

ALUMINIUM STEWARDSHIP INITIATIVE LTD

A.C.N. 606 661 125

FINANCIAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2021**

Aluminium Stewardship Initiative Ltd

Directors' Report

For the year ended 31 December 2021

1. Objectives and Strategy

Aluminium Stewardship Initiative Ltd (ASI) is a not-for-profit public company limited by guarantee under the *Corporations Act* of Australia. It was incorporated on 25 June, 2015 and is also a Registered Charity under the Australian Charities and Not-for-profits Commission (ACNC).

The company has the following objects:

- a. to define globally applicable Standards for sustainability performance and material chain-of-custody for the aluminium value chain;
- b. to promote measurable and continual improvements in the key environmental, social and governance dimensions of aluminium production, use and recycling;
- c. to develop a credible assurance and certification system that both mitigates the risks of non-conformity with Standards and minimises barriers to broad scale implementation of Standards; and
- d. to become and remain a globally valued organisation advancing programs for sustainability in the aluminium value chain, which is financially self-sustaining and inclusive of stakeholder interests.

These objects are supported by ASI's Strategic Plan, which sets out the following areas of strategic focus:

I. Effective governance:

- Facilitate effective multi-stakeholder corporate and standards governance
- Encourage participation and engagement by members and stakeholders
- Position ASI for organisational growth and resilience
- Ensure financial resilience and positively adjust to dynamic risks and circumstances

II. Robust program:

- Deliver program rigour and integrity, including through regular revision cycles
- Support a culture of innovation and continual improvement
- Build capacity of members, auditors and Secretariat for quality implementation
- Digitisation of certification workflows and program management
- ISEAL Code compliance

III. Driving change:

- Catalyse change in key sustainability topics across a range of operating contexts
- Tell the story of ASI and the global aluminium value chain
- Leverage data to track progress and deepen insights
- Address risks of sector or topic fragmentation that hides the 'big picture' view
- Continue to build strategic relationships that position ASI's work within global action on sustainability issues
- Engage in ESG transformation efforts with the financial and investment sector

IV. Beyond certification:

- Amplify ASI's impact with stakeholders outside of the certification program
- Strengthen models and support for Indigenous-led and local community activities
- Lead or support targeted local projects in challenging sectors and regions
- Engage with academic and other programs to support broader innovation and capacity building

2. Principal activities

The principal activities during the financial year were to work with members and stakeholders under the ASI governance model to implement and grow the ASI certification program and associated workstreams.

3. Operating results

The operating surplus of the company during the year was \$404,413 (2020: \$1,135,875).

The operating surplus resulted from a combination of normal business factors and COVID-19 related factors that continued into the 2021 financial year.

Normal business factors:

- Strong growth and retention of ASI members, with 58 new member organisations joining in 2021
- Growth of ASI team and activities to match the growth in membership
- AUD-USD exchange rates, which in 2021 varied from a high of 0.80 and low of 0.70 and positively impacted ASI revenue

COVID-19 related factors:

- Unspent budgets for travel, in-person meetings and site-based project activities due to the continuation of the COVID-19 pandemic in 2021

The Board adopted a cautious financial approach at the start of the COVID-19 pandemic in 2020, resulting in strong reserves that are valuable in a time of ongoing uncertainty. Going forward, the Board continues to take a balanced approach to building proportionate reserves alongside prudent investment to achieve ASI's strategy and objectives.

4. Directors

The Directors of the Company at any time during the 2021 financial year were:

Mr Jan Boekelman

Director since 16 April 2020

Qualifications and experience: MSc – Econometrics

Treasurer – Chimbo Foundation (2011-current), Member of the Supervisory Board and Member of the Audit Committee, Viva Health Care Group (2019-current), Member of the Supervisory Board and Chairman of the Audit Committee – Oasen (2018-current), Member of the Supervisory Board and Chairman of the Audit Committee – KRO-NCRV (2016-current), Chairman of the Audit Committee – GasTerra (2011-2019), Director and Chair of the Finance and Audit Committee – Aluminium Stewardship Initiative (2016-2018), Member of the Supervisory Board and Chairman of the Audit Committee – Inovum (2005-2014).

