



# *interim* FINANCIAL REPORT

**For the 26 weeks ended 25 December 2016**  
(prior year 26 weeks ended 27 December 2015)



*Beacon*  
LIGHTING

Beacon Lighting Group Limited ACN 164 122 785

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# Directors' Report

The Directors of Beacon Lighting Group Limited (the Company) present the interim report for the Company and its controlled entities for the 26 weeks ended 25 December 2016.

## 1. Directors

The name of the Company's Directors in office during the 26 weeks ended 25 December 2016 and until the date of this report are as below. All Directors were in office for the entire period.

Ian Robinson	Executive Chairman
Eric Barr	Deputy Chairman, Non-Executive Director
Glen Robinson	Director, Chief Executive Officer
Neil Osborne	Non-Executive Director

## 2. Review of Operations

The 26 week period ended 25 December 2016 was an unusual trading period given the closing of a major competitor in Masters. Masters aggressive discounting to liquidate inventory had the potential to draw customers away from Beacon Lighting. The Company responded with our own great value marketing campaigns in order to protect market share.

For the 26 weeks ended 25 December 2016, the Beacon Lighting Group achieved:

- Sales revenue for the period of \$109.2 million, being 10.9% and \$10.7 million ahead of last year. The company store comparative sales increase was 1.2%. The sales increase can be attributed to growth in franchise store acquisitions, new stores, Beacon Solar sales and Beacon Lighting Commercial sales.
- Gross Profit was \$67.8 million, up 4.4% or \$2.9 million compared to last year. Gross Profit margin was 62.1% compared to 65.9% for the comparable period last year.
- Operating Expenses as a percentage of sales were 49.8% of sales, compared to 49.9% for the comparable period last year.

- Net Profit After Tax for the period was \$9.4 million which was 15.0% and \$1.7 million below the result for the comparable period last year.

During the 26 week period ended 25 December 2016 Beacon Lighting Group purchased three franchise stores, Jindalee (QLD), Frankston (VIC) and Moonah (TAS), acquired Masson For Light business based in Richmond (VIC) and opened four new company owned stores, namely South Melbourne (VIC), Brookvale (NSW), Marsden Park (NSW) and Claremont (WA). Due to the opening of the South Melbourne (VIC) store the South Wharf (VIC) store was closed.

## 3. Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the business during the 26 weeks ended 25 December 2016.

## 4. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

## 5. Rounding of amounts

The Group has relied on the relief provided by ASIC Corporations Instrument 2016/191, and in accordance with that Instrument, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

## 6. Comparative Financial Information

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability and provide more appropriate information to users.

Signed in accordance with a resolution of Directors,



**Ian Robinson**  
Executive Chairman  
Melbourne, 22 February 2017



**Glen Robinson**  
Chief Executive Officer





# Auditor's Independence Declaration



## Auditor's Independence Declaration

As lead auditor for the review of Beacon Lighting Group Limited for the half-year ended 25 December 2016, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Beacon Lighting Group Limited and the entities it controlled during the period.

Daniel Rosenberg  
Partner  
PricewaterhouseCoopers

Melbourne  
22 February 2017

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

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This interim financial report is the consolidated financial report of the consolidated entity consisting Beacon Lighting Group Limited, ACN 164 122 785 and its subsidiaries. Beacon Lighting Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 5 Bastow Place Mulgrave Victoria 3170. The financial report was authorised for issue by the directors on 22 February 2017.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the 52 weeks ended 26 June 2016 and any public announcements made by Beacon Lighting Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 26 weeks ended 25 December 2016 and the 26 weeks ended 27 December 2015  
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	25 December 2016 \$'000	27 December 2015 \$'000
<b>Revenue from ordinary activities</b>			
Sale of goods		109,245	98,514
Other revenue		1,400	1,677
		110,645	100,191
Other income		366	86
<b>Expenses</b>			
Cost of sales of goods		(41,442)	(33,580)
Marketing		(6,298)	(6,003)
Selling and distribution		(40,725)	(35,864)
General and administration		(8,819)	(8,514)
Finance costs		(582)	(531)
<b>Profit before income tax</b>	3	13,145	15,785
Income tax expense	15	(3,717)	(4,687)
<b>Profit for the period attributable to the members of the parent entity</b>		9,428	11,098
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Changes in the fair value of derivatives		1,127	(678)
Exchange differences on translation of foreign operations		34	49
Income tax relating to these items		(348)	189
<b>Other comprehensive income for the period, net of tax</b>		813	(440)
<b>Total comprehensive income for the period attributable to the members of the parent entity</b>		10,241	10,658
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		4.38	5.16
Diluted earnings per share		4.38	5.16

