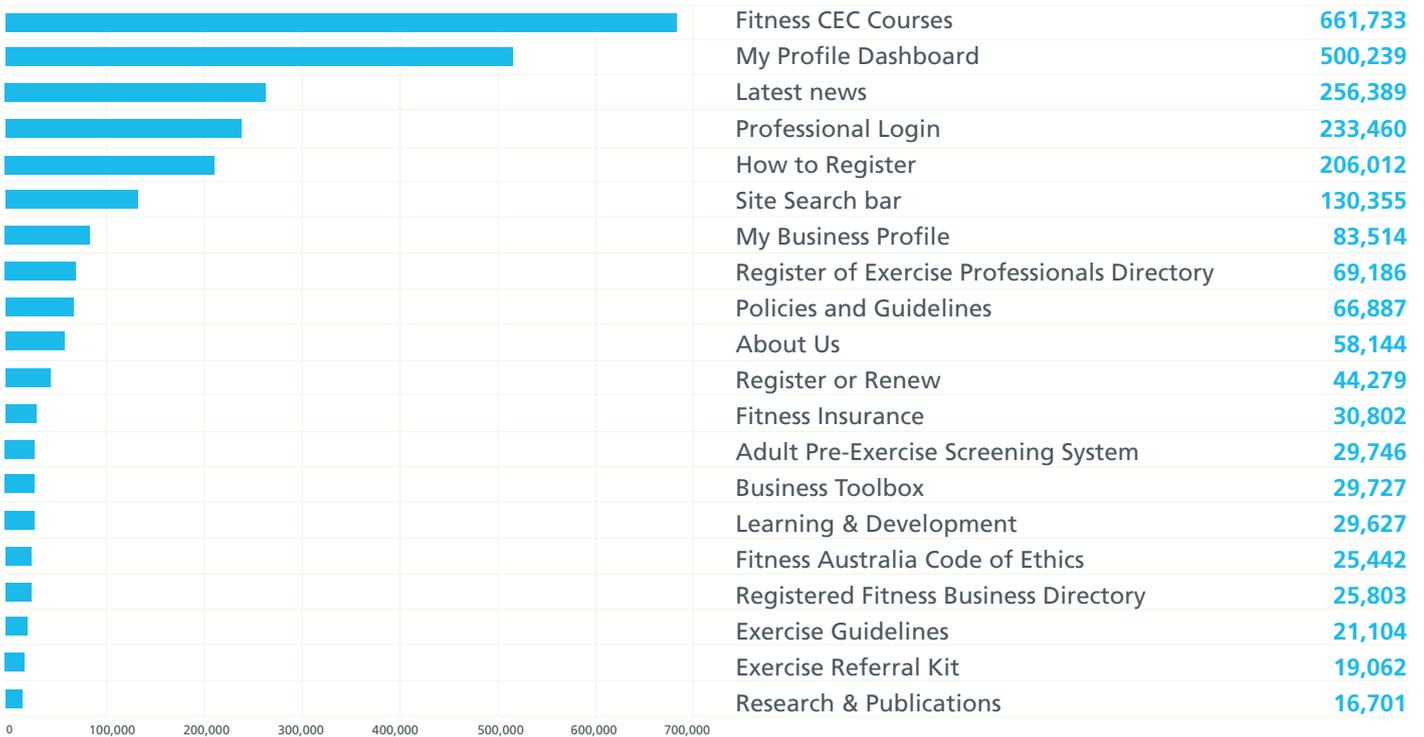


Our Social Network

Social media followers



Top 20 by pageviews on fitness.org.au



2,312

Inbound emails to info/registration@fitness.org.au monthly

2,156

Inbound calls to [1300 211 311](tel:1300211311) monthly



50% Professionals
35% Reception (other)
10% CEC
6% Business



Australian Fitness Industry Standards Council (AFISC)

Fitness Australia announced the formation of the Australian Fitness Industry Standards Council – an entity that will help to advance and elevate Australia’s fitness industry.

The objectives of the Council are to:

- Develop, manage, promote and review a suite of standards, codes, guidance materials and other documents to assist the fitness industry to manage safety and improve service quality and to support Fitness Australia’s registration and accreditation programs;
- Develop a risk management model and a program of total quality management for the Australian fitness industry that is based on data and other inputs that will help drive safety improvements by guiding prioritisation of standards development and regulatory activity;
- Provide independent technical advice to Fitness Australia staff, the Board and the public; and
- Undertake initiatives to support Fitness Australia’s role as the peak body in the self-regulatory model of fitness service provision in Australia.

With ten members appointed in October 2016, the council boasts a unique and diverse range of experts who will contribute to the future positive direction of the fitness industry.

