

ALUMINIUM STEWARDSHIP INITIATIVE LTD
ABN 29 606 661 125

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2017

ALUMINIUM STEWARDSHIP INITIATIVE LTD

ABN 29 606 661 125

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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ALUMINIUM STEWARDSHIP INITIATIVE LTD

ABN 29 606 661 125

DIRECTORS' REPORT

31 DECEMBER 2017

Objectives and Strategy

Aluminium Stewardship Initiative Ltd (ASI) is a not-for-profit public company limited by guarantee under the Corporations Act 2001. 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 2018-2021 Strategic Plan, which sets out the following priorities and goals:

I. Effective governance: Support organisational performance through effective governance processes, including multi-stakeholder engagement and decision-making.

II. Credible program: Build and implement credible systems for ASI's certification program through consultative and consensus-building processes, for future ISEAL compliance.

III. Growing membership: Strengthen the future success of ASI by encouraging membership growth and certification uptake throughout the global aluminium value chain.

IV. Financial resilience: Enhance the financial resilience of the organisation to enable it to securely plan and positively adjust to risks and changing circumstances.

Principal activities

The principal activities during the financial year were to work with members and stakeholders under the ASI governance model to finalise development of the ASI standards and assurance model and launch the ASI certification program.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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DIRECTORS' REPORT

31 DECEMBER 2017

Information on directors

The Directors of the Company at any time during the 2017 financial year were:

Mr Jan Boekelman

Qualifications and experience

Director since 5 August 2016

Drs (Econometrics)
Treasurer – Chimbo Foundation (2011-current)
Member and Chair of the Audit Committee – GasTerra B.V. (2011-current)
Board Member – World Energy Council, the Netherlands (2015-2018)
Board Member – Capella Amsterdam (2016-current)
Member of Supervisory Board – KRO-NCRV (2016-current)
Board Member – Kansfonds Foundation (2016-current)
Member of Executive Board and Director Finance – EBN B.V. (2011-current)
Member of the Supervisory Board and Chair of the Audit Committee - Oasen Drinkwater (2018 - current)

Ms Heather Campbell

Qualifications and experience

Director since 8 September 2016

BA (History), BEng (Agric), MEngSc, GAICD, TGMP
Chairman – Sustainability Victoria (2016-current)
Director - Zoos Victoria (2017 - current)
Director – Earthwatch Institute (2007-2016)
Director/Deputy Chairman – Melbourne Polytechnic (2011-2015)

Ms Giulia Carbone

Qualifications and experience

Director 25 April 2016 - 28 February 2017

BA(Ec), MSc(MarinePolicy), MEng(Environmental), Laurea(Geography)

Dr Sasha Courville

Qualifications and experience

Director since 8 September 2016

BES (EnvironmentalSt), MSc (DevelSt), PhD
Commissioner of Australian Centre for International Agricultural Research (2017 - current)
Chair of the Advisory Board of the Shared Value Project (Australia) (2018 - 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)

Ms Lena Dahl

Qualifications and experience

Director 1 April 2016 - 8 June 2017

MSc (NaturalRes&Conservation)
Director FSC Sweden (September 2017 - current)

Mr Tolga Egrilmezer

Qualifications and experience

Director since 1 March 2017

BScPoliticalSc&Admin, MBA
Member of Sapa Executive Board (2011-2016)
Vice Chairman, Board of Directors, Sapa Chalco Aluminium Products China (2011 - 2015)

Mr Toby Gray

Qualifications and experience

Director since 28 February 2017

BEng(Env)

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DIRECTORS' REPORT

31 DECEMBER 2017

Mr Gervais Jacques

Qualifications and experience

Director 1 April 2016 - 28 February 2017

BEngChem
Chairman – Halco Mining (2010-2013)
Vice Chairman – Cie Bauxite Guinea (2010-2013)
Director – Pathways to Education (2014-2017)
Director and President – Aluminium Association of Canada (2016-current)
Director – The Aluminum Association (USA) (2016-current)
Director – International Aluminium Institute (IAI) (2016-current)

