Fitness Australia Annual Report 2012-13

Fitness Australia®
THE HEALTH & FITNESS INDUSTRY ASSOCIATION

OUR VALUES:

OPEN
TRUSTWORTHY
GENERATIVE
COURAGEOUS

WE ARE:

2,500
REGISTERED FITNESS BUSINESSES

265
CONTINUING EDUCATION PROVIDERS

875
CEC APPROVED PROGRAMS

27,500
REGISTERED EXERCISE PROFESSIONALS

43% MALE REPS

57% FEMALE REPS

5,840 LIKES

28 AVG AGE

8,050 FOLLOWERS

9,073 YouTube VIEWS

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Gregory Will

Chairman
Fitness Australia

Lauretta Stace

Chief Executive Officer
Fitness Australia

Chairman & CEO report

Reflecting on the past twelve months, we are proud to report on Fitness Australia's many and wide-ranging achievements.

Fitness Australia's vision is "a Fitter, Healthier Australia" and we have continued to assist with the creation of an environment where the fitness industry is better equipped to engage more people in regular exercise.

Fitness Australia is the leading peak health and fitness industry association providing a range of business support services and solutions to almost 30,000 registered exercise professionals, fitness service providers and industry suppliers Australia-wide.

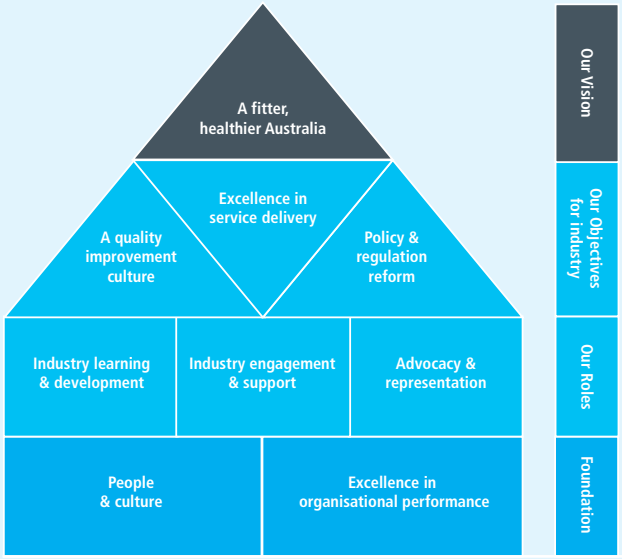
As a peak industry association with a highly credible national profile, Fitness Australia recognises the growing importance of the fitness industry to the Australian economy and to maintaining the health and wellbeing of the community. Fitness Australia is committed to leading, supporting and growing an innovative fitness industry that embraces knowledge sharing, professionalism and high standards of customer care and service.

Throughout 2012-13, our progress has been achieved in a financially prudent environment, where costs remain well controlled and funds received are constantly re-invested in the delivery of services and continued development of the fitness industry.

The Australian health & fitness industry

The fitness industry is composed of a diverse range of businesses with significant variation across a range of parameters including business size, structure, location, service offering, and market specialisation.

According to IBISWorld[1], the story of the past five years for gyms and fitness centres is one of strong growth. This growth has been driven by the mainstreaming of fitness services as health awareness increases. The industry will approach maturity over the coming five years, with revenue forecast to stagnate as industry consolidation occurs. The trend towards personalised services and alternative exercise services, such as yoga, pilates, outdoor and studio PT and martial arts offered outside the traditional gym or health club environment continues to grow and freelance fitness professionals will continue to carve out their own niche markets.



Vision, purpose and objectives

Fitness Australia's vision is "a Fitter, Healthier Australia."

We foresee a healthier community where more Australians are physically fit and active resulting from the use of the contemporary fitness industry's broad range of services.

Throughout the year, Fitness Australia has continued to advance towards the achievement of objectives that are designed to assist with the creation of an environment where the fitness industry is better equipped to engage more people in regular exercise.

We will achieve this by:

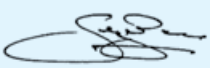
- Creating a quality improvement culture that focuses the industry on customer care, professional service and client safety;
- Enhancing the industry's capacity to deliver quality services through standard setting, education, learning and development;
- Advocating for a policy and regulatory environment where the fitness industry can thrive;
- Creating connections and building relationships that advance the fitness industry.

These objectives are underpinned by relevant research, industry engagement and industry support services.

These actions place Fitness Australia in a strong position to continue to assist the industry, focus on what is important for their customers and to deliver quality services in order to prosper.

Lauretta Stace

Chief Executive Officer
Fitness Australia



Gregory Will

Chairman
Fitness Australia

1 IBISWorld Industry Report R9111. Gyms and Fitness Centres in Australia, July 2013.

Strategic highlights 2012-13

Following are some of the achievements and highlights from the past year in the key areas of strategic priority:

Industry engagement

- Development and implementation of the new group business and sole trader business registration categories;
- Development and implementation of the 'future professional' engagement strategy and free insurance product for fitness students.

Quality improvement culture

- Development and introduction of the Health and Fitness Industry Quality Awards;
- Continued progress on the revision and updating of the Industry Codes of Practice;
- Continued work with Bond University on the Australian Fitness Industry Risk Management (AFIRM) research project;
- Establishment of the Risk Management Committee in partnership with Guild Insurance;
- Continued development of the quality framework for the fitness industry in consultation with expert advisors.

Excellence in service delivery

- Development and circulation of a range of industry standards and guidelines;
- Continued consultation and policy development in relation to the enhancement of the professional registration and continuing education systems;
- Development of an exercise referral kit to assist exercise professionals to build relationships with health and medical professionals.

Advocacy and policy reform

- Successful conclusion of negotiations with the Australasian Performing Right Association (APRA) in relation to the licence scheme for the use of background music in fitness centres;
- Continued partnerships with government in relation to the Healthy Communities and Healthy Workplace Initiatives;
- Continued government lobbying in relation to an extension of the Fringe Benefits Tax legislation for fitness benefits;
- Continued relationship building with the Australian Government Department of Health and Ageing and the Australian National Preventive Health Agency;
- Continued lobbying of state and local governments in relation to the use of public space for exercise programs and groups run by commercial fitness businesses;
- Industrial relations advocacy with regard to the Fitness Industry Award 2010.

Acknowledgements

We would like to extend our thanks to the Board of Directors, Council members, stakeholders, and partners, 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.

Finally, we extend our sincere thanks to the growing number of people within the industry that choose to support and promote Fitness Australia and what it is trying to achieve for the benefit of the fitness industry.

