Aluminium Stewardship Initiative Ltd

Directors’ Report
For the year ended 31 December 2020

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. There was no substantial change in these activities during the year.

3. Operating results

The operating surplus of the company during the year was $1,135,875 (2019: $122,155).

The operating surplus resulted from a combination of normal business factors and COVID-19 related factors that were unique to the 2020 financial year.
Normal business factors:
- Budgeted surplus of AUD 305,000 to grow ASI’s cash operating reserves to 30% of annual expenditure
- Strong growth and retention of ASI members, with 41 new member organisations joining in 2020
- AUD-USD exchange rate volatility, which in 2020 resulted in a high of 0.77 and low of 0.57 and positively impacted ASI revenue overall, despite some realised and unrealised FX losses

COVID-19 related factors:
- Australian government 'cash flow boost' for eligible businesses of AUD 100,000 as part of general COVID-19 related economic measures
- Unspent budgets for travel and in-person meetings that extended through 2020 due to the continuation of the COVID-19 pandemic

The Board adopted a cautious financial approach at the start of COVID-19, resulting in a larger than usual surplus that is valuable in a time of ongoing uncertainty. Going forward, the Board is considering how to take a balanced approach to the ongoing strengthening of reserves alongside prudent investment to achieve ASI’s objectives.

4. Directors

The Directors of the Company at any time during the 2020 financial year were:

Mr Jan Boekelman

Director since 16 April 2020

Qualifications and experience: MSc – Econometrics

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

Mr Gerard Bos

Director from 20 April 2018 to 15 April 2020

Qualifications and experience: DEBA – Degree in European Business Administration

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
Vice Chair, Board of Directors, International Aluminium Institute – IAI (2020 – present), 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)

Pippa Howard
Director since 5 April 2019

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

Nicholas Madden
Director since 16 April 2020

Qualifications and experience:

Anita Roper
Director since 18 September 2019

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

Dr Fiona Solomon
Company Secretary since 25 June 2015
Qualifications and experience:  Beng (Mech), PhD, Graduate Australian Institute of Company Directors (GAICD)

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 (England & Wales), CEDR accredited mediator.


Mr Ken Willings

Director from 15 June 2017 to 15 April 2020

Qualifications and experience: Bachelor of Science in Education

5. Directors meetings

During the financial year, 8 Board meetings were held.

<table>
<thead>
<tr>
<th></th>
<th>Number eligible to attend</th>
<th>Number attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan Boekelman</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Gerard Bos</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Sasha Courville</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Tolga Egrilmezer</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Pippa Howard</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Nicholas Madden</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Anita Roper</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Fiona Solomon</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Marcel van der Sluijs</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Daniel Weston</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Ken Willings</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

During the financial year, 1 Finance and Audit Committee meeting was held. Members of the Finance and Audit Committee during the year were Gerard Bos, Sasha Courville (Co-Chair), Tolga Egrilmezer (Co-Chair), Daniel Weston and Jan Boekelman.

<table>
<thead>
<tr>
<th></th>
<th>Number eligible to attend</th>
<th>Number attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan Boekelman</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Gerard Bos</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Sasha Courville</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Tolga Egrilmezer</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Daniel Weston</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
During the financial year, 1 Governance Committee meeting was held. Members of the Governance Committee during the year were Pippa Howard, Anita Roper, Daniel Weston, Ken Willings (Chair) and Nicholas Madden.

<table>
<thead>
<tr>
<th></th>
<th>Number eligible to attend</th>
<th>Number attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pippa Howard</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Nicholas Madden</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Anita Roper</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Daniel Weston</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ken Willings</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

6. **Key performance measures**

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

The Company’s metrics include:

<table>
<thead>
<tr>
<th>Effective governance</th>
<th>Credible program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in and feedback on AGM</td>
<td>Reports on strategic issues as identified</td>
</tr>
<tr>
<td>Member participation in nominations and elections for governance vacancies</td>
<td>Reports on operational issues as identified</td>
</tr>
<tr>
<td>Annual reviews of Board and Committee effectiveness</td>
<td>Reports on IT program</td>
</tr>
<tr>
<td>Complaints mechanism</td>
<td>Growth of certifications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growing membership</th>
<th>Financial resilience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in ASI members</td>
<td>YTD and EOY performance against budget</td>
</tr>
<tr>
<td>Distribution of growth across membership classes</td>
<td>Operating reserves</td>
</tr>
<tr>
<td>Reports on downstream engagement</td>
<td>Cash flow</td>
</tr>
<tr>
<td>Reports on engagement in China</td>
<td>Financial Dashboard</td>
</tr>
</tbody>
</table>

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 2020, the Company had 150 members. The total value of the members’ guarantee at 31 December 2020 is AUD1500.

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.**

Daniel Weston
Chair of the Board, 20 April 2021
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 2020.