Three of the council members represent academia, with experience in the fitness industry and in a relevant discipline (sports or exercise science, business, law), while another three are experienced industry practitioners. There is an additional three external members, including a representative of consumers, a representative of education providers, and a person with experience in accreditation systems.

The members of the Australian Fitness Industry Standards Council are:

- Professor Patrick Keyzer (Chairman), Law Academic
- Professor Kevin Norton, Exercise Science Academic
- Professor Elisabeth Wilson-Evered, Business Academic
- Mr Max Martin, Experienced Industry Practitioner
- Mr Michael Cunico, Experienced Industry Practitioner
- Mr Gavin Aquilina, Experienced Industry Practitioner
- Ms Maxine Cooper, Consumer Representative
- Dr Melissa Arkinstall, Education Representative
- Associate Professor Michael Greco, Accreditation Expert
- Mr Craig Knox, Executive Officer & Secretary

Throughout the financial year, the council has been consulted on many industry developments and standards including: Nutrition Advice guideline; VET Training package; Fitness Australia Quality Accreditation system; Code of Conduct; Definition of Terms for Professional Insurance Policy; Conditioning for community recreation/sporting activities & Exercise Professional Registration Policy.

Fitness Australia Quality Accreditation

Development of the Fitness Australia Quality Accreditation system progressed strongly, to the point where in late 2017 the first businesses will be invited into an initial trial period, with the program made available to the wider industry in early 2018. The Program refers to the Fitness Industry National Quality Framework consisting of six key content areas; Professionalism, Safety, Customer Care, Information & Knowledge, People and Leadership. The program will provide valuable support to participating businesses by improving their viability, effectiveness and relevance to Australians.



Professional Registration & CE System

This financial year showed an increase in the number of CEC Providers from 207 to 224 (8%) and available programs from 681 to 718 (5%). This, alongside positive feedback from education providers and key employment groups reinforces the continual support from industry for the continuing education system and processes. Attendance and completion of these approved CE programs and events from registrants has seen over 31,000 diary entries be verified and approved this year which is reflected via delivery knowledge and skills (and the associated further education program) on the registered exercise professional's (REPs) public profile.

Standards, Guideline Development & Dissemination

Progress on the Nutrition Advice within the Scope of Practice of Registered Exercise Professionals continued this financial year which will see it launched in September 2017. Fitness Australia has worked in collaboration with Dietitians Australia Association and Sports Dietitians Australia to develop this guideline. It will provide further guidance for registered exercise professionals indicating their role in providing basic healthy eating information and advice through the application of nationally endorsed nutritional standards and guidelines – in particular, the Australian Dietary Guidelines.

iLearn

In 2016-17, iLearn, Fitness Australia's online standards education platform provided the industry with the opportunity to access the latest evidence, expert advice and resources designed to assist in meeting national standards and guidelines. The launch of the third Risk Management session, *Part 3: Accident and Injury Risks in Fitness Facilities and Environments* in January 2017 completed the series of the Risk Management sessions (including *Part 1: Exercise Safe: Putting Clients First* *Part 2: Professional Practice & Advice: What are the risks?*).

With over two hundred purchased sessions this year with and a net promoter score of +34, Fitness Australia will continue to support the iLearn platform which will enhance the industry's capacity to deliver safe and effective services to consumers.

Fitness Australia Database - Full migration to Front Foot (Nurun)

Seeking to further enhance the customer experience when engaging with Fitness Australia, the association sought a provider that could support the transition to an improved online platform. Following a robust tender process the contract was awarded to Publicis Front Foot (now known as Nurun) as the most suitable provider.

Late in 2016 we commenced the migration of our online platform (which includes the Fitness Australia website and associated micro-sites, Content Management System (CMS), Association Management System (AMS) and Entrinskik / Informer Reporting Platform) to Nurun.

The work continues to be undertaken having completed a range of new development items including Ezidebit integration, AusREPs, Rewards Program, Lead Generation Program and Quality Accreditation Program.

Research and Evidence Development

Fitness Australia continued in its collaborative research with various partners. The following papers were published in international journals during the 2016- 2017 financial year:

The 'Fit and Well Study' conducted by Victoria University's iSEAL Fitness Industry Research Program explored the scope and opportunity for integrating the fitness industry into public health and wellbeing strategies. This paper identified that leisure-time physical activity and strength training participation levels are low and socioeconomically distributed. Fitness trainers may have a role in increasing these participation levels¹. However, fewer Australian fitness trainers work in areas with high levels of socioeconomic disadvantaged areas than in areas with low levels of disadvantage. In addition, it was discovered that a higher level of fitness industry qualifications was associated with working in areas with lower levels of disadvantage.²

