



# *interim* FINANCIAL REPORT

**For the 26 weeks ended**

**23 December 2018**

(prior period 26 weeks ended

24 December 2017)

*Beacon*  
LIGHTING

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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 23 December 2018.

## 1. Directors

The name of the Company's Directors in office during the 26 weeks ended 23 December 2018 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

For the 26 weeks ended 23 December 2018, the Beacon Lighting Group achieved a modest sales and profit increase for the first half of the year. The Core Business including Company Stores, Commercial and Wholesale achieved small sales increases while the Emerging Businesses demonstrated strong sales growth and represent exciting opportunities for the Group. Overall, the Beacon Lighting Group results are starting to demonstrate the advantages of the investments in the Emerging Businesses.

The Beacon Lighting Group achieved the following financial results for the 26 weeks ended 23 December 2018:

- Sales revenue was \$128.3 million, up \$5.9 million or 4.8% ahead of the comparable period last year. Company comparative sales declined by 0.6% while the sales growth was achieved by new Company Stores and the Emerging Businesses.
- Gross profit was \$83.2 million, up \$3.5 million or 4.4% ahead of the comparable period last year. Gross profit margin was 64.9% compared to 65.1% for the comparable period last year.

- As a percentage of sales, the operating expenses declined to 50.1% compared to 50.9% for the comparable period last year.
- The EBITDA result was \$19.8 million or 5.4% ahead of the comparable period last year. As a percentage of sales, the EBITDA margin improved to 15.4% compared to 15.3% for the comparable period last year.
- The NPAT result was \$11.6 million or 3.2% ahead of the comparable period last year. As a percentage of sales, the NPAT margin was 9.1% compared to 9.2% for the comparable period last year.

During the 26 weeks ended 23 December 2018, the Beacon Lighting Group opened new stores at Warrnambool (VIC), Mackay (QLD) and Moore Park (NSW). The Group also closed Subiaco (WA) and converted the Underwood (QLD) franchised store into a company store. The Group continued to build on investments made in the Emerging Businesses over recent years with some exciting opportunities being realised.

## 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 23 December 2018.

## 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.

Signed in accordance with a resolution of Directors,



**Ian Robinson**  
Executive Chairman  
Melbourne, 18 February 2019



**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 period ended 23 December 2018, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. 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.

A handwritten signature in black ink, appearing to be 'JP', written in a cursive style.

Jason Perry  
Partner  
PricewaterhouseCoopers

Melbourne  
18 February 2019

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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 18 February 2019.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 26 weeks ended 23 December 2018 and the 26 weeks ended 24 December 2017  
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	23 December 2018 \$'000	24 December 2017 \$'000
<b>Revenue from ordinary activities</b>			
Revenue from contracts with customers		128,296	122,380
Other revenue		755	1,183
		129,051	123,563
<b>Other Income</b>		61	144
<b>Expenses</b>			
Cost of sales of goods		(45,057)	(42,657)
Marketing		(7,052)	(7,201)
Selling and distribution		(50,915)	(48,454)
General and administration		(8,514)	(8,459)
Finance costs		(946)	(786)
<b>Profit before income tax</b>	3	16,628	16,150
Income tax expense	15	(4,982)	(4,868)
<b>Profit for the period attributable to the members of the parent entity</b>		11,646	11,282
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Changes in the fair value of derivatives		(128)	131
Exchange differences on translation of foreign operations		197	(12)
Income tax relating to these items		(21)	(35)
<b>Other comprehensive income for the period, net of tax</b>		48	84
<b>Total comprehensive income for the period attributable to the members of the parent entity</b>		11,694	11,366
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		5.36	5.24
Diluted earnings per share		5.35	5.22

