ALUMINIUM STEWARDSHIP INITIATIVE LTD
A.C.N. 606 661 125

FINANCIAL REPORT

FOR THE YEAR ENDED
31 DECEMBER 2019
Aluminium Stewardship Initiative Ltd

Directors’ Report
For the year ended 31 December 2019

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 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 rigorous and credible systems for ASI’s certification program that comply with the ISEAL Codes of Good Practice.

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, appropriately resource its activities and positively adjust to risks and changing circumstances.

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.

3. Directors

The Directors of the Company at any time during the 2019 financial year were:

**Mr Gerard Bos**

Director since 20 April 2018

Qualifications and experience: DEBA – Degree in European Business Administration
Mr Rolf Brunkhorst
Director from 27 April 2018 to 22 October 2019
Qualifications and experience: Master of Engineering

Ms Heather Campbell
Director from 8 September 2016 to 18 September 2019
Qualifications and experience: BA (History), BEng (Agric), MEngSc, GAICD, TGMP
Director – Earthwatch Institute (2007-2016), Director/Deputy Chairman – Melbourne
Polytechnic (2011-2015)

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 since 1 March 2017
Qualifications and experience: B.Sc. Political Science & Administration, MBA
Board of Directors, The Aluminum Association (2018-present), Member of Rio Tinto Aluminium
Executive Committee (2017 – present), Member of Sapa Executive Board (2011 – 2016), Vice
Chairman, Board of Directors, Sapa Chalco Aluminium Products China (2011 – 2015)

Toby Gray
Director from 28 February 2017 to 5 April 2019
Qualifications and experience: Bachelor of Engineering (Env)

Pippa Howard
Director since 5 April 2019
Qualifications and experience: BSc, BSC (Hons), MSc Zoology, MSc International Development

Anita Roper
Director since 18 September 2019
Qualifications and experience: Bachelor of Business Management, Fellow of the Australian
Institute of Management
Director – Yarra Valley Water (2015-current), Deputy 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
Qualifications and experience: Beng (Mech), PhD, GAICD
Board Member – ISEAL Alliance (2014-2015), Director – S2F Mondiale Pty Ltd (2014-2016),
Mr Marcel van der Sluijs
Director since 4 November 2019
Qualifications and experience: Master of Science MSc in Business/Managerial Economics

Mr Daniel Weston
Director since 8 April 2016, Chair since 27 April 2016
Qualifications and experience: LL.B (Hons) Law, Solicitor of the High Court of England & Wales

Mr Ken Willings
Director since 15 June 2017
Qualifications and experience: Bachelor of Science in Education

4. Directors meetings
During the financial year, 5 Board meetings were held.

<table>
<thead>
<tr>
<th>Director</th>
<th>Number eligible to attend</th>
<th>Number attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gerard Bos</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Rolf Brunkhorst</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Heather Campbell</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Sasha Courville</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Tolga Egrilmezer</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Toby Gray</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Pippa Howard</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Anita Roper</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Fiona Solomon</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Marcel van der Sluijs</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Daniel Weston</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Ken Willings</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
During the financial year, 2 Finance and Audit Committee meetings were held. Members of the Finance and Audit Committee during the year were Gerard Bos, Sasha Courville (Co-Chair), Tolga Egrilmezer (Co-Chair) and Daniel Weston.

<table>
<thead>
<tr>
<th>Number eligible to attend</th>
<th>Number attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gerard Bos</td>
<td>2</td>
</tr>
<tr>
<td>Rolf Brunkhorst</td>
<td>1</td>
</tr>
<tr>
<td>Sasha Courville</td>
<td>2</td>
</tr>
<tr>
<td>Tolga Egrilmezer</td>
<td>2</td>
</tr>
<tr>
<td>Daniel Weston</td>
<td>1</td>
</tr>
</tbody>
</table>

During the financial year, 2 Governance Committee meetings were held. Members of the Governance Committee during the year were Rolf Brunkhorst, Heather Campbell (Chair), Anita Roper, Daniel Weston and Ken Willings (Chair).