Dr Alexander Nick

Qualifications and experience

Director since 15 April 2016

MIndEng(Dipl. Wirtsch. Ing.), PhD (BusAdmin)

Dr Fiona Solomon

Qualifications and experience

Company Secretary since 25 June 2015

Director 25 June 2015 – 8 September 2016

Chair 25 June 2015 – 26 April 2016

BEng (Mech), PhD, GAICD
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 Daniel Weston

Qualifications and experience

Director since 8 April 2016, Chair since 27 April 2016

LL.B (Hons) Law
Solicitor of the High Court of England & Wales
Foundation Board Member and Investment Committee – Nestlé S.A.
Swiss Pension Funds (2011-current)
Director – Nestlé Nespresso SA (2011-current)
Director – Nespresso DO & CO SA (2015-current)
Director – Nespresso Sustainable Innovation Fund (2016-current)
Board Member – Nestlé HealthCare Nutrition GmbH (2008-2011)

Mr Ken Willings

Qualifications and experience

Director since 15 June 2017

BSc(Ed)

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DIRECTORS' REPORT

31 DECEMBER 2017

Meetings of directors

During the financial year, 7 Board meetings were held.

During the financial year, 3 Finance and Audit Committee meetings were held. Members of the Finance and Audit Committee were Jan Boekelman (Chair), Sasha Courville, Gervais Jacques, Tolga Egrilmezer and Daniel Weston.

During the financial year, 1 Governance Committee meeting was held. Members of the Governance Committee were Heather Campbell (Chair), Alexander Nick, Toby Gray and Ken Willings (and before their resignation as Directors, Lena Dahl and Giulia Carbone).

	Board of Directors		Finance and Audit Committee		Governance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Jan Boekelman	7	6	3	2	-	-
Heather Campbell	7	7	-	-	1	1
Sasha Courville	7	7	3	2	-	-
Giulia Carbone	1	-	-	-	-	-
Lena Dahl	3	3	-	-	-	-
Tolga Egrilmezer	6	6	2	1	-	-
Toby Gray	6	6	-	-	1	1
Gervais Jacques	1	-	1	-	-	-
Alexander Nick	7	6	-	-	1	1
Fiona Solomon	7	7	-	-	-	-
Daniel Weston	7	7	3	2	-	-
Ken Willings	4	4	-	-	1	1

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.

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DIRECTORS' REPORT

31 DECEMBER 2017

The Company's metrics include:

Effective governance

- Participation in and feedback on AGM
- Member participation in nominations and elections for governance vacancies
- Annual reviews of Board and Committee effectiveness
- Complaints mechanism

Growing membership

- Growth in ASI members
- Distribution of growth across membership classes
- Pipeline of potential new members
- Reports on engagement in China

Credible program

- Reports on strategic issues as identified
- Reports on operational issues as identified
- Reports on IT program and risks

From 2018:

- Growth of certifications
- Growth of accredited auditors
- Delivery of training

Financial resilience

- YTD and EOY performance against budget
- Operating reserves
- Cash flow
- Financial Dashboard
- Management letter from financial auditors

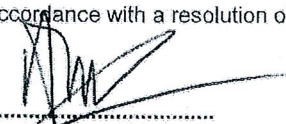
Members' guarantee

The Company is a company 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 2017, the Company had 58 members. The total value of the members' guarantee at 31 December 2017 is \$580.

Auditor's independence declaration

The lead auditors independence declaration for the period ended 31 December 2017 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Directors.


.....
Daniel Weston

Chair of the Board

Dated: 20/4/2018

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE ACNC ACT
TO THE DIRECTORS OF ALUMINIUM STEWARDSHIP INITIATIVE LTD**

In accordance with the requirements of section 60-40 of the Australian Charities and Not for Profits Commission Act 2012, as lead auditor for the audit of Aluminium Stewardship Initiative Ltd for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

MSI Raggweir

MSI RAGG WEIR
Chartered Accountants

[Signature]

L.S. WONG
Partner

20 April 2018

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Revenue	3	828,049	730,316
Amortisation expense		(1,891)	(1,891)
Employee benefits expense		(239,872)	(262,150)
Administration expenses		(492,892)	(561,800)
(Deficit)/surplus for the year		<u>93,394</u>	<u>(95,525)</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u>93,394</u>	<u>(95,525)</u>

