



AUSactive

2022-2023 Annual Report





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About AUSactive

AUSactive is a not-for-profit member association and is Australia's peak body for the exercise and active health sector: our goal is to activate Australians to move more.

We do this to improve national preventative health outcomes, and we share this goal across the sector, with individuals and businesses, and across modalities ranging from gym classes to yoga, Pilates, aqua and functional fitness.

Just like every instructor setting up a program for a new client, at AUSactive we can see our goal clearly. For a newbie in the yoga class, their goal could be keeping their balance throughout their pose. For a runner, it could be completing the next marathon. For AUSactive, our goal is empowering the professionals who aim to get more Australians on the move – more often.

AUSactive is made up of 15,000 Professionals, 3,500 fitness, yoga and Pilates businesses, 4,000 students, 200 Continuing Education Credit providers delivering ongoing education, and over 40 Quality Accredited businesses who are leading the way in quality service delivery in an industry with over 8.3 million active consumers

Our Vision is to activate every body, every way, every day.

We exist to encourage all Australians to engage in physical activity and professionalise the exercise and health industry. We support our members by leading advocacy for the active health and exercise sector, sponsoring research, and setting standards that reflect best practice and instill consumer confidence.

While the rebrand to AUSactive has been welcomed and recognised across the industry, there has also been a renewed focus on what it is our association represents, stands for and advocates for. The refresh of the AUSactive 2024 Strategic Plan ensures we remain on the right trajectory for our members, the broader health and wellbeing sector and the wider Australian community.



Chair's Report

The year under report was one of consolidation after two tumultuous years of lockdowns and other significant challenges in the industry. The focus for AUSactive this year has been building upon the successful rebrand and the strong advocacy work started during the Covid disruptions.

Once again, I have been extremely proud of the CEO and his team, who have worked tirelessly to drive the strategic objectives of AUSactive. We remain committed to attracting and retaining the best people and building a strong culture to continue to deliver increased value to Members. Notable progress during the year includes:

- The relentless advocacy at all levels of government has continued, building relationships with new and existing State and Federal Governments. The overall objective is to be recognised as a key player in preventative health, to create opportunities for AUSactive Members, as examples with NDIS and My Aged Care. Achievements towards this goal have included:
 - A 2023 Federal Budget Submission and the 2023 NSW Election Policy Statement have both received extremely good traction;
 - A request to the Federal Health Minister for a "National Inquiry into the Impact of Physical Inactivity on Australians" was prompted by the Chair of the Standing Committee on Health, Aged Care and Sport;
 - Many meetings with relevant MPs and their staff, including with Federal and State Government and Opposition Health Ministers;
 - Recognition as peak body in WA and Vic, with ongoing submissions in other states;
- Inclusivity has been a continued focus, with the purpose of addressing any potential barriers that may prevent all Australians participating in our sector. This has resulted in a range of outcomes, which include:
 - Delivery of the All-ABILITIES program after securing Federal Government funding;
 - Securing VicHealth funding to deliver active recreation programs targeting vulnerable/disabled adolescents in regional and remote areas of Victoria;
 - Re-initiated the AUSactive Reconciliation Action Plan;
- Communications with AUSactive Members have increased through a range of webinars, state-based events and the "AUSactive is Listening" program which have collectively achieved excellent attendance and feedback;
- Continued improvements to the provision of education, certification and accreditation; all in pursuit of raising standards and trust in our exercise and active health industry;

Finally, as noted by Barrie in his CEO report, the outstanding Gala Awards evening and Senior Management Summit were amongst the highlights of the year.

Board composition has undergone further changes during the year. We have seen Chantal Brodrick resign from the Board during 2023 after giving so much time to AUSactive, as well as her work in the "AUSactive is Listening" sessions and hosting our Gala Awards evenings, amongst many other things. At the upcoming Nov-2023 AGM, Greg Oliver will stand down from the Board and will be replaced at the Business Member Elections, Greg has given significant amounts of his time and been instrumental in some excellent outcomes in our advocacy work.

We saw two new Directors elected at the 2022 AGM and were pleased to welcome Elaine Jobson and Ryan Hogan to the Board, both of whom bring a wealth of skills and experience, together with broad industry perspectives. Finally, Sally Anderson was also appointed to the Board, bringing great knowledge as well as her welcome perspective of the Pilates modality.



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During the year we also established a Diversity Equity and Inclusion Committee, to support the Board in driving this important strategic pillar for our industry. The Committee is chaired by Tim Firth, supported by Brooke Turner, Ebe Ganon, Jacob Darkin and Joe Kwon, bringing many aspects of diversity to the table.

I extend a warm welcome to new Board and Committee Members and sincerely thank all outgoing Directors for their passion, hard work, ongoing commitment to the industry and for volunteering their time so generously. I also offer my ongoing thanks to all current AUSactive Board, Committee and Standards Council Members, who very generously give their time, to support the industry that enables a healthier, more active Australia.

Finally, most importantly, I genuinely thank our entire industry for your continued support of AUSactive. I very much look forward to being able to report on further achievements in what is already promising to be a very big year.

Jayne Blake
GAICD

CEO's Report

John F Kennedy believed that "Change is the law of life and those who look only to the past or present are certain to miss the future." He could easily have been speaking about the Australian physical activity and exercise sector as it emerged from the worst effects of Covid. With a few exceptions, the industry has bounced back well with many AUSactive members reporting higher membership numbers than pre Covid and in this operating environment it is a natural temptation to return to business as usual.

Doing so though I believe has two potential downsides. Firstly, as many experts agree, it is only a matter of time before Covid Mk 2 or similar arrives on Australia's borders and the last thing the industry would want is a repeat of the kneejerk lockdowns and associated restrictions that accompanied the original virus. Yet if the industry doesn't adapt, can we realistically expect anything different from decision makers?

Secondly and as bad as Covid was, it did at least demonstrate to government bureaucrats and Health policy makers the role we play in the nation's preventive health sector. A role that is critically important now and even more so in the future as the unsustainability of Australia's existing Health system becomes glaringly obvious. With appalling and spiralling rates of chronic diseases, a new understanding of factors that contribute to neurodegenerative disease and a growing prevalence of mental health issues all adding to the ballooning cost of Australia's Health system, a financial circuit breaker is needed and needed now.

The most effective way of reducing pressures on the health system is to prevent Australians from getting sick in the first place and the proven best way of keeping people physically and mentally healthy is to exercise and participate in physical activity. Research has demonstrated the return on investment when funding preventive health strategies is up to six hundred percent. Simply put for every dollar spent on preventive health the government saves six dollars; and this saving compounds on an ongoing basis.

Armed with this knowledge AUSactive has continued to advocate this year to the new Federal government for a comprehensive national physical activity strategy that recognises our contribution, formal acknowledgement of our sector as a key player in the nation's preventative health ecosystem, a public preventive health campaign encouraging behavioural change and policy change that removes artificial and unnecessary barriers in the health system.

This Report describes AUSactive's wide and varied range of activities that support our members and broader industry. They include professional development webinars, management seminars, industry event presentations, additional learning modules, member engagement sessions, media coverage and external representation advancing our member's interests. AUSactive is blessed by a wonderful and dedicated team of professionals supported by an empowering Board of Directors. Without these elements all our achievements would not be possible. For me personally the undoubted highlight of the year was the National Awards Gala dinner in Sydney, a night of celebration, recognition and relief that, for now at least, the worst of Covid was over. A positive basis as we look to the future.

Barrie Elvish
BA, Grad Dip ED, MBA GAICD





Advocacy Update

AUSactive supports the professionals and businesses in the exercise and active health sector to create a healthier Australia, and improve our national health and economic outcomes. We are steadfast in our resolution to advocate for our members and make sure they are recognised for their contribution and their commitment to excellence in their chosen modalities.

Rising rates of chronic disease, an ageing population, the COVID-19 pandemic, a lack of a preventive health strategy and a national mental health crisis are all factors contributing to an increase in pressure on our health care system. This is resulting in poorer health outcomes, less GP's bulk billing and long hospital wait times. AUSactive recognise the importance of increasing physical activity levels to improve our health and wellbeing.

