



interim FINANCIAL REPORT

For the 26 weeks ended 27 December 2015
(prior year 26 weeks ended 28 December 2014)

Beacon
LIGHTING

Beacon Lighting Group Limited
ACN 164 122 785

Contents

| | |
|---|----|
| Directors' Report | 1 |
| Auditor's Independence Declaration | 3 |
| Consolidated Statement of Comprehensive Income | 5 |
| Consolidated Balance Sheet | 6 |
| Consolidated Statement of Changes in Equity | 7 |
| Consolidated Statement of Cash Flows | 8 |
| Notes to Financial Statements | 10 |
| Directors' Declaration | 21 |
| Independent Auditor's Report to the Members of Beacon Lighting Group Limited | 22 |
| Corporate Directory | 25 |

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 27 December 2015.

1. Directors

The name of the Company's Directors in office during the 26 weeks ended 27 December 2015 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 27 December 2015, the Beacon Lighting Group achieved a record sales and profit result for the period. The record NPAT result of \$11.1 million was 22.1% or \$2.0 million ahead of the NPAT result for the comparable period last year.

Sales revenue for 26 weeks ended 27 December 2015 were \$98.5 million, up 8.5% or \$7.7 million ahead of the comparable period last year. The company store comparative sales increase was 5.1% ahead of last year. The total sales increase can be attributed to company store sales comparative increases, growth in our trade sales and franchise store acquisitions.

The Gross Profit dollars result was \$64.9 million, up 11.5% or \$6.7 million ahead of last year. The Gross Profit margin result was 65.9% compared to 64.1% for the comparable period last year.

Operating Expenses as a percentage of sales decreased to 49.9% of sales for the 26 weeks ended 27 December 2015. For the comparable period last year, the Operating Expenses as a percentage of sales were 50.4%.

During the 26 weeks ended 27 December 2015, the Beacon Lighting Group purchased the Essendon (VIC) and Watergardens (VIC) franchise stores. Late in the period, new company stores in Bundall (QLD) and Maribyrnong (VIC) were opened. Light Source Solutions, the new business of selling GE globes under exclusive license in Australia and New Zealand was also successfully integrated into the Beacon Lighting Group.

3. Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the business during the half year ended 27 December 2015.

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 company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the Directors' Report and the interim financial report. Amounts rounded are rounded off to the nearest thousand dollars in accordance with that Class Order.

Signed in accordance with a resolution of Directors,



Ian Robinson
Executive Chairman
Melbourne, 18 February 2016



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 27 December 2015, 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.

A handwritten signature in blue ink, appearing to read 'Daniel Rosenberg', written over a light blue circular stamp.

Daniel Rosenberg
Partner
PricewaterhouseCoopers

Melbourne
18 February 2016

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Index to the Financial Statements

| | | | |
|---|-----------|--|----|
| Consolidated Statement of Comprehensive Income | 5 | 8 Current Borrowings | 15 |
| Consolidated Balance Sheet | 6 | 9 Current Provisions | 16 |
| Consolidated Statement of Changes in Equity | 7 | 10 Non Current Borrowings | 17 |
| Consolidated Statement of Cash Flows | 8 | 11 Non Current Provisions | 17 |
| Notes to the Financial Statements | 10 | 12 Contributed Equity | 18 |
| 1 Summary of Significant Accounting Policies | 10 | 13 Contractual Maturities of Financial Liabilities | 19 |
| 2 Segment Information | 10 | 14 Dividends | 19 |
| 3 Profit and Loss Information | 11 | 15 Income Tax | 19 |
| 4 Fair Value Measurement of Financial Instruments | 12 | 16 Contingencies | 19 |
| 5 Property, Plant and Equipment | 13 | 17 Commitments | 19 |
| 6 Intangible Assets | 14 | 18 Events Occurring After the Reporting Period | 19 |
| 7 Trade and Other Payables | 15 | | |