PKF

Steven Bradby
Partner
Melbourne, 20 April 2021
Statement of Surplus or Deficit and Other Comprehensive Income
for the Year Ended 31 December 2020

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,010,271</td>
<td>1,963,599</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,874,396)</td>
<td>(1,841,444)</td>
</tr>
<tr>
<td>Net surplus for the year</td>
<td>1,135,875</td>
<td>122,155</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>1,135,875</td>
<td>122,155</td>
</tr>
</tbody>
</table>

Statement of Financial Position
As at 31 December 2020

**ASSETS**

**Current Assets**
Cash and equivalents | 10 | 1,855,972 | 493,267 |
Trade and other receivables | 6 | 753,792 | 893,457 |
Total Current Assets | 2,609,764 | 1,386,724 |

**Non-current Assets**
Intangibles | 7 | - | 20,115 |
Total Non-current Assets | - | 20,115 |
TOTAL ASSETS | 2,609,764 | 1,406,839 |

**LIABILITIES**

**Current Liabilities**
Trade and other payables | 8 | 116,885 | 71,245 |
Revenue in advance | 881,056 | 867,455 |
Employee entitlements | 9 | 21,571 | 22,742 |
Total Current Liabilities | 1,019,512 | 961,442 |

**Non-current Liabilities**
Employee entitlements | 9 | 25,868 | 16,888 |
Total Non-current Liabilities | 25,868 | 16,888 |
TOTAL LIABILITIES | 1,045,380 | 978,330 |
NET ASSETS | 1,564,384 | 428,509 |

**EQUITY**
Accumulated surplus | 1,564,384 | 428,509 |
TOTAL EQUITY | 1,564,384 | 428,509 |

The Statements of Profit or Loss and Other Comprehensive Income and of Financial Position should be read in conjunction with the accompanying notes.
Statement of Changes in Equity
for the Year Ended 31 December 2020

<table>
<thead>
<tr>
<th>Note</th>
<th>Accumulated surplus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>At 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 and 1 January 2020</td>
<td>428,509</td>
<td>428,509</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>1,135,875</td>
<td>1,135,875</td>
</tr>
<tr>
<td>At 31 December 2020</td>
<td>1,564,384</td>
<td>1,564,384</td>
</tr>
</tbody>
</table>

Statement of Cash Flows
for the Year Ended 31 December 2020

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</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>3,169,164</td>
<td>1,842,526</td>
</tr>
<tr>
<td>Payments to suppliers, employees and others</td>
<td>(1,807,809)</td>
<td>(1,775,402)</td>
</tr>
<tr>
<td>Interest received</td>
<td>1,350</td>
<td>1,317</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>1,362,705</td>
<td>68,441</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>1,362,705</td>
<td>68,441</td>
</tr>
<tr>
<td>Cash at beginning of the financial year</td>
<td>493,267</td>
<td>424,826</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the financial year</td>
<td>1,855,972</td>
<td>493,267</td>
</tr>
</tbody>
</table>

The Statements of Changes in Equity and Cash Flows should be read in conjunction with the accompanying notes.
Notes to the Financial Statements for Year Ended 31 December 2020

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

The principal activities of the company for the year ended 31 December 2020 were to work with members and stakeholders under the ASI governance model to implement and grow the ASI certification program.

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

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

2 Basis of Preparation and Significant Accounting Policies

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

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

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

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

(c) Revenue
Revenue recognition policy for revenue from contracts with customers (AASB 15)
AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. Revenue is recognised by applying a five-step model as follows:

1: Identify the contract with the customer
2: Identify the performance obligations
3: Determine the transaction price
4: Allocate the transaction price and
5: Recognise revenue when a performance obligation is satisfied

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

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

As 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.
Notes to the Financial Statements (continued) for Year Ended 31 December 2020

2 Basis of Preparation and Significant Accounting Policies (continued)

(d) Financial instruments

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

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

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

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.

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.

(e) Intangibles

Developed software is capitalised as an asset only when it is anticipated to deliver future reliably measurable economic benefits. The online assurance platform is such an asset. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. The asset has an estimated useful life of three years.

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.

(f) Employee entitlements

(i) Short-term employee benefit obligations

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

(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.
Aluminium Stewardship Initiative Ltd

Notes to the Financial Statements (continued)
for Year Ended 31 December 2020

2 Basis of Preparation and Significant Accounting Policies (continued)

(h) Goods and services tax (GST)

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

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

(i) Comparatives

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

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors make judgements and estimates in preparing the financial statements regarding assumptions about current and future events affecting transactions and balances. These judgements and estimates are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant judgements and estimates made are described below:

- On the basis of the judgement that the member subscription revenue stream does not have sufficiently specific performance obligations against which subscriptions are matched over time, this revenue is recognised upon receipt.
- The rate of amortisation of the online assurance platform is judged to be comparable to industry amortisation rates.