The accompanying notes form part of these financial statements.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	218,172	182,675
Trade and other receivables	6	500,674	386,220
TOTAL CURRENT ASSETS		<u>718,846</u>	<u>568,895</u>
NON-CURRENT ASSETS			
Intangibles - Formation costs		945	2,836
Intangible assets	7	60,345	-
TOTAL NON-CURRENT ASSETS		<u>61,290</u>	<u>2,836</u>
TOTAL ASSETS		<u>780,136</u>	<u>571,731</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	44,308	45,375
Deferred income	9	501,282	380,044
Employee benefits	10	12,046	17,206
TOTAL CURRENT LIABILITIES		<u>557,636</u>	<u>442,625</u>
TOTAL LIABILITIES		<u>557,636</u>	<u>442,625</u>
NET ASSETS		<u>222,500</u>	<u>129,106</u>
EQUITY			
Retained earnings		<u>222,500</u>	<u>129,106</u>
TOTAL EQUITY		<u>222,500</u>	<u>129,106</u>

The accompanying notes form part of these financial statements.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Retained Earnings	
	\$	\$
Balance at 1 January 2017	129,106	129,106
Surplus for the period	<u>92,792</u>	<u>92,792</u>
Balance at 31 December 2017	<u>221,898</u>	<u>221,898</u>
Balance at 1 January 2016	224,631	224,631
Deficit for the period	<u>(95,525)</u>	<u>(95,525)</u>
Balance at 31 December 2016	<u>129,106</u>	<u>129,106</u>

The accompanying notes form part of these financial statements.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and customers	916,611	850,208
Payments to suppliers and employees	(822,319)	(979,173)
Interest received	1,550	1,760
Net cash (used in)/provided by operating activities	17 <u>95,842</u>	<u>(127,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cost of development of intangibles	<u>(60,345)</u>	-
Net cash used by investing activities	<u>(60,345)</u>	-
Net (decrease)/increase in cash and cash equivalents held	35,497	(127,205)
Cash and cash equivalents at beginning of year	<u>182,675</u>	<u>309,880</u>
Cash and cash equivalents at end of financial year	5 <u>218,172</u>	<u>182,675</u>

The accompanying notes form part of these financial statements.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The financial report covers Aluminium Stewardship Initiative Ltd 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 activity of the Company for the year ended 31 December 2017 was to establish an independent third party certification program for the aluminium value chain.

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

The financial report was authorised for issue by the Directors on the same date that the Director's Declaration was signed.

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

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

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

Interest revenue

Interest is recognised using the effective interest method.

Member subscriptions

Revenue from the provision of membership subscriptions is recognised upon receipt of payment. Member subscriptions that relate to future periods which remain unpaid at year end are included as deferred income.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2 Summary of Significant Accounting Policies

(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.

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

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

(d) Financial instruments

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

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

Financial Assets

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

- loans and receivables

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

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

Loans and receivables

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2 Summary of Significant Accounting Policies

(d) Financial instruments

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

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

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

(e) Intangibles

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

Information technology

Information technology, specifically the online assurance platform, has a finite life and is carried at cost less any accumulated amortisation and impairment losses. The online assurance platform has an estimated useful life of between one and three years.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits.

(g) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(h) Provisions

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

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies

(i) New Accounting Standards and Interpretations

The Australian Accounting Standards Board (the "AASB") has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Company where the standard is relevant:

AASB 9: Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets.

The adoption of AASB 9 is not expected to have any practical effect on the financial statements.

AASB 15 Revenue from contracts with customers

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2019)

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3 Revenue and Other Income

	2017	2016
	\$	\$
Member subscriptions	822,126	728,556
Interest received	1,550	1,760
Auditor accreditation	657	-
Other trading revenue	3,716	-
Total Revenue	828,049	730,316

4 Result for the Year

The result for the year includes the following specific expenses:

Employee benefits expense	239,872	262,150
Impairment of receivables:		
- Bad debts*	1,223	726
Amortisation of formation costs	1,891	1,891

* Bad debts were due to shortfalls in member subscriptions due to intermediary bank fees.