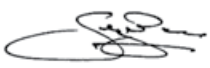
For the year ahead we have a strong focus on industry engagement, learning and development and advocacy that will assist us to achieve our vision. We have a talented and committed Board of Directors and industry members who volunteer their time and expertise to contribute to Fitness Australia through 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 know that by working together as a united industry, 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.

We look forward to continuing to share this journey with you.

Lauretta Stace

Chief Executive Officer
Fitness Australia



Gregory Will

Chairman
Fitness Australia

Key project achievements 2012-13

Enhancing the Professional Registration & Continuing Education Systems

Fitness Australia has undertaken important project work aimed at enhancing the professional registration and continuing education (CE) systems as a key part of its strategic priority for developing workforce capacity and improving the quality of industry services.

The project has run across two phases. During phase one (2011-2012), research and consultation was undertaken to identify and understand the existing professional roles in the fitness industry and their related scope of practice, as well as understanding employer and consumer expectations of professionals in these roles. This process identified a current lack of clarity around professional scope of practice and some misalignment between the current professional roles and the Fitness Australia professional registration categories.

During phase two (2012-2013), 7 principles were applied to the existing system to identify weaknesses and form recommendations for change:

1. System clearly distinguishes between professional registration and education.
2. Levels are a valid indicator of experience, knowledge and skills.
3. Categories represent an existing professional role.
4. CEC system aligns with industry standards, public health, employer and registrant needs.
5. CEC Programs and Providers are quality assured.
6. CEC system facilitates progression; maintains evidence based knowledge and skill.
7. CEC allocation is weighted in accordance with relevant quality criteria.

Broad consultation during phase two included focus group interviews and workshops for representative segments of professionals and businesses as well as comprehensive stakeholder input resulting in the production of a clearly defined Registered Exercise Professional Scope of Practice and the following set of enhancements to the registration system:

1. Registration Categories:

The registration categories will be re-organised to reflect existing professional roles. The prime categories will be:

- Personal Trainer
- Gym Instructor
- Group Exercise Instructor
- Group Exercise Leader

The knowledge and skill represented through former categories such as Aqua, Older Adults, Children, Specialized Trainer and Pre-Choreographed Group Exercise will continue to be profiled through a new Delivery Knowledge and Skill listing (see below).

2. Delivery Knowledge and Skill:

Delivery knowledge and skill obtained through qualification or continuing education will be listed on an online record for each registrant. This record will exist on the Fitness Australia Registered Exercise Professional online directory. Both the area of knowledge and skill and the related program name or qualification will be listed. This enhancement will provide an exacting chronological record of professional expertise and related scope of practice for every registered professional.

3. CE System Enhancements:

Three enhancements will be made across the CE system:

(i) An increase in the practical experience requirement.

(ii) CEC allocation for approved programs weighted against expanded quality criteria.

(iii) A Continuous Quality Improvement process to be established for CE providers.

4. Clear Scope of Practice:

To raise awareness and understanding around professional role and responsibility, reference will be made to the newly developed Fitness Australia Registered Exercise Professional Scope of Practice. www.fitness.org.au/scopeofpractice

The implementation of the system enhancements has now commenced as part of the 2013-14 business plan, with a planned approach to testing and process adjustments underway. Industry communication will pave the way for the launch of the system changes in April 2014.

It is acknowledged that the Exercise Professional Registration System will need to continue to evolve and change to meet future demand. These changes are an important step in ensuring that the system can remain responsive to the needs of professionals, employers, health providers and most importantly, the public, ensuring that the fitness industry is better equipped to engage more people in regular exercise.

Australian Health & Fitness Industry Quality Awards

The Health and Fitness Quality Awards were developed and introduced by Fitness Australia in 2012.

The Quality Awards offer fitness businesses across Australia the opportunity to have their achievements recognised by their clients, their community and their industry peers. The process of nominating for a Quality Award enables the business to reflect on where they have come from, what they have achieved and how they can continue to learn, grow and improve.

In 2012, Fitness Australia, in collaboration with Quorus, developed and launched the Health and Fitness Industry Quality Awards as a system that describes the elements essential to businesses sustaining high levels of performance. This system forms the foundation of a national quality and accreditation framework that aims to:

- Build and enhance industry reputation and profile through standards and quality assurance;
- Build the capacity of the industry to achieve optimal industry standards; and
- Build and position the Fitness Australia brand as the symbol of optimal industry standards.

In 2012, 64 businesses received a Quality Award, with 11 at the GOLD level, 36 at the SILVER level and 17 at the BRONZE level. The Prize for Excellence was awarded to Macleod Recreation Centre in Victoria.

The feedback about the Quality Awards has been extremely positive.

"We are absolutely honoured to receive the Gold Award for Quality. Thank you to Fitness Australia for the opportunity. I encourage all businesses to put aside the time in 2013 to apply. It's a rewarding process that enables clarity of your purpose, goals, and values and allows you to review and celebrate your successes over the past year. Well worth spending the time!"

Jodie Arnot
Healthy Balance Fitness – Gold Quality Award Fitness Business 2012 and 2013.

Australian Fitness Industry Risk Management (AFIRM) Project

In 2012, the Centre for Law, Governance and Public Policy was successful in receiving an ARC grant to commence a three year project that will investigate the legal risk of adverse health outcomes and injury in the fitness industry.

Partnering with Fitness Australia and Sports Medicine Australia, the project is led by Professor Patrick Keyzer and Professor Joachim Dietrich (Bond University), in conjunction with Professor Caroline Finch (Monash University), Professor Kevin Norton (UniSA) and Dr Betul Sekendiz (Central Queensland University).

Project Summary

This project will answer two important questions:

1. How does Australian regulation currently control risk management in the fitness industry and thereby prevent adverse health outcomes and injury, and the legal liability associated with those risks?
2. What sustainable changes could be made to Australian regulation for more effective risk management in the health and fitness industry in order to prevent the risk of adverse health outcomes and injury, and the legal liability associated with those risks?

To answer these questions, the research will:

1. Identify the regulation that governs risk management in the fitness industry;
2. Analyse the operation of that regulation in its practical context;
3. Critically review the safety practices that occur in the Australian Fitness Industry; and
4. Exploit national and international expertise to workshop world's best safety practices.

Armed with this knowledge, the partners will work together to:

1. Develop, in consultation with key stakeholders, new best practice benchmarks to improve safety in the fitness industry and reduce the risk of adverse health and injury outcomes;
2. Design regulation and safety practices to advance the achievement of those benchmarks; and
3. Develop training materials for industry use related to those benchmarks, with the objective of increasing safety, reducing the risk of adverse health outcomes and injury, and decreasing the prospect of adverse legal liability outcomes.