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONSOLIDATED BALANCE SHEET

As at 25 December 2016 and as at 26 June 2016  
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	December 2016 \$'000	June 2016 \$'000
<b>Current assets</b>			
Cash and cash equivalents		8,270	9,255
Trade and other receivables		9,334	9,188
Inventories		53,616	51,737
Derivative financial instruments	4	787	-
Current tax receivable		60	-
Other current assets		946	970
<b>Total current assets</b>		<b>73,013</b>	<b>71,150</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	25,216	22,076
Deferred tax assets		5,680	4,965
Intangible assets	6	8,008	6,063
<b>Total non-current assets</b>		<b>38,904</b>	<b>33,104</b>
<b>Total assets</b>		<b>111,917</b>	<b>104,254</b>
<b>Current liabilities</b>			
Trade and other payables	7	16,579	16,171
Borrowings	8	22,702	20,939
Provisions	9	5,911	5,237
Derivative financial instruments	4	-	1
Current tax liabilities		-	323
<b>Total current liabilities</b>		<b>45,192</b>	<b>42,671</b>
<b>Non-current liabilities</b>			
Borrowings	10	1,216	1,220
Provisions	11	2,911	2,940
<b>Total non-current liabilities</b>		<b>4,127</b>	<b>4,160</b>
<b>Total liabilities</b>		<b>49,319</b>	<b>46,831</b>
<b>Net assets</b>		<b>62,598</b>	<b>57,423</b>
<b>Equity</b>			
Contributed equity	12	62,869	62,735
Other reserves		(42,326)	(43,105)
Retained earnings		42,055	37,793
<b>Total equity</b>		<b>62,598</b>	<b>57,423</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 26 weeks ended 25 December 2016 and the 26 weeks ended 27 December 2015  
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 28 June 2015</b>		<b>62,647</b>	<b>(42,847)</b>	<b>29,606</b>	<b>49,406</b>
Profit for the period		-	-	11,098	11,098
Other comprehensive income		-	(440)	-	(440)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(440)</b>	<b>11,098</b>	<b>10,658</b>
<b>Transactions with owners in their capacity as owners</b>					
Issues of shares to employees	12	77	-	-	77
Employee share scheme		-	(29)	-	(29)
Dividends provided for or paid	14	-	-	(5,164)	(5,164)
Total contributions by and distributions to owners		77	(29)	(5,164)	(5,116)
<b>Balance as at 27 December 2015</b>		<b>62,724</b>	<b>(43,316)</b>	<b>35,540</b>	<b>54,948</b>
<b>Balance at 26 June 2016</b>		<b>62,735</b>	<b>(43,105)</b>	<b>37,793</b>	<b>57,423</b>
Profit for the period		-	-	9,428	9,428
Other comprehensive income		-	813	-	813
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>813</b>	<b>9,428</b>	<b>10,241</b>
<b>Transactions with owners in their capacity as owners</b>					
Issues of shares to employees	12	134	-	-	134
Employee share scheme		-	(34)	-	(34)
Dividends provided for or paid	14	-	-	(5,166)	(5,166)
Total contributions by and distributions to owners		134	(34)	(5,166)	(5,066)
<b>Balance as at 25 December 2016</b>		<b>62,869</b>	<b>(42,326)</b>	<b>42,055</b>	<b>62,598</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the 26 weeks ended 25 December 2016 and the 26 weeks ended 27 December 2015  
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	25 December 2016 \$'000	27 December 2015 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		122,079	108,473
Payments to suppliers and employees (inclusive of goods and services tax)		(108,096)	(97,407)
Interest received		25	32
Borrowing costs		(582)	(531)
Income taxes paid		(3,701)	(3,379)
<b>Net cash inflow from operating activities</b>		9,725	7,189
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(4,593)	(2,726)
Payments for acquisitions		(2,750)	(1,425)
Proceeds from sale of property, plant and equipment		40	40
<b>Net cash (outflow) from investing activities</b>		(7,303)	(4,111)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings (net)		1,759	3,414
Dividends paid to Company's shareholders	14	(5,166)	(5,164)
<b>Net cash (outflow) from financing activities</b>		(3,407)	(1,750)
<b>Net increase / (decrease) in cash and cash equivalents</b>		(985)	1,328
Cash and cash equivalents at the beginning of the financial year		9,255	11,779
<b>Cash and cash equivalents at end of period</b>		8,270	13,107