The 'REVAMP-IT' trial, conducted by Deakin University, involved the recruitment of participants into long-term community-based lifestyle intervention trials, particularly adults with a chronic disease. Currently there is limited data on successful recruitment strategies suitable for older adults with type 2 diabetes into community-based exercise and nutrition programs, and no information on cost estimates associated with such recruitment. The aim of this report is to describe the recruitment strategies used and the success of each approach in recruiting older adults with type 2 diabetes into a 6-month community-based exercise (Lift for Life program) and nutritional supplementation randomised controlled trial.³

Involvement with the Victorian Active Ageing Partnership with *Move muscle, bone and joint health* and Monash University enabled contribution to the article *Facilitators of Attendance and Adherence to Group-Based Physical Activity for Older Adults: A Literature Synthesis*. This paper examines program features that influence attendance and adherence to group-based physical activity by older adults.⁴

^{1,2} Bennie, J., Thornton, L., Uffelen, J., Banting, L., & Biddle, S. (2016). Variations in area-level disadvantage of Australian registered fitness trainers usual training locations. *BMC Public Health*, 16(1), 551. doi: 10.1186/s12889-016-3250-3.

³ Miller, Eliza G., Nowson, Caryl A., Dunstan, David W., Kerr, Deborah A., Solah, Vicky, Menzies, David and Daly, Robin M. 2016, Recruitment of older adults with type 2 diabetes into a community-based exercise and nutrition randomised controlled trial, *Trials*, vol. 17, Article Number : 467, pp. 1-12, doi: 10.1186/s13063-016-1589-5.

⁴ de Lacy-Vawdon CJ, Schwarzman J, Nolan G, de Silva R, Menzies D, Smith BJ (2017). Facilitators of Attendance and Adherence to Group-Based Physical Activity for Older Adults: A Literature Synthesis. *Journal of Aging Physical Activity*, 22:1-39. doi: 10.1123/japa.2016-0363.

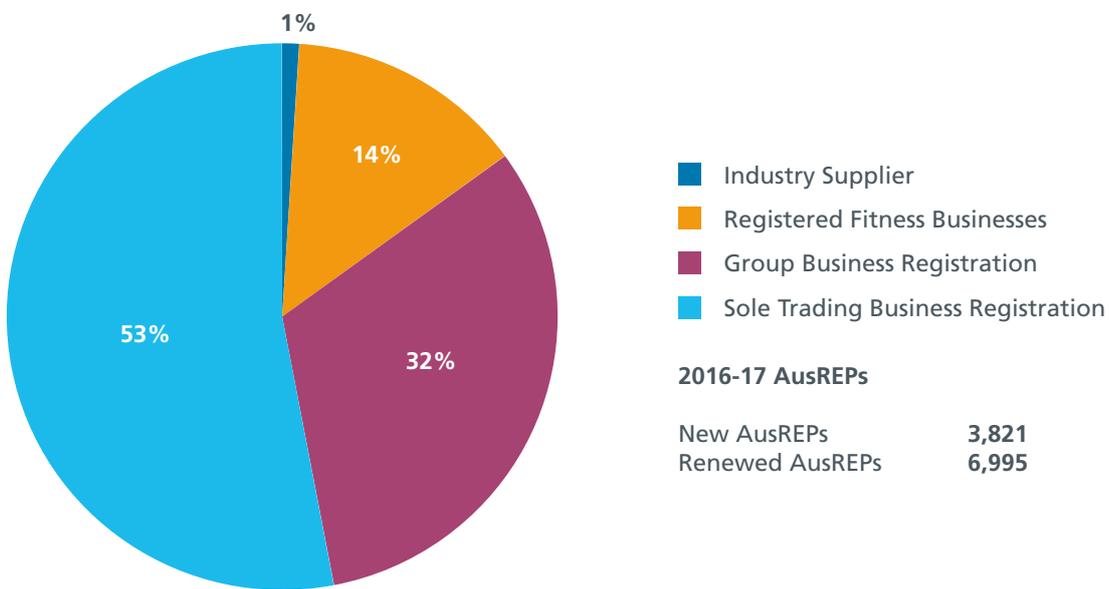
The Health and Fitness Industry Association