Dr Sasha Courville

Director since 8 September 2016

Qualifications and experience: BES (Environmental Studies), MSc (Development Studies), PhD

Commissioner of Australian Centre for International Agricultural Research (2017-current), Board Member – Global Compact Network Australia (2016-current), Board Member and Treasurer – Water Stewardship Australia (2012-2016), Executive Director – ISEAL Alliance (2005-2012), Chair – Fair Trade Association of Australia and New Zealand (2004-2005)

Mr Tolga Egrilmezer

Director from 1 March 2017 to 20 April 2021

Qualifications and experience: B.Sc. Political Science & Administration, MBA

Vice Chair, Board of Directors, International Aluminium Institute – IAI (2020-current), Board of Directors, The Aluminum Association (2018-current), Member of Rio Tinto Aluminium Executive Committee (2017-current), Member of Sapa Executive Board (2011 – 2016), Vice Chairman, Board of Directors, Sapa Chalco Aluminium Products China (2011 – 2015)

Pippa Howard

Director since 5 April 2019

Qualifications and experience: BSc, BSc (Hons), MSc Zoology, MSc International Development

Nicholas Madden

Director since 16 April 2020

Qualifications and experience: Bachelor of Economics and Social Studies

Director Novelis Corporation (2020-current), Member of Aluminium Committee, London Metal Exchange (1997-2000 and 2013-2020), Member of Physical Market Committee, London Metal Exchange (2015-2020), Board of Alcan/Novelis Italy (2003-2005), Board of Alunorf GmbH (2004-2006).

Jérôme Perez

Director since 21 April 2021

Qualifications and experience: Degree in Business Management

Anita Roper

Director since 18 September 2019

Qualifications and experience: Bachelor of Business Management, Fellow of the Australian Institute of Management, Graduate Australian Institute of Company Directors (GAICD)

Director – Melbourne Water (2021 – current), Director – Yarra Valley Water (2015-2021), Chairman – Stroke Association of Victoria (2017-current), Board Member – Hazelwood Coal Mine Fire Inquiry (2015-2016), Director – Fitzroy Football Club Ltd (2010-2017), Non-Executive Director – Pacific Hydro (2012-2014)

Dr Fiona Solomon

Company Secretary since 25 June 2015

Director 25 June 2015 – 8 September 2016, Chair 25 June 2015 – 26 April 2016

Qualifications and experience: BEng (Mech), PhD, Graduate Australian Institute of Company Directors (GAICD)

Sub-Board Committee – Tyre Stewardship Australia (2021-current), Board Member – ISEAL Alliance (2014-2015), Director – S2F Mondiale Pty Ltd (2014-2016), Company Secretary – Council for Responsible Jewellery Practices Ltd (Australia) (2013-2015)

Mr Alexey Spirin

Director since 21 April 2021

Qualifications and experience: Master of Engineering (Environmental Engineering)

Mr Marcel van der Sluijs

Director since 4 November 2019

Qualifications and experience: Master of Science MSc in Business/Managerial Economics

Managing Director - Gebros Bos Carpentry (2022- current), Shareholder Hermeta Group (2014-current), Managing Director – Hermeta Group (2014-2021), Board Member – VNO-NCW (2019 – current), Director – Kondor Wessels Deutschland (2005-2012), Member of Supervisory Board – Hermeta (2011-2012), Member of Supervisory Board – Rabobank Vijfheerenlanden (2003-2010), Financial Director KWS Infra Group (2000-2005)

Mr Daniel Weston

Director from 8 April 2016, and Chair from 27 April 2016 to 20 April 2021

Qualifications and experience: LL.B (Hons) Law, Solicitor (England & Wales), CEDR accredited mediator.