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



# NOTES TO THE FINANCIAL STATEMENTS

## 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of this consolidated financial report is set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial report is for the consolidated entity consisting of Beacon Lighting Group Limited and its subsidiaries.

### Basis of Preparation

This condensed consolidated interim financial report for the 26 weeks reporting period ended 25 December 2016 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the 52 weeks ended 26 June 2016 and any public announcements made by Beacon Lighting Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### (a) New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period, however, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### (b) Impact of standards issued but not yet applied by the entity

##### *AASB 9 Financial Instruments*

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard does not need to be applied until 1 January 2018 but is available for early adoption.

The group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting. While the group is yet to undertake a detailed assessment, it would appear that the group's current hedge relationships would qualify as continuing hedges upon the adoption of AASB 9. Accordingly, the group does not expect a significant impact on the accounting for its hedging relationships.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income (FVOCI), contract assets under AASB 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

##### *AASB 15 Revenue from contracts with customers*

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for the first interim period within annual reporting periods beginning on or after 1 January 2018, and will allow early adoption.

Management is currently assessing the effects of applying the new standard on the group's financial statements however it is not expected to have a significant impact on the results of the Group.

At this stage, the group is not able to estimate the effect of the new rules on the group's financial statements. The group will make more detailed assessments of the effect over the next twelve months. The group does not expect to adopt the new standard before 1 January 2018.

##### *AASB 16 Leases*

AASB 16 Leases AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of \$84,528,000. However, the group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16. The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. At this stage, the group does not intend to adopt the standard before its effective date.

## NOTES TO THE FINANCIAL STATEMENTS

For the 26 weeks ended 25 December 2016 and the 26 weeks ended 27 December 2015  
Beacon Lighting Group and its controlled entities

### (c) Historical cost convention

This interim financial report has been prepared in accordance with the historical cost convention. Comparative information is reclassified where appropriate to enhance comparability.

## 2. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

## 3. Profit and Loss Information

### Significant Items

Profit for the period does not include any items that are unusual because of their nature, size or incidence.

## 4. Fair Value Measurement of Financial Instruments

### Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Company's financial assets and financial liabilities measured and recognised at fair value at 25 December 2016, on a recurring basis.

At 25 December 2016	Level 2 \$'000	Total \$'000
<b>Derivatives used for hedging – Net Position</b>	787	787

At 26 June 2016	Level 2 \$'000	Total \$'000
<b>Derivatives used for hedging – Net Position</b>	(1)	(1)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

All of the resulting fair value adjustments are included in level 2.

There are no financial assets and liabilities in Level 1 and Level 3, and there are no transfers between the levels.





## NOTES TO THE FINANCIAL STATEMENTS

As at 25 December 2016 and as at 26 June 2016  
Beacon Lighting Group and its controlled entities

### 5. Property, Plant and Equipment

Consolidated Entity	Furniture, fittings and equipment \$'000	Vehicles \$'000	Total \$'000
<b>At 26 June 2016</b>			
Cost	32,149	2,676	34,825
Accumulated depreciation	(11,499)	(1,250)	(12,749)
<b>Net book amount</b>	<b>20,650</b>	<b>1,426</b>	<b>22,076</b>
<b>Half Year ended 25 December 2016</b>			
Opening net book amount	20,650	1,426	22,076
Additions	4,316	277	4,593
Disposals	(19)	(34)	(53)
Depreciation charge	(1,257)	(143)	(1,400)
<b>Closing net book amount</b>	<b>23,690</b>	<b>1,526</b>	<b>25,216</b>
<b>At 25 December 2016</b>			
Cost	36,445	2,860	39,305
Accumulated depreciation	(12,755)	(1,334)	(14,089)
<b>Net book amount</b>	<b>23,690</b>	<b>1,526</b>	<b>25,216</b>

