

SECURITIES EXCHANGES GUARANTEE

CORPORATION LIMITED

ABN 19 008 626 793

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2023

Contents

Directors' Report	3
Auditor's Independence Declaration	5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the Financial Statements	10
1. Summary of Significant Accounting Policies	10
2. Related Party Transactions	10
3. Key Management Personnel Compensation	10
4. Auditor's Remuneration	11
5. Commitments and Contingent Liabilities	11
6. Subsequent Events	11
Directors' declaration	12
Independent Auditor's Report	13

Securities Exchanges Guarantee Corporation Limited's registered office and principal place of business:

Level 21 Australia Square
264 George Street
Sydney NSW Australia

Directors' Report

The directors present their report, together with the financial statements of Securities Exchanges Guarantee Corporation Limited (SEGC), for the year ended 30 June 2023 and the auditor's report thereon.

Directors

The directors of SEGC in office during the financial year and up until the date of this report were as follows:

Ms Nancy J. Milne (Chairperson)
Ms Susan M. Doyle
Mr Colin R. Scully
Mr. David D. Trude
Mr Michael T. Willcock

Mr. Colin R. Scully was appointed by ASX Limited (ASX). Mr David D. Trude was appointed by Cboe Australia Pty Ltd ('Cboe') (formerly known as Chi-X Australia Pty Ltd). Mr. Trude was a director of Cboe during the financial year ended 30 June 2023.

Principal Activities

SEGC administers the National Guarantee Fund (the NGF or the Fund) and holds the Fund's assets on trust in accordance with Division 4 of Part 7.5 of the *Corporations Act 2001*.

Review of Operations

SEGC did not trade in its own right during the financial year, other than to undertake its principal activity noted above. Separate Financial Statements for the NGF detail the Fund's operations and financial position.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of SEGC.

Events Subsequent to Balance Date

From the end of the reporting period to the date of this report, no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of SEGC, the results of those operations, or the state of affairs of the SEGC.

Likely Developments

There are no likely developments affecting SEGC.

Environmental Regulation

The operations of SEGC are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Indemnification and Insurance of Directors and Officers

SEGC has paid insurance premiums out of the NGF in respect of directors' and officers' liability for current and former directors and officers of SEGC and related entities. The insurance policies prohibit disclosure of the nature of the liabilities insured against and the amount of the premiums.

The constitution of SEGC provides that every person who is or has been an officer of SEGC is indemnified by the SEGC to the extent permitted by law against any liability incurred in that capacity. The indemnity does not apply where the liability arises out of a lack of good faith or conduct contrary to SEGC's express instructions or where the liability is to SEGC or a related body corporate.

Directors' Report – Continued

Proceedings on Behalf of the Company

No application has been made under section 237 of the *Corporations Act 2001* in respect of SEGC and no proceedings have been brought or intervened in on behalf of the SEGC under that section.

Corporate Governance

The Board of SEGC consists of five non-executive directors. ASX and Cboe as the members of SEGC, each appoint one director and those directors appoint three independent directors while each of them:

- is not a director, officer, or employee of or a partner in a participant of ASX or Cboe;
- is not a director, officer, or employee of ASX or Cboe or a body corporate that operates another financial market, or their related bodies corporate;
- is not a professional adviser to ASX or Cboe or a body corporate that operates another financial market, or their related bodies corporate;
- is not a spouse, parent, or child of a person in any of the previous categories; and
- otherwise has no interest in a participant of ASX or Cboe or another financial market, or their related bodies corporate, which would enable the person to influence the management and policies of the participant's stockbroking business.

SEGC's constitution provides that the term of office of each director expires three years after the date the director's appointment takes effect. A retiring director is eligible to be reappointed to the Board.

Three executives perform the management and secretarial functions for SEGC.


Non-Audit Services

The auditor, PricewaterhouseCoopers, did not provide any non-audit services to SEGC during the year (2022:nil).

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is included on page 5.

Signed in accordance with a resolution of the directors:



Michael Willcock
Director

Sydney, 23 August 2023



Auditor's Independence Declaration

As lead auditor for the audit of Securities Exchanges Guarantee Corporation Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Derrick Ives', with a long horizontal flourish extending to the right.