Member of Management Board – Nestlé Zone AOA (Asia, Oceania & Sub-Saharan Africa – 2020-current); Member of Board – Nestlé Nespresso SA (2020 – current); Member of Management Board – Nestlé Nespresso SA (2011-2020), Board Member and Investment Committee – Nestlé S.A. Swiss Pension Funds (2011-2020), Board Member – Nespresso Sustainability Innovation Fund asbl (2016-2020), Member of Management Board – Nestlé HealthCare Nutrition (2007-2011), Board Member – Nestlé HealthCare Nutrition GmbH (2008-2011), Member of Management Board – Novartis Medical Nutrition (2004-2007), Member of Management Board – Primary Care division of Novartis Pharma AG (2001-2004).

5. Directors’ meetings

During the financial year, 6 Board meetings were held.

	Number eligible to attend	Number attended
Jan Boekelman	6	6
Sasha Courville	6	6
Tolga Egrilmezer	2	2
Pippa Howard	6	6
Nicholas Madden	6	6
Jérôme Perez	2	2
Anita Roper	6	6

Meetings (continued)	Number eligible to attend	Number attended
Fiona Solomon	6	6
Alexey Spirin	2	2
Marcel van der Sluijs	6	5
Daniel Weston	2	2

During the financial year, 3 Finance and Audit Committee meetings were held. Members of the Finance and Audit Committee during the year were Sasha Courville (Co-Chair then Chair), Tolga Egrilmezer (Co-Chair), Jan Boekelman, Marcel van der Sluijs, and Alexey Spirin.

	Number eligible to attend	Number attended
Jan Boekelman	3	3
Sasha Courville	3	3
Tolga Egrilmezer	1	1
Marcel van der Sluijs	3	3
Alexey Spirin	2	2

During the financial year, 3 Governance Committee meetings were held. Members of the Governance Committee during the year were Pippa Howard, Anita Roper, Daniel Weston, Nicholas Madden (Chair) and Jérôme Perez.

	Number eligible to attend	Number attended
Pippa Howard	3	1
Nicholas Madden	3	3
Jérôme Perez	3	1
Anita Roper	3	3
Daniel Weston	1	1

6. Key performance measures

The Company measures its own performance through both quantitative and qualitative evaluation. These metrics are used by Directors to assess the financial sustainability of the Company and whether the company’s operational and strategic objectives are being met.

The Company’s metrics in 2021 included:

<p>Effective governance</p> <ul style="list-style-type: none"> Financial reports and Dashboard Financial statements and management letter from financial auditors People updates Annual governance surveys Member participation in nominations and elections for governance vacancies Participation in and feedback on AGM Activities under Complaints Mechanism 	<p>Robust program</p> <ul style="list-style-type: none"> Reports on strategic and operational issues as identified Report on active standards processes IT update Certifications update Accredited Auditors update Registered Specialists update Learning and member events update ISEAL update
<p>Driving change</p> <ul style="list-style-type: none"> Reports on strategic and operational issues as identified Data and research updates Benchmarking and harmonisation updates Membership reports Reports on China engagement Reports on downstream engagement Reports on conference/event participation 	<p>Beyond certification</p> <ul style="list-style-type: none"> Reports on strategic and operational issues as identified IPAF updates Project updates

ASI maintains an Outcomes Dashboard on its website with key metrics: <https://aluminium-stewardship.org/why-aluminium/asi-outcomes-impacts/>

Evidence-based insights into ASI's activities and progress are published at least monthly, and are available at:

<https://aluminium-stewardship.org/why-aluminium/data-research-insights/>

7. Members' guarantee

The Company is limited by guarantee. Every member of the Company has a liability to contribute towards deficiencies in the event of the winding up of the Company, to the extent of AUD10 per member. At 31 December 2021, the Company had 208 members. The total value of the members' guarantee at 31 December 2021 is AUD2080.

8. Auditors' independence declaration

The auditor's independence declaration accompanies, and forms part of, this directors' report.

Signed in accordance with a resolution of the Directors.



Anita Roper

Chair of the Board

Dated 27 April 2022

Auditor's Independence Declaration to the Directors of Aluminium Stewardship Initiative Ltd

I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* or any applicable code of professional conduct in relation to our audit of the financial report of Aluminium Stewardship Initiative Ltd for the year ended 31 December 2021.