### 6. Intangible Assets

Consolidated Entity	Goodwill \$'000	Patents, trademarks and other rights \$'000	Total \$'000
<b>At 26 June 2016</b>			
Cost	5,803	-	5,803
Valuation	-	500	500
Accumulated amortisation and impairment	-	(240)	(240)
<b>Net book amount</b>	<b>5,803</b>	<b>260</b>	<b>6,063</b>
<b>At 25 December 2016</b>			
Cost	7,758	-	7,758
Valuation	-	500	500
Accumulated amortisation and impairment	-	(250)	(250)
<b>Net book amount</b>	<b>7,758</b>	<b>250</b>	<b>8,008</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 25 December 2016 and as at 26 June 2016  
Beacon Lighting Group and its controlled entities

### 7. Trade and Other Payables

Consolidated Entity	December 2016 \$'000	June 2016 \$'000
Trade payables	6,762	6,628
Customer deposits	1,811	2,377
Sundry creditors	4,873	4,141
Marketing fund	2,506	2,388
Other payables	627	637
	16,579	16,171

#### Fair Value

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

### 8. Current borrowings

Consolidated Entity	December 2016 \$'000	June 2016 \$'000
<b>Unsecured</b>		
Trade Finance	21,144	19,834
ANZ short term cash loan	1,000	-
Hire purchase liability	558	1,105
	22,702	20,939

### 9. Current Provisions

Consolidated Entity	December 2016 \$'000	June 2016 \$'000
Employee benefits (a)	4,614	3,990
Warranty provision (b)	1,170	1,137
Other provisions (c)	127	110
	5,911	5,237

#### (a) Employee benefits - Amounts not expected to be settled within 12 months

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

## NOTES TO THE FINANCIAL STATEMENTS

As at 25 December 2016 and as at 26 June 2016  
Beacon Lighting Group and its controlled entities

Consolidated Entity	December 2016 \$'000	June 2016 \$'000
Leave obligations not expected to be settled within 12 months	3,723	3,237

### (b) Warranty provision

The Group generally offers 12 months warranty on its products. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest claims could differ from historical amounts.

Factors that could impact the estimated claim information include the success of the Group's product and quality initiatives, as well as parts and labour costs. Were claim costs to differ by 10% from management's estimates, the warranty provision would be an estimated \$117,000 (June 2016: \$113,000) higher or lower.

### Movement in warranty provision

Consolidated Entity	December 2016 \$'000	June 2016 \$'000
Carrying amount at the start of the period	1,138	870
Charged/(credited) to profit or loss - amount incurred and charged	32	268
<b>Carrying amount at end of period</b>	<b>1,170</b>	<b>1,138</b>



## NOTES TO THE FINANCIAL STATEMENTS

As at 25 December 2016 and as at 26 June 2016  
Beacon Lighting Group and its controlled entities

### (c) Other provisions

Provision is made for the fringe benefit tax payable at the end of the reporting period.

#### Movements in other provisions

Consolidated Entity	December 2016 \$'000	June 2016 \$'000
Carrying amount at the start of the period	110	108
Charged/(credited) to profit or loss - amount incurred and charged	253	505
Amounts used during the period	(236)	(503)
<b>Carrying amount at end of period</b>	<b>127</b>	<b>110</b>

## 10. Non Current Borrowings

Consolidated Entity	December 2016 \$'000	June 2016 \$'000
<b>Unsecured</b>		
Hire purchase plan	1,216	1,220
	<b>1,216</b>	<b>1,220</b>

## 11. Non Current Provisions

Consolidated Entity	December 2016 \$'000	June 2016 \$'000
Lease liabilities	2,032	2,027
Employee benefits	879	913
	<b>2,911</b>	<b>2,940</b>



## NOTES TO THE FINANCIAL STATEMENTS

As at 25 December 2016 and as at 26 June 2016  
Beacon Lighting Group and its controlled entities