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 2016

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 year ended 28 June 2015 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 27 December 2015 and the 26 weeks ended 28 December 2014
Beacon Lighting Group and its controlled entities

| Consolidated Entity | Notes | 27 December 2015 \$'000 | 28 December 2014 \$'000 |
|---|-------|-------------------------------|-------------------------------|
| Revenue from ordinary activities | | | |
| Sale of goods | | 98,514 | 90,829 |
| Other revenue | | 1,677 | 1,966 |
| | | 100,191 | 92,795 |
| Other income | | 86 | 68 |
| Expenses | | | |
| Cost of sales of goods | | (33,580) | (32,582) |
| Other expenses from ordinary activities | | | |
| Marketing | | (6,003) | (5,619) |
| Selling and distribution | | (35,864) | (33,153) |
| General and administration | | (8,514) | (8,116) |
| Finance costs | | (531) | (621) |
| Profit before income tax | 3 | 15,785 | 12,772 |
| Income tax expense | 15 | (4,687) | (3,683) |
| Profit for the period attributable to the members of the parent entity | | 11,098 | 9,089 |
| Other comprehensive income | | | |
| Items that may be reclassified to profit or loss | | | |
| Changes in the fair value of derivatives | | (475) | 341 |
| Exchange differences on translation of foreign operations | | 49 | 224 |
| Income tax relating to these items | | (14) | (169) |
| Other comprehensive income for the period, net of tax | | (440) | 396 |
| Total comprehensive income for the period attributable to the members of the parent entity | | 10,658 | 9,485 |
| Earnings per share | | Cents | Cents |
| Basic earnings per share | | 5.16 | 4.23 |
| Diluted earnings per share | | 5.16 | 4.23 |

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

CONSOLIDATED BALANCE SHEET

As at 27 December 2015 and as at 28 June 2015
Beacon Lighting Group and its controlled entities

| Consolidated Entity | Notes | December 2015 \$'000 | June 2015 \$'000 |
|--------------------------------------|-------|----------------------------|------------------------|
| Current assets | | | |
| Cash and cash equivalents | | 13,107 | 11,779 |
| Trade and other receivables | | 8,317 | 7,017 |
| Inventories | | 52,251 | 44,656 |
| Derivative financial instruments | 4 | - | 299 |
| Other current assets | | 837 | 698 |
| Total current assets | | 74,512 | 64,449 |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 20,526 | 19,121 |
| Deferred tax assets | | 6,225 | 5,481 |
| Intangible assets | 6 | 6,073 | 5,085 |
| Total non-current assets | | 32,824 | 29,687 |
| Total assets | | 107,336 | 94,136 |
| Current liabilities | | | |
| Trade and other payables | 7 | 17,742 | 15,686 |
| Borrowings | 8 | 21,932 | 18,090 |
| Provisions | 9 | 4,981 | 4,764 |
| Derivative financial instruments | 4 | 176 | - |
| Current tax liabilities | | 4,079 | 2,572 |
| Total current liabilities | | 48,910 | 41,112 |
| Non-current liabilities | | | |
| Borrowings | 10 | 849 | 1,278 |
| Provisions | 11 | 2,629 | 2,340 |
| Total non-current liabilities | | 3,478 | 3,618 |
| Total liabilities | | 52,388 | 44,730 |
| Net assets | | 54,948 | 49,406 |
| Equity | | | |
| Contributed equity | 12 | 62,724 | 62,647 |
| Other reserves | | (43,316) | (42,847) |
| Retained earnings | | 35,540 | 29,606 |
| Total equity | | 54,948 | 49,406 |

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 27 December 2015 and the 26 weeks ended 28 December 2014
Beacon Lighting Group and its controlled entities

| Consolidated Entity | Notes | Contributed equity \$'000 | Reserves \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|---|-------|------------------------------|--------------------|-----------------------------|------------------------|
| Balance at 29 June 2014 | | 62,565 | (43,910) | 19,549 | 38,204 |
| Profit for the period | | - | - | 9,089 | 9,089 |
| Other comprehensive income | | - | 396 | - | 396 |
| Total comprehensive income for the period | | - | 396 | 9,089 | 9,485 |
| Transactions with owners in their capacity as owners | | | | | |
| Contributions of equity, net of transaction costs & tax | 12 | 82 | - | - | 82 |
| Share based payment reserve | | - | 97 | - | 97 |
| Dividends provided for or paid | 14 | - | - | (3,011) | (3,011) |
| Total contributions by and distributions to owners | | 82 | 97 | (3,011) | (2,832) |
| Balance as at 28 December 2014 | | 62,647 | (43,417) | 25,627 | 44,857 |
| Balance at 28 June 2015 | | 62,647 | (42,847) | 29,606 | 49,406 |
| Profit for the period | | - | - | 11,098 | 11,098 |
| Other comprehensive income | | - | (440) | - | (440) |
| Total comprehensive income for the period | | - | (440) | 11,098 | 10,658 |
| Transactions with owners in their capacity as owners | | | | | |
| 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) |
| Balance as at 27 December 2015 | | 62,724 | (43,316) | 35,540 | 54,948 |