AUSactive continues to advocate for the government to consider implementing our solutions to the health crisis, to improve the physical and mental health of Australians and save the Government money by preventing chronic disease in the first place and mitigating conditions for those who are experiencing health problems.

We are pleased to report on the following achievements during the year under report:

Federal Government Achievements

1. *Federal Budget Submission*

AUSactive sent a Federal Budget Submission to Federal MP's and Senators with 14 key recommendations to the government to improve the mental and physical health of Australians and prevent chronic disease.

AUSactive received positive responses and feedback from the submission and CEO Barrie Elvish was invited to many meetings with politicians to talk about the proposals including the Federal Shadow Minister for Health, Senator Anne Ruston and Federal Tasmanian Senator Tammy Tyrrell.

Barrie and the AUSactive staff also met with:

- The Office of Assistant Treasurer, the Hon Stephen Jones, in relation to reducing the impact of physical inactivity on the government's health budget and addressing skills and labour shortage in the fitness industry
- Assistant Minister for Health and Aged Care, the Hon Ged Kearney in relation to a national public preventative health campaign encouraging physical activity, implementing the WHO's Global Action Plan on Physical Activity, reducing the impact of physical inactivity on the government's health budget, increasing interaction between the exercise sector and the Department of Health and increasing government investment in preventative health measures.
- The Office of Minister for Skills and Training, the Hon Brendan O'Connor in relation to addressing skills and labour shortage in the fitness industry
- Dr Mike Freelander MP, in relation to a national public preventative health campaign encouraging physical activity, implementing the WHO's Global Action Plan on Physical Activity and reducing the impact of physical inactivity on the government's health budget
- Maria Vamvakinou MP, in relation to a national public preventative health campaign encouraging physical activity, reducing the impact of physical inactivity on the government's health budget and addressing skills and labour shortage in the fitness industry.

Advocacy Update (con.)

2. *Submission to the Review on My Aged Care*

AUSactive made a submission to the Australian Government's review to improve the Aged Care system. The review is looking at ways that the government can improve the health of older adults which is why we emphasised that staying fit becomes even more important as we age. Older adults need different ways to work out and build muscle for strength and mobility, and to improve their mental health and quality of life.

We know that AUSactive registered exercise professionals are delivering programs for older adults that target conditions such as arthritis, heart disease, depression, stroke, osteoporosis and diabetes and there is evidence that clients undertaking these programs are able to maintain their independence, reduce their risk of falls and avoid hospital. We also know our members have the ability to deliver evidence-based strength, balance and aerobic programs to complement the care being provided to older adults by allied health, specialists and GPs, and we believe those contributions should be recognised under our health care system.

We have and are continuing to lobby the government to enable older adults to use their funding under My Aged Care, for exercise programs delivered by registered AUSactive exercise professionals, that improve their wellbeing. Personal trainers are already recognised under the NDIS to increase people's physical mobility and we believe that this recognition should be extended under the My Aged Care funding program

3. *Submission for a National Inquiry into the Impact of Physical Activity on Australians*

At the request of the Chair of the Standing Committee on Health, Aged Care and Sport, AUSactive made a submission to the Federal Health Minister for a "National Inquiry into the Impact of Physical Inactivity on Australians". Physical inactivity is the second most important risk factor contributing to the burden of disease in Australia and it is placing an unsustainable strain on the wellbeing of Australians, the healthcare system and our economy. This burden has been significantly amplified by the COVID-19 pandemic.

The Minister for Health told us that because the government is committed to implementing the National Preventive Health Strategy, the National Obesity Strategy and the Sport 2030 – National Sport Plan, it would not commit to conducting an inquiry on physical activity at this time. However, the Minister said that the government would work on developing these strategies in partnership with key stakeholders including AUSactive, as well as exploring a range of interventions to specifically address physical inactivity in Australia.

4. *Fixing Medicare*

CEO Barrie Elvish presented an inspiring report at the AusFitness Industry Summit that outlined ten recommendations to government, asking them to enact meaningful policy change in our sector to include how the physical activity, fitness and exercise sector can save Medicare.

5. *VET Reform*

As part of the Vocational Education and Training sector reform AUSactive was recognised in a cluster alongside the Health and Human Services sectors (which includes Aged and Disability Services), and which aligns our interests with our preventative health agenda.

AUSactive is a foundation member of HumanAbility (who have been appointed to manage the cluster) and this will enhance our ability to table industry trends and potential changes in the future as the peak industry body.





Advocacy Update (con.)

6. *Small Business and Franchising Consultative Committee*

AUSactive was successful in its application to become a member of the ACCC's Small Business and Franchising Consultative Committee. This is a federal forum to discuss concerns related to the small business and franchising, with industry and government.

7. *Planning for Fit for Office*

AUSactive started planning its 'Fit for Office' campaign, a four-week friendly challenge with Federal MP's and Senators, to encourage a national discussion on the importance of Australians to be more active more often and raise awareness of the importance of regular physical activity.

AUSactive's aim for the project is to tackle Australia's inactivity and health crisis and relieve the economic burden on the healthcare system.

8. *Launch of Woolworths Healthy Life Report*

The Woolworths Healthy Life Report was launched by the Hon. Ged Kearney, Federal Assistant Minister for Health and Aged Care and was hosted by Woolworths CEO Brad Banducci AUSactive made a significant contribution to Healthy Life's launch of their "Living Healthy Report 2023", which tells a story about Australian's health and wellbeing, how we're coping in challenging times, how much of our burden of disease is preventable, and the opportunities for us to work together towards a brighter future.

State Government Achievements

1. *Peak Body status in WA*

AUSactive was successfully recognised by the Department of Local Government, Sport and Cultural Industries (DLGSC) as the Peak Body for the fitness sector in Western Australia.

As a Peak Body organisation, the DLGSC is working closely to support AUSactive to advocate, lead and develop our membership and improve the health and wellbeing of Western Australians.

2. *Fee Free Places at TAFE*

AUSactive's continuous advocacy work across Australia to address the critical skills shortage in our industry paved the way for Certificate III and IV in Fitness now being recognised as Fee-Free TAFE courses in NSW.

AUSactive is continuing to advocate for Fee-Free courses to be recognised also within private RTO's and across all states and territories.

3. *VicHealth Jumpstart Grant*

AUSactive received a prestigious VicHealth Jumpstart Grant to increase the participation and well-being of secondary school children with disabilities and from low socio-economic backgrounds in regional Victoria through physical activity.

Through our members, AUSactive is delivering fun inclusive recreation programs to inspire and motivate children to be active, develop healthy habits, promote emotional skills to help them better handle stress and become more socially connected with their peers. This project aims to address the inequality that children with disability face on a daily basis and is being rolled out in the later months of 2023.

Advocacy Update (con.)

4. *NSW State Election Recommendations*

Ahead of the 2023 NSW state election, AUSactive made recommendations to the NSW Government to:

1. Expand the successful Active kids Vouchers for adult use, including in gyms, yoga and Pilates studios and for personal trainers offering supervised outdoor programs.
2. AUSactive recommends the NSW Government allocate funding for a “movement for movement” program.
3. AUSactive recommended the NSW Government create a specific Preventative Health Portfolio that connects Health and Sport and Recreation ministries.
4. AUSactive recommended that the NSW Government follow the lead of other States and implement a Fitness Code of Practice to instil consumer confidence and increase participation.
5. AUSactive recommended that the NSW Government take action to address the skills shortage in the exercise and physical activity sector.
6. AUSactive recommended that the NSW Government follow Queensland’s lead and classify exercise and fitness facilities as ‘Essential Services’.
7. AUSactive recommended that the NSW Government follow WA’s lead and endorses peak body status for the Association to enable greater support of the NSW Office of Sport objectives.

We are lobbying various stakeholders within the NSW government to progress these outcomes, together with similar recommendations that we pursuing with all the State and Territory Governments in Australia.

5. *Amendments to Fitness Industry Code of Practice (2009) ACT*

AUSactive is making great progress with the ACT government around the review of the Fitness Industry Code of Practice (2009), (prescribed as a Code of Practice under the Fair Trading Act 1992), in particular to remove restrictions to 24 hour gyms in the ACT.