As part of this important research project, the researchers have developed a series of Reports on relevant legislation and regulations that apply to the fitness industry, conducted an industry-wide survey on risk management practices in the fitness industry and held a risk management seminar featuring Professor JoAnn Eickhoff-Shemek from the University of South Florida, a world-renowned expert in the field of health and fitness industry risk management.

Exercise Referral Kit

The Exercise Referral Kit was released by Fitness Australia.

The kit was designed to address the following realities:

- Exercise professionals understand the need for client referrals but don't know how to connect with medical and allied health professionals
- Health professionals have publicly expressed concern about the lack of consistency in the methods that exercise professionals use to refer clients, and the low level of understanding about health system protocols
- Client referral practices have a significant impact upon industry credibility and reputation

The kit is comprised of two interactive guides, as well as a series of practical tools and templates. Its aim is to help exercise professionals to build essential knowledge, develop practical skills and follow recognised professional processes that meet health system expectations.

The two guides include step-by-step advice and active hyperlinks to more information, as well as listings of Exercise, Sport, Medical and Allied Health peak bodies and organisations.

The guides can be viewed in electronic format on a PC or mobile device, or can be printed for hard copy reference.

The tools and templates include letters, reports and checklists that meet recognised professional standards for client referral. These tools and templates can be downloaded for use directly from www.fitness.org.au/exercisereferrals.

The opportunity for the industry to order these resources through a print-on-demand service is currently being explored.

Industry engagement

The kit has had excellent industry engagement to date with 7,296 unique visitors to the Exercise Referrals web page across August and September. The resources within the kit have also been accessed directly through various communication methods, including direct emails, eNews articles and social media promotion. This has resulted in a total of 8,240 individuals viewing and downloading the guides, tools and templates. Visitors accessing the referral guides have covered a good range of content within each guide, have engaged well with the interactive elements and the letter templates, flow charts and checklists have been popular components of the kit.

External engagement

Fitness Australia has used a number of external channels to profile the role and scope of practice of the fitness industry and to promote resources for client screening, exercise referrals and collaboration between sectors.

In early 2013, Fitness Australia worked with ThinkGP to develop two educational feature videos to reach busy GPs and health practitioners through the ThinkGP continuing professional development platform.

These videos have had over 3,000 views from health professionals ranging from GPs, to nurses, allied health professionals and practice staff. www.thinkgp.com.au/fitness-australia.

The Referral Kit and professional Scope of Practice have also been promoted through the networks of the Australian Lifestyle Medicine Association, which comprises over 30,000 health professionals.

"Praise for Fitness Australia's Exercise Referral Kit, specifically for teaching the unit, SISFFIT415A – Work collaboratively with medical and allied health professionals, within the fitness qualifications."

– Heads of School, TAFE NSW

ThinkGP

ALMA Australian Lifestyle Medicine Association

Industry standards & guidelines

Fitness Australia's standards and guidelines are developed in conjunction with industry experts and are an important tool to support the fitness industry in achieving a high standard of customer care, safety and service.

As the range of activities offered across the fitness sector continues to expand, Registered Exercise Professionals and Registered Fitness Businesses place a greater reliance upon best practice advice to help them manage risks, maintain professional and ethical practice and comply with relevant regulations.

This work is central to Fitness Australia's commitment to building community confidence in fitness industry services.

Two new industry guidelines were released in September, 2013 and are now available at www.fitness.org.au/guidelines:

Pre and Post-Natal Exercise Guidelines
Provide:

- clarification for Registered Exercise Professionals on how to mitigate risk and exercise duty of care when delivering advice and programs for pregnant or post natal women
- recommendations for:

- pre-exercise screening and referral
- exercise programming including activity choices
- warning signs to look out for
- nutritional, hydration and environmental considerations

Outdoor Training Guidelines
Provide:

- best practice standards for effective exercise service delivery in the outdoor setting
- practical advice to help Registered Exercise Professionals and Registered Businesses manage risks and exercise their duty of care
- recommendations for:

- pre-exercise screening
- setting and space requirements
- equipment selection
- consideration for weather conditions
- professional and ethical considerations including noise level, lighting, disturbances, business signage, sustainability considerations

Healthy Communities Initiative (HCI)

'Lift for Life' Program Highlights

In 2010, Nicola Roxon, Minister for Health & Ageing announced a significant National Program Grant to Fitness Australia as part of the COAG Healthy Communities Initiative. The funding of $986,920 over three years has been used to promote the delivery of the Lift for Life program within fitness centres across Australia.

Lift for Life® is an evidence-based resistance training program that was developed by the Baker IDI Heart and Diabetes Institute. It has been designed for adults with (or at risk of developing) type 2 diabetes and other chronic conditions.

As at 2013, the Lift for Life program is operating in 47 HCI Local Government Areas nationally and surpassing the project participant KPI of 1,740.

The program has continued to be successful in target areas such as Alice Springs, Bass Coast, Thursday Island, Broadmeadows, Sunshine Coast and Lismore. The Alice Springs program has received 461 General Practice and 200 Allied health referrals.

The initiation of the program at Worowa Aboriginal Girls College in Healsville Victoria will provide some interesting insight into the application and acceptance of the program with adolescent Aboriginal Torres Strait Islander girls.

The Thursday Island program has attracted further funding from the Torres Strait Regional Authority. This funding will provide for additional workforce capacity, provide fitness certification to a local woman so she can deliver the program and potentially allow expansion to some of the outer islands.

Lift for Life participant recruitment is still strong and continues to attract the target groups of low income clients above 50% of participants and those at risk of chronic disease due to waist measurement approaching 90% of participants.

Lift for Life satisfaction survey data reports approximately 26% of participants indicated they were sedentary prior to participation in the program.

A Lift for Life case study appears in the Australian National Health Prevention Agency State of Preventive Health report 2013.

LIFTFORLIFE®
exercise made easy

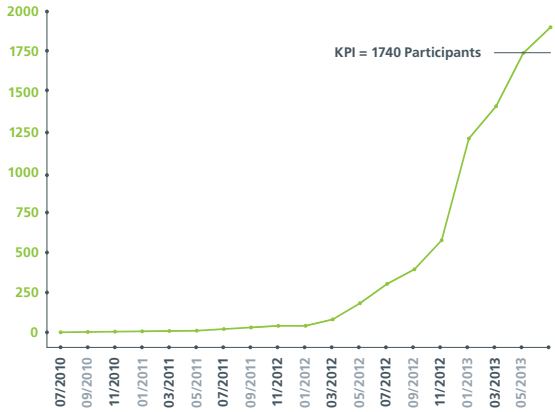
Lift for Life is highlighted in a Fitness Australia video produced for Think GP – a free online education platform for General Practice and Allied Health www.thinkgp.com.au/video/features/34365. The Relevance of physical activity and structured exercise which has had over 1,200 views.