<table>
<thead>
<tr>
<th>Number eligible to attend</th>
<th>Number attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolf Brunkhorst</td>
<td>1</td>
</tr>
<tr>
<td>Heather Campbell</td>
<td>1</td>
</tr>
<tr>
<td>Anita Roper</td>
<td>1</td>
</tr>
<tr>
<td>Daniel Weston</td>
<td>2</td>
</tr>
<tr>
<td>Ken Willings</td>
<td>2</td>
</tr>
</tbody>
</table>

5. 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 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

- **Credible program**
  - Reports on strategic issues as identified
  - Reports on operational issues as identified
  - Reports on IT program
  - Growth of certifications
  - Growth of accredited auditors
  - Delivery of training

- **Growing membership**
  - Growth in ASI members
  - Distribution of growth across membership classes
  - Reports on downstream engagement
  - Reports on engagement in China

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

6. Events subsequent to the Reporting Date – Coronavirus (COVID-19) outbreak

The existence of COVID-19 was identified in mainland China in December 2019 and subsequently declared a ‘Public Health Emergency of International Concern’ by the World Health Organisation (‘WHO’) in January 2020. Consequent to the spread of the outbreak globally, causing disruption to businesses and economic activity, COVID-19 was characterised as a pandemic by the WHO on 11 March 2020.
The outbreak and measures taken in response are considered by ASI to be non-adjusting events indicative of conditions that arose after the reporting period.

ASI’s operations are able to be conducted in a remote or virtual environment and accordingly can be insulated from the social impacts of COVID-19. As of the date of preparation of this financial report the directors are not aware of the existence of significant adverse financial impacts of COVID-19. However, the outbreak will be expected to have significant future macroeconomic impact which in turn may affect ASI’s operations, the results thereof, and ASI’s state of affairs in years subsequent to 31 December 2019.

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 2019, the Company had 109 members. The total value of the members’ guarantee at 31 December 2018 is AUD1090.

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.*

\[
\text{Daniel Weston}
\]

Chair of the Board

Dated 15 April 2020
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 financial year ended 31 December 2019.

PKF

Steven Bradby
Partner
Melbourne, 15 April 2020
## Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,963,599</td>
<td>1,330,728</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,841,444)</td>
<td>(1,246,874)</td>
</tr>
<tr>
<td>Net surplus for the year</td>
<td>122,155</td>
<td>83,854</td>
</tr>
</tbody>
</table>

## Statement of Financial Position
As at 31 December 2019

**ASSETS**

**Current Assets**
- Cash and equivalents | 10 | 493,267 | 424,826 |
- Trade and other receivables | 6 | 893,457 | 471,820 |
- **Total Current Assets** | 1,386,724 | 896,646 |

**Non-current Assets**
- Intangibles | 7 | 20,115 | 40,230 |
- **Total Non-current Assets** | 20,115 | 40,230 |
- **TOTAL ASSETS** | 1,406,839 | 936,876 |

**LIABILITIES**

**Current Liabilities**
- Trade and other payables | 8 | 71,245 | 54,557 |
- Revenue in advance | 867,455 | 556,825 |
- Employee entitlements | 9 | 22,742 | 6,323 |
- **Total Current Liabilities** | 961,442 | 617,705 |

**Non-current Liabilities**
- Employee entitlements | 9 | 16,888 | 12,817 |
- **Total Non-current Liabilities** | 16,888 | 12,817 |
- **TOTAL LIABILITIES** | 978,330 | 630,522 |
- **NET ASSETS** | 428,509 | 306,354 |

**EQUITY**
- Accumulated surplus | 428,509 | 306,354 |
- **TOTAL EQUITY** | 428,509 | 306,354 |

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

Statement of Changes in Equity for the Year Ended 31 December 2019

<table>
<thead>
<tr>
<th></th>
<th>Accumulated deficit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>At 1 December 2018</td>
<td>222,500</td>
<td>222,500</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>83,854</td>
<td>83,854</td>
</tr>
<tr>
<td>At 31 December 2018 and 1 January 2019</td>
<td>306,354</td>
<td>306,354</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>122,155</td>
<td>122,155</td>
</tr>
<tr>
<td>At 31 December 2019</td>
<td>428,509</td>
<td>428,509</td>
</tr>
</tbody>
</table>