PKF



Steven Bradby

Partner

Melbourne, 27 April 2022

Aluminium Stewardship Initiative Ltd

Statement of Surplus or Deficit and Other Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue	4	3,359,911	3,010,271
Expenses		<u>(2,955,498)</u>	<u>(1,874,396)</u>
Net surplus for the year	5	404,413	1,135,875
Other comprehensive income		-	-
Total comprehensive income for the year		<u>404,413</u>	<u>1,135,875</u>

Statement of Financial Position As at 31 December 2021

ASSETS			
Current Assets			
Cash and equivalents	10	2,414,208	1,855,972
Trade and other receivables	6	1,199,227	753,792
Total Current Assets		<u>3,613,435</u>	<u>2,609,764</u>
Non-current Assets			
Intangibles	7	26,030	-
Total Non-current Assets		<u>26,030</u>	<u>-</u>
TOTAL ASSETS		<u>3,639,465</u>	<u>2,609,764</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	8	77,313	116,885
Revenue in advance		1,489,665	881,056
Employee entitlements	9	63,808	21,571
Total Current Liabilities		<u>1,630,786</u>	<u>1,019,512</u>
Non-current Liabilities			
Employee entitlements	9	39,882	25,868
Total Non-current Liabilities		<u>39,882</u>	<u>25,868</u>
TOTAL LIABILITIES		<u>1,670,668</u>	<u>1,045,380</u>
NET ASSETS		<u>1,968,797</u>	<u>1,564,384</u>
EQUITY			
Accumulated surplus		<u>1,968,797</u>	<u>1,564,384</u>
TOTAL EQUITY		<u>1,968,797</u>	<u>1,564,384</u>

The Statements of Profit or Loss and Other Comprehensive Income and of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the Year Ended 31 December 2021

	Note	<i>Accumulated surplus</i>
		\$
At 1 January 2020		428,509
Surplus for the year		<u>1,135,875</u>
At 31 December 2020 and 1 January 2021		1,564,384
Surplus for the year		<u>404,413</u>
At 31 December 2021		<u>1,968,797</u>

Statement of Cash Flows for the Year Ended 31 December 2021

		2021	2020
		\$	\$
Cash flows from operating activities			
Receipts from members and customers		3,577,904	3,169,164
Payments to suppliers, employees and others		(2,994,646)	(1,807,809)
Interest received		<u>1,008</u>	1,350
Net cash flows from operating activities	10	<u>584,266</u>	<u>1,362,705</u>
Cash flows from investing activities			
Purchase of intangible assets		(26,030)	-
Net cash flows used in investing activities		<u>(26,030)</u>	-
Net increase in cash and cash equivalents		558,236	1,362,705
Cash at beginning of the financial year		1,855,972	493,267
Cash and cash equivalents at end of the financial year	10	<u>2,414,208</u>	<u>1,855,972</u>

The Statements of Changes in Equity and Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for Year Ended 31 December 2021

1 Corporate Information

The financial report is for the entity Aluminium Stewardship Initiative Ltd ('ASI') as an individual entity. ASI is a not-for-profit public company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the company for the year ended 31 December 2021 were to work with members and stakeholders under the ASI governance model to implement and grow the ASI certification program and associated workstreams.

The company is a registered charity with the Australian Charities and Not-for-Profit Commission and is exempt from income tax.

The financial report was approved by the directors as of the date of the directors' declaration.

2 Basis of Preparation and Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure requirements and the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act).

The financial report has been prepared on an accruals basis and is based on historical cost. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars, the company's functional currency.

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

(b) Changes in Accounting Policies, Accounting Standards and Interpretations

In the current year, ASI has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any significant changes to any of the company's accounting policies.