The ACT government has agreed in principle to remove restrictions for the use of weight plates, free weights or dumbbells over 40kg, kettle bells, free weight bench press bars and free weight squat racks during unstaffed hours at 24 hour gyms. These amendments are still to be formally adopted within the Code.

AUSactive strongly supports the amendments to the Code of Practice so that our members can operate optimally to serve their clients. We have guidelines for the operation of 24 -hour gyms that provide assistance and a checklist to mitigate any risks to support businesses in the ACT who operate their gyms for 24 hours. Our other business members outside the ACT are already utilising these guidelines successfully.

As part of this review, AUSactive continues to advocate for the ACT Code Administration Committee to be reinstated. AUSactive was a member of this Committee that was set up to monitor the industry’s compliance with the Fitness Code, report to the Minister on the effectiveness of the Code, monitor complaints referred to the Commissioner, and develop policy and procedures to promote the Code. The reinstatement of this Committee will allow AUSactive to support the ACT government in developing a robust and successful active health and exercise industry.

6. *Retail Leases Act NSW*

AUSactive had success in asking that the NSW Government, as part of their consultation on the Retail Leases Act 1994 NSW (the Act) to give gyms, fitness centres, yoga, barre, Pilates, Tai Chi and dance studios better protection under their commercial leases. Amongst many other benefits, this means health and exercise facilities will have access to a low-cost dispute resolution process if they have a problem with their commercial tenancy.



Advocacy Update (con.)

7. General communications

Our advocacy work and engagement has included meetings with political stakeholders (Ministers, members of parliament, and senior policy advisors), by maintaining ongoing relationships with key government departments in all state and territories and formal submissions/campaigns.

Local Government Achievements

1. Reducing Fees for Outdoor Training

AUSactive continued to talk to government advocating to make it easier for Registered Professionals to get a permit to train people and make outdoor exercise more accessible. One example involved the NSW State Government, who look after the Domain in Sydney, where our advocacy to reduce fees for PT's training people received a pleasing outcome involving a reduction in the yearly permit fees by over 50% (representing a saving of \$850). The NSW Government subsequently reviewed its booking system to make it easier for Exercise Professionals to apply for a permit to do sessions in the Domain. AUSactive also liaised with Sutherland Shire about their fee increases for outdoor training and the Council did not raise their fees as much as originally proposed.

2. Local Government Forum

AUSactive held a local government forum for 90 councils around Australia to talk about mutual issues of interest in our industry and we delivered presentations on the Outdoor Training Code of Practice and All Abilities Program.

3. Innovation Grant City of Sydney

AUSactive was successful in a grant application with the City of Sydney that will fund an Innovative Sustainability Project. We are developing an online toolkit that will educate and empower our members to improve their use of water, energy, chemicals and waste. This will ultimately help the environment with a view to providing commercial benefits for our members.

Additional Advocacy: Private Health Funds

In the past year, AUSactive has made significant strides in building strong relationships with health funds to improve the accessibility of private health fund rebates for our Registered Professional and Business Members. Each health fund has its own set of criteria for rebate eligibility and the participating funds are Medibank, NIB, Bupa, Westfund and RT Health.

Through rigorous negotiations and ongoing discussions, AUSactive has successfully established agreements with these health funds to streamline the process for our members and clients to claim rebates for Personal Training sessions. AUSactive is committed to expanding these agreements to include additional health funds in the near future.

In addition to securing rebates for Personal Training sessions, AUSactive is actively advocating for the government to reinstate discretion to Private Health Funds to allow clients to access rebates for physical activities like gym memberships, yoga, and Pilates, which play a crucial role in preventing chronic diseases and improving mental health. We are also advocating for health funds to have discretion to enable rebates for natural therapies. AUSactive remains dedicated to advancing the interests of our members and promoting the importance of active health within the Australian community.

Industry Standards Update

Registration and Continuing Education System

The AUSactive continuing education system continued to grow, supporting registered professionals with a broader range of accredited education opportunities to enhance their professional knowledge and skills. The number of approved continuing education (CE) programs peaked at an all-time high of 826. There were 120 new CE programs that joined the directory. Over twenty thousand CE diary entries were verified for AUSactive professionals, building their public profile on the AUSactive professional register, which provides consumers and the community confidence in identifying a registered AUSactive member who is committed to best practice, continuous improvement and getting active in a safe and effective way.

Monthly webinars with associated continuing education credits (CECs) were provided to members complimentary to assist with their ongoing education. Webinar content included topics such as aqua exercise, Pilates, yoga, strength and conditioning, older adults, business skills and many more. Webinars were typically presented by current CEC providers. This provided excellent value for members looking to access topics of interest and expose them to quality CEC providers for further development opportunities.

Based on industry feedback, the Industry Standards and Development team developed and added some further additions to how professionals can obtain CECs for professional development activities. Notably, AUSactive now formally recognises research-based podcasts and lectures for CECs. In addition, the CECs available for employer-led training (in-house training) have been increased, reinforcing the value of on-the-job and role-specific upskilling. Additionally, AUSactive continues to recognise appropriate Pilates and yoga-affiliated education from recognised organisations to assist with the ongoing education of professionals in their newly created registration categories.

AUSactive continues to grow its university mapping program, adding six more universities to the recognised group, bringing the total to twenty-one participating universities across all states and territories. This process allows undergraduate students who have completed an approved, prescribed unit sequence, to register with AUSactive as a Gym Instructor and Personal Trainer and join the health and exercise industry to gain meaningful employment, while continuing their tertiary studies. All graduates of Exercise Science degrees (or equivalent degrees) regardless of their formal mapping status, also have the opportunity to join AUSactive as student members prior to graduation and full members once their degree is completed.

Registration compliance for exercise professionals was at 93%, encouragingly a six per cent improvement on last year. Again, accredited exercise professionals were at 100%. Fifty-seven suspension notices were issued based on the audit outcomes, most indicated they no longer worked in the industry.



Industry Standards Update

International Portability for Professionals

The expansion of the Pilates sector internationally has enabled AUSactive to proactively map standards with the Society for the Pilates Method based in the UK. Enabling our growing Pilates Method Teachers membership to be recognised for their studies to practice in the UK. This is the first of many countries which will follow through next year.

AUSactive maintains its member association with the International Confederation for Registers of Exercise Professionals (ICREPs). Now collectively representing over 200 hundred thousand registered exercise professionals. This alliance enables the international portability of registered/accredited AUSactive professionals to other member countries. Visit icreps.org for more information.

Health and Fitness Industry Standards Council

The Council has continued its support of the health and fitness industry by offering invaluable consultation and guidance over the past year. Their input has played a substantial role in the development of practical guidelines and standards. Notable among these standards is the introduction of the Guidelines for Fitness and Resistance Training Programs within School Facilities, Aqua Exercise Instructor Guidelines, and Pregnancy and Post-Natal Exercise Guidelines. Meetings throughout the year also delved into accreditation, continuing education and registration system requirements.

AUSactive thanks the expert reference group members for their support and guidance for each of these industry-endorsed guidelines. To read more about the guidelines visit ausactive.org.au/exercise-guidelines AUSactive is very appreciative of the volunteer commitment from each of the skilled and knowledgeable Council members. The members of the Health and Fitness Industry Standards Council in 2022-23 included:

- Dr Betul Sekindiz (Chair)
- Professor Elisabeth Wilson-Evered
- Simon Bishop
- Gavin Aquilina
- Christie Boucher
- Cheye Hill
- Anita Delbridge Goswell
- Dr Dan Jolly
- Chris Alexander (Secretary)



AUSactive Quality Business Accreditation

The number of AUSactive accredited businesses continued to grow throughout the year. Ten businesses completed the maintaining accreditation requirements (a required activity every three years). Particular congratulations to earlier adopters, YMCA Victoria and South Australia that maintained their accreditation across many of their facilities, demonstrating continuous commitment to business leadership and quality service delivery.

iLearn

AUSactive's standards and evidence-based courses on the iLearn platform saw another solid year of course completions with over 130 registered professionals a month completing one or more listed education sessions. This included the addition of the Understanding Mental Health for AUSactive Professionals session. Most programs received a highly respected net promoter score (NPS) over +40. Early in the new financial year a suite of additional courses will be available for members.