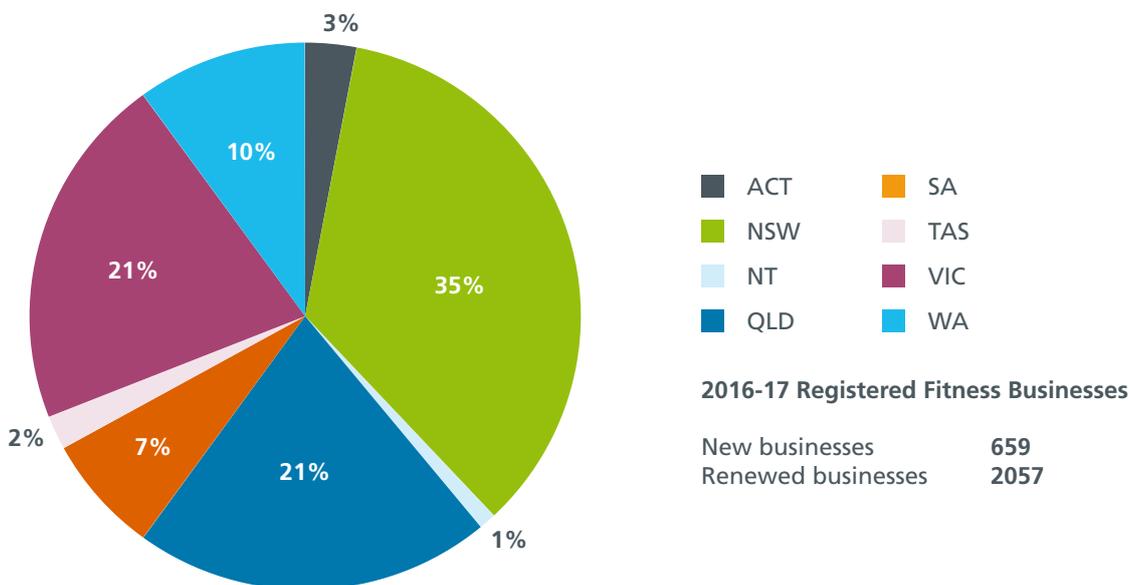
The Health and Fitness Industry Association

Our AusREPs & Fitness Businesses

Breakdown of Fitness Australia Business Registration Types



Geographical Distribution of Registered Fitness Business in Australia



Fitness Australia Financial Report

Annual Financial Report Discussion & Analysis

The association is pleased to report a surplus of \$35,383 as we continue to stabilise the finances of the entity, a credit to another year of concerted effort by the Fitness Australia team in a market that continues to evolve into maturation. Changes in the complexion of the Australia fitness industry contributed to a reduction in revenue compared to the previous year, however a commensurate tightening of costs kept the association in profit.

Revenue was 9.5% less than the previous year, coming in at \$4,571,715 and expenses were reduced by 9.6% thereby providing a modest surplus. The net asset (Member Funds) position is \$985,130 as at 30 June 2017.

Our industry continues to reshape at many different levels, from the rise of the boutique clubs at one end of the spectrum to the advent of the heavy investment by the Quadrant Group acquiring some of the biggest players in the market to form a significant presence.

The response of the association has been to stick tightly to the strategic plan of diversifying our revenue and investing in core business activities that produce revenue. This has seen investment in face to face staffing, improvements in our online presence and closer alignment with our commercial partners through the introduction of a Rewards Membership category that gives us additional income producing opportunities. We have continued to invest heavily in this area as we reconfigure the association into a position of greater financial stability.

The new plan demanded a revised organisational chart to provide the deliverables.

The number of exercise professional registrants continued to decline in line with the budget forecast as the industry adjusts to the disruption in the VET sector and stabilises following significant increases in the size of the industry in recent years.

Our focus remains squarely on the value proposition for members, enhanced member engagement and proactively taking a leadership position on the key issues.

Fitness Australia Limited

ABN: 51 131 422 403

Financial Statements

For the Year Ended 30 June 2017

Fitness Australia Limited

ABN: 51 131 422 403

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For the Year Ended 30 June 2017

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Directors' Report

30 June 2017

The directors present their report on Fitness Australia Limited for the financial year ended 30 June 2017.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Appointed/Resigned
David Allan	14 October 2011
David Morgan	19 October 2012 / 13 October 2016
Justin McDonell	1 November 2013
Max Martin	26 February 2014 / 13 October 2016
Michael Jordan	24 October 2014
Kristen May Green	12 January 2015
Elizma Bollt	30 October 2015
Andrew David Simmons	30 October 2015
Christopher John Hicks	20 June 2016
Rod Harvey	13 October 2016
Julie Garland McLellan	13 October 2016

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

David Allan	
Qualifications	Bachelor of Applied Science in Human Movement
Experience	Managing Director of 38X Fitness
Special responsibilities	Chairman of the Board
David Morgan	
Qualifications	Bachelor of Business, MBA, MAICD
Experience	Chief Executive Officer of City Venue Management
Special responsibilities	Member of Finance and Risk Committee, Member of Nominations Committee
Justin McDonell	
Qualifications	MAICD
Experience	Co-Founder and Chairman of Anytime Fitness Australia
Special responsibilities	Member of the Finance and Risk Committee
Max Martin	
Qualifications	BAppSc (Hons.) ESSAM AEP
Experience	Director of iNform Health and Fitness Solutions

Fitness Australia Limited

ABN: 51 131 422 403

Directors' Report

30 June 2017

Information on directors (continued)