5 Cash and Cash Equivalents

Cash at bank and in hand	218,172	182,675
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6 Trade and Other Receivables

CURRENT		
Trade receivables	476,766	380,321
Prepayments	14,851	-
GST receivable	9,057	5,899
Total current trade and other receivables	500,674	386,220

7 Intangible Assets

Online assurance platform		
Cost	60,345	-
Net carrying value	60,345	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

8 Trade and Other Payables

	2017	2016
	\$	\$
CURRENT		
Trade payables	125	-
PAYG withholdings payable	19,605	26,432
Other payables	24,578	18,943
	<u>44,308</u>	<u>45,375</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

9 Deferred Income

CURRENT		
Provision for Income in Advance	<u>501,282</u>	<u>380,044</u>

10 Employee Benefits

CURRENT		
Provision for annual leave	<u>12,046</u>	<u>17,206</u>

11 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Credit risk
- Market risk - currency risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Company's Directors and the Chief Executive Officer ("CEO"). The CEO has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company. These policies and procedures are then approved by the Directors.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11 Financial Risk Management

Objectives, policies and processes

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the CEO believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which the Company is exposed is provided below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

Trade receivables consist of a number of members, spread across diverse geographical areas.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Market risk

Foreign currency sensitivity

Exposures to currency exchange rates arise from the Company's overseas sales, which are primarily denominated in American Dollars.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows:

	USD
2017	\$
Nominal amounts	
Cash at bank	57,663
Trade receivables	371,100
Short-term exposure	<u>428,763</u>
2016	
Nominal amounts	
Cash at bank	77,245
Trade receivables	275,200
Short-term exposure	<u>352,445</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11 Financial Risk Management

Market risk - Foreign currency sensitivity table

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Company's financial assets and financial liabilities and the American – Australian Dollar exchange rate.

It assumes a +/- 10% change of the Australian Dollar to American Dollar exchange rate for the year ended 31 December 2017. A +/- 10% change is considered for the Australian Dollar to American Dollar exchange rate. Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

The year end rate is - AUD 1=USD 0.781

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the Australian Dollar had strengthened and weakened against the American Dollar by 10% (31 December 2016: 10%) then this would have had the following impact:

	2017		2016	
	+10%	-10%	+10%	-10%
USD				
Net results	(54,970)	54,970	(48,707)	48,707

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to foreign currency risk.

12 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 2017 the number of members was 58.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13 Key Management Personnel Disclosures

The total remuneration paid to the key management personnel of Aluminium Stewardship Initiative Ltd during the year is as follows:

	2017	2016
	\$	\$
Salary	223,744	223,693
Superannuation contributions	21,288	21,251
Total	<u>245,032</u>	<u>244,944</u>

14 Auditors' Remuneration

Remuneration of the auditor of the company, MSI Ragg Weir, for:

- auditing the financial statements	5,000	5,000
- other accounting services	8,500	18,120
Total	<u>13,500</u>	<u>23,120</u>

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2017.

16 Related Parties

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

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 13: Key Management Personnel Disclosures.

ALUMINIUM STEWARDSHIP INITIATIVE LTD

ABN 29 606 661 125

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

16 Related Parties

(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:

Some directors of ASI were also directors of member entities. Memberships were paid to ASI at normal membership rates, on terms no more favourable than those available to other parties.

17 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	\$	\$
Profit for the year	93,394	(95,525)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	1,891	1,891
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	(114,454)	49,202
- (decrease)/increase in income in advance	121,238	(4,842)
- (decrease)/increase in trade and other payables	(1,067)	(95,137)
- increase in employee benefits	(4,558)	17,206
Cashflow (used in)/from operations	<u>96,444</u>	<u>(127,205)</u>

18 Events after the end of the Reporting Period

The financial report was authorised for issue on by the Directors on the same date of the signing of the Directors' Declaration. 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.