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

## CONSOLIDATED BALANCE SHEET

As at 23 December 2018 and as at 24 June 2018  
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	December 2018 \$'000	June 2018 \$'000
<b>Current assets</b>			
Cash and cash equivalents		23,051	10,671
Trade and other receivables		12,561	10,945
Inventories		67,641	62,446
Derivative financial instruments	4	311	401
Other current assets		1,527	1,470
<b>Total current assets</b>		<b>105,091</b>	<b>85,933</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	32,200	29,862
Deferred tax assets		7,659	5,941
Intangible assets	6	11,320	10,870
<b>Total non-current assets</b>		<b>51,179</b>	<b>46,673</b>
<b>Total assets</b>		<b>156,270</b>	<b>132,606</b>
<b>Current liabilities</b>			
Trade and other payables	7	25,441	18,166
Borrowings	8	27,795	19,965
Provisions	9	7,597	6,978
Current tax liabilities		2,487	1,436
<b>Total current liabilities</b>		<b>63,320</b>	<b>46,545</b>
<b>Non-current liabilities</b>			
Borrowings	10	5,622	6,365
Provisions	11	3,519	3,367
<b>Total non-current liabilities</b>		<b>9,141</b>	<b>9,732</b>
<b>Total liabilities</b>		<b>72,461</b>	<b>56,277</b>
<b>Net assets</b>		<b>83,809</b>	<b>76,329</b>
<b>Equity</b>			
Contributed equity	12	66,783	65,690
Other reserves		(42,417)	(42,587)
Retained earnings		59,443	53,226
<b>Total equity</b>		<b>83,809</b>	<b>76,329</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 23 December 2018 and the 26 weeks ended 24 December 2017  
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 25 June 2017</b>		<b>62,870</b>	<b>(42,965)</b>	<b>44,213</b>	<b>64,118</b>
Profit for the period		-	-	11,282	11,282
Other comprehensive income		-	84	-	84
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>84</b>	<b>11,282</b>	<b>11,366</b>
<b>Transactions with owners in their capacity as owners</b>					
Issues of shares to employees	12	250	-	-	250
Dividend re-investment plan issues	12	1,239	-	-	1,239
Employee share scheme		-	(118)	-	(118)
Dividends provided for or paid	14	-	-	(5,169)	(5,169)
<b>Total contributions by and distributions to owners</b>		<b>1,489</b>	<b>(118)</b>	<b>(5,169)</b>	<b>(3,798)</b>
<b>Balance as at 24 December 2017</b>		<b>64,359</b>	<b>(42,999)</b>	<b>50,326</b>	<b>71,686</b>
<b>Balance at 24 June 2018</b>		<b>65,690</b>	<b>(42,587)</b>	<b>53,226</b>	<b>76,329</b>
Profit for the period		-	-	11,646	11,646
Other comprehensive income		-	48	-	48
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>48</b>	<b>11,646</b>	<b>11,694</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend re-investment plan issues	12	1,093	-	-	1,093
Employee share scheme		-	122	-	122
Dividends provided for or paid	14	-	-	(5,429)	(5,429)
<b>Total contributions by and distributions to owners</b>		<b>1,093</b>	<b>122</b>	<b>(5,429)</b>	<b>(4,214)</b>
<b>Balance as at 23 December 2018</b>		<b>66,783</b>	<b>(42,417)</b>	<b>59,443</b>	<b>83,809</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 23 December 2018 and the 26 weeks ended 24 December 2017  
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	23 December 2018 \$'000	24 December 2017 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		140,142	135,438
Payments to suppliers and employees (inclusive of goods and services tax)		(118,883)	(123,533)
Interest received		-	23
Borrowing costs		(946)	(786)
Income taxes paid		(5,453)	(3,536)
<b>Net cash inflow from operating activities</b>		<b>14,860</b>	<b>7,606</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(4,579)	(2,484)
Payments for acquisitions		(658)	(782)
Proceeds from sale of property, plant and equipment		6	-
<b>Net cash (outflow) from investing activities</b>		<b>(5,231)</b>	<b>(3,266)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings (net)		7,087	2,858
Dividends paid to Company's shareholders	14	(4,336)	(3,930)
<b>Net cash (outflow) / inflow from financing activities</b>		<b>2,751</b>	<b>(1,072)</b>
<b>Net increase in cash and cash equivalents</b>		<b>12,380</b>	<b>3,268</b>
Cash and cash equivalents at the beginning of the financial year		10,671	12,925
<b>Cash and cash equivalents at end of period</b>		<b>23,051</b>	<b>16,193</b>

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 ended 23 December 2018 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 24 June 2018 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 and ASX Listing Rules. Except for the adoption of the new and amended accounting standards as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at the end of the year ended 24 June 2018.

#### (a) New, revised or amended accounting standards and interpretations adopted by the Group

##### AASB 9 Financial Instruments

'AASB 9 Financial Instruments' has been adopted in the current period. AASB 9 Financial Instruments, the AASB equivalent of IFRS 9 Financial Instruments, introduces a new model for classification and measurement of financial assets and liabilities, an 'expected credit loss' ("ECL") impairment model and reformed approach to hedge accounting.

