

Aluminium Stewardship Initiative Ltd

A.C.N. 606 661 125

Financial Statements

For the Year Ended 31 December 2023

Aluminium Stewardship Initiative Ltd

A.C.N. 606 661 125

Contents

For the Year Ended 31 December 2023

| | Page |
|---|------|
| Financial Statements | |
| Directors' Report | 1 |
| Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 | 10 |
| Statement of Surplus or Deficit and Other Comprehensive Income | 11 |
| Statement of Financial Position | 12 |
| Statement of Changes in Equity | 13 |
| Statement of Cash Flows | 14 |
| Notes to the Financial Statements | 15 |
| Directors' Declaration | 24 |
| Independent Audit Report | 25 |

Aluminium Stewardship Initiative Ltd

Directors' Report

For the year ended 31 December 2023

1. 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.

2. 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
- Maintain ISEAL Code compliance with new integrated Code (2024)

III. Driving change:

- Catalyse change in key sustainability topics across a range of operating contexts
- Leverage data and stories 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

3. Operating results

The operating deficit of the company during the year was AUD\$87,077 (2022: surplus of AUD\$651,541).

Factors contributing to this result include:

- Revenue marginally exceeded the full year 2023 budget of AUD\$5.860M. The 2023 revenue of AUD\$5.907M reflects an increase of 18.3% over the previous year.
- The 2023 budget was structured to intentionally invest from previous year cash surpluses. The Board's planned budget deficit (AUD\$740,000 loss) was at least partway achieved.
- Strong growth and retention of ASI members with 74 new members in 2023 (21.4% growth in member numbers overall).
- Expansion of the Secretariat with 6 new roles in 2023, building ASI's capability to deliver on strategy and manage future growth.
- Careful management of expenditure, with the majority of activity lines at or under budget.

The Board maintains a cautious financial approach resulting in strong reserves that continue to be valuable in a time of ongoing uncertainty. Going forward, the Board continues to take a balanced approach to maintaining proportionate reserves alongside prudent investment to achieve ASI's strategy and objectives.

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review.

4. Directors

The Directors of the Company at any time during the 2023 financial year were:

Dr Raj Aseervatham

Director since 1 December 2023

Qualifications and experience:

Non-Executive Director – Engineers Australia (2019-current), Non-Executive Director – Planet Ark (2021-current), Non-Executive Director – Argonaut Resources (2011-2013).

Ms Catherine Athènes

Director since 6 April 2023

Qualifications and experience:

Chair – France Aluminium Recyclage (2018-current), Chair – European Aluminium Trade Committee (2019-2023), Chair – European Aluminium Sustainability Committee (2023-current), Member – Advisory and Strategic Committee of European Aluminium (2018-current), Board Member – Alupro (2018-2019), Board Member of several French charity organizations during 2010-2018.

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 (2019-2022), 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 (2017-2023), Board Member – Global Compact Network Australia (2016-2022), 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 Matthias Esdar

Director since 19 September 2022

Qualifications and experience: Master in Energy, Trade and Finance

Head of Strategy Board – OTTO FUCHS KG (2021-current), Head of Sustainability Board – OTTO FUCHS KG (2020- current), Member of Board for Communication – German Aerospace Association (2021- current), Member of Board for Energy & Climate – Wirtschaftsvereinigung Metalle (2018-current), Member of Board – Stiftung KlimaWirtschaft (2017-), Member of Board for Sustainability – German Aluminium Association (2018-2020).

Ms Pippa Howard

Director since 5 April 2019

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

Ms Rosa M. Garcia Pineiro

Director since 28 April 2022

Qualifications and experience: Master Degree in Industrial Engineering, Master Degree in Environmental Engineering, Master in Business Administration, Master in Commodity Trading

Independent Director – PowerCo (EV Batteries) (2022-current), Independent Director – Acerinox (Stainless Steel, listed company) (2017-current), Independent Director – Ence (Pulp and Renewable Energy, listed company) (2018-current), President of the Board – Alcoa Foundation (2016-2023), Director – Instituto Alcoa Brazil (2016-2023), President of the Board – Alcoa Inversiones España (Alcoa Holding for Europe, Brazil, Middle East and Russia) (2014-2016).

Mr Nicholas Madden

Director from 16 April 2020 to 28 April 2022; and 19 September 2022 to 5 April 2023

Qualifications and experience: Bachelor of Economics and Social Studies

Director – Novelis Corporation (2020-2023), 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).