Industry Standards Update

All ABILITIES Initiative

In the past year, AUSactive successfully delivered a national pilot All ABILITIES (Australia Brings Inclusivity to Life, Through Innovation, Transformation In an Exercising Society) program, in partnership with sixteen registered and accredited businesses.

The initiative aimed to drive organisational change in health and fitness businesses to enhance the lives of the broader community. Through education and partnerships between disability service providers and AUSactive registered fitness businesses, there will be a more significant opportunity for safe and effective group exercise participation for people with disabilities.

As part of the initiative, management and exercises professionals at each facility have been required to undertake the Universal Fitness Innovation & Transformation (UFIT) training course, an UNESCO Chair initiative, internationally recognised. The UFIT training provides professional education; facilitates the development of inclusive policies; highlights positive communication tools; creates inclusive fitness environments that are accessible to all and enhances access to health and wellbeing to all citizens, including those with disabilities and chronic conditions.

The pilot program was a great success supporting 375 people with varying disabilities who engaged in 10-12 week programs of tailored exercise. This has bridged relationships with many disability services providers with community-orientated fitness facilities which will provide ongoing sustainable programs with positive foundations built through this program. This project received grant funding from the Australian Government through the Australian Sports Commission.

An extension of the All ABILITIES program for adolescents with disabilities in regional Victoria will be available, which as mentioned earlier in this report, AUSactive have successfully secured a Jumpstart grant through VicHealth, and the roll out is being implemented in late 2023.

 **16**
AUSactive Registered Businesses
nationally participated

 **100**
Exercise Professionals
+ Business Managers *upskilled*

 **70%**
Had no prior education
working with people with disabilities or
inclusion

 **90%**
motivated to be inclusive advocates
in their community

 **68**
NPS score

 **81%**
Adherence to
12 week program (2022-2023)

100%

Managers indicated a **positive change in business processes** to support people with disabilities

375

Participants with **varying disabilities**



Industry Standards Update

Trends Research

AUSactive conducted a national survey completed by over 400 exercise professionals and business operators identifying trends in the industry. This research provides important planning opportunities for professionals and businesses.

Through this survey, “Fitness Programs for Older Adults” was identified as the number one trend for 2023, which given the average age of the Australian population continues to grow, it is clear of the increasing importance of exercise and physical activity services to support older Australian’s health and wellbeing.

These survey responses contributed to the Global Fitness Trends research published in the American College of Sports Medicine Health and Fitness Journal.

Australia’s 2023 Top 20 Fitness Trends	
1	Fitness Programs for Older Adults
2	Functional Fitness Training
3	Strength Training with Free Weights
4	Group Exercise Training
5	Employing Registered Exercise Professionals
6	Wearable Technology
7	Pilates
8	Outdoor Activities
9	Personal Training
10	Body Weight Training
11	Exercise is Medicine
12	Inclusive Exercise Services
13	High Intensity Interval Training (HIIT)
14	Small Group Personal Training
15	Yoga

Partners in Wellbeing

AUSactive welcomed the opportunity to work in collaboration with Mental Health Clinician, Kathleen Mills as part of a government-funded, Partners in Wellbeing program.

Kathleen worked with team members to deliver on many initiatives enhancing AUSactive’s capacity to support members’ wellbeing. This included:

- Producing newsletter and Reactivated magazine articles on mental health and wellbeing topics.
- Providing counselling support for members, their staff, and their families.
- Providing tertiary consultancy to workplaces regarding the mental health of their staff.
- Collaborating on iLearn modules, understanding mental health and psychosocial hazards in the workplace.
- Delivering mental health workshops for fitness businesses
- Conducting webinars on mental health, creating mentally healthy workplaces in the industry, creating human connection and working with people with a disability.
- Presenting workshops to leaders and staff on understanding mental health and working with clients who are experiencing mental health challenges.
- Contributing to the pregnancy and post-natal guidelines.

Membership Statistics:

Accredible

- 15044 New Credentials Issued
- 6304 Credentials Opened
- 8825 Total Unique Credential Views
- 1441 Total Shares By Anyone

Help Desk

Over 15K tickets closed

Jobs Board

- 227 New jobs posted



Member Communications

Social Media Performance

Profile	Followers	Growth (units)	No. of posts	Impressions	Engagement
Instagram	11,636	+ 7	778	890,491	4,915
Facebook	33,717	+ 4,960	506	2,285,150	58,322
LinkedIn	24,382	+ 377	426	199,713	17,864
YouTube	659	+ 63	64	N/A	199

Impressions: Impressions are the number of times AUSactive content was seen, including multiple views from individual users.

Engagement: Engagement is a measure of how people are interacting with AUSactive social media accounts and content.

eDM Statistics

Emails sent	Open rate
2,534,553	44%
+ 54%	+ 10%

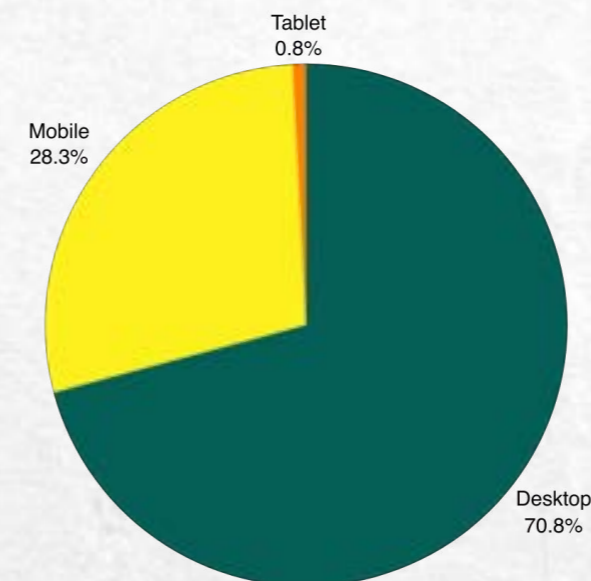
A total of 337 eDMs were sent in 2023.

REACTIVATED

Seven REACTIVATED Issues were launched in 2023. These included [Issue 4](#), [Issue 5](#), [Issue 6](#), [Awards 2023](#), [Award Winners 2023](#), [Issue 7](#).

Website Data

Most used device:



Website Data

Most visited pages:

1. www.ausactive.org.au
2. ausactive.org.au/policies-guidelines
3. <https://ausactive.org.au/members/>

Most popular days of the week:

1. Tuesday
2. Wednesday
3. Thursday

Member Communications (con.)

The Australasian Association of Yoga Therapists (AAYT)

The Australasian Association of Yoga Therapists (AAYT) merged with AUSactive following a unanimous vote by members at a Special General Meeting held on 1 December 2022. [To read the official press release please click here](#)

Since the merger, there has been a fantastic recognition of the role that yoga therapy plays in the exercise and active health sector and the seamless integration within AUSactive’s professional development webinars and communications

Number of webinars hosted since merger: 3
Total number of attendees: 216

eDM Statistics

Total number of eDMs sent: 8
Average Open Rate: 67.7%
Average click rate: 12.98%

Some quotes from webinars:

“Invaluable insight and knowledge into a widespread condition whereby ordinarily the predominant focus is on an older demographic. Extremely interesting and eye-opening the extent to which related conditions can affect the population at younger ages than widely considered in the general population”.

“Found this webinar informative and lots of information regarding dealing with different problems people have”

Webinars

Total number of webinars: 34
Total number of attendees: 4,007

Top 3 performing webinars:

Title	Host	Feedback from the session
Creating a mentally healthy workplace using the Worksafe Workwell Toolkit	Kathleen Mills From Partners in Wellbeing	“Anything we can learn about supporting our own, and others, mental health is deeply significant” “Loved it! Great presentation with lots of helpful tips”
The Relationship of Pilates Matwork to Reformer	Catherine Giannitto From PoleStar Pilates	“My favourite part of this webinar...Learning new movements for both mat & reformer” “I love reformer Pilates and this webinar is motivating and educational”
Music Licensing & the Fitness Sector	Jose Horn From OneMusic	“Lots of helpful information about what is accepted practice with music licensing” “My favourite part of this webinar...How important respect is still warranted in the music and fitness industry”

Events

Awards Gala Overview - 2022 & 2023

The AUSactive National Awards Program formerly known as the Fitness Australia Awards has a long-standing and proud history that recognises and celebrates the outstanding achievement of the Australian Active Health and Exercise industry. The awards reinforce AUSactive's vision to activate the nation Every body. Every way. Every day.