Trade receivables are now presented as a percentage of the expected credit loss. This has not had a material financial impact, as the level of bad debts has not been material.

The methodology for testing for hedge effectiveness has changed in AASB 9. The Group has made the assessment that all hedging instruments are 100% effective. Any ineffectiveness is considered immaterial and will be recognised in the Consolidated Statement of Comprehensive Income and effectiveness will be recognised in the Consolidated Statement of Changes in Equity.

#### **The accounting policy for impairment of financial assets and hedge accounting has been updated and is applicable from 1 July 2018:**

##### Investments and other financial assets

Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

##### Financial assets at amortised cost

Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the ECL model.

All loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement when determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, current market conditions as well as forward looking estimates at the end of each reporting period.

Debts that are known to be uncollectable are written off when identified.

##### Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Fair value is determined with reference to quoted market prices. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged.

## NOTES TO THE FINANCIAL STATEMENTS

### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the hedging reserve in equity. The gain or loss relating to the ineffective portion is recognised in the income statement in other income or other expenses. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance, when the forecast purchase of inventory that is hedged takes place).

The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within finance costs. The gain or loss relating to the effective portion of forward foreign exchange contracts which hedge imported inventory purchases are ultimately recognised in the profit or loss as cost of goods sold.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

### AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining the quantum and timing of revenue recognition. The AASB equivalent of IFRS 15 Revenue from Contract with Customers replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Group has adopted AASB 15 from 1 July 2018, which resulted in changes to accounting policies.

The principals in AASB 15 must be applied using the following 5-step model:

Step 1: Identify the contract

Step 2: Identify separate performance obligations

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the separate performance obligations

Step 5: Recognise revenue when the entity satisfies a performance obligation

On adoption of the new standard the Group reviewed the potential performance obligations which may arise under its revenue contracts and has identified that there was not a material impact on the Group's interim financial statements for the 26 weeks ended 23 December 2018.

### The accounting policy for the recognition of revenue has been updated and is applicable from 1 July 2018:

#### Revenue

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. The Group recognises revenue when:

- The amount of revenue can be reliably measured;
- It is probable the economic benefit will flow to the Group; and
- The criteria for revenue recognition for each revenue stream has been satisfied.

#### Sale of goods

The Group primarily operates a chain of retail stores. Revenue from the sale of goods is recognised when a Group entity sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the goods. The revenue relating to the sale of solar systems is recognised upon practical completion.

#### Franchise fees

Franchise royalty fee income includes advertising contributions and management fees, which is generally earned based upon a percentage of sales, is recognised on an accrual basis. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

#### Interest

Interest income is recognised using the effective interest method.

#### Trust distribution income

Trust distribution revenue is recognised when the right to receive a distribution has been established.

### (b) 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 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 for Beacon Lighting Group Limited and its controlled entities (the Group), is the Chief Executive Officer (CEO). The Group determines operating segments based on information provided to the CEO in assessing performance and determining the allocation of resources within the Group. Consideration is given to the manner in which products are sold, nature of the products supplied, the organisational structure and the nature of customers.

Reportable segments are based on the aggregated operating segments determined by the manner in which products are sold, similarity of products, nature of the products supplied, the nature of customers and the methods used to distribute the product. The Group purchases goods in USD for sales into Australia. The Group's one reportable segment is the selling of light fittings, fans and energy efficient products.

## 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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- 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 23 December 2018, on a recurring basis.

At 23 December 2018	Level 2 \$'000	Total \$'000
Derivatives used for hedging – Net Position	(311)	(311)

At 24 June 2018	Level 2 \$'000	Total \$'000
Derivatives used for hedging – Net Position	(401)	(401)

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 23 December 2018 and as at 24 June 2018  
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 24 June 2018</b>			
Cost	45,504	3,175	48,679
Accumulated depreciation	(17,204)	(1,613)	(18,817)
<b>Net book amount</b>	<b>28,300</b>	<b>1,562</b>	<b>29,862</b>
<b>Half Year ended 23 December 2018</b>			
Opening net book amount	28,300	1,562	29,862
Additions	4,339	240	4,579
Disposals	(44)	(4)	(48)
Depreciation charge	(2,017)	(176)	(2,193)
<b>Closing net book amount</b>	<b>30,578</b>	<b>1,622</b>	<b>32,200</b>
<b>At 23 December 2018</b>			
Cost	49,788	3,325	53,113
Accumulated depreciation	(19,210)	(1,703)	(20,913)
<b>Net book amount</b>	<b>30,578</b>	<b>1,622</b>	<b>32,200</b>