Statement of Cash Flows for the Year Ended 31 December 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from members and customers</td>
<td>1,842,526</td>
<td>1,555,142</td>
</tr>
<tr>
<td>Payments to suppliers, employees and others</td>
<td>(1,775,402)</td>
<td>(1,349,848)</td>
</tr>
<tr>
<td>Interest received</td>
<td>1,317</td>
<td>1,360</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td><strong>68,441</strong></td>
<td><strong>206,654</strong></td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>68,441</td>
<td>206,654</td>
</tr>
<tr>
<td>Cash at beginning of the financial year</td>
<td>424,826</td>
<td>218,172</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the financial year</strong></td>
<td><strong>493,267</strong></td>
<td><strong>424,826</strong></td>
</tr>
</tbody>
</table>

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

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The company has applied AASB 15 and AASB 1058 using the modified retrospective (cumulative catch-up) method which means the comparative information has not been restated and continues to be reported under previous standards and interpretations. The company has assessed that no significant impact has arisen in respect of the timing of revenue recognition upon adoption of these accounting standards, and accordingly no adjustments to accumulated funds as at 1 January 2019.

Changes in Accounting Policies, Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures

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.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The company has applied AASB 15 and AASB 1058 using the modified retrospective (cumulative catch-up) method which means the comparative information has not been restated and continues to be reported under previous standards and interpretations. The company has assessed that no significant impact has arisen in respect of the timing of revenue recognition upon adoption of these accounting standards, and accordingly no adjustments to accumulated funds as at 1 January 2019.

AASB 16 Leases

AASB 16 became effective as of 1 January 2019. The Standard requires lessees to initially recognise a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The company currently has no in-scope operating leases and accordingly there has been no financial impact on the adoption of the Standard.

(ii) Accounting standards and interpretations issued but not yet effective at 31 December 2019

The following standards and interpretations have been issued at the reporting date but are not yet effective.

(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
Notes to the Financial Statements (continued) for Year Ended 31 December 2019

2 Basis of Preparation and Significant Accounting Policies (Continued)

(c) Revenue (continued)

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.

(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 the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of 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.

Fair value estimation

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.
Notes to the Financial Statements (continued)
for Year Ended 31 December 2019

2 Basis of Preparation and Significant Accounting Policies (Continued)

(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 benefits. 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 entity 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 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 Judgements and Estimates

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.
- The rate of amortisation rate of the online assurance platform is judged to be comparable to industry amortisation rates.
Aluminium Stewardship Initiative Ltd

Notes to the Financial Statements (continued)
for Year Ended 31 December 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>4 Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member subscriptions</td>
<td>1,905,727</td>
<td>1,278,947</td>
</tr>
<tr>
<td>Auditor accreditation</td>
<td>7,273</td>
<td>5,344</td>
</tr>
<tr>
<td>Other trading revenue</td>
<td>49,282</td>
<td>45,077</td>
</tr>
<tr>
<td></td>
<td>1,962,282</td>
<td>1,329,368</td>
</tr>
<tr>
<td>Interest income</td>
<td>1,317</td>
<td>1,360</td>
</tr>
<tr>
<td>Total revenue</td>
<td>1,963,599</td>
<td>1,330,728</td>
</tr>
<tr>
<td><strong>5 Operating Surplus</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus has been determined after:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation</td>
<td>20,115</td>
<td>20,115</td>
</tr>
<tr>
<td>Contracted services</td>
<td>734,853</td>
<td>557,821</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>490,673</td>
<td>264,367</td>
</tr>
<tr>
<td>Foreign exchange translation</td>
<td>14,002</td>
<td>9,367</td>
</tr>
<tr>
<td>Governance costs</td>
<td>305,575</td>
<td>149,157</td>
</tr>
<tr>
<td>Professional services costs</td>
<td>75,047</td>
<td>74,254</td>
</tr>
<tr>
<td>Travel costs</td>
<td>130,926</td>
<td>122,595</td>
</tr>
<tr>
<td>Other operational and administrative costs</td>
<td>70,253</td>
<td>49,198</td>
</tr>
<tr>
<td></td>
<td>1,841,444</td>
<td>1,246,874</td>
</tr>
<tr>
<td>Included in administrative costs, remuneration of the auditor of the company, PKF (2018: Morrows Audit) for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>auditing the financial statements</td>
<td>7,000</td>
<td>6,650</td>
</tr>
<tr>
<td>other accounting services</td>
<td>-</td>
<td>10,316</td>
</tr>
<tr>
<td></td>
<td>7,000</td>
<td>16,966</td>
</tr>
<tr>
<td><strong>6 Trade and Other Receivables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>879,427</td>
<td>452,429</td>
</tr>
<tr>
<td>GST receivable</td>
<td>14,030</td>
<td>10,642</td>
</tr>
<tr>
<td>Prepayments</td>
<td>-</td>
<td>8,749</td>
</tr>
<tr>
<td></td>
<td>893,457</td>
<td>471,820</td>
</tr>
<tr>
<td><strong>7 Intangibles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online assurance platform at cost</td>
<td>60,345</td>
<td>60,345</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(40,230)</td>
<td>(20,115)</td>
</tr>
<tr>
<td></td>
<td>20,115</td>
<td>40,230</td>
</tr>
<tr>
<td><strong>8 Trade and Other Payables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>33,825</td>
<td>7,848</td>
</tr>
<tr>
<td>Other payables</td>
<td>37,420</td>
<td>46,709</td>
</tr>
<tr>
<td></td>
<td>71,245</td>
<td>54,557</td>
</tr>
<tr>
<td><strong>9 Employee Entitlements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual leave</td>
<td>22,742</td>
<td>6,323</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long service leave</td>
<td>16,888</td>
<td>12,817</td>
</tr>
<tr>
<td></td>
<td>39,630</td>
<td>19,140</td>
</tr>
</tbody>
</table>
Aluminium Stewardship Initiative Ltd