"Cumulatively Lift for Life briefing sessions reached over 2,000 people from over 800 organisations."

Health outcome data for participants is also very strong with strong improvements recorded in strength, agility and aerobic capacity.

Another significant outcome of involvement in Lift for Life is Fitness Australia's opportunity to be involved in a roundtable with all of the major health NGOs and David Butt Deputy Secretary of the Department of Health and Ageing. This meeting will discuss the Healthy Communities Initiative, a coalition of evidence based chronic disease management exercise programs and the provision of step down exercise referral pathways into community lead Fitness industry programs.

Participants involved in the program from funded HCI LGAs



		% Change in 8 weeks (Bronze phase)	% Change in 16 weeks (Silver phase)	% Change in 24 weeks (Gold phase)
Aerobic Capacity (6MWT or 2MST)	^	21.6%	46.3%	55.5%
Lower Body Strength (Chair Stand)	^	29.0%	36.7%	55.0%
Upper Body Strength (Arm Curl)	^	43.0%	73.7%	104.5%
Agility (8-foot up & go)	^	20.8%	28.8%	32.4%
Waist Circumference	v	-2.1%	-2.1%	-2.7%

NSW Healthy Workers

Fitness Australia has been funded by NSW Health to undertake a series of communication initiatives targeting providers and consumers of fitness services within NSW.

The purpose of this communication is to use the fitness industry as a channel to influence health behaviours among those who are currently physically inactive, through two key strategies:

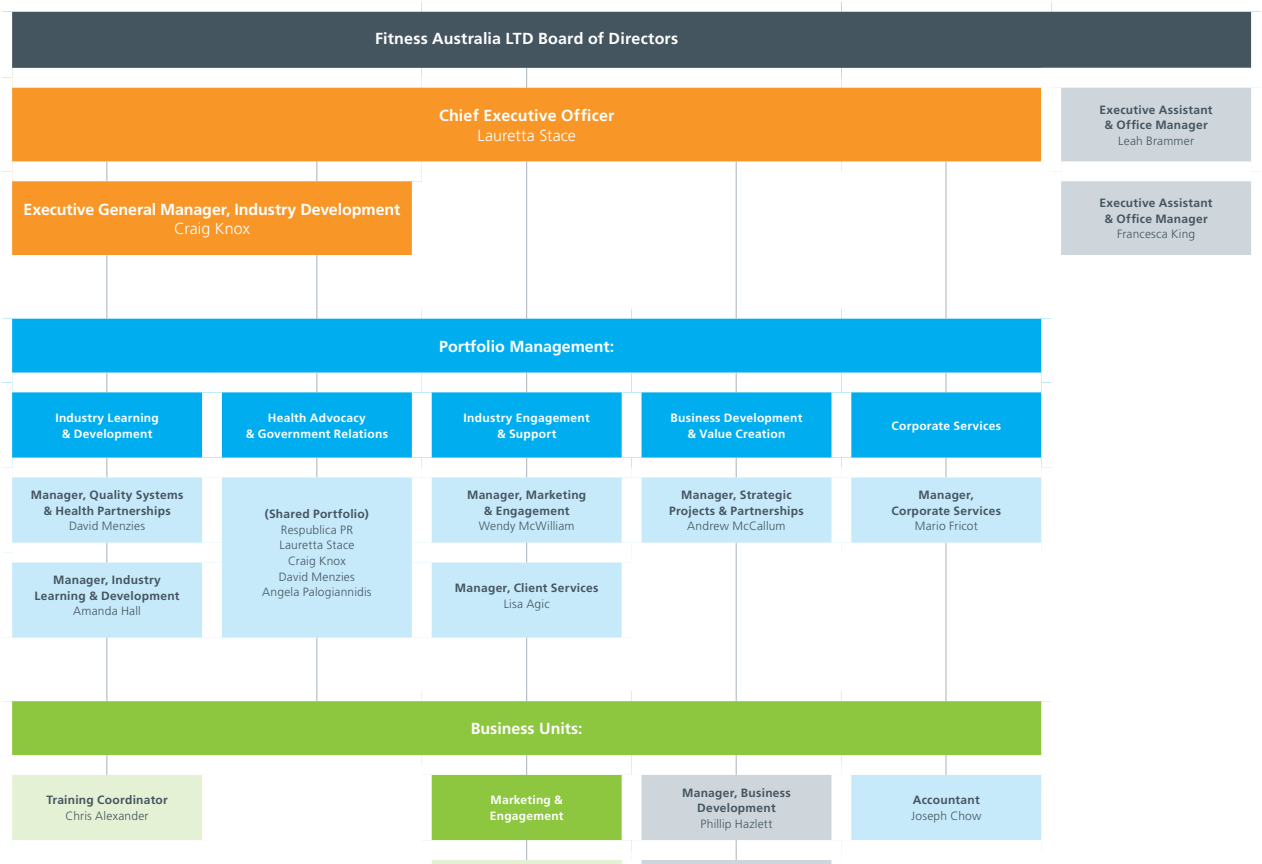
- to raise awareness of the Get Healthy Information and Coaching Service through the fitness industry via social media
- to develop and disseminate a Get Healthy Service resource pack (educational DVD, posters and fact sheets) to all Registered Fitness Businesses in NSW

Promotion of the health service has been identified through industry communication channels, including high profile industry magazines and online networks, as well as direct promotion by Registered Fitness Businesses to their staff as well as to past and current clients. Fitness Australia sees this project as an important example of how the fitness industry can play a collaborative role in government preventive health initiatives, working for a fitter, healthier Australia.

Fitness Industry and the Get Healthy Service working together

The Health & Fitness Industry Association

Fitness Australia team*



We would also like to acknowledge the contribution of the following team members throughout the 2012-13 financial year:

Robert Barnes
General Manager, Operations

Jade Booth
Development Coordinator

Rachel Bruce
Industry Support Team

Giuliano Salvatori
Industry Support Team

*Fitness Australia has undertaken an organisational re-design and that this organisational chart is effective from November 2013. On the same page, put a box with the following:

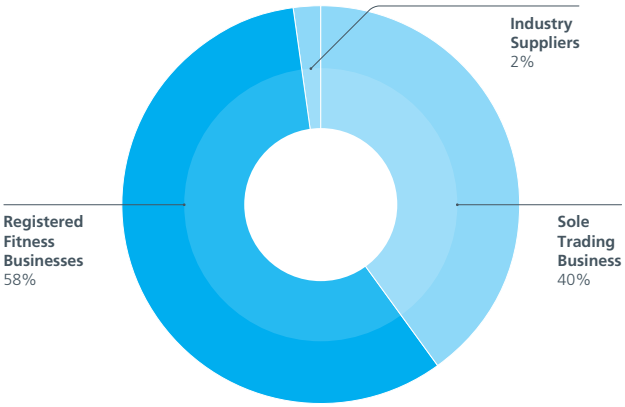
Fitness Australia Registered Exercise Professionals & Fitness Businesses

This year the total number of Registered Exercise Professionals (REPs) has increased by 1,036 and Registered Businesses has increased by 608.