(c) Revenue

Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. 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 and
- 5: Recognise revenue when a performance obligation is satisfied

Rendering of services

The company does not sell goods. Generally the timing of the payment for rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however if there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Revenue recognition policy for revenue streams which do not have sufficiently specific performance obligations (AASB 1058)

As convenor of the forum of members, the company provides its membership base with access to services such as standards development, learning programs, multi-stakeholder dialogue, broad community networking and, in relation to members seeking certification, to ASI accredited auditors. Membership provides members with the opportunity to participate in the forum. The Directors believe that the company's offering represents a non-specific performance obligation, reflecting the opportunity that members avail themselves of, depending on their goals and objectives. Given non-specificity, AASB 15 defers not-for-profit entities to consider the applicability of AASB 1058 which deals with situations where ASI does not have to perform an obligation in response to the entitlement to income. Accordingly, the company continues to recognise revenue from the provision of membership subscriptions upon receipt of payment. Member subscription invoices that relate to future periods at year end are recognised on the statement of financial position as revenue in advance.

Notes to the Financial Statements (continued) for Year Ended 31 December 2021

2 Basis of Preparation and Significant Accounting Policies (continued)

(d) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

The company's financial instruments are initially classified as 'at fair value through profit or loss' and related transaction costs are expensed immediately.

Classification

The company's financial assets fall into the following categories: held-to-maturity investments (primarily cash and equivalents with an original maturity of three months or less), and loans and receivables. Accordingly, they are measured at amortised cost using the effective interest rate method.

Financial liabilities comprise trade and other payables, also recognised at amortised cost.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment of financial assets is recognised on an expected credit loss (ECL) basis.

Impairment of trade receivables has been determined using a simplified approach which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of receivables and multiplied this by the amount of the expected loss arising from default. The amount of any impairment is recorded in a separate allowance account with the loss being recognised in surplus or deficit. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Derecognition

Financial assets are derecognised where the contractual rights to receive cash flows have expired or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire.

Fair value estimation

Unless otherwise disclosed in the notes to the financial statements, the carrying amount of the company's financial instruments approximates their fair value.

(e) Intangibles

Developed software is capitalised as an asset only when it is anticipated to deliver future reliably measurable economic benefits. The online assurance platform is such an asset, which upon installation was estimated to have a useful life of three years. The asset remains in use though it was fully amortised in 2020.

Other intangible assets with finite lives are amortised over the useful economic life and assessed for impairment. Patents are carried at cost and amortised on a straight-line basis over the period of the patent, but not exceeding 20 years. Trademarks are considered to have infinite lives and are carried at cost and assessed annually for impairment.

(f) Impairment of non-financial assets

At the end of each reporting period the company determines whether there is any evidence of an impairment indicator for non-financial assets. Where an indicator exists the recoverable amount of the asset is estimated. Where the estimated recoverable amount of the asset is less than the carrying amount, an impairment loss is recognised in surplus or deficit.

(g) Employee entitlements

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee entitlements. All other short-term employee benefit obligations are presented as payables.

**Notes to the Financial Statements (continued)
for Year Ended 31 December 2021**

2 Basis of Preparation and Significant Accounting Policies (continued)

(g) Employee entitlements (continued)

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(h) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors make judgements and estimates in preparing the financial statements regarding assumptions about current and future events affecting transactions and balances. These judgements and estimates 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 judgements and estimates made are described below:

- On the basis of the judgement that the member subscription revenue stream does not have sufficiently specific performance obligations against which subscriptions are matched over time, this revenue is recognised upon receipt.

	2021	2020
	\$	\$
4 Revenue		
Revenue from operating activities		
Member subscriptions	3,346,465	2,877,573
Auditor accreditation	12,438	10,474
Government stimulus	-	100,000
Other trading revenue	-	20,874
	<u>3,358,903</u>	<u>3,008,921</u>
Interest income	1,008	1,350
Total revenue	<u><u>3,359,911</u></u>	<u><u>3,010,271</u></u>
5 Operating surplus		
Surplus has been determined after:		
Amortisation	-	20,115
ASI project costs	316,766	29,273
Contracted services	529,453	533,417
Employee benefits expense	1,625,358	955,029
Foreign exchange loss - realised	12,374	14,276
Foreign exchange translation - unrealised (a)	(79,170)	111,157
Governance costs	8,955	23,971
Professional services costs	54,592	33,827
Translation costs	165,169	30,878
Travel costs	5,315	4,435
Other operational and administrative costs (b)	316,686	118,018
	<u>2,955,498</u>	<u>1,874,396</u>