Notes to the Financial Statements (continued) for Year Ended 31 December 2019

10 Cash Flow Information

(a) Reconciliation of cash

reconciled to the related items in the statement of financial position is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>493,267</td>
<td>424,826</td>
</tr>
<tr>
<td>Surplus from ordinary activities</td>
<td>122,155</td>
<td>83,854</td>
</tr>
<tr>
<td>Adjustments and non-cash items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation</td>
<td>20,115</td>
<td>21,060</td>
</tr>
<tr>
<td>(Increase) / decrease in trade and other receivables and prepayments</td>
<td>(421,637)</td>
<td>28,854</td>
</tr>
<tr>
<td>Increase / (decrease) in trade and other payables</td>
<td>16,688</td>
<td>10,249</td>
</tr>
<tr>
<td>Increase / (decrease) in revenue in advance</td>
<td>310,630</td>
<td>55,543</td>
</tr>
<tr>
<td>Increase / (decrease) in employee entitlements</td>
<td>20,490</td>
<td>7,094</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td>68,441</td>
<td>206,654</td>
</tr>
</tbody>
</table>

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 compensation paid to KMP during the year | 263,681 | 257,274 |

Non-executive Directors act in an honorary capacity and receive no compensation for their services. During the year, travel expenses totalling $15,877 (2018: $7,774) 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 2019.

13 Events subsequent to the Reporting Date

Coronavirus (COVID-19) outbreak

The existence of COVID-19 was identified in mainland China in December 2019 and subsequently declared a ‘Public Health Emergency of International Concern’ by the World Health Organisation (‘WHO’) in January 2020. Consequent to the spread of the outbreak globally, causing disruption to businesses and economic activity, COVID-19 was characterised as a pandemic by the WHO on 11 March 2020.

The outbreak and measures taken in response are considered by ASI to be non-adjusting events indicative of conditions that arose after the reporting period.

ASI’s operations are able to be conducted in a remote or virtual environment and accordingly can be insulated from the social impacts of COVID-19. As of the date of preparation of this financial report the directors are not aware of the existence of significant adverse financial impacts of COVID-19. However, the outbreak will be expected to have significant future macroeconomic impact which in turn may affect ASI’s operations, the results thereof, and ASI’s state of affairs in years subsequent to 31 December 2019.

14 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 2019 the number of members was 106.

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

The Directors declare that in the 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

Date: 15 April 2020

Director
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 2019, 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 2019 and of its financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 (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 – Reduced Disclosure Requirements 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 Steven Bradby
Melbourne, 15 April 2020

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