This financial year we introduced 2 new business registration categories, Sole Trading Business (STB) and Group Business Registration (GBR) which comes under our Registered Fitness Business category. Our Sole Trading Business registration combines both your professional and business registration in one and the GBR is specifically for multi-site businesses with 2 or more sites.

The number of Inbound calls to our 1300 211 311 were over 47,600 and there were over 10,000 outbound calls made by the Industry Support Team and Relationship Managers. The Relationship Management Team made 659 face to face visits around the country and there were a total of 4,209 attendees at Student Presentations, #fitnessmeetscoffee and Industry Forums.

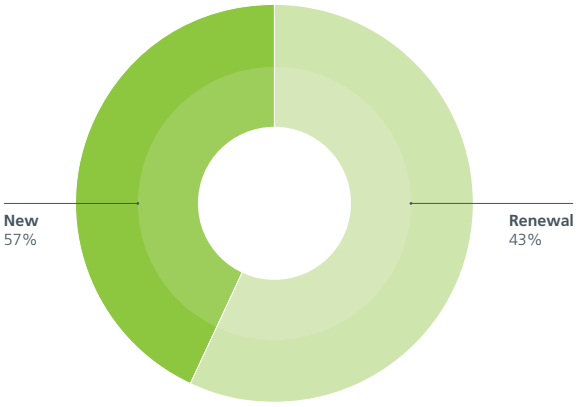
Percentage of Business Registrations Processed
between 1 July 2012 to 30 June 2013



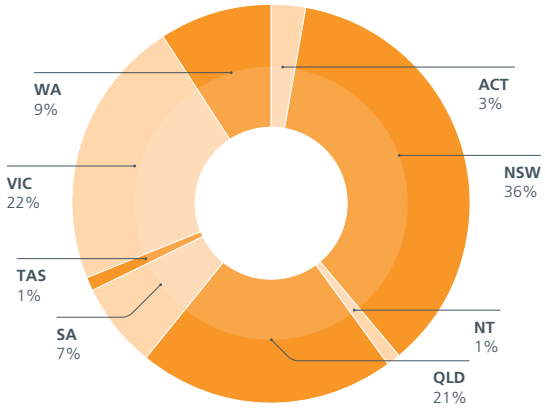
Registered Exercise Professionals (REPs)

- ***New REPs*** *6,481*
- ***Renewed REPs*** *7,487*
- ***Total*** *13,968*

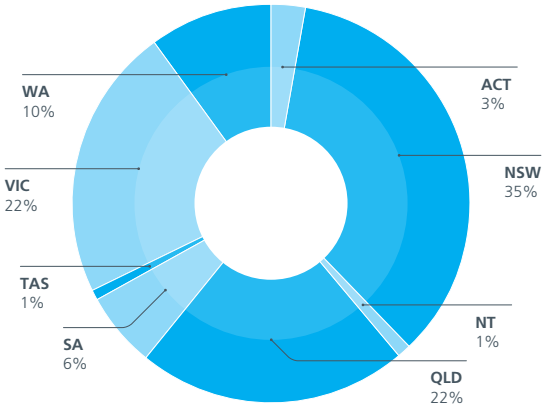
Percentage of Exercise Professional Registrations Processed
between 1 July 2012 to 30 June 2013



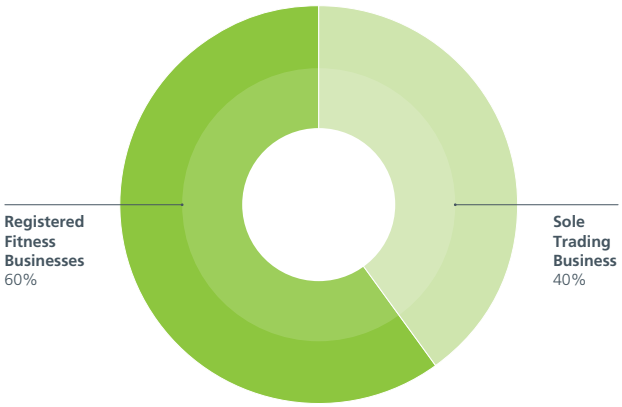
Geographical distribution of Registered Fitness Businesses in Australia



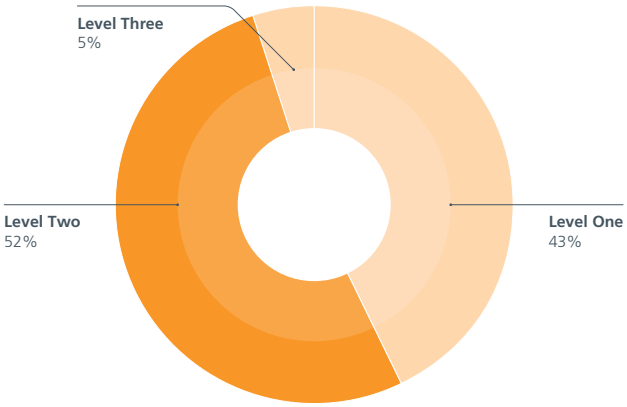
Geographical distribution of Registered Exercise Professionals in Australia



Breakdown of Fitness Australia Business Registration Type



Fitness Australia Exercise Professional Registration Levels



Registered fitness businesses

- ***New businesses*** *877*
- ***Renewed businesses*** *1,032*
- ***Total*** *1,909*

"Fitness Australia is ideally poised to continue to build as a strong and influential industry association."

– Lauretta Stace, Chief Executive Officer

Financial report

Annual financial report discussion and analysis

Discussion and analysis of the financial results for the twelve months ending 30 June 2013.

The year in review

In its fifth year of operation as a national association, Fitness Australia generated revenues of $3.9 million which represents growth of 1.9% compared to the previous financial year. At the same time, total expenditure increased by 2.5% year on year, resulting in a net surplus of $61,287. This result was in alignment with planned budget targets for the year. This is a pleasing result, given that Fitness Australia has concurrently made significant investments in industry advocacy programs, research programs, marketing and communications initiatives, property leasehold and information technology enhancements throughout the year.