Dr Gerald Rebitzer

Director since 28 April 2022

Qualifications and experience: Master (Dipl.-Ing.), Environmental Engineering, PhD – Life Cycle Management

Chair of the Board and Steering Committee – CEFLEX (2017-current), Board Member – Igora (2018-current), Board Member – Deutsche Aluminium Verpackung Recycling GmbH (2015-current), Executive Committee Member, Sustainable Packaging Coalition (2009-2012 and 2013-2016).

Ms Anita Roper

Director 18 September 2019 to 30 November 2023

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), Chairman – Stroke Association of Victoria (2017-2022), Director – Yarra Valley Water (2015-2021), 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

ASI: Director 25 June 2015 – 8 September 2016, Chair 25 June 2015 – 26 April 2016, CEO to 9 September 2016 to present

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

Sub-Board Committee – Tyre Stewardship Australia (2021-2023), 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 Andrew Wood

Joint Company Secretary, 3 October 2022 – 8 December 2023

Qualifications and experience: Bachelor of Arts, Bachelor of Laws, Graduate Diploma of Applied Corporate Governance

Group Executive Strategy and Business Development – Alumina Limited (2008-2022)

5. Directors' meetings

During the financial year, 5 Board meetings were held.

| | Number eligible to attend | Number attended (including via proxy) |
|-------------------|---------------------------|---------------------------------------|
| Raj Aseervatham | 0 | 0 |
| Catherine Athènes | 3 | 3 |
| Jan Boekelman | 5 | 5 |
| Sasha Courville | 5 | 5 |
| Matthias Esdar | 5 | 4 |
| Pippa Howard | 5 | 4 |
| Nicholas Madden | 2 | 2 |
| Gerald Rebitzer | 5 | 4 |
| Anita Roper | 5 | 5 |
| Fiona Solomon | 5 | 5 |
| Andrew Wood | 5 | 5 |

During the financial year, 2 Finance and Audit Committee meetings were held. Members of the Finance and Audit Committee during the year were Catherine Athènes, Sasha Courville (Chair), Jan Boekelman (Chair), Nick Madden, Gerald Rebitzer and Anita Roper.

| | Number eligible to attend | Number attended |
|-------------------|---------------------------|-----------------|
| Catherine Athènes | 1 | 1 |
| Jan Boekelman | 2 | 2 |
| Sasha Courville | 1 | 1 |
| Nick Madden | 1 | 1 |
| Gerald Rebitzer | 2 | 1 |
| Anita Roper | 1 | 1 |

During the financial year, 2 Governance Committee meetings were held. Members of the Governance Committee during the year were Sasha Courville, Rosa Garcia Pineiro (Chair), Matthias Esdar, Pippa Howard, and Anita Roper.

| | Number eligible to attend | Number attended |
|---------------------|---------------------------|-----------------|
| Sasha Courville | 2 | 2 |
| Matthias Esdar | 3 | 3 |
| Rosa Garcia Pineiro | 3 | 3 |
| Pippa Howard | 3 | 3 |
| Anita Roper | 1 | 1 |

6. 2023 Strategy Outcomes

Delivery of ASI's strategy in 2023 included:

- Successful implementation of **2022 standards rollout and end of standards transition period** (June 2023) with members and auditors
- **Ongoing Guidance update cycles** with Working Groups and Standards Committee: Board approved updates and clarifications, and issued April 2023 (Performance Standard and Guidance, Chain of Custody Standard and Guidance, Claims Guide, Glossary), along with updates to learning modules in educationAL
- Board approval of **1.5C aligned entity-level GHG pathways method** and tool in November, developed through major consultative process, to be rolled out from Q1 2024
- **Continuing assurance integrity** for a growing Certification portfolio with 216 audits conducted during 2023, including: expanded assurance team to cover growing audit portfolio; interactive workshops on assurance with Board, Standards Committee, ASI team; mandatory training modules and quarterly calibration calls with ASI Accredited Auditors; 8 witness assessments conducted (in Australia, Guinea, India, Scotland, China and Qatar); Assurance Manual update underway; range of communications on ASI assurance
- **Digital projects:** priority focus on elementAL 2.0 development; as well as updates to ASI website functionalities; data integrations and automations to streamline internal workflows
- **Continue to build Data and Research stream:** new circularity research program, regular insights and analyses published on the ASI website, updated Data and Research Framework to align with ISEAL Integrated Code
- **Indigenous Peoples Advisory Forum (IPAF)-related activities and projects in 'Beyond Certification' stream:** regular IPAF meetings; capacity-building workshops in Guinea and Australia; Indigenous-led Participatory Cumulative Impact Assessment methodology published with Protect Sapmi, and support for implementation project in India; other grant proposals in development
- **Member and governance focused engagement:** in-person meetings for Board and Standards Committee, CRU conference, online AGM, multiple thematic Working Groups, IPAF work including to support engagement in ASI governance
- **Stakeholder and partnership focused:** regular conference attendance (online and in person), online '45 minutes on x' webinars, engagement in various forums and ongoing partnership work including with ISEAL and parallel initiatives, bilateral stakeholder meetings and discussions, general communications and ongoing outreach
- **Team focused engagement:** 9 facilitated team workshops, 5 facilitated wellbeing workshops, 2 in-person team meetings (EU and Australia), and use of internal platforms and regular calls to supported distributed collaborations.