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 27 December 2015 and the 26 weeks ended 28 December 2014
Beacon Lighting Group and its controlled entities

| Consolidated Entity | Notes | 27 December 2015 \$'000 | 28 December 2014 \$'000 |
|---|-------|-------------------------------|-------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of goods and services tax) | | 105,935 | 101,629 |
| Payments to suppliers and employees (inclusive of goods and services tax) | | (94,869) | (99,345) |
| Interest received | | 32 | 31 |
| Borrowing costs | | (531) | (621) |
| Income taxes paid | | (3,379) | (2,404) |
| Net cash inflow / (outflow) from operating activities | | 7,188 | (710) |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment and intangible assets | | (4,151) | (3,916) |
| Proceeds from sale of property, plant and equipment | | 41 | 18 |
| Net cash (outflow) from investing activities | | (4,110) | (3,898) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings (net) | | 3,414 | 6,739 |
| Dividends paid to Company's shareholders | 14 | (5,164) | (3,011) |
| Net cash (outflow) / inflow from financing activities | | (1,750) | 3,728 |
| Net increase / (decrease) in cash and cash equivalents | | 1,328 | (880) |
| Cash and cash equivalents at the beginning of the financial year | | 11,779 | 11,427 |
| Cash and cash equivalents at end of period | | 13,107 | 10,547 |

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 27 December 2015 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 28 June 2015 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, 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.

(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.

The total of the reportable segments' revenue, profit, assets and liabilities, is the same as that of the Company as a whole and as disclosed in the consolidated statement of comprehensive income and consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the 26 weeks ended 27 December 2015 and the 26 weeks ended 28 December 2014
Beacon Lighting Group and its controlled entities

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.



NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2015 and as at 28 June 2015
Beacon Lighting Group and its controlled entities

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 27 December 2015, on a recurring basis.

| At 27 December 2015 | Level 2 \$'000 | Total \$'000 |
|------------------------------|-------------------|-----------------|
| Assets | | |
| Derivatives used for hedging | 6,600 | 6,600 |
| Liabilities | | |
| Derivatives used for hedging | 6,776 | 6,776 |
| Net Position | 176 | 176 |

| At 28 June 2015 | Level 2 \$'000 | Total \$'000 |
|------------------------------|-------------------|-----------------|
| Assets | | |
| Derivatives used for hedging | 20,536 | 20,536 |
| Liabilities | | |
| Derivatives used for hedging | 20,237 | 20,237 |
| Net Position | (299) | (299) |

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 27 December 2015 and as at 28 June 2015
Beacon Lighting Group and its controlled entities

5. Property, Plant and Equipment

| Consolidated Entity | Furniture, fittings and equipment \$'000 | Vehicles \$'000 | Total \$'000 |
|---|---|--------------------|-----------------|
| At 28 June 2015 | | | |
| Cost | 27,489 | 2,486 | 29,975 |
| Accumulated depreciation | (9,689) | (1,165) | (10,854) |
| Net book amount | 17,800 | 1,321 | 19,121 |
| Half Year ended 27 December 2015 | | | |
| Opening net book amount | 17,800 | 1,321 | 19,121 |
| Additions | 2,493 | 233 | 2,726 |
| Disposals | (65) | (18) | (83) |
| Depreciation charge | (1,098) | (140) | (1,238) |
| Closing net book amount | 19,132 | 1,394 | 20,526 |
| At 27 December 2015 | | | |
| Cost | 29,484 | 2,589 | 32,073 |
| Accumulated depreciation | (10,