In 2023, the National Awards consisted of 30 independent and expert judges. Scores for all entries were moderated using an academic scaling algorithm to remove any bias that may have been introduced by the use of different judges across the pool. The result was a score out of 100 points marking rubrics.

Statistics From the Awards Gala

	2022	2023
Number of Entries	383	454
Number of Attendees	260	397
Number of Categories	28	34
People's Choice - Total Entries	54	89
People's Choice - Total Votes	11,319	12,982
10 Thousand Feet	Per year over 60,000 Google Reviews analysed	

2023 REACTIVATED Finalists & Winners Edition:
[Finalists & Winners](#)



Events

Senior Management Summit - 2023

The AUSactive Senior Management Summit was an exclusive one-day event designed for CEOs, CMOs, General Managers, National Managers, Business Owners, Sole Traders, Industry Suppliers, and Operations Managers in the Active Health & Exercise Industry.

It offered a dynamic platform for industry leaders to gather, share knowledge, and gain valuable insights into the latest business trends and practices.

The 2023 SMS theme was “Mini MBA in a Day”, and focused on providing attendees with a condensed yet comprehensive understanding of critical MBA topics. Throughout the day, expert speakers presented engaging micro talks, each lasting 18 minutes, on various subjects essential to business success in the modern era.

2023 Statistics SMS

- Number of speakers: 10
- Number of Attendees: 182 pax

Testimonials

“It was a great opportunity to connect with like-minded leaders. I enjoyed the quick “Ted-Talk” style presentation”

“AUSactive update re. Fit for Office and direction was fantastic. The talk about preventative health was also a highlight. Leadership presentation from Elaine Jobson was the best.”

“Friday started off great with such a fabulous Business Summit. All presenters, including Barrie, were so professional in their fields and of the highest quality and we as business owners got so much out of it to help our businesses as well. The initiatives AUSactive are proposing are so needed and I truly hope it does come to fruition.”



Events

Active Health Summit - 2023

The AUSactive 2023 Active Health Summits were held in July and was a nationwide event tailored for Exercise Professionals across various modalities, including Personal Trainers, Strength and Conditioning Coaches, Group Exercise Instructors, Aqua Instructors, Yoga and Pilates Professionals, and more.

The summit was dedicated to covering essential health topics, aiming to enhance the skill set of exercise professionals working with clients dealing with chronic health issues, individuals of all abilities, mental health concerns, high-performing sports, men's and women's health, injury prevention, and rehabilitation.

2023 Statistics SMS

- 4x States: Perth, Melbourne, Brisbane, Sydney
- Numbers of speakers around the countries: 39
- Number Attendees around the countries: 327 pax

Testimonials

"The Active Health Summit reignited my enthusiasm and gave me ideas of other avenues to investigate to better help my clients and my business. The topics were all interesting and valuable - I intend to further research each topic and bring them in to my business. A great blend of technical, scientific, social and holistic topics."

"Attending the event have made me more aware of problems that women encounter, broadened importance of diet and nutrition, how music is great motivator to exercise, and problems that people with disabilities encounter. I especially remember Dr Yali Yager's message that SHAME does not motivate people to change habits."

"It gave me some reference points when talking to my clients, it allowed me to see some up-and-coming technology, it allowed me to ask questions in real time and get answers I could interact with."



Thank you to our Sponsors

THE PILATES JOURNAL



Finance Update

We are pleased to present the audited financial statements for the year ended 30th June 2023. Having survived and emerged from the pandemic, this financial year we need to acknowledge the challenges many businesses and members of the exercise and active health sector are currently facing, including the soaring cost of living; the sharpest cycle of interest rate rises in Australia's history; and increasing/unsustainable expenditure related to Australia's chronic health and ageing population.

Despite these challenges, there has been a balanced and prudent response to manage the financial health of the organisation while ensuring our successful service delivery, from developing industry standards, curating continuing education programs, supporting our members to be ready for emerging opportunities and delivering valued advocacy for the sector.

The total revenue for the year was \$3,089,244, which was up approximately 3% from the prior year. This was largely driven by ticket sale as an emerging revenue stream. Costs were generally in line with budget. However AUSactive reported a loss of \$100,102 due to a planned increase in expenditure on grant delivery, member communications and events.

The Cash Position as at 30 June 2023 was \$1,056,348, a decrease of \$125,185 from last financial year end. However when considering Financial Assets of \$150,000 held by way of Term Deposit, which are excluded from the Cash Position, this has actually improved. More importantly, net cash provided by operating activities was positive, recording \$224,319, a positive outcome to enable the organisation to continue to deliver on its core strategic objectives.

There were no major variances recorded in the movement of any other Balance Sheet items. Overall, we are cognisant of market factors impacting our sector, in particular ongoing inflationary pressures are generally leading to uncertainty. To this end, the Board and Management have conducted a review of strategic business objectives to ensure we are positioned for ongoing sustainability and future growth.

Notwithstanding the economic headwinds, the outlook for the sector is exciting, and AUSactive is committed to delivering visionary initiatives like Project Imagine and Fit For Office, which are designed to both improve the nation's health and wellbeing and embed the physical activity and exercise sector into Australia's preventive health environment (more to come on that in next year's annual report!)

Fitness Australia Limited

ABN: 51 131 422 403

Financial Statements

For the Year Ended 30 June 2023

Fitness Australia Limited

ABN: 51 131 422 403

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For the Year Ended 30 June 2023

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Fitness Australia Limited

ABN: 51 131 422 403

Directors' Report 30 June 2023

The directors present their report on Fitness Australia Limited for the financial year ended 30 June 2023.

Directors

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

Names	Appointed/Resigned
Justin McDonell	Resigned 24 November 2022
Christopher John Hicks	Resigned 24 November 2022
Jayne Blake	
Chantal Brodrick	Resigned 24 May 2023
Katie Jasmine Corkery	
Jenny Louise Dugard	
Edwina Ann Griffin	
Gregory Charles Oliver	
Timothy James Firth	
Emmett Michael Williams	Appointed 20 October 2022
Elaine Dawn Jobson	Appointed 24 November 2022
Ryan Edward Hogan	Appointed 24 November 2022
Sally Megan Anderson	Appointed 1 December 2022

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

Company secretary

Paul Ritchie has been the company secretary since 20 April 2022.

Principal activities

Fitness Australia Limited T/As AUSactive is the national health and exercise industry association with the largest register of exercise professionals and facilities across Australia. AUSactive wants to activate the nation by encouraging all Australians to participate in physical activity and exercise more often – we are the united body for Australia's health and well-being.

AUSactive's vision is to activate every body, every way, every day and we exist to encourage all Australians to engage in physical activity. AUSactive wants to activate the nation through empowering and representing excellence, innovation, standards and leadership across all exercise and wellness modalities. We lead advocacy for the preventative health and exercise sector, sponsor research, and set standards that reflect best practice, instill consumer confidence and ensure the wellbeing of Australians.