Michael Jordan

Qualifications Bachelor of Business (Communications)
Experience Managing Director of Voyage Fitness, Managing Director of MyZone APAC, Managing Director of CFM
Special responsibilities Chairman of the Nominations and Remuneration Committee

Kristen May Green

Qualifications Bachelor of Exercise and Sports Science, Diploma Events Management, MAICD, MBA (distinction)
Experience General Manager of Aquafit
Special responsibilities Member of the Nomination and Remuneration Committee

Elizma Bollt

Qualifications Bachelor of Commerce, Higher Diploma in Tax, Graduate of the Australian Institute of Company Directors
Experience Partner, LLB Deloitte
Special responsibilities Member of the Finance and Risk Committee, Member of Nomination and Remuneration Committee

Andrew David Simmons

Qualifications Bachelor of Sports Sciences (Exercise Science), Advanced Diploma of Business
Experience Founder and Managing Director of Vision Personal Training, Author - Ready Set Go - 3 Steps to Better Health, Author - Fat Loss Take Control
Special responsibilities Member of Nomination and Remuneration Committee

Christopher John Hicks

Qualifications Bachelor of Commerce
Experience CEO of Newcastle University Sport
Special responsibilities Chairman of Finance and Risk Committee

Rod Harvey

Qualifications Bachelor of Business Banking
Experience Fitness Australia Regional Industry Chair, Director of Alive Health Clubs
Special responsibilities Member of Finance and Risk Committee

Julie Garland McLellan

Qualifications Bachelor of Science (Honours) Civil Engineering, Master of Business Administration
Experience Non-executive director & committee chair of Bounty Mining Ltd, Non-executive director National Speakers Association
Special responsibilities Member of Finance and Risk Committee

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Report

30 June 2017

Company secretary

The following person held the position of Company secretary at the end of the financial year:

William Richard Moore has been the company secretary since 1 April 2016.

Principal activities

The principal activity of Fitness Australia Limited during the financial year was to operate as a company representing, informing and supporting the fitness industry in Australia, administering the national registration scheme and setting and promoting high standards of training, education and continuing development for fitness professionals, stimulating informed debate on issues of interest in the industry, advocating policy positions, and promoting the role of the fitness industry to government, health agencies and the community.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Enhance the professional registration and continuing education systems that are administered by Fitness Australia;
- Continue to build the quality improvement program and introduce the quality accreditation program for businesses;
- Continue to promote our new online presence and digital communications;
- Position Fitness Australia as a knowledge leader;
- Continue to develop key industry standards and professional practice guidelines;
- Launch the iLearn standards education online learning platform;
- Promote the #FITnotFBT campaign and lobby government for changes to the FBT legislation;
- Lobby to achieve nationally consistent fair trading regulations for the fitness industry across all Australian jurisdictions.

Long term objectives

The Company's long term objectives are to:

- Fitness Australia's vision is a fitter, healthier Australia. Our aim is to help shape an environment where the fitness industry is well equipped to engage more people in regular exercise and other services that improve their health and well-being;
- Foster a culture of quality improvement that focuses the industry on customer care, professional service and client safety;
- Enhance the industry's capacity to deliver quality services through standard setting, education, learning and development;
- Create connections and build relationships that advance the fitness industry;
- Advocate for a government policy and regulatory environment where the fitness industry can thrive.

Directors' Report

30 June 2017

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Developing and launching a new online presence including the Australian Register of Exercise Professionals;
- Providing a range of services and benefits to support Members;
- Championing quality and innovation in the sector through the quality program;
- Campaigning and lobbying government on behalf of Members;
- Providing research and insights to support decision making and advocacy;
- Continuing to build professional capacity, credibility and profile through the development of standards and enhancements to the professional registration and continuing education systems;
- Development and launch of a Reconciliation Action Plan (RAP);
- Formation of the National Physical Activity Alliance (NPAA).

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Ensuring that all activities and strategies are aligned with our stated vision, purpose and objectives.

Performance measures

The following measures are used within the Company to monitor performance:

- Customer numbers;
- Customer retention rates;
- Overall revenue and expenditure results;
- Revenue per customer;
- Revenue per full time equivalent employee;
- Human Resource cost as a percentage of revenue;
- Liquidity ratio;
- Business plan deliverables and timeframe's.

Directors' Report

30 June 2017

Members guarantee

Fitness Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for members that are corporations and \$10 for all other members, subject to the provisions of the company's constitution.

At 30 June 2017 the collective liability of members was \$ NIL (2016: \$ NIL).