### 12. Contributed equity

Consolidated Entity	December 2016 Shares	June 2016 Shares
Number of Ordinary shares, fully paid	215,262,753	215,157,117

Consolidated Entity	December 2016 Shares	June 2016 Shares
Movements in the number of ordinary shares		
Balance at the beginning of the period	215,157,117	215,075,927
Performance rights vesting into shares	105,636	81,190
<b>Balance at the end of the period</b>	<b>215,262,753</b>	<b>215,157,117</b>

Consolidated Entity	December 2016 \$'000	June 2016 \$'000
Movements in ordinary share capital		
Balance at the beginning of the period	62,735	62,647
Performance rights vesting into shares	134	88
<b>Balance at the end of the period</b>	<b>62,869</b>	<b>62,735</b>

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held.

All shares carry one vote per share.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

#### Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistently with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (borrowings less cash) divided by net debt plus total equity.

## NOTES TO THE FINANCIAL STATEMENTS

As at 25 December 2016 and as at 26 June 2016  
Beacon Lighting Group and its controlled entities

### 13. Contractual Maturities of Financial Liabilities

Consolidated Entity	Less than 6 months \$'000	6-12 months \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total Contractual cash flows \$'000	Carrying amount (assets) / liabilities \$'000
<b>Non Derivatives</b>						
Trade and other payables	16,579	-	-	-	16,579	16,579
Borrowings	21,144	1,000	-	-	22,144	22,144
Finance lease liabilities	-	558	1,216	-	1,774	1,774
<b>Total non-derivatives</b>	<b>37,723</b>	<b>1,558</b>	<b>1,216</b>	<b>-</b>	<b>40,497</b>	<b>40,497</b>
<b>Derivatives</b>						
Net settled (cash flow hedges)	(787)	-	-	-	(787)	(787)
<b>Total derivatives</b>	<b>(787)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(787)</b>	<b>(787)</b>

### 14. Dividends

Consolidated Entity	25 December 2016 \$'000	27 December 2015 \$'000
Total dividends provided for or paid during the half year	5,166	5,164

### 15. Income Tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the half year to 25 December 2016 is 30%, compared to 30% for the six months ended 27 December 2015.

### 16. Contingencies

There were no significant or material legal claims at 25 December 2016.

### 17. Commitments

There has been no significant change to the substance or value of commitments to those disclosed in the 26 June 2016 financial report.

### 18. Events Occurring After the Reporting Period

Other than the item described below, there has been no other matter or circumstance that has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial periods.

A fully franked interim dividend of \$0.0235 was declared on 22 February 2017.



# Directors' Declaration

In the opinion of the Directors:

- (a)** the Financial Statements, notes and the additional disclosures set out on pages 5 to 18 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 25 December 2016 and of its performance for the 26 weeks period ended on that date, and
- (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.

Signed in accordance with a resolution of Directors.



**Ian Robinson**  
Executive Chairman



**Glen Robinson**  
Chief Executive Officer

Melbourne, 22 February 2017



## **Independent auditor's review report to the members of Beacon Lighting Group Limited**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Beacon Lighting Group Limited (the company), which comprises the consolidated statement of financial position as at 25 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Beacon Lighting Group Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 25 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Beacon Lighting Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 1300 799 615, F: 1300 799 618, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.





**Independent auditor's review report to the members of  
Beacon Lighting Group Limited (Continued)**

***Report on the Half-Year Financial Report (Continued)***

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Beacon Lighting Group Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 25 December 2016 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Daniel Rosenberg'.