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

Fitness Australia Limited

ABN: 51 131 422 403

Directors' Report 30 June 2023

Strategic Objectives

The Company's strategic objectives are to:

- Become a key player in Australia's preventative health strategy and build the AUSactive brand to inspire respect and credibility within the preventative health sector;
- Provide membership offerings that are highly valued, engaging and meet the needs of our members;
- Enhance and extend the policy and advocacy work that AUSactive undertakes on behalf and for the benefit of members and influence all levels of government, including relevant government agencies, to support and advance the active health and exercise industry;
- Understand the emerging issues in the active health and exercise industry and demonstrate the value of exercise in improving physical and mental health outcomes
- Collaborate with key stakeholders to provide benefits for our members and increase supporter engagement and loyalty;
- Foster diversity and inclusion by engaging with all voices in our community;
- Remove barriers that may prevent Australians from accessing and participating in the services offered in the active health and exercise industry
- Expand the quality assurance framework to achieve service excellence through certification and accreditation
- Optimise data to provide a strong foundation for research excellence
- Develop new membership offerings to the broader active health and exercise industry with an enhanced value proposition
- Secure new partnerships to diversify our revenue streams and support our strategic priorities

Performance measures

The following measures are used to monitor performance:

- Membership; including new and retention data;
- Overall financial performance;
- NFP/Association Benchmark Equivalence; and
- Government advocacy outcomes.

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 member 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 2023 the collective liability of members was \$146,440 (2022: \$171,650).

Fitness Australia Limited

ABN: 51 131 422 403

Directors' Report 30 June 2023

Information on directors

Justin McDonell	Appointed 1 November 2013/Resigned 24 November 2022
Qualifications	MAICD
Experience	Director and Ownership - Anytime Fitness Australia, Former Director and Owner - Flex Holdings, Co-Founder and Chair - Collective Wellness Group, Director and Ownership - XTEND Australia Shareholder - Anytime UK
Special Responsibilities	Former Chair of Nomination and Remuneration Committee
Christopher John Hicks	Appointed 20 June 2016/Resigned 24 November 2022
Qualifications	Bachelor of Commerce
Experience	Former CEO of Newcastle University Sport Director - Hunter Care Limited
Special Responsibilities	Former Chair of Finance and Risk Committee
Jayne Blake	Appointed 5 July 2018
Qualifications	Association Chartered & Management Accountants (UK) GAICD
Experience	Director & Principal, JBC International Chair, Marine & Civil Maintenance Pty Ltd Chair, MCM Fiji Pte Ltd
Special Responsibilities	Chair of the Board Member of Finance and Risk Committee Member of Nomination and Remuneration Committee Member of Diversity, Equity and Inclusion Committee
Chantal Brodrick	Appointed 26 November 2019/Resigned 24 May 2023
Qualifications	Cert III and IV Fitness Australian Institute of Fitness Master Trainer
Experience	Communications and Content Specialist Sales and Marketing Management
Katie Jasmine Corkery	Appointed 26 November 2019
Qualifications	Masters International Sport Administration Bachelor Applied Economics Bachelor Laws Graduate Diploma of Legal Practice Cert IV Fitness GAICD NMAS Accredited Mediator
Experience	Business Owner and Principal Consultant Former Deputy General Manager- Industry Capability – Australian Sports Commission Chair, Judo Australia
Special Responsibilities	Chair of Nomination and Remuneration Committee Member of Diversity, Equity and Inclusion Committee
Jenny Louise Dugard	Appointed 26 November 2019
Qualifications	Cert III and IV Fitness
Experience	Director, Body Beyond Baby Pty Ltd Director, Safe Return to Exercise Pty Ltd Business coach/mentor and educator

Fitness Australia Limited

ABN: 51 131 422 403

Directors' Report 30 June 2023

Information on directors

Edwina Ann Griffin	Appointed 26 November 2020
Qualifications	Bachelor of Social Sciences (Asian Studies) Graduate Certificate in Negotiation Mediation Certification (NMAS) Certificate IV Workplace Training & Assessment Certificate IV in Fitness Diplomas in Hypnotherapy, Metaphysics, Sound Healing 'CHEK' Practitioner Level 1'
Experience	Director Fitmum Australia Pty Ltd (t/as Fitwomen & Fitmum) Director AtOne Australia Pty Ltd Director Your Negotiator NSW Small Business Commissioner Mediation Panel Corporate training & speaking-workplace wellness
Special Responsibilities	Member of Finance and Risk Committee
Gregory Charles Oliver	Appointed 26 November 2020
Qualifications	Cert Leading Change & Organizational Renewal
Experience	CEO and MD of Fitness & Lifestyle Group Chair CH Digital Chair Emily Skye Enterprises Chair of GHFA Alliance Council (IHRSA)
Special Responsibilities	Member of Finance and Risk Committee
Timothy James Firth	Appointed 20 June 2022
Qualifications	Graduate Diploma of Legal Practice Master of Laws (International Law and Dispute Resolution) / Juris Doctor (Legal Practice) Graduate Diploma of Strategic Leadership Graduate Diploma of Management / Advanced Diploma of Integrated Risk Management Certificate IV in Training and Assessment Certificate III and IV in Fitness
Experience	Solicitor of Leora Rose Law Director of Songlines Indigenous Corporation
Special Responsibilities	Chair of Diversity, Equity and Inclusion Committee
Emmett Michael Williams	Appointed 20 October 2022
Qualifications	Bachelor of Commerce (Finance and Marketing) GAICD The Anderson School of Management (UCLA) Executive Program
Experience	Founder & Director – Myzone Director – Creative Fitness Marketing Pty Ltd Member – Advisory Board, IHRSA Partner Council Member – Advisory Board, Global Health & Fitness Alliance
Special Responsibilities	Member of Nomination and Remuneration Committee
Elaine Dawn Jobson	Appointed 24 November 2022
Qualifications	GAICD Chartered Institute of Marketing Certificate Diploma in Travel and Tourism
Experience	CEO & Managing Director – Jetts Fitness Director – Comlink Australia

Fitness Australia Limited

ABN: 51 131 422 403

**Directors' Report
30 June 2023**

Information on directors

Ryan Edward Hogan Appointed 24 November 2022
 Qualifications Bachelor of Commerce
 Cert III in Fitness
 Cert IV in Coaching and Communication
 Experience CEO – Les Mills Asia Pacific
 Former CEO – Australian Fitness Network
 Owner and Principal Consultant – Ryan Hogan Private Consulting

Sally Megan Anderson Appointed 1 December 2022
 Qualifications Advanced Diploma of Management
 Advanced Diploma of the Pilates Method
 Cert IV Training & Assessment
 Experience VET Education development, accreditation, compliance and licensing
 Founding President Pilates Alliance Australasia
 Member, International Strategic Advocacy Committee of Pilates Method Alliance USA
 Director Pilates International Pty Ltd
 Director Reach Universal Pty Ltd

Meetings of directors

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

	Directors' Meetings		Finance and Risk Committee		Nomination and Remuneration Committee		Diversity, Equity & Inclusion Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Justin McDonell	2	2	-	-	3	3	-	-
Christopher John Hicks	2	2	4	2	-	-	-	-
Jayne Blake	5	5	8	8	8	8	1	1
Chantal Brodrick	3	3	-	-	-	-	-	-
Katie Jasmine Corkery	5	5	-	-	8	8	1	1
Jenny Louise Dugard	5	4	-	-	-	-	-	-
Edwina Ann Griffin	5	4	4	3	-	-	-	-
Gregory Charles Oliver	5	5	8	8	-	-	-	-
Timothy James Firth	5	5	-	-	-	-	1	1
Emmett Michael Williams	4	3	-	-	5	5	-	-
Elaine Dawn Jobson	3	3	-	-	-	-	-	-
Ryan Edward Hogan	3	3	-	-	-	-	-	-
Sally Megan Anderson	2	2	-	-	-	-	-	-

Fitness Australia Limited


ABN: 51 131 422 403

**Directors' Report
30 June 2023**

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 2023 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: 

Jayne Blake

Dated 18 October 2023

Director: 

Edwina Griffin

18/10/2023



PKF(NS) Audit & Assurance Limited Partnership
 ABN 91 850 861 839
 755 Hunter Street, Newcastle West NSW 2302
 Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245
 Sydney T: +61 2 8346 6000 F: +61 2 8346 6099
 info@pkf.com.au
 www.pkf.com.au

Auditor's 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, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