### 6. Intangible Assets

Consolidated Entity	Goodwill \$'000	Patents, trademarks and other rights \$'000	Total \$'000
<b>At 24 June 2018</b>			
Cost	10,650	500	11,150
Accumulated amortisation and impairment	-	(280)	(280)
<b>Net book amount</b>	<b>10,650</b>	<b>220</b>	<b>10,870</b>
<b>At 23 December 2018</b>			
Cost	11,110	500	11,610
Accumulated amortisation and impairment	-	(290)	(290)
<b>Net book amount</b>	<b>11,110</b>	<b>210</b>	<b>11,320</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 23 December 2018 and as at 24 June 2018  
Beacon Lighting Group and its controlled entities

### 7. Trade and Other Payables

Consolidated Entity	December 2018 \$'000	June 2018 \$'000
Trade payables	14,530	6,007
Customer deposits	2,332	2,767
Sundry creditors	6,220	6,699
Marketing fund	1,561	2,058
Other payables	798	635
	25,441	18,166

#### 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 2018 \$'000	June 2018 \$'000
<b>Secured</b>		
Inventory finance	27,513	19,689
Hire purchase liability	282	276
	27,795	19,965



## NOTES TO THE FINANCIAL STATEMENTS

As at 23 December 2018 and as at 24 June 2018  
Beacon Lighting Group and its controlled entities

### 9. Current Provisions

Consolidated Entity	December 2018 \$'000	June 2018 \$'000
Employee benefits	5,931	5,379
Warranty provision (a)	1,520	1,468
Other provisions (b)	146	131
	<b>7,597</b>	<b>6,978</b>

#### (a) 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 \$152,000 (June 2018: \$147,000) higher or lower.

#### Movement in warranty provision

Consolidated Entity	December 2018 \$'000	June 2018 \$'000
Carrying amount at the start of the period	1,468	1,300
Charged to profit or loss - amount incurred and charged	52	168
<b>Carrying amount at end of period</b>	<b>1,520</b>	<b>1,468</b>

#### (b) Other provisions

Other provisions are minor in nature at the end of the reporting period.

#### Movement in other provisions

Consolidated Entity	December 2018 \$'000	June 2018 \$'000
Carrying amount at the start of the period	131	135
Charged to profit or loss - amount incurred and charged	281	689
Amounts used during the period	(266)	(693)
<b>Carrying amount at end of period</b>	<b>146</b>	<b>131</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 23 December 2018 and as at 24 June 2018  
Beacon Lighting Group and its controlled entities

### 10. Non Current Borrowings

Consolidated Entity	December 2018 \$'000	June 2018 \$'000
<b>Secured</b>		
Loan facility floating rate	5,500	6,100
Hire purchase liability	122	265
	5,622	6,365

In October 2018 the Group amended their existing banking facilities. The amended facility included an additional loan facility floating rate of \$12.5 million, which was provided for a period of 2 years from the review date. The Group's banking facilities contain certain covenants to be complied with, and which are monitored on a regular basis. The additional facility was used to facilitate the purchase of a warehousing facility subsequent to 23 December 2018 as disclosed in note 18.

### 11. Non Current Provisions

Consolidated Entity	December 2018 \$'000	June 2018 \$'000
Lease liabilities	2,611	2,389
Employee benefits	908	978
	3,519	3,367



## NOTES TO THE FINANCIAL STATEMENTS

As at 23 December 2018 and as at 24 June 2018  
Beacon Lighting Group and its controlled entities

### 12. Contributed equity

Consolidated Entity	December 2018 Shares	June 2018 Shares
Number of ordinary shares, fully paid	217,936,808	217,162,678

Consolidated Entity	December 2018 Shares	June 2018 Shares
<b>Movements in the number of ordinary shares</b>		
Balance at the beginning of the period	217,162,678	215,262,753
Performance rights and options vesting into shares	-	144,680
Dividend re-investment plan issue	774,130	1,755,245
<b>Balance at the end of the period</b>	<b>217,936,808</b>	<b>217,162,678</b>

Consolidated Entity	December 2018 \$'000	June 2018 \$'000
<b>Movements in ordinary share capital</b>		
Balance at the beginning of the period	65,690	62,870
Performance rights and options vesting into shares	-	251
Dividend re-investment plan issue	1,093	2,569
<b>Balance at the end of the period</b>	<b>66,783</b>	<b>65,690</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 total equity.