Meetings of directors

During the financial year, the following meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance and Risk Committee		Nominating Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
David Allan	6	6	6	6	-	-
David Morgan	2	1	1	-	-	-
Justin McDonell	6	5	-	-	-	-
Max Martin	2	2	-	-	-	-
Michael Jordan	6	6	-	-	1	1
Kevin Kalinko	-	-	-	-	-	-
Elizma Bolt	6	4	6	4	1	1
Kristen May Green	6	6	-	-	1	1
Andrew David Simmons	6	5	-	-	1	1
Christopher John Hicks	4	4	4	4	-	-
Rod Harvey	4	4	4	4	-	-
Julie Garland McLellan	4	4	4	4	-	-

Fitness Australia Limited

ABN: 51 131 422 403

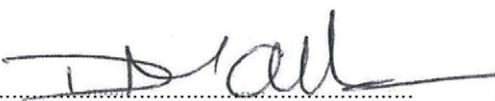
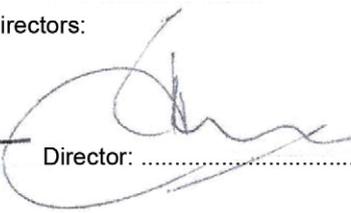
Directors' Report

30 June 2017

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2017 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:  Director: 

Dated this 6 day of OCTOBER 2017

The Board of Directors
Fitness Australia Limited
PO Box 6453
Alexandria NSW 2015

Dear Board Members

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Fitness Australia Limited.

As audit partner for the audit of the financial statements of Fitness Australia Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Sydney Partnership



Andrew Hoffman

Partner

Sydney

Dated: 6 October 2017

Sydney Office

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Fitness Australia Limited

ABN: 51 131 422 403

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2017**

		2017	2016
	Note	\$	\$
Sales revenue	4	4,554,972	5,055,299
Other income	4	7,180	5,817
Marketing expenses		(608,236)	(819,181)
Occupancy expenses		(292,648)	(324,234)
Administration expenses		(495,145)	(504,444)
Membership expenses		(85,709)	(43,871)
Meeting expenses		(39,978)	(130,783)
Human resources		(2,515,811)	(2,643,536)
Projects		(201,357)	(289,788)
Loss on disposal		(2,336)	-
Other expenses		(276,125)	(260,593)
Finance costs		(1,129)	(1,489)
Profit/(loss) before income tax		43,678	43,197
Income tax expense		(8,295)	-
Profit/(loss) for the year		35,383	43,197
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		35,383	43,197

The accompanying notes form part of these financial statements.

Fitness Australia Limited

ABN: 51 131 422 403

Statement of Financial Position**As At 30 June 2017**

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	663,930	645,771
Trade and other receivables	8	463,734	371,182
Other assets	12	133,797	86,726
TOTAL CURRENT ASSETS		<u>1,261,461</u>	<u>1,103,679</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	219,340	350,421
Deferred tax assets	10	55,028	63,323
Intangible assets	11	305,659	306,206
TOTAL NON-CURRENT ASSETS		<u>580,027</u>	<u>719,950</u>
TOTAL ASSETS		<u>1,841,488</u>	<u>1,823,629</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	461,415	442,184
Other liabilities	14	101,750	27,625
Borrowings	15	62,994	24,104
Provisions	16	201,952	256,118
TOTAL CURRENT LIABILITIES		<u>828,111</u>	<u>750,031</u>
NON-CURRENT LIABILITIES			
Borrowings	15	-	73,115
Provisions	16	36,550	59,039
TOTAL NON-CURRENT LIABILITIES		<u>36,550</u>	<u>132,154</u>
TOTAL LIABILITIES		<u>864,661</u>	<u>882,185</u>
NET ASSETS		<u>976,827</u>	<u>941,444</u>
EQUITY			
Reserves	17	630,660	630,660
Retained earnings		346,167	310,784
TOTAL EQUITY		<u>976,827</u>	<u>941,444</u>

The accompanying notes form part of these financial statements.

Fitness Australia Limited

ABN: 51 131 422 403

**Statement of Changes in Equity
For the Year Ended 30 June 2017**

2017

	Retained Earnings	Reserves	Total Equity
	\$	\$	\$
Balance at 1 July 2016	310,784	630,660	941,444
Total comprehensive income	35,383	-	35,383
Balance at 30 June 2017	346,167	630,660	976,827

2016

	Retained Earnings	Reserves	Total Equity
	\$	\$	\$
Balance at 1 July 2015	267,587	630,660	898,247
Total comprehensive income	43,197	-	43,197
Balance at 30 June 2016	310,784	630,660	941,444

The accompanying notes form part of these financial statements.