Derrick Ives
Partner
PricewaterhouseCoopers

Sydney
23 August 2023

Statement of comprehensive income

	2023	2022
For the year ended 30 June	\$	\$
Revenue	-	-
Expenses	-	-
Profit before income tax expense	-	-
Income tax expense	-	-
Net profit for the period attributable to the Company	-	-
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period attributable to the Company	-	-

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance sheet

As at 30 June	2023	2022
	\$	\$
Total assets	-	-
Total liabilities	-	-
Net assets	-	-
Total equity	-	-

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June	2023	2022
	\$	\$
Opening balance of equity at 1 July	-	-
Profit for the period	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period, net of tax	-	-
Closing balance of equity at 30 June	-	-

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June	2023	2022
	\$	\$
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
Net movement in cash	-	-
Cash at the beginning of the financial period	-	-
Cash at the end of the financial period	-	-

The above Statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

Securities Exchanges Guarantee Corporation Limited (SEGC) is a not-for-profit entity domiciled and incorporated in Australia. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements for the year ended 30 June 2023 were authorised for issue by the directors on 23 August 2023. The directors have the power to amend and reissue the financial statements.

(a) Basis of Preparation

The financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)
- have been prepared on a historical cost basis
- are measured and presented in Australian dollars (being the SEGC's functional and presentation currency).

New and Amended Interpretation Standards adopted by SEGC

No new or revised standards have been adopted by SEGC.

New and Amended Standards Interpretations Not Yet Adopted by SEGC

There are no other standards that are not yet effective that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

2. Related Party Transactions

(a) Directors

The directors of SEGC in office during the financial year and up until the date of this report were as follows:

Ms Nancy J. Milne (Chairperson)
Ms Susan M. Doyle
Mr Colin R. Scully
Mr. David D. Trude
Mr Michael T. Willcock

Mr. Colin R. Scully was appointed by ASX Limited (ASX). Mr David D. Trude was appointed by Cboe Australia Pty Ltd ('Cboe'). Mr. Trude was a director of Cboe during the financial year ended 30 June 2023.

3. Key Management Personnel Compensation

Key Management Personnel (KMP) compensation provided during the financial years ended 30 June 2023 and 2022 is as follows:

	2023	2022
	\$	\$
Short-term benefits	418,000	390,334
Post-employment benefits	43,890	39,033
Total Key Management Personnel compensation	461,890	429,367

Notes to the Financial Statements – Continued

In accordance with section 889H of the *Corporations Act 2001*, expenses incurred in the administration of the NGF, including KMP compensation, are paid by the NGF.

4. Auditor's Remuneration

The auditor provided the following services to the Company during the year.

PricewaterhouseCoopers Australia	2023	2022
	\$	\$
Statutory audit services:		
Audit of the financial statements under the <i>Corporations Act 2001</i>	6,006	5,720
Total remuneration to PricewaterhouseCoopers Australia	6,006	5,720

In accordance with section 889H of the *Corporations Act 2001*, audit services provided to SEGC are paid by the NGF.

The auditor did not provide any other services to SEGC during the year (2022: nil).

5. Commitments and Contingent Liabilities

SEGC has no commitments or contingent liabilities as at 30 June 2023 (2022: nil).

6. Subsequent Events

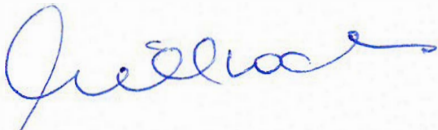
From the end of the reporting period to the date of this report, no matter or circumstance has arisen which has significantly affected the operations of SEGC, the results of those operations or the state of affairs of the SEGC.

Directors' declaration

In the directors' opinion:

- a) the financial statements and notes set out on pages 6 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance, as represented by the results of its operations and its cash flows, for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- c) the financial statements also comply with International Financial Reporting Standards as disclosed in note 1.

This declaration is made in accordance with a resolution of the directors.



Michael Willcock
Director

Sydney 23 August 2023



Independent auditor's report

To the members of Securities Exchanges Guarantee Corporation Limited

Our opinion

In our opinion:

The accompanying financial report of Securities Exchanges Guarantee Corporation Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the Balance sheet as at 30 June 2023
- the Statement of comprehensive income for the year then ended
- the Statement of changes in equity for the year then ended
- the Statement of cash flows for the year then ended
- the Notes to the financial statements, which include significant accounting policies and other explanatory information
- the Directors' declaration.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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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 that we 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.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Derrick Ives' in a cursive, flowing script.

Derrick Ives
Partner

Sydney
23 August 2023