#### Dividend reinvestment plan

The Group has established a dividend reinvestment plan under which eligible shareholders may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a 5% discount to the market price.

## NOTES TO THE FINANCIAL STATEMENTS

As at 23 December 2018 and as at 24 June 2018  
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	25,441	-	-	-	25,441	25,441
Borrowings	27,887	-	5,812	-	33,699	33,013
Finance lease liabilities	-	296	123	-	419	404
<b>Total non derivatives</b>	<b>53,328</b>	<b>296</b>	<b>5,935</b>	<b>-</b>	<b>59,559</b>	<b>58,858</b>
<b>Derivatives</b>						
Forward exchange contracts	374	-	-	-	374	374
Interest rate swap contract	(63)	-	-	-	(63)	(63)
<b>Net settled cash flow hedges</b>	<b>311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311</b>	<b>311</b>



## NOTES TO THE FINANCIAL STATEMENTS

As at 23 December 2018 and as at 24 June 2018  
Beacon Lighting Group and its controlled entities

### 14. Dividends

Consolidated Entity	23 December 2018 \$'000	24 December 2017 \$'000
Total dividends provided for or paid during the half year	5,429	5,169

### 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 26 weeks ended 23 December 2018 is 30%, compared to 30% for the 26 weeks ended 24 December 2017.

### 16. Contingencies

There were no significant or material legal claims at 23 December 2018.

### 17. Commitments

There has been no significant change to the substance or value of commitments to those disclosed in the 24 June 2018 financial report.

### 18. Events Occurring After the Reporting Period

Other than the items 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.

- On 10 October 2018 Beacon Property Company Pty Ltd (a wholly owned subsidiary of Beacon Lighting Group Limited), entered into an agreement to purchase a warehousing facility at 58 Precinct Street, Parkinson, QLD for \$11.8 million plus stamp duty. Settlement on the property took place on 14 January 2019. The purchase of the property has been 100% debt funded from an extension of the Group's existing loan facility.
- A fully franked interim dividend of \$0.0255 was declared on 18 February 2019.
- The Albury (NSW) franchised store will be converted into a company store in January 2019.





# Directors' Declaration

In the opinion of the Directors:

- (a)** the Financial Statements, notes and the additional disclosures set out on pages 5 to 19 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 23 December 2018 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

Melbourne, 18 February 2019



**Glen Robinson**  
Chief Executive Officer



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

### *Report on the Interim Financial Report*

We have reviewed the accompanying interim financial report of Beacon Lighting Group Limited (the Company), which comprises the consolidated balance sheet as at 23 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended on that date, selected other explanatory notes and the directors' declaration for Beacon Lighting Group Limited (the Group). The Group comprises the Company and the entities it controlled during that period.

### *Directors' responsibility for the interim financial report*

The directors of the Company are responsible for the preparation of the interim 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 interim 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 23 December 2018 and its performance for the period 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 an interim 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: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim 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 Group's financial position as at 23 December 2018 and of its performance for the period ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'JP'.

Jason Perry  
Partner

Melbourne  
18 February 2019



# Corporate Directory

## DIRECTORS

Ian Robinson	<b>Executive Chairman</b>
Glen Robinson	<b>Chief Executive Officer</b>
Eric (James) Barr	<b>Deputy Chairman</b>
Neil Osborne	<b>Non-Executive Director</b>

## LEGAL ADVISORS

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

## COMPANY SECRETARY

Tracey Hutchinson

## REGISTERED OFFICE

5 Bastow Place, Mulgrave, Victoria

## AUDITORS

PricewaterhouseCoopers  
2 Riverside Quay, Southbank, Victoria

## SHARE REGISTRY

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

## STOCK EXCHANGE LISTING

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

## WEBSITES

**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.beaconenergysolutions.com.au](http://www.beaconenergysolutions.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)  
[www.massonforlight.com.au](http://www.massonforlight.com.au)