Fitness Australia Limited

ABN: 51 131 422 403

Statement of Cash Flows
For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,978,662	5,409,885
Payments to suppliers and employees	(4,879,331)	(5,250,388)
Interest received	7,180	5,817
Interest paid	(1,129)	(1,489)
Net cash used in operating activities	<u>105,382</u>	<u>163,825</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	9,000	-
Purchase of plant and equipment	(20,663)	(6,009)
Payments to acquire intangible assets	(41,335)	(41,000)
Net cash used by investing activities	<u>(52,998)</u>	<u>(47,009)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(34,225)	(21,719)
Net cash used by financing activities	<u>(34,225)</u>	<u>(21,719)</u>
Net increase in cash and cash equivalents held	18,159	95,097
Cash and cash equivalents at beginning of year	645,771	550,674
Cash and cash equivalents at end of financial year	7 <u>663,930</u>	<u>645,771</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial report covers Fitness Australia Limited as an individual entity. Fitness Australia Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Fitness Australia Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 15 August 2017.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

Member income of the company is 'mutual' income as defined in tax law, whereby income derived from member sources is tax exempt. Taxable income includes income derived from non-member sources after deducting expenditure incurred in deriving that income.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax basis of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

(b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(b) Leases (continued)

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue from membership fees is recognised upon receipt of monies for the period in which the payment relates.

Revenue from registration fees received from fitness professionals on registration or renewal of registration is also now recognised upon receipt of monies.

Revenue from insurance sponsorship under the fitness professionals insurance scheme is recognised in full when the company has a right to receive the revenue.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Fitness Australia Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	10-25%
Motor Vehicles	15-20%
Computer & Office Equipment	20-35%
Low Value Asset Pool	37.5% DV

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(h) Intangible Assets

Software and Website

Software and the website has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between four and seven years.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (continued)

(j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at their nominal amount as it has been determined that they are not materially different from their present value. In determining the liability, consideration is given to employee wages increases and the probability that the employee may not satisfy vesting requirements. Those estimated cash outflows are discounted using market yields on Commonwealth government bonds with terms to maturity that match the expected timing of cash flows.

(k) Adoption of new and revised accounting standards

The company has adopted all of the new revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the company in either the current or prior financial reporting periods.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Fitness Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

4 Revenue and Other Income

Revenue from continuing operations

	2017	2016
	\$	\$
Sales revenue		
- Business membership	676,735	686,503
- Associate membership	393,566	445,405
- Marketing & business development	19,898	27,425
- Advertising	85,490	135,516
- Affinity agreements	240,106	200,451
- Registrations	2,724,980	2,888,631
- Accreditation	230,804	310,765
- Sponsorship	82,713	215,736
- Partnership revenue	45,000	122,000
- Other revenue	55,680	22,867
	<u>4,554,972</u>	<u>5,055,299</u>
Other income		
- Interest received	7,180	5,817
	<u>7,180</u>	<u>5,817</u>
Total Sales Revenue and Other Income	<u>4,562,152</u>	<u>5,061,116</u>

5 Result for the Year

(a) Expenses

Depreciation and Amortisation		
Low value pool	6,950	10,103
Furniture, Fixtures & Fittings	101,485	96,030
Motor Vehicles	22,973	23,939
Computer Equipment	9,000	8,161
Computer Software	43,726	87,241
Website	14,956	10,388
	<u>199,090</u>	<u>235,862</u>
Total Depreciation and Amortisation		
Other finance costs	1,129	1,489
Superannuation expenses	202,602	204,184
Rental expense on operating leases minimum lease payments	244,354	279,888
	<u>244,354</u>	<u>279,888</u>

Notes to the Financial Statements
For the Year Ended 30 June 2017

6 Income Tax Expense

(a) The major components of tax expense / (income) comprise:

	2017	2016
	\$	\$
Current tax expense		
Deferred tax	8,295	-
Total income tax expense	<u>8,295</u>	<u>-</u>

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2016: 30%)

Add:

Tax effect of:

- non-deductible expenses

- Tax losses not recognised

	13,103	12,959
	-	812
	-	10,107
	<u>13,103</u>	<u>23,878</u>

Less:

Tax effect of:

- non-taxable member income arising from principle of mutuality

Income tax expense

	4,808	23,878
	<u>8,295</u>	<u>-</u>

7 Cash and cash equivalents

Cash at bank in hand

Short-term bank deposits

CBA cheque account

CBA online saver account

	94	365
	134,300	173,725
	155,949	207,470
	373,587	264,211
	<u>663,930</u>	<u>645,771</u>