7. 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 2023 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 a Progress Dashboard on its website with key metrics:

<https://aluminium-stewardship.org/driving-change/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/dataresearch>

8. 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 2023, the Company had 329 members. The total value of the members’ guarantee at 31 December 2023 is AUD\$3290.

9. Indemnification and Insurance of directors and officers

The Company has agreed to indemnify each director and officer on a full indemnity basis and to the full extent permitted by law against all liabilities incurred by the director or officer.

The Company maintains Management Liability insurance for directors and officers with a limit of liability of \$5,000,000, covering director and officer liability, Company liability, employment practices liability, statutory liability and crime.

10. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

11. Auditor Rotation

In accordance with the Company's governance requirements, auditors are rotated every four years. PKF Melbourne completed its final year in 2022 and following the acceptance of a resolution by members, MVAB Assurance was appointed in 2023.

12. 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.



Sasha Courville
Chair of the Board

Dated 15 April 2024

ALUMINIUM STEWARDSHIP INITIATIVE LTD
ABN 29 606 661 125

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT
2012
TO THE DIRECTORS OF ALUMINIUM STEWARDSHIP INITIATIVE LTD

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MVAB Assurance

MVAB Assurance
Chartered Accountants

W. Tarrant

WAYNE TARRANT
Partner

Signed at Melbourne this 15th day of April 2024

10

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Statement of Surplus or Deficit and Other Comprehensive Income For the Year Ended 31 December 2023

| | | 2023 | 2022 |
|--|------|-----------------|----------------|
| | Note | \$ | \$ |
| Revenue | 4 | 5,907,745 | 4,826,992 |
| Amortisation | | (4,004) | (2,002) |
| ASI project costs | | (323,155) | (320,799) |
| Contracted services | | (788,972) | (532,388) |
| Employee benefits expense | 5 | (3,708,958) | (2,421,642) |
| Foreign exchange loss - realised | | 4,817 | 96,678 |
| Foreign exchange translation - unrealised | | 31,005 | (47,036) |
| Governance costs | | (199,013) | (69,667) |
| Professional services costs | | (68,503) | (43,595) |
| Translation costs | | (106,600) | (211,273) |
| IT expenses | | (190,851) | (134,884) |
| Bad debts | | (89,430) | - |
| Travel costs | | (208,643) | (128,625) |
| Other operational and administrative costs | | (342,515) | (360,218) |
| Net surplus/(deficit) for the year | | (87,077) | 651,541 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income/(deficit) for the year | | (87,077) | 651,541 |

The accompanying notes form part of these financial statements.

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Statement of Financial Position

As At 31 December 2023

| | Note | 2023 \$ | 2022 \$ |
|-------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 2,930,133 | 2,678,140 |
| Trade and other receivables | 7 | 1,345,516 | 1,530,939 |
| Other assets | 9 | 80,069 | 86,680 |
| TOTAL CURRENT ASSETS | | <u>4,355,718</u> | <u>4,295,759</u> |
| NON-CURRENT ASSETS | | | |
| Intangible assets | 8 | 278,285 | 78,079 |
| TOTAL NON-CURRENT ASSETS | | <u>278,285</u> | <u>78,079</u> |
| TOTAL ASSETS | | <u>4,634,003</u> | <u>4,373,838</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 176,230 | 111,786 |
| Employee benefits | 11 | 222,277 | 146,988 |
| Revenue in advance | | 1,659,668 | 1,491,265 |
| TOTAL CURRENT LIABILITIES | | <u>2,058,175</u> | <u>1,750,039</u> |
| NON-CURRENT LIABILITIES | | | |
| Employee benefits | 11 | 42,567 | 3,461 |
| TOTAL NON-CURRENT LIABILITIES | | <u>42,567</u> | <u>3,461</u> |
| TOTAL LIABILITIES | | <u>2,100,742</u> | <u>1,753,500</u> |
| NET ASSETS | | <u>2,533,261</u> | <u>2,620,338</u> |
| EQUITY | | | |
| Accumulated surplus | | 2,533,261 | 2,620,338 |
| TOTAL EQUITY | | <u>2,533,261</u> | <u>2,620,338</u> |

The accompanying notes form part of these financial statements.