Revenue growth has largely been driven by continued growth in both business and professional registrations as well as enhanced customer retention rates which is an indicator that Fitness Australia's level of engagement and profile within the industry continues to grow and that our members are receiving value from their association.

Fitness Australia continued to build on its foundation in the key areas of business and professional registration, ending the year with 1,955 business memberships and 13,968 professional registrations. The national register of exercise professionals numbered over 27,500 at the end of the year.

Throughout the year, Fitness Australia continued to invest industry funds in a range of industry development initiatives, research, advocacy programs, events and improvements to industry engagement, communications, technology and service delivery.

With an improved net asset (Member Funds) position of $940,493, a strong balance sheet and strong cash flows, Fitness Australia is ideally poised to continue to build as a strong and influential industry association. This continued strength and influence will enable more services, improved profile and greater benefits for the Australian fitness industry and the supporters of Fitness Australia.

Lauretta Stace

Chief Executive Officer
Fitness Australia

Fitness Australia Limited
ABN: 51 131 422 403
Directors' Report
for the Year Ended 30 June 2013

The Directors present this report on the company for the financial year ended 30th June 2013

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

Paul William Kinghorn
Robert John Parker
Susan Jane Kingsmill
Gregory Charles Oliver
Andrew Simon Nairn (Resigned October 2012)
Melainie Cameron (Resigned October 2012)
David Allan
Gregory James Will
Gregory David Brewer Hurst
David Morgan (Appointed October 2012)
Kevin Kalinko (Appointed December 2012)

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

Company Secretary
The following person held the position of company secretary at the end of the financial year:
Lauretta Stace who is also Chief Executive Officer, has held the position of Secretary since 3 June 2008.

Operating Results
The profit of the company for the financial year after providing for income tax was $61,287 (2012 Profit of $51,745).

Review of Operations
A Review of the company operations during the financial year and the results of those operations are as follows;
Revenue increased $184,582 this year in comparison to last year. The main increases in revenue were Registrations of $62,015 and Associate Membership of $190,940.
Decreases in revenue include Affinity Agreements of $122,934.
Expenses and finance costs increased by $99,706. The main increases in expenditure were Administration Expenses of $98,948, Human Resources of $79,522 and Occupancy Expenses of $52,751.

Significant Changes in State of Affairs
There have been no significant changes in the state of the company's affairs during the financial year.

Principal Activities
The principal activities of the company during the course of the year were:

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

Fitness Australia Limited
ABN: 51 131 422 403
Directors' Report
for the Year Ended 30 June 2013

positions, and promoting the role of the fitness industry to government, health agencies and the community.

There have been no significant changes in the nature of these activities during the year.

After Balance Date Events
No known matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the company's operations, the results of those operations or the state of affairs of the company in subsequent financial years.

Future Developments
The company expects to maintain the present status and level of operations and hence there are no likely known developments in future financial years.

Information on Directors
Paul William Kinghorn - Director
Qualifications - General Manager - Equilibrium Health Clubs
Robert John Parker - Director
Qualifications - Head, Children's Hospital Institute of Sports Medicine - The Children's Hospital at Westmead
Susan Jane Kingsmill - Director
Qualifications - Owner - Hiscoes Fitness Centre
Gregory Charles Oliver - Director
Qualifications - Chief Executive Office - Goodlife Health Clubs
David Allan - Director
Qualifications - Consultant to the fitness industry
Gregory James Will - Director
Qualifications - Partner - Armstrong Dawson
Gregory Hurst - Director
Qualifications - Owner/Director - Australian Institute of Fitness
David Morgan - Director
Qualifications - Managing Director - Runaway Bay Spot and Leadership Excellence Centre
Kevin Kalinko (Appointed December 2012) - Director
Qualifications - Director - Australian Institute of Personal Trainers

Fitness Australia Limited
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Directors' Report
for the Year Ended 30 June 2013

Meetings of Directors
Attendance at meetings:
Paul William Kinghorn - 6/8
Robert John Parker - 8/8
Susan Jane Kingsmill - 7/8
Gregory Charles Oliver - 8/8
Andrew Simon Nairn (Resigned October 2012) - 3/3
Melainie Cameron (Resigned October 2012) - 1/3
David Allan - 6/8
Gregory James Will - 8/8
Gregory David Brewer Hurst - 6/8
David Morgan (Appointed October 2012) - 4/5
Kevin Kalinko (Appointed December 2012) - 4/4

Director Related Transaction
During the year the following transactions occurred between the company and the directors or related entities:

Greg Hurst - Owner/Director of Australian Institute of Fitness paid membership of $1,650.

Greg Oliver - CEO of Goodlife Health Clubs who paid a total of $45,760 for membership.

Kevin Kalinko - Director of Australian Institute of Personal Trainers and is an Industry Supplier Member, paying $825 for membership

Susan Kingsmill - Owner of Hiscoes Fitness Centre paid membership of $715 and is also an exercise professional for which she paid $220.

Greg Will, the Chairman, was paid an honarium $11K

David Allan - has a sole trading business Pro Fitness Studio for which he paid $440.

All director duties related expenses for Fitness Australia Ltd duties was paid by the organisation.

Fitness Australia Limited
ABN: 51 131 422 403
Directors' Report
for the Year Ended 30 June 2013

All transactions occurred within a normal customer relationship on conditions no more favourable than those available to other customers.

Environmental Issues
The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends
The constitution of the company prohibits distribution of its income among its members and no dividends have been or will be paid.

Auditor's Independence Declaration
A copy of the auditors independence declaration as required under section307C of the Corporations Act 2001 follows this report.

Indemnities Granted
The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Gregory Oliver
Director

Gregory Will
Director

Dated this 14th day of October 2013

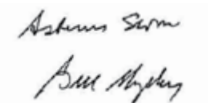
Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001

To the Directors of Fitness Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Fitness Australia Limited for the year ended 30 June 2013 there have been;

a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.