4 Revenue

<table>
<thead>
<tr>
<th>Revenue from operating activities</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member subscriptions</td>
<td>2,877,573</td>
<td>1,905,727</td>
</tr>
<tr>
<td>Auditor accreditation</td>
<td>10,474</td>
<td>7,273</td>
</tr>
<tr>
<td>Government stimulus</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Other trading revenue</td>
<td>20,874</td>
<td>49,282</td>
</tr>
<tr>
<td>Interest income</td>
<td>1,350</td>
<td>1,317</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>3,010,271</td>
<td>1,963,599</td>
</tr>
</tbody>
</table>

5 Operating surplus

Surplus has been determined after:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation</td>
<td>20,115</td>
<td>20,115</td>
</tr>
<tr>
<td>Contracted services</td>
<td>533,940</td>
<td>734,853</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>955,029</td>
<td>490,673</td>
</tr>
<tr>
<td>Foreign exchange loss - realised</td>
<td>14,276</td>
<td>3,016</td>
</tr>
<tr>
<td>Foreign exchange translation - unrealised (a)</td>
<td>111,157</td>
<td>10,986</td>
</tr>
<tr>
<td>Governance costs</td>
<td>23,971</td>
<td>305,575</td>
</tr>
<tr>
<td>Professional services costs</td>
<td>73,925</td>
<td>75,047</td>
</tr>
<tr>
<td>Travel costs</td>
<td>4,435</td>
<td>130,926</td>
</tr>
<tr>
<td>Other operational and administrative costs (b)</td>
<td>137,548</td>
<td>70,252</td>
</tr>
<tr>
<td><strong>Total operating surplus</strong></td>
<td>1,874,396</td>
<td>1,841,443</td>
</tr>
</tbody>
</table>

(a) The company is exposed to market risk associated with fluctuation of the AUD - USD exchange rate. At the respective reporting dates the following financial asset balances, translated at the year-end rate of exchange, were denominated in USD:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>900,534</td>
<td>168,537</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>733,338</td>
<td>878,720</td>
</tr>
<tr>
<td>Financial assets with short term foreign exchange exposure</td>
<td>1,633,872</td>
<td>1,047,257</td>
</tr>
</tbody>
</table>

At the respective reporting dates, AUD 1 translated to USD 0.770 (2019: 0.701; 2018: 0.706)
Aluminium Stewardship Initiative Ltd

Notes to the Financial Statements (continued)
for Year Ended 31 December 2020

5 Operating surplus (continued)
   (b) Included in administrative costs, remuneration of the auditor for:
      - auditing the financial statements 7,000 7,000
      - other services 700 -
   ________________________________
   7,700 7,000

6 Trade and other receivables
   Trade receivables 735,929 879,427
   GST receivable 10,886 14,030
   Prepayments 6,977 -
   ________________________________
   753,792 893,457

7 Intangibles
   Online assurance platform at cost 60,345 60,345
   Accumulated amortisation (60,345) (40,230)
   ________________________________
   - 20,115

8 Trade and other payables
   Trade payables 47,626 33,825
   Other payables 69,259 37,420
   ________________________________
   116,885 71,245

9 Employee entitlements
   Current
   Annual leave 21,571 22,742
   ________________________________
   Non-current
   Long service leave 25,868 16,888
   ________________________________
   47,439 39,630

10 Cash flow information
   (a) Reconciliation of cash
      Cash at the end of the financial year as shown in the statement of cash flows is
      reconciled to the related items in the statement of financial position is as follows:
      Cash and cash equivalents 1,855,972 493,267
   ________________________________
   (b) Reconciliation of cash flow from operations with surplus
      Surplus from ordinary activities 1,135,875 122,155
      Adjustments and non-cash items
      Amortisation 20,115 20,115
      (Increase) / decrease in trade and other receivables and prepayments 139,665 (421,637)
      Increase / (decrease) in trade and other payables 45,640 16,688
      Increase / (decrease) in revenue in advance 13,601 310,630
      Increase / (decrease) in employee entitlements 7,809 20,490
      Cash flows from operating activities 1,362,705 68,441
11 Related parties
Related parties of the company include Key Management Personnel (KMP), comprising any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any Director (whether executive or otherwise) of the company.

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

<table>
<thead>
<tr>
<th></th>
<th>2020 $</th>
<th>2019 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>276,875</td>
<td>263,681</td>
</tr>
</tbody>
</table>

Non-executive Directors act in an honorary capacity and receive no compensation for their services. During the year, travel expenses totalling $nil (2019: $15,877) 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 2020.

13 Members’ guarantee
The Company is incorporated under the Corporations Act 2001 and is a public company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstandings and obligations of the Company. At 31 December 2020 the number of members was 150.

14 Events subsequent to the reporting date
There has been no matter or circumstance which has arisen since 31 December 2020 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 December 2020, or the results of those operations, or
(b) the state of affairs, in financial years subsequent to 31 December 2020.

15 Company details
The principal place of business of the company is: C/- Piper Alderman, Level 23, 459 Collins Street, Melbourne 3000, Australia.
Aluminium Stewardship Initiative Ltd

DIRECTORS' DECLARATION

In respect of the year ended 31 December 2020, the Directors declare that in their opinion:

• there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable; and

• the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

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

Chair of the Board

Daniel Weston

20 April 2020
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 2020, 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 2020 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 (Including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors’ Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – 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, 20 April 2021
Partner