19 Company Details

The principal place of business is:
C/o - Norton Gledhill
Level 23, 459 Collins Street,
Melbourne, Victoria 3000, Australia

ALUMINIUM STEWARDSHIP INITIATIVE LTD

ABN 29 606 661 125

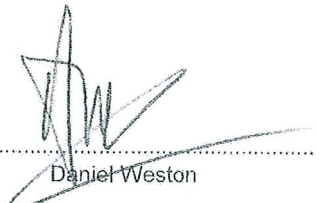
DIRECTORS' DECLARATION

The Directors declare that in the Directors' opinion:

- there are reasonable grounds to believe that the entity 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 :



Daniel Weston

Dated:

20/4/2018

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aluminium Stewardship Initiative Ltd, which comprises the statement of financial position as at 31 December 2017, 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 responsible persons' declaration.

In our opinion the financial report of Aluminium Stewardship Initiative Ltd has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of 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 Australian Charities and Not-for-profits Commission Act 2012 (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 Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report relates to the Directors' Report.

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 on the other information obtained prior to the date of this auditor's report, 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.

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

Responsibilities of Responsible Entities for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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 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.

The Directors are responsible for overseeing the Company's financial reporting process.

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.

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/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. Wong

L.S. WONG
Partner

Melbourne 20 April 2018

COMPILATION REPORT
TO ALUMINIUM STEWARDSHIP INITIATIVE LTD

We have compiled the accompanying special purpose Detailed Profit and Loss Account for the year ended 31 December 2017 of Aluminium Stewardship Initiative Ltd. The specific purpose for which the special purpose Detailed Profit and Loss Account has been prepared is to provide detailed additional information relating to the performance of the entity that satisfies the information needs of the directors.

The Responsibility of the Directors

The Directors of Aluminium Stewardship Initiative Ltd are solely responsible for the information contained in the special purpose Detailed Profit and Loss Account, the reliability, accuracy and completeness of the information and for the determination that the basis used is appropriate to meet their needs and for the purpose that the special purpose Detailed Profit and Loss Statement was prepared.

Our Responsibility

On the basis of the information provided by the Directors we have compiled the accompanying special purpose Detailed Profit and Loss Account in accordance with APES 315: Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile the special purpose Detailed Profit and Loss Account in accordance with the requirements of the directors.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by the directors to compile the special purpose Detailed Profit and Loss Account. Accordingly, we do not express an audit opinion or a review conclusion on the special purpose Detailed Profit and Loss Account.

The special purpose Detailed Profit and Loss Account was compiled exclusively for the benefit of the directors, who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose Detailed Profit and Loss Account.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

Melbourne: *20 April 2018*

ALUMINIUM STEWARDSHIP INITIATIVE LTD

ABN 29 606 661 125

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
Income		
Member subscriptions	822,126	728,556
Interest income	1,550	1,760
Auditor accreditation	657	-
Other revenue	3,716	-
	<hr/>	<hr/>
Total income	828,049	730,316
 Less: Expenses		
Amortisation	1,891	1,891
	<hr/>	<hr/>
Salaries	223,744	223,693
Annual leave expense	(5,160)	17,206
Superannuation contributions	21,288	21,251
	<hr/>	<hr/>
Total Employee Benefits Expense	239,872	262,150
Accounting and audit fees	15,120	23,120
Bad debts	1,223	726
Bank charges	1,678	1,462
Legal fees	4,590	104,958
Entertainment	31	209
Foreign currency exchange loss/(gain)	16,861	20,155
IT Expenses	3,552	-
Governance meetings	75,695	96,635
Insurance	5,227	5,044
Management Fees	-	4,334
Other expenses	12,038	8,993
Postage	853	505
Hardware and software expenses	516	26
Subcontracting costs	257,719	170,107
Software subscriptions	3,387	4,396
Telephone and fax	3,014	2,967
Travel - domestic and international	88,263	108,498
Training expenses	3,125	9,665
	<hr/>	<hr/>
Total Administration Expenses	492,892	561,800
Total Expenses	<hr/>	<hr/>
	734,655	825,841
(Deficit)/surplus for the year	<hr/>	<hr/>
	93,394	(95,525)