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Statement of Changes in Equity For the Year Ended 31 December 2023

2023

| | Accumulated surplus/(deficit) |
|------------------------------------|--|
| | \$ |
| Balance at January 1, 2023 | 2,620,338 |
| Surplus/(deficit) for the year | (87,077) |
| Balance at 31 December 2023 | 2,533,261 |

2022

| | Accumulated surplus/(deficit) |
|------------------------------------|--|
| | \$ |
| Balance at January 1, 2022 | 1,968,797 |
| Surplus/(deficit) for the year | 651,541 |
| Balance at 31 December 2022 | 2,620,338 |

The accompanying notes form part of these financial statements.

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Statement of Cash Flows For the Year Ended 31 December 2023

| | 2023 | 2022 |
|---|--------------------|------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from members and customers | 5,896,466 | 4,431,604 |
| Payments to suppliers, employees and others | (5,451,542) | (4,116,093) |
| Interest received | 11,279 | 2,472 |
| Net cash provided by/(used in) operating activities | <u>456,203</u> | <u>317,983</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of intangible asset | (204,210) | (54,051) |
| Net cash provided by/(used in) investing activities | <u>(204,210)</u> | <u>(54,051)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net increase/(decrease) in cash and cash equivalents held | 251,993 | 263,932 |
| Cash and cash equivalents at beginning of year | <u>2,678,140</u> | <u>2,414,208</u> |
| Cash and cash equivalents at end of financial year | 6 <u>2,930,133</u> | <u>2,678,140</u> |

The accompanying notes form part of these financial statements.

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Notes to the Financial Statements For the Year Ended 31 December 2023

The financial report covers Aluminium Stewardship Initiative Ltd ('ASI') as an individual entity. Aluminium Stewardship Initiative Ltd 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 2023 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-Profits Commission and is exempt from income tax.

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

The functional and presentation currency of Aluminium Stewardship Initiative Ltd is Australian dollars.

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 *Australian Charities and Not-for-profits Commission Act 2012*.

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.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Revenue and other income

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.

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Material Accounting Policy Information (continued)

(a) Revenue and other income (continued)

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations

As convener 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.

(b) Income tax

The company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Financial instruments

Initial recognition and measurement

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.

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Notes to the Financial Statements For the Year Ended 31 December 2023

2 Material Accounting Policy Information (continued)

(d) Financial instruments (continued)

Financial assets (continued)

Amortised cost

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.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses.

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.

Financial liabilities

The financial liabilities of the company comprise trade payables, bank and other loans and lease liabilities.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Material Accounting Policy Information (continued)

(e) Impairment of non-financial assets

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

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

(f) Intangible assets

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 indefinite lives and are carried at cost and assessed annually for impairment.

(g) 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 subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(h) Employee benefits

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.

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.

(i) Comparatives

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

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Notes to the Financial Statements For the Year Ended 31 December 2023

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Key judgments

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.

4 Revenue

| | 2023 | 2022 |
|-----------------------------------|------------------|------------------|
| | \$ | \$ |
| Revenue from operating activities | | |
| - member subscriptions | 5,686,400 | 4,533,063 |
| - grants | 196,511 | 280,380 |
| - auditor accreditation | 13,555 | 11,077 |
| - | 5,896,466 | 4,824,520 |
| - interest income | 11,279 | 2,472 |
| Total Revenue | 5,907,745 | 4,826,992 |

5 Result for the Year

The result for the year includes the following specific expenses:

| | 2023 | 2022 |
|---------------------------|-----------|-----------|
| | \$ | \$ |
| Other expenses: | | |
| Employee benefit expenses | 3,708,958 | 2,421,643 |
| Amortisation expenses | 4,004 | 2,002 |

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Notes to the Financial Statements For the Year Ended 31 December 2023

6 Cash and Cash Equivalents

| | 2023 | 2022 |
|--------------------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank and in hand | 2,930,133 | 2,678,140 |
| | <u>2,930,133</u> | <u>2,678,140</u> |

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

| | 2023 | 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| Cash and cash equivalents | 2,930,133 | 2,678,140 |
| Balance as per statement of cash flows | <u>2,930,133</u> | <u>2,678,140</u> |

7 Trade and Other Receivables

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 1,318,552 | 1,506,152 |
| GST receivable | 26,964 | 24,787 |
| Total current trade and other receivables | <u>1,345,516</u> | <u>1,530,939</u> |