# 111 Store Locations

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

## VIC

**Abbotsford**  
250 Hoddle St

**Ballarat**  
Wendouree  
Homemaker Centre  
333 Gillies St

**Balwyn North**  
304 Doncaster Rd

**Bayswater**  
216 Canterbury Rd  
Bayswater Nth

**Bendigo**  
285 High St  
Kangaroo Flat

**Burwood**  
110 Burwood Hwy

**Camberwell**  
347 Camberwell Rd

**Chirside Park**  
Showroom Centre  
286 Maroondah Hwy

**Coburg**  
Lincoln Mills  
Homemaker Centre  
64-74 Gaffney St

**Cranbourne**  
Cranbourne Home  
Cnr Sth 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 St

**Hoppers Crossing**  
283 Old Geelong Rd

**Maribyrnong**  
Harvey Norman Centre  
169 Rosamond Rd

**Mentone**  
27-29 Nepean Hwy

**Moorabbin**  
867 Nepean Hwy

**Nunawading**  
262 Whitehorse Rd

**Oakleigh**  
807 Warrigal Rd

**Pakenham**  
Lifestyle Centre  
825 Princes Hwy

**Preston**  
23 Bell St

**Scoresby**  
1391 Ferntree Gully Rd

**South Melbourne**  
50-56 York St

**South Morang**  
825 Plenty Rd

**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

**Warnambool**  
1-49 Raglan Parade

**Watergardens**  
Homemaker Centre  
440 Keilor-Melton Hwy  
Taylors Lakes

**Waurin Ponds**  
Homemaker Centre  
235 Colac Rd  
(Princes Hwy)

## TAS

**Launceston**  
40 William St

**Moonah**  
7-9 Derwent Park Rd

## 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**  
577-579 Pittwater Rd

**Carlton**  
367 Princes Hwy

**Campbelltown**  
Homebase  
24 Blaxland Rd

**Castle Hill**  
Home Hub Hills  
Cnr Victoria & Hudson Ave

**Crossroads**  
Homemaker Centre  
Parkers Farm Place  
Casula

**Crows Nest**  
118 Falcon St

**Gladesville**  
8 Wharf Rd

**Gosford West**  
Hometown  
356 Manns Rd

**Hornsby**  
Cnr Pacific Hwy  
& Yardley Ave  
Waitara

**Killara**  
694 Pacific Hwy

**Kotara**  
Kotara Home  
108 Park Ave

**Lake Haven**  
Home Mega Centre  
Cnr Pacific Hwy  
& Lake Haven Drv

**Marsden Park**  
Home Hub Marsden Park  
Richmond Rd

**McGraths Hill**  
Home Central  
264-272 Windsor Rd

**Mittagong**  
Highlands  
Homemaker Centre  
205 Old Hume Hwy

**Moore Park**  
Supa Centre Moore Park Cnr  
South Dowling St & Todman  
and Darcy Avenues

**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**  
10 Gribble St

## QLD

**Bundall**  
61 Upton St

**Burleigh**  
Stockland Centre  
177-207 Reedy  
Creek Rd

**Cairns**  
331 Mulgrave Rd

**Cannon Hill**  
Homemaker Centre  
1881 Creek Rd

**Capalaba**  
Freedom Home Centre  
67 Redland Bay Rd

**Carseldine**  
Homemaker Centre  
1925 Gympie Rd  
Bald Hills

**Fortitude Valley**  
Homemaker  
City North  
650 Wickham St

**Helensvale**  
Homeworld  
502 Hope Island Rd

**Hervey Bay**  
140 Boat Harbour Drv

**Ipswich**  
Ipswich Riverlink  
Shopping Centre  
Cnr The Terrace  
& Downs Sts

**Jindalee**  
Homemaker City  
182 Sinnamon Rd

**Kawana**  
2 Eden St  
Minyama

**Macgregor**  
550 Kessels Rd

**Mackay**  
2/2 Heath Rd

**Maroochydore**  
Sunshine Homemaker Centre  
72 Maroochydore Rd

**Morayfield**  
Supa Centre  
344 Morayfield Rd

**Noosa**  
Noosa Civic  
Enie Creek Rd

**Northlakes**  
Primewest Northlakes  
Cnr Northlakes Drv  
Mason St  
& Stapylton St

**Rockhampton**  
Red Hill  
Homemaker Centre  
Cnr Yaamba &  
Richardson Rds

**Southport**  
Bunnings Complex  
542 Olsen Ave

**Toowoomba**  
Harvey Norman Centre  
910 Ruthven St

**Townsville - Fairfield**  
Homemaker Centre  
1 D'Arcy Dr  
Idalia

**Townsville - Garbutt**  
Mega Centre  
Cnr Dalrymple Rd  
& Duckworth St

**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

**Clarkson**  
Ocean Keys  
Homemaker Centre  
61 Key Largo Drv

**Claremont**  
201-207 Stirling Hwy

**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

## SA

**Churchill**  
Churchill Centre South  
252 Churchill Rd  
Kilburn

**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*