KYM REILLY
 PARTNER

18 OCTOBER 2023
 SYDNEY, NSW

Fitness Australia Limited

ABN: 51 131 422 403

**Statement of Profit or Loss and Other Comprehensive Income
 For the Year Ended 30 June 2023**

		2023	2022
	Note	\$	\$
Revenue	4	3,089,244	3,006,151
Other income	4	12,063	114,200
Employee benefits expense		(2,035,685)	(1,969,129)
Depreciation and amortisation expense		(138,682)	(195,049)
Investment losses		-	(252,539)
Impairment losses on receivables from related parties	21(b)	(25,000)	-
Administration		(454,872)	(232,415)
Project expenses		(127,783)	(163,147)
Marketing		(125,341)	(240,377)
Other expenses		(102,737)	(94,741)
Membership expenses		(178,298)	(35,657)
Occupancy		(12,267)	(11,098)
Finance expenses		(5,137)	(655)
Deficit before income tax		(104,495)	(74,456)
Income tax benefit	5	4,393	642
Deficit for the year attributable to the members of Fitness Australia Limited		(100,102)	(73,814)

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 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,056,348	1,181,533
Trade and other receivables	7	64,585	238,826
Other financial assets	8	150,000	-
Other assets	9	72,010	42,231
TOTAL CURRENT ASSETS		1,342,943	1,462,590
NON-CURRENT ASSETS			
Property, plant and equipment	10	22,013	33,529
Intangible assets	11	198,091	123,119
Right-of-use assets	12	162,887	247,979
Deferred tax assets	13	628,536	553,681
Other assets	9	23,957	23,957
TOTAL NON-CURRENT ASSETS		1,035,484	982,265
TOTAL ASSETS		2,378,427	2,444,855
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	246,472	220,528
Short-term provisions	15	161,423	176,743
Lease liabilities	12	73,876	88,987
Contract liabilities	16	1,213,971	1,055,215
TOTAL CURRENT LIABILITIES		1,695,742	1,541,473
NON-CURRENT LIABILITIES			
Lease liabilities	12	78,455	159,326
Long-term provisions	15	10,153	6,440
Contract liabilities	16	251,035	294,472
TOTAL NON-CURRENT LIABILITIES		339,643	460,238
TOTAL LIABILITIES		2,035,385	2,001,711
NET ASSETS		343,042	443,144
EQUITY			
Reserves	17	630,660	630,660
Accumulated deficit		(287,618)	(187,516)
TOTAL EQUITY		343,042	443,144

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 2023**

	Reserves \$	Accumulated deficits \$	Total \$
Balance at 1 July 2022	630,660	(187,516)	443,144
Deficit for the year	-	(100,102)	(100,102)
Balance at 30 June 2023	630,660	(287,618)	343,042
Balance at 1 July 2021	630,660	(113,702)	516,958
Deficit for the year	-	(73,814)	(73,814)
Balance at 30 June 2022	630,660	(187,516)	443,144

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 2023

Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,380,179	2,569,355
Payments to suppliers and employees	(3,161,411)	(2,617,547)
Interest received	10,688	2,121
Interest paid	(5,137)	(655)
Government grants	-	112,079
Net cash provided by operating activities	<u>224,319</u>	<u>65,353</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(7,126)	(13,438)
Payment for term deposits	(150,000)	(22,275)
Payment for intangibles	(109,920)	(70,509)
Proceeds from disposal on intangible asset	-	126,000
Net cash (used in)/provided by investing activities	<u>(267,046)</u>	<u>19,778</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(82,458)	(100,266)
Net cash used in financing activities	<u>(82,458)</u>	<u>(100,266)</u>
Net decrease in cash and cash equivalents held	(125,185)	(15,135)
Cash and cash equivalents at beginning of year	1,181,533	1,196,668
Cash and cash equivalents at end of financial year	<u>6 1,056,348</u>	<u>1,181,533</u>

The accompanying notes form part of these financial statements.

Fitness Australia Limited

ABN: 51 131 422 403

Notes to the Financial Statements For the Year Ended 30 June 2023

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 18 October 2023.

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 - Simplified Disclosures 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) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

The revenue recognition policies for the principal revenue streams of the Company are:

Membership revenue

Membership revenue is received from Business and Associate Members for a 12 month or 24 month membership period, with fees payable in advance.

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Under AASB15, only those member fee receipts that are attributable to the current financial year are recognised as revenue. Fee receipts for periods beyond the current financial year are deferred and recognised as contract liabilities in the Statement of Financial Position, recognised over the membership period.

Registration fees

Registration fees are received from fitness professionals on registration or renewal of registration with Fitness Australia. Under AASB 15, these fees are deferred and recognised over the period in which it is estimated that the membership will be provided. This is because the services provided in relation to the registration fees are not considered to be distinct from the ongoing service provided throughout the period which the fitness professional is a member.

Industry Development fees

Industry development fees are received from education providers on registration or renewal of registration with Fitness Australia. It also includes the accreditation fees for fitness businesses. These fees are used to support quality control of education for exercise professionals and fitness businesses. Under AASB 15, these fees are deferred and recognised over the period in which it is estimated that the membership will be provided. This is because the services provided in relation to the accreditation fees are not considered to be distinct from the ongoing service provided throughout the period which the fitness professional is a member.

Sponsorship revenue

Sponsorship revenue is received for Fitness Industry Awards and other partners and It is recognised over the period of sponsorship.

Affinity program revenue

Affinity program revenue includes a rebate received, based on the number of member referrals made. Revenue from the Affinity program is recognised over the period of membership.

Advertising revenue

Advertising revenue is recognised at a point in time which is when the completion of all services have been performed. The amount of revenue recognised is the amount as agreed in writing between the parties prior to the service being provided. Any variations to this contract price is agreed with the customer prior to the work being performed.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Government grants

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by COVID-19. These grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met.

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Other revenue

All other revenue is recognised when performance obligations have been satisfied.

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

Contract liabilities

Contract liabilities include membership, registration and industry development fees received in advance and are carried at the original invoice amount for goods and services to be provided after the year end.

(b) Income Tax

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

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 the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(c) Cash and cash equivalents

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

(d) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Property, plant and equipment is carried at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their estimated useful lives.

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

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	5 - 33%
Computer & Office Equipment	7 - 50%
Low Value Asset Pool	37.5%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(f) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair values at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Website

Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit. The estimated useful life is between three and ten years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being estimated between four and seven years.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(g) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(h) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(i) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(k) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(m) Financial instruments

Financial instruments are recognised initially 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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(m) Financial instruments

Financial assets

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract assets and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(m) Financial instruments

Financial assets

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and lease liabilities.

(n) Going concern

The deficit before income tax of the entity for the current financial year is \$104,495 (2022: \$74,456) and the current liabilities is in excess of current assets by \$352,799 (2022: \$78,883). This is mainly due to unearned revenue of \$1,213,971 (2022: \$1,055,215). The financial report has been prepared on going concern basis as there are no other reasons that would cast a significant doubt on the entity's ability to continue as a going concern.

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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to the Financial Statements For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the entity's operations, comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements, and the costs and disruption to replace the asset. The entity reassesses whether it is reasonably certain to exercise option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income

Revenue from continuing operations

	2023	2022
	\$	\$
Revenue from contracts with customers		
- Business membership	924,964	973,425
- Advertising	47,352	37,899
- Affinity program revenue	290,832	299,448
- Registrations	1,162,610	1,148,549
- Industry development fees	268,168	254,005
- Sponsorship revenue	184,994	163,808
- Other revenue	136,515	126,028
- Ticket sales	73,809	2,989
	<u>3,089,244</u>	<u>3,006,151</u>
Other Income		
- Recoveries	1,375	-
- Government grants	-	112,079
- Interest income	10,688	2,121
	<u>12,063</u>	<u>114,200</u>

Revenue from contracts with customers has been disaggregated into timing of revenue recognition, and the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	583,743	566,974
- Over time	2,542,063	2,439,177
	<u>3,125,806</u>	<u>3,006,151</u>

5 Income Tax expense (benefit)

(a) The major components of tax expense (benefit) comprise:

Prior year adjustments	71,104	-
Changes in tax rate	-	21,271
Deferred tax	(75,497)	(21,913)
	<u>(4,393)</u>	<u>(642)</u>

Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Income Tax expense (benefit)

(b) Reconciliation of income tax to accounting profit:

	2023	2022
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)	(26,124)	(18,614)
Add/(less):		
Tax effect of:		
- change in tax rate	-	21,271
- members adjustments from principle of mutuality	(62,418)	(43,613)
- non-deductible expenses	(3,903)	(2,480)
- other permanent differences	16,948	42,794
- over provision for income tax	71,104	-
	<u>(4,393)</u>	<u>(642)</u>

6 Cash and Cash Equivalents

Cash on hand	190	190
Cash at bank	960,322	1,085,264
Term deposits	95,836	96,079
	<u>1,056,348</u>	<u>1,181,533</u>

7 Trade and Other Receivables

CURRENT		
Trade receivables	38,363	17,747
Provision for impairment	(835)	(1,375)
Other receivables	27,057	54,271
PAYG instalments	-	168,183
	<u>64,585</u>	<u>238,826</u>

8 Other Financial Assets

CURRENT		
Held at amortised cost		
Term deposits	150,000	-

9 Other assets

CURRENT		
Prepayments	72,010	42,231
NON-CURRENT		
Deposits	23,957	23,957

Notes to the Financial Statements
For the Year Ended 30 June 2023

10 Property, plant and equipment

	2023	2022
	\$	\$
Furniture and fittings		
At cost	43,808	192,779
Accumulated depreciation	(33,646)	(178,416)
	<u>10,162</u>	<u>14,363</u>
Office equipment		
At cost	17,088	9,962
Accumulated depreciation	(6,485)	(3,497)
	<u>10,603</u>	<u>6,465</u>
Computer equipment		
At cost	6,244	17,697
Accumulated depreciation	(4,996)	(9,696)
	<u>1,248</u>	<u>8,001</u>
Low value asset pool		
At cost	-	101,021
Accumulated depreciation	-	(96,321)
	<u>-</u>	<u>4,700</u>
Total property, plant and equipment	<u>22,013</u>	<u>33,529</u>

(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 Asset Pool	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2023					
Balance at the beginning of year	4,700	14,363	6,465	8,001	33,529
Additions	-	-	7,126	-	7,126
Depreciation expense	(4,700)	(4,201)	(2,988)	(6,753)	(18,642)
Balance at the end of the year	<u>-</u>	<u>10,162</u>	<u>10,603</u>	<u>1,248</u>	<u>22,013</u>

During the year, fully depreciated Low Value Asset Pool were written-off, resulting in a decrease of \$101,021 of cost and accumulated depreciation..

Notes to the Financial Statements
For the Year Ended 30 June 2023

11 Intangible assets

	2023	2022
	\$	\$
Software development costs	126,501	28,501
Computer software		
At cost	-	32,945
Accumulated amortisation	-	(32,945)
	<u>-</u>	<u>-</u>
Website		
At cost	223,998	212,078
Accumulated amortisation	(157,056)	(122,810)
	<u>66,942</u>	<u>89,268</u>
Intellectual property		
At cost	7,017	7,017
Accumulated amortisation	(2,369)	(1,667)
	<u>4,648</u>	<u>5,350</u>
Total intangibles	<u>198,091</u>	<u>123,119</u>

(a) Movements in carrying amounts of intangible assets

	Software development costs	Website	Intellectual property	Total
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of the year	28,501	89,268	5,350	123,119
Additions	98,000	11,920	-	109,920
Amortisation	-	(34,246)	(702)	(34,948)
Closing value at 30 June 2023	<u>126,501</u>	<u>66,942</u>	<u>4,648</u>	<u>198,091</u>

During the year, fully depreciated computer software were written-off, resulting in a decrease of \$32,945 of cost and accumulated amortisation.

Notes to the Financial Statements
For the Year Ended 30 June 2023

12 Leases

Company as a lessee

The Company has leases over a range of assets including land and buildings, machinery and IT equipment.

Terms and conditions of leases

The entity leases land and buildings for its two offices under agreements of between one to three years with, in some cases, options to extend. The leases have various escalation clause.

Concessionary leases

The Company lease land and building for their corporate office. The lease term is 3 years with option to renew for further 3 years.

The Company has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability.

Right-of-use assets

	Buildings
	\$
Year ended 30 June 2023	
Balance at beginning of year	247,979
Depreciation charge	<u>(85,092)</u>
Balance at end of year	<u><u>162,887</u></u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2023					
Lease liabilities	77,093	79,538	-	156,631	152,331

Notes to the Financial Statements
For the Year Ended 30 June 2023

12 Leases

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2023	2022
	\$	\$
Interest expense on lease liabilities	<u>5,137</u>	655

13 Deferred Tax

Provisions and accruals	51,794	56,694
Unearned income	366,251	337,422
Lease liabilities	(2,639)	84
Unused revenue loss	<u>213,130</u>	159,482
Deferred Tax assets	<u><u>628,536</u></u>	<u>553,682</u>

14 Trade and Other Payables

CURRENT		
Trade payables	54,879	51,254
BAS payable	65,645	57,572
Other payables	<u>125,948</u>	111,702
	<u><u>246,472</u></u>	<u>220,528</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Fitness Australia Limited

ABN: 51 131 422 403

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

15 Provisions

	2023	2022
	\$	\$
CURRENT		
Annual leave	120,967	129,067
Long service leave	26,878	34,098
Make good provision	13,578	13,578
	<u>161,423</u>	<u>176,743</u>
NON-CURRENT		
Long service leave	<u>10,153</u>	6,440

16 Contract Liabilities

CURRENT		
Deferred income	<u>1,213,971</u>	1,055,215
NON-CURRENT		
Deferred income	<u>251,035</u>	294,472

17 Reserves

The general reserve records funds set aside for future expansion of Fitness Australia Limited. The general reserve was used in prior years to record amounts set aside to fund the future expansion of the Company.

18 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows

Financial assets

Held at amortised cost		
Cash and cash equivalents	1,056,348	1,181,533
Trade and other receivables	64,585	70,643
Deposits	173,957	23,957
Total financial assets	<u>1,294,890</u>	<u>1,276,133</u>

Financial liabilities

Held at amortised cost		
Trade and other payables	246,472	220,528
Lease liabilities	152,331	248,313
Total financial liabilities	<u>398,803</u>	<u>468,841</u>

Fitness Australia Limited

ABN: 51 131 422 403

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

19 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor PKF, for:		
- auditing or reviewing the financial statements	14,400	17,000
- other services	1,600	2,000
	<u>16,000</u>	<u>19,000</u>

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

21 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 22.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Revenue	Expenses	Balance outstanding Owed by the related parties
	\$	\$	\$
FILEX Holding Pty Limited			
2023			
Related party transactions	-	1,500	-
Loan write-off	-	25,000	-
		<u>26,500</u>	<u>-</u>
2022			
Related party transactions	2,264	1,500	18,000
Less allowance for uncollectable amounts	-	-	(18,000)
	<u>2,264</u>	<u>1,500</u>	<u>-</u>

As at 30 June 2023, the Company has divested its shareholding in FILEX Holdings Pty Ltd.

Fitness Australia Limited

ABN: 51 131 422 403

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

22 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 673,483 (2022: \$ 482,722).

23 Events after the end of the Reporting Period

The financial report was authorised for issue on 18 October 2023 by the Board of Directors.

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.

24 Statutory Information

The registered office and principal place of business of the company is:
Fitness Australia Limited
Level 8 1 O'Connell Street
Sydney NSW 2000

Fitness Australia Limited

ABN: 51 131 422 403

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 29, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2023 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

Jayne Blake

Dated 18 October 2023

Director

Edwina Griffin

18/10/2023



PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839
755 Hunter Street, Newcastle West NSW 2302
Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245
Sydney T: +61 2 8346 6000 F: +61 2 8346 6099
info@pkf.com.au
www.pkf.com.au

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 2023, 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 Fitness Australia Limited, is in accordance with the Corporations Act 2001, including:

- (a) Giving a true and fair view of the company's financial position as at 30 June 2023, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Simplified Disclosure Requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of 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 (including Independence Standards) (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.



Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 – Simplified 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

18 OCTOBER 2023
SYDNEY, NSW