Daniel Rosenberg  
Partner

Melbourne  
22 February 2017

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
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# Corporate Directory

## DIRECTORS

Ian Robinson  
Glen Robinson  
Eric (James) Barr  
Neil Osborne

**Executive Chairman**  
**Chief Executive Officer**  
**Deputy Chairman**  
**Non-Executive Director**

## LEGAL ADVISORS

Baker & McKenzie  
Level 19, 181 William Street, Melbourne  
Victoria

## COMPANY SECRETARY

Tracey Hutchinson

## AUDITORS

PricewaterhouseCoopers  
Freshwater Place  
2 Southbank Boulevard, Southbank  
Victoria

## REGISTERED OFFICE

5 Bastow Place  
Mulgrave  
Victoria

## SHARE REGISTRY

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street, Abbotsford  
Victoria

## WEBSITE

### Corporate site

[www.beaconlightinggroup.com.au](http://www.beaconlightinggroup.com.au)

### Retail site

[www.beaconlighting.com.au](http://www.beaconlighting.com.au)

### Other business divisions

[www.beaconlightingtradeclub.com.au](http://www.beaconlightingtradeclub.com.au)  
[www.beaconsolar.com.au](http://www.beaconsolar.com.au)  
[www.beaconlightingcommercial.com.au](http://www.beaconlightingcommercial.com.au)  
[www.beaconinternational.com](http://www.beaconinternational.com)  
[www.fanaway.com](http://www.fanaway.com)  
[www.lucciair.com](http://www.lucciair.com)  
[www.lightsourcesolutions.com.au](http://www.lightsourcesolutions.com.au)  
[www.lightsourcesolutions.co.nz](http://www.lightsourcesolutions.co.nz)  
[www.beaconlighting.us](http://www.beaconlighting.us)  
[www.beaconlighting.eu](http://www.beaconlighting.eu)

## STOCK EXCHANGE LISTING

Beacon Lighting Group Limited (BLX) shares are listed on the ASX

# Store Locations

[www.beaconlighting.com.au](http://www.beaconlighting.com.au)

## VIC

### Abbotsford

250 Hoddle St

### Albury Wodonga

Harvey Norman Centre  
94 Borella Rd,  
Albury NSW

### Ballarat

Wendouree  
Homemaker Centre  
333 Gillies St

### Bendigo

285 High St  
Kangaroo Flat

### Camberwell

347 Camberwell Rd

### Chirnside Park

Showroom Centre  
286 Marondah Hwy

### Coburg

Lincoln Mills  
Homemaker Centre,  
64-74 Gaffney St

### Cranbourne

Homemaker Centre  
Corner South  
Gippsland Hwy  
& Thompsons Rd

### Essendon DFO

Homemaker Hub  
120 Bulla Rd, Strathmore

### Fountain Gate

Casey Lifestyle Centre  
430 Princes Hwy

### Frankston

22 McMahons Rd

### Geelong

354 Melbourne Rd

### Heidelberg

2-4 Dora Street

### Hoppers Crossing

283 Old Geelong Rd

### Maribyrnong

Harvey Norman Centre,  
169 Rosamond Rd

### Moorabbin

867 Nepean Hwy

### Nunawading

262 Whitehorse Rd

### Oakleigh

807 Warrigal Rd

### Pakenham

825 Princes Hwy

### Preston

23 Bell St

### Scoresby

1391 Ferntree Gully Rd

### South Melbourne

50 - 56 York St

### Springvale

IKEA Homemaker Centre  
917 Princes Hwy

### St Kilda

366 St Kilda Rd

### Sunshine

497 Ballarat Rd

### Thomastown

Homemaker Centre  
Cnr Dalton and  
Settlement Rds

### Watergardens

Homemaker Centre  
440 Keilor-Melton Hwy,  
Taylors Lakes

### Waurin Ponds

Homemaker Centre  
235 Colac Rd  
(Princes Hwy)