8 Trade and other receivables

CURRENT

Trade receivables

Other receivables

Income receivables

Total current trade and other receivables

	419,615	327,787
	710	-
	43,409	43,395
	<u>463,734</u>	<u>371,182</u>

Fitness Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

9 Property, plant and equipment

	2017	2016
	\$	\$
PLANT AND EQUIPMENT		
Low value pool		
At cost	96,339	93,137
Accumulated depreciation	<u>(83,067)</u>	<u>(76,299)</u>
Total plant and equipment	<u>13,272</u>	<u>16,838</u>
Furniture, fixtures and fittings		
At cost	384,142	536,527
Accumulated depreciation	<u>(244,954)</u>	<u>(301,199)</u>
Total furniture, fixtures and fittings	<u>139,188</u>	<u>235,328</u>
Motor vehicles		
Under lease	115,891	127,597
Accumulated depreciation	<u>(58,897)</u>	<u>(45,884)</u>
Total motor vehicles	<u>56,994</u>	<u>81,713</u>
Computer equipment		
At cost	115,100	116,656
Accumulated depreciation	<u>(105,214)</u>	<u>(100,114)</u>
Total computer equipment	<u>9,886</u>	<u>16,542</u>
Total property, plant and equipment	<u><u>219,340</u></u>	<u><u>350,421</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

9 Property, plant and equipment (continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Low Value Pool	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2017					
Balance at the beginning of the year	16,838	235,328	81,713	16,542	350,421
Additions	3,384	5,345	9,528	2,344	20,601
Transfers	-	-	-	-	-
Disposals - written down value	-	-	(11,274)	-	(11,274)
Depreciation expense	(6,950)	(101,485)	(22,973)	(9,000)	(140,408)
Balance at the end of the year	13,272	139,188	56,994	9,886	219,340

10 Tax assets

Recognised deferred tax assets and liabilities

	2017	2016
	\$	\$
Deferred tax assets	55,028	63,323

(a) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

Tax losses	126,486	126,486
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Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Intangible Assets

	2017	2016
	\$	\$
Development costs		
Cost	16,800	-
Computer software		
Cost	315,664	315,664
Accumulated amortisation	(107,065)	(63,339)
Net carrying value	208,599	252,325
Website		
Cost	129,218	87,883
Accumulated amortisation	(48,958)	(34,002)
Net carrying value	80,260	53,881
Total Intangibles	305,659	306,206

(a) Movements in carrying amounts of intangible assets

	Computer software	Website	Development costs	Total
	\$	\$	\$	\$
Year ended 30 June 2017				
Balance at beginning of the year	252,325	53,881	-	306,206
Additions	-	41,335	16,800	58,135
Amortisation	(43,726)	(14,956)	-	(58,682)
Closing value at 30 June 2017	208,599	80,260	16,800	305,659

12 Other assets

CURRENT		
Prepayments	133,797	86,726

13 Trade and other payables

	2017	2016
	\$	\$
CURRENT		
Trade payables	235,679	230,203
GST payable	83,787	82,884
Other payables	141,949	129,097
	461,415	442,184

Fitness Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

14 Other liabilities

	2017	2016
	\$	\$
CURRENT		
Accrued expenses	38,102	27,625
Income received in advance	63,648	-
	<u>101,750</u>	<u>27,625</u>

15 Borrowings

CURRENT		
Toyota Finance	19(a) <u>62,994</u>	<u>24,104</u>
NON-CURRENT		
Toyota Finance	19(a) <u>-</u>	<u>73,115</u>

16 Provisions

CURRENT		
Provision for employee benefits	<u>201,952</u>	256,118
NON-CURRENT		
Provision for employee benefits	<u>36,550</u>	<u>59,039</u>

17 Reserves

General reserve	<u>630,660</u>	<u>630,660</u>
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(a) General reserve

The general reserve records funds set aside for future expansion of Fitness Australia Limited.

Notes to the Financial Statements

For the Year Ended 30 June 2017

18 Contracted Commitments

Fitness Australia Limited has entered into a contract for \$16,000 a month with a company from December 2015 to December 2017 who will provide media and advertising services.

19 Leasing Commitments

(a) Finance leases

	2017	2016
	\$	\$
Minimum lease payments:		
- not later than one year	62,994	24,104
- between one year and five years	-	73,115
Minimum lease payments	62,994	97,219

(b) Operating leases

Minimum lease payments under non-cancelable operating leases:

- not later than one year	293,216	230,215
- between one year and five years	300,543	501,332
Minimum lease payments	593,759	731,547

20 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$ 329,937 (2016: \$ 620,643).

21 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Fitness Australia Limited

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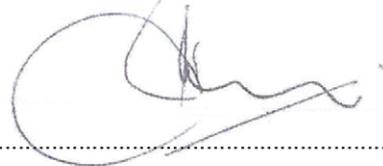
Directors' Declaration

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 9 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Director 

Dated this 6 day of OCTOBER 2017

Independent Auditor's Report to the Members of Fitness Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Fitness Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and *the Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the entity in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information in Fitness Australia Limited's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

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Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Nexia Sydney Partnership



Andrew Hoffmann
Partner

Dated: 6 October 2017
Sydney

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Connect with us



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