Astims SWM Chartered Accountants
Bill Murphy
Suite 6, Level 1, 55 Grosvenor Street, Neutral Bay NSW 2089
Dated this 21 day of October 2013

Fitness Australia Limited
ABN: 51 131 422 403
Statement of Profit or Loss and Other Comprehensive Income
For the Year ended 30 June 2013

	Note	2013 $	2012 $
Sales revenue	2	3,858,920	3,674,338
Other revenue	2	48,674	161,161
Accounting Fees		(7,550)	-
Couriers		(3,530)	-
Marketing expenses		(440,842)	(399,537)
Occupancy expenses		(288,900)	(236,149)
Administration expenses		(371,101)	(272,153)
Membership expenses		(94,990)	(115,345)
Registration expenses		-	(81,027)
Meeting expenses		(141,419)	(88,937)
Human resources		(2,011,440)	(1,931,918)
Projects		(253,949)	(250,381)
Grant revenue expenses		(4,147)	(37,624)
Other expenses		(221,176)	(326,267)
Finance Costs	4	(7,263)	(12,284)
Profit before Income Tax		61,287	83,877
Income Tax Expense	5	-	(32,132)
Profit/(Loss) for the year		61,287	51,745
Other comprehensive income:			
		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		61,287	51,745
Profit/(Loss) attributable to members		61,287	51,745
Total comprehensive income attributable to members		61,287	51,745

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 2013

	Note	2013 $	2012 $
Current Assets			
Cash and Cash Equivalents	6	1,259,733	1,150,436
Trade and Other Receivables	8	84,071	72,082
Financial Assets	9	-	66,007
Current Tax Assets	10	7,650	12,793
Other	11	99,312	250,219
Total Current Assets		1,450,766	1,551,536
Non-Current Assets			
Property, Plant and Equipment	12	501,067	363,409
Intangible Assets	13	120,097	153,417
Other	11	1,572	2,535
Total Non-Current Assets		622,736	519,361
Total Assets		2,073,502	2,070,897
Current Liabilities			
Trade and Other Payables	14	353,418	399,589
Borrowings	15	18,210	73,529
Short Term Provisions	16	205,657	200,610
Other Liabilities	17	508,863	452,893
Total Current Liabilities		1,086,148	1,126,621
Non-Current Liabilities			
Borrowings	15	46,861	65,070
Total Non-Current Liabilities		46,861	65,070
Total Liabilities		1,133,009	1,191,691
Net Assets		940,493	879,206
Equity			
Reserves	18	630,660	630,660
Retained Profits		309,833	248,546
Total Equity		940,493	879,206

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 2013

	Reserves	Retained Profits	Total Equity
As at 1 July 2011	632,874	191,740	824,614
Movements through State Entities	(2,214)-	-	(2,214)
Over-provision of income tax		5,061	5,061
Profit/(Loss) for year	-	51,745	51,745
At 30 June 2012	630,660	248,546	879,206
Movements through State Entities	-	-	-
Profit/(Loss) for year	-	61,287	61,287
At 30 June 2013	630,660	309,833	940,493

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 2013

	Note	2013 $	2012 $
Cash Flows from Operating Activities			
Receipts from Members & Customers		3,789,828	3,562,923
Payments to Suppliers & Employees		(3,448,484)	(2,937,676)
Interest Received		40,443	47,487
Income Tax (Paid)/Refunded		5,143	(90,220)
Net Cash Inflow/(Outflow) from Operating Activities	7	386,929	582,514
Cash Flows from Investing Activities			
(Purchase)/Sale of Property, Plant & Equipment		(270,115)	(175,101)
Net Cash Inflow/(Outflow) from Investing Activities		(270,115)	(175,101)
Cash Flows from Financing Activities			
Proceeds/(Repayment) of Borrowings		(73,529)	(65,607)
Inflow/(outflow) from discontinued operations		-	(2,214)
(Increase)/Decrease in Value of Deposits		66,077	29,454
Net Cash Inflow/(Outflow) from Financing Activities		(7,522)	(38,367)
Net Increase/(Decrease) in Cash Held		109,297	369,046
Cash and Cash Equivalents as at 1 July 2012		1,150,436	781,390
Cash and Cash Equivalents as at 30 June 2013		1,259,733	1,150,436

The accompanying notes form part of these financial statements.

Fitness Australia Limited
Notes to the Financial Statements
For the Year ended 30 June 2013

1. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report and it has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise stated the accounting policies have been consistently applied.

The following is a summary of the material accounting policies used by Fitness Australia Limited in the preparation of the financial report.

(a) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(b) **Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(c) **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.

(d) **Property, Plant and Equipment**

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

<u>Plant and Equipment</u>

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

<u>Depreciation</u>

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line or diminishing value basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Low value pool	37.5 % DV
Computer and office equipment	20.0 - 35.0 %
Furniture and fittings	10.0 - 25.0 %
Motor vehicles	12.5% PC

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) **Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.
Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) **Income Tax**

The income tax (revenue) for the year comprises current income tax expense (revenue) and deferred tax expense (revenue).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Non-member income of the company is only assessable for tax, as member income is excluded under the principle of mutuality.

(g) **Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.
All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

Fitness Australia Limited
Notes to the Financial Statements
For the Year ended 30 June 2013

(h) **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.
Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(i) **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.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

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

(j) **Trade and Other Payables**

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

(k) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).
Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.
Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.
Where the group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(m) **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates - Impairment

The group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(n) **New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided not to early adopt any of new and amended pronouncements and that it would not have any material effect on the company's financial statements.

Fitness Australia Limited
Notes to the Financial Statements
For the Year ended 30 June 2013

	2013 $	2012 $
2. Revenue		
Sales Revenue		
Business membership	675,851	656,975
Associate membership	268,667	77,727
Marketing & business development	31,588	92,824
Advertising	112,062	121,794
Affinity agreements	129,827	252,761
Registrations	2,371,618	2,309,603
Accreditation	143,241	109,316
Sponsorship	-	3,000
Partnership income	126,066	50,338
	3,858,920	3,674,338
Other Revenue		
Other revenue	8,231	9,674
Projects	-	90,000
Interest received	40,443	47,487
Recoveries	-	14,000
	48,674	161,161
	3,907,594	3,835,499
3. Expenses		
Loss on sale of non-current assets	33,923	20,173
Auditor's remuneration	23,600	31,308
Accounting Fees	7,550	-
Couriers	3,530	-
Marketing expenses	440,842	399,537
Occupancy expenses	288,900	236,149
Administration expenses	371,101	272,153
Membership expenses	94,990	115,345
Registration expenses	-	81,027
Meeting expenses	141,419	88,937
Human resources	2,011,440	1,931,918
Projects	253,949	250,381
Grant revenue expenses	4,147	37,624
Other expenses	147,566	259,912
Bad and doubtful debts	2,907	2,907
Motor vehicle expenses	13,180	11,967
	3,839,044	3,739,338
4. Finance Costs		
Borrowing Costs	962	1,312
Interest paid		
Computer finance	4,201	8,382
Toyota finance	2,100	2,590

Fitness Australia Limited
Notes to the Financial Statements
For the Year ended 30 June 2013

	2013 $	2012 $
	7,263	12,284

5. INCOME TAX

Accounting Profit	61,287	83,877
Principle of mutuality adjustment	(89,518)	23,230
Other adjustments	28,231	-
Taxable Income	-	107,107
Income Tax Payable	-	32,132