## TAS

### Moonah

7-9 Derwent Park Rd

### Launceston

40 William Street

## NSW

### Albury Wodonga

Harvey Norman Centre  
94 Borella Rd, Albury

### Alexandria

Style Homemaker  
Centre, Cnr O'Riordan  
& Doody Sts

### Artarmon

Home HQ  
North Shore  
Cnr Reserve Rd  
& Frederick St

### Bankstown

Home Central  
9 - 67 Chapel Rd South

### Belrose

Supa Centa Belrose  
4-6 Niangala Cl

### Brookvale

377 - 579 Pittwater Rd

### Campbelltown

Homebase  
24 Blaxland Rd

### Castle Hill

Home Hub Hills, Cnr  
Victoria & Hudson Ave

### Crossroads

Homemaker Centre  
Parkers Farm Place,  
Casula

### Gosford West

Hometown  
356 Manns Rd

### Hornsby

Cnr Pacific Hwy  
& Yardley Ave, Waitara

### Kotara

Kotara Home  
108 Park Ave

### Lake Haven

Home Mega Centre  
Cnr Pacific Hwy  
& Lake Haven Drv

### Marsden Park

Home Hub  
9 Hollingsworth Rd

### McGraths Hill

Home Central,  
264-272 Windsor Rd

### Mittagong

Highlands  
Homemaker Centre,  
205 Old Hume Hwy

### Parramatta

Cnr Church and  
Daking Sts

### Penrith

Homemaker Centre  
2 Patty's Place

### Port Macquarie

180 Lake Rd

### Prospect

Homebase  
19 Stoddart Rd

### Rutherford

Harvey Norman Centre,  
366 New England Hwy

### Shellharbour

146 New Lake  
Entrance Rd

### Taren Point

105 Parraweena Rd

### Warners Bay

Warners Bay Home  
240 Hillsborough Rd

## ACT

### Fyshwick

175 Gladstone St

### Gungahlin

14/15 Hibberson St

## QLD

### Bundall

61 Upton St

### Burleigh

Stockland Centre  
177-207 Reedy  
Creek Rd

### Cairns

331 Mulgrave Ave

### Cannon Hill

Homemaker Centre  
1881 Creek Rd

### Capalaba

Freedom  
Home Centre  
67 Redland Bay Rd

### Carseldine

Homemaker Centre  
1925 Gympie Rd,  
Bald Hills

### Fairfield (Townsville)

Homemaker Centre  
1 D'Arcy Dr, Idalia

### Fortitude Valley

Homemaker  
City North  
650 Wickham St

### Helensvale

Homeworld  
502 Hope Island Rd

### Hervey Bay

140 Boat  
Harbour Drv

### Ipswich

Riverlink Shopping Centre  
Cnr The Terrace  
& Downs St

### Jindalee

Homemaker City  
182 Sinnamon Rd

### Kawana

2 Eden St, Minyama

### Macgregor

550 Kessels Rd

### Maroochydore

Sunshine  
Homemaker Centre 72  
Maroochydore Rd

### Morayfield

Supa Centre  
344 Morayfield Rd

### Noosa

Noosa Civic  
Enrie Creek Rd

### Rockhampton

Red Hill  
Homemaker Centre  
Cnr Yaamba &  
Richardson Rds

### Southport

Bunnings Complex  
542 Olsen Ave

### Toowoomba

Harvey Norman Centre,  
910 Ruthven St

### Townsville

Mega Centre  
Cnr Dalrymple Rd  
& Duckworth St,  
Garbutt

### Underwood

Homemaker HQ  
1-21 Kingston Rd

### Windsor

Homemaker City  
190 Lutwyche Rd

## WA

### Baldivis

Safety Bay Rd

### Bunbury

Homemaker Centre  
42 Strickland St

### Cannington

21 William St

### Claremont

201 - 207 Stirling Hwy

### Clarkson

Ocean Keys  
Homemaker Centre  
61 Key Largo Drv

### Jandakot

South Central  
Cockburn  
87 Armadale Rd

### Joondalup

3 Sundew Rise

### Malaga

Home Centre  
655 Marshall Rd

### Mandurah

28 Gordon Rd

### Mandurah

Home City  
430 Pinjarra Rd

### Midland

Midland Central  
Cnr Clayton  
& Lloyd Sts

### Myaree

Melville Square  
Cnr Leach Hwy  
& Norma Rd

### Osborne Park

Hometown  
381 Scarborough  
Beach Rd

### Subiaco

320 Hay St

## SA

### Churchill

Churchill Centre Sth  
252 Churchill Rd

### Gepps Cross

Home HQ  
750 Main North Rd

### Melrose Park

Melrose Plaza  
1039 South Rd

### Mile End

Mile End Home  
121 Railway Tce

### Munno Para

Harvey Norman Centre  
600 Main North Rd,  
Smithfield

### Noarlunga

Harvey Norman Centre  
2 Seaman Dr

## NT

### Darwin

Homemaker Village  
356-362  
Bagot Rd, Millner



*live brighter*