8 Intangible Assets

| | 2023 | 2022 |
|--------------------------------|----------------|---------------|
| | \$ | \$ |
| Trademark registrations | | |
| Cost | 289,105 | 80,081 |
| Accumulated amortisation | (10,820) | (2,002) |
| Total Intangible assets | <u>278,285</u> | <u>78,079</u> |

9 Other Assets

| | 2023 | 2022 |
|-----------------|---------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 55,999 | 86,680 |
| Formation Costs | 24,070 | - |
| | <u>80,069</u> | <u>86,680</u> |

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Notes to the Financial Statements For the Year Ended 31 December 2023

10 Trade and Other Payables

| | 2023 | 2022 |
|----------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Trade payables | 159,330 | 56,221 |
| Accruals | 16,900 | 55,565 |
| | <u>176,230</u> | <u>111,786</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.

11 Employee Benefits

| | 2023 | 2022 |
|---------------------|----------------|----------------|
| | \$ | \$ |
| Current liabilities | | |
| Long service leave | 50,626 | - |
| Annual leave | 171,651 | 146,988 |
| | <u>222,277</u> | <u>146,988</u> |

| | 2023 | 2022 |
|-------------------------|---------------|--------------|
| | \$ | \$ |
| Non-current liabilities | | |
| Long service leave | 42,567 | 3,461 |
| | <u>42,567</u> | <u>3,461</u> |

12 Financial Risk Management

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Financial assets | | |
| Held at amortised cost | | |
| Cash and cash equivalents | 2,930,133 | 2,678,140 |
| Trade and other receivables | 1,345,516 | 1,530,939 |
| Total financial assets | <u>4,275,649</u> | <u>4,209,079</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 176,230 | 111,786 |
| Total financial liabilities | <u>176,230</u> | <u>111,786</u> |

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Notes to the Financial Statements For the Year Ended 31 December 2023

13 Members' Guarantee

The company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* and is a 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 outstanding obligations of the company. At 31 December 2023 the number of members was 329 (2022: 271).

14 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the company is \$405,319 (2 persons) (2022: \$301,511 - 1 person).

15 Auditors' Remuneration

| | 2023 | 2022 |
|---|--------------|--------------|
| | \$ | \$ |
| Remuneration of the auditor MVAB Assurance (2022: PKF Melbourne Audit & Assurance Pty Ltd, for: | | |
| - auditing or reviewing the financial statements | 7,800 | 7,400 |
| - preparation of financial statements | 1,200 | 800 |
| Total | 9,000 | 8,200 |

16 Contingencies

In the opinion of those charged with governance, the company did not have any contingencies at 31 December 2023 (31 December 2022:None).

17 Related Parties

The company's main related parties are as follows:

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.

Key management personnel - refer to Note 14.

Non-executive Directors act in an honorary capacity and receive no compensation for their services. During the year, travel expenses totalling \$28,252 (2022: \$38,045) supporting the Directors in fulfilling their role were reimbursed or incurred by the company on Directors' behalf.

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.

18 Events After the End of the Reporting Period

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.

Aluminium Stewardship Initiative Ltd 2023

A.C.N. 606 661 125

Notes to the Financial Statements For the Year Ended 31 December 2023

19 Statutory Information

The registered office and principal place of business of the company is:

Aluminium Stewardship Initiative Ltd
C/- Piper Alderman, Level 23, 459 Collins Street
Melbourne 3000, Australia

Aluminium Stewardship Initiative Ltd

A.C.N. 606 661 125

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 12 to 25, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 31 December 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 
Sasha Courville

Dated 15/04/2024

ALUMINIUM STEWARDSHIP INITIATIVE LTD
ABN 29 606 661 125

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALUMINIUM STEWARDSHIP INITIATIVE LTD

Opinion

We have audited the financial report of Aluminium Stewardship Initiative Ltd (the Company) which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001 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 auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Matter

The financial report for Aluminium Stewardship Australia Ltd the year ended 31 December 2022 was audited by another auditor who expressed an unmodified opinion on that financial report dated 5 April 2023.

Information Other than the Financial Report and Auditor's Report Thereon

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 31 December 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 Disclosures and the Corporations Act 2001 and the *Australian Charities and Not-for-Profits Commission Act 2012* 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 ability of the Company 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 have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the financial report.

Further information about our responsibilities can be found at http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



MVAB ASSURANCE
Chartered Accountants



WAYNE TARRANT
Partner

26

Signed at Melbourne this 15th day of April 2024