Notes to the Financial Statements (continued)
for Year Ended 31 December 2021

	2021 \$	2020 \$
5 Operating surplus (continued)		
(a) The company is exposed to market risk associated with fluctuation of the AUD - USD exchange rate. At the respective reporting dates the following financial asset balances, translated at the year-end rate of exchange, were denominated in USD:		
Cash	479,425	900,534
Trade receivables	1,123,181	733,338
Financial assets with short term foreign exchange exposure	1,602,606	1,633,872
At the respective reporting dates, AUD 1 translated to USD 0.726 (2020: 0.770: 2019 0.701)		
(b) Included in administrative costs, remuneration of the auditor for:		
- auditing the financial statements	7,100	7,000
- other services	750	700
	7,850	7,000
6 Trade and other receivables		
Trade receivables	1,123,181	735,929
GST receivable	13,242	10,886
Prepayments	62,804	6,977
	1,199,227	753,792
7 Intangibles		
Online assurance platform at cost	60,345	60,345
Accumulated amortisation	(60,345)	(60,345)
	-	-
Other intangibles:		
Trademark registrations	26,030	-
	26,030	-
8 Trade and other payables		
Trade payables	9,299	47,626
Other payables	68,014	69,259
	77,313	116,885
9 Employee entitlements		
Current		
Annual leave	63,808	21,571
Non-current		
Long service leave	39,882	25,868
	103,690	47,439
10 Cash flow information		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
Cash and cash equivalents	2,414,208	1,855,972

**Notes to the Financial Statements (continued)
for Year Ended 31 December 2021**

	2021 \$	2020 \$
10 Cash flow information (continued)		
(b) Reconciliation of cash flow from operations with surplus		
Surplus from ordinary activities	404,413	1,135,875
Adjustments and non-cash items		
Amortisation	-	20,115
(Increase) / decrease in trade and other receivables and prepayments	(445,435)	139,665
Increase / (decrease) in trade and other payables	(39,572)	45,640
Increase / (decrease) in revenue in advance	608,609	13,601
Increase / (decrease) in employee entitlements	56,251	7,809
Cash flows from operating activities	<u>584,266</u>	<u>1,362,705</u>

11 Related parties

Related parties of the company include Key Management Personnel (KMP), comprising any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any Director (whether executive or otherwise) of the company.

The total remuneration paid to KMP of ASI during the year, including superannuation benefits:

283,155	276,875
---------	---------

Non-executive Directors act in an honorary capacity and receive no compensation for their services. During the year, travel expenses totalling \$nil (2020: \$nil) incurred by the Directors in fulfilling their role were reimbursed.

Certain Directors were also directors of member entities. Memberships were paid to ASI at normal membership rates.

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

12 Contingencies and commitments

In the opinion of the Directors, the company had no commitments or contingencies at 31 December 2021.

13 Members' guarantee

The Company is incorporated under the *Corporations Act 2001* and is a public company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the Company. At 31 December 2021, the Company had 208 members.

14 Events subsequent to the reporting date

There has been no matter or circumstance which has arisen since 31 December 2021 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2021, or the results of those operations, or
- (b) the state of affairs, in financial years subsequent to 31 December 2021.

15 Company details

The principal place of business of the company is: C/- Piper Alderman, Level 23, 459 Collins Street, Melbourne 3000, Australia.

DIRECTORS' DECLARATION

In respect of the year ended 31 December 2021, the Directors declare that in their opinion:

- there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Chair of the Board

Anita Roper

27 April 2022

Independent Auditor's Report to the Members of Aluminium Stewardship Initiative Ltd

Auditor's Opinion

We have audited the accompanying financial report of Aluminium Stewardship Initiative Ltd (the company), which comprises the statement of financial position as at 31 December 2021, the statements of surplus or deficit and other comprehensive income, changes in equity, and cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report is prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the financial position of the company as at 31 December 2021 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ACNC Act 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 relating 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 have 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

PKF
Melbourne, 27 April 2022

Steven Bradby
Partner