6. Cash and Cash Equivalents

Cash on hand	365	365
Term deposits (3 months or less)	143,468	89,165
CBA cheque account	42,178	-
St George account	-	142
CBA online saver account	1,036,918	986,297
CBA business saver - DOHA	762	45,914
CBA premium 1 - DOHA	36,042	53,703
	1,259,733	1,175,586
Reconciliation of Cash		
Cash and Cash Equivalents	1,259,733	1,175,586
Bank Overdrafts	-	(25,151)
	1,259,733	1,150,435

7. Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit after Income Tax	61,287	51,745
Adjustments for Non-Cash Components in Profit:		
Depreciation	131,854	86,816
(Profit)/Loss on Sale of Property, Plant & Equipment	33,923	20,173
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and Other Receivables	(11,989)	(11,204)
(Increase)/Decrease in other assets	418,143	489,757
Increase/(Decrease) in Trade and Other Payables	(46,172)	76,099
Increase/(Decrease) in Provisions & Tax Liabilities	10,190	(44,849)
Increase/(Decrease) in Other Liabilities	(210,307)	(86,022)
Net Cash Provided by Operating Activities	386,929	582,515

Fitness Australia Limited
Notes to the Financial Statements
For the Year ended 30 June 2013

	2013 $	2012 $
8. **Trade and Other Receivables**		
Current		
Trade receivables	82,943	72,082
Other Debtors	1,128	-
	84,071	72,082
Total Trade and Other Receivables	84,071	72,082
9. **Financial Assets**		
Current		
Term deposits (> 3 months)	-	66,007
	-	66,007
Total Financial Assets	-	66,007
10. **Tax Assets and Liabilities**		
Current		
Assets		
Provision for income tax	7,650	12,793
	7,650	12,793
Net Tax Assets	7,650	12,793
11. **Other Assets**		
Current		
Accrued income	1,140	2,111
Deposits paid	3,605	19,159
Prepayments	94,567	101,997
Industry innovation fund	-	126,952
	99,312	250,219
Non-Current		
Prepaid borrowing expenses	1,572	2,535
	1,572	2,535

Fitness Australia Limited
Notes to the Financial Statements
For the Year ended 30 June 2013

	2013 $	2012 $
12. **Property, Plant and Equipment**		
Plant and Equipment		
Motor vehicles at cost	95,733	89,938
Accumulated depreciation and impairment	41,630	23,905
	54,103	66,033
Furniture & fittings at cost	488,684	297,259
Accumulated depreciation and impairment	93,860	50,932
	394,824	246,327
Computer & office equipment at cost	93,080	82,263
Accumulated depreciation and impairment	63,423	52,367
	29,657	29,896
Low value pool	22,483	21,153
	22,483	21,153
Total Plant and Equipment	501,067	363,409
Total Property, Plant and Equipment	501,067	363,409
13. **Intangible Assets**		
Non-Current		
Software at cost	199,629	199,205
Accumulated amortisation	98,008	68,902
	101,621	130,303
Website at cost	32,466	32,466
Accumulated amortisation	13,990	9,352
	18,476	23,114
	120,097	153,417
14. **Trade and Other Payables**		
Current		
Other creditors	819	3,168
Trade creditors	187,991	277,925
PAYG withholding payable	38,298	32,921
Superannuation payable	50,961	47,966
Provision for GST	75,349	37,609
	353,418	399,589
Total Trade and Other Payables	353,418	399,589

Fitness Australia Limited
Notes to the Financial Statements
For the Year ended 30 June 2013

	2013 $	2012 $
15. **Borrowings**		
Current		
Computer finance lease (APT)	-	55,824
Toyota finance	18,210	17,705
	18,210	73,529
Non-Current		
Toyota finance	46,861	65,070
	46,861	65,070
Total Borrowings	65,071	138,599
16. **Provisions**		
Current		
Provision for fringe benefit tax	-	8,000
Provision for payroll tax	9,000	10,096
Provision for employee benefits	196,657	182,514
	205,657	200,610
Total Provisions	205,657	200,610
17. **Other Liabilities**		
Current		
Industry innovation fund	266,275	-
Accrued expenses	97,681	242,653
Unexpended grant funding (DOHA)	27,275	37,701
Unexpended grant funding (WA Dept of sports and recreation)	50,000	119,945
Unexpended grant funding (SA)	25,000	12,894
Unexpended funding - NSW	42,632	39,700
	508,863	452,893
	508,863	452,893
18. **Reserves**		
Transferred equity	630,660	630,660
	630,660	630,660
19. **Auditors Remuneration**		
Astims SWM Chartered Accountants were the auditors of Fitness Australia Limited		
Auditor's remuneration	23,600	31,308
	23,600	31,308

Fitness Australia Limited
Notes to the Financial Statements
For the Year ended 30 June 2013

	2013 $	2012 $

20. **Business Details**

The registered office of the company is:
Fitness Australia Limited
90-96 Bourke Road Alexandria, NSW, 2015

The principal place of business is:
Fitness Australia Limited
90-96 Bourke Road Alexandria, NSW, 2015

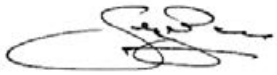
Fitness Australia Limited
ABN: 51 131 422 403
Directors Declaration
for the Year Ended 30 June 2013

The directors of the company declare that:

1. The accompanying financial statements and notes of the company as at 30 June 2013 are in accordance with the Corporations Act 2001:
a) give a true and fair view of the company's financial position as at 30 June 2013 and its performance for the year ended on that date; and
b) comply with Australian Accounting Standards.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become payable.

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

Gregory Oliver
Director



Gregory Will
Director

Dated the 14th day of October 2013

FITNESS AUSTRALIA LIMITED
ABN: 51 131 422 403
INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
FITNESS AUSTRALIA LIMITED

We have audited the accompanying financial report of Fitness Australia Limited, which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, and a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company at the year's end or from time to time during the financial year.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Fitness Australia Limited on 30 August 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

FITNESS AUSTRALIA LIMITED
ABN: 51 131 422 403
INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
FITNESS AUSTRALIA LIMITED

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Fitness Australia Limited as of 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including Australian Accounting Interpretations).

Astims SWM
Chartered Accountants
Bill Murphy
Suite 6, Level 1, 55 Grosvenor Street, Neutral Bay NSW 2089
Dated: 21 October 2013

"Fitness Australia will continue to help create an environment where the fitness industry is better informed and better equipped to engage more people in regular exercise."

– Lauretta Stace, Chief Executive Officer

Fitness Australia®
THE HEALTH & FITNESS INDUSTRY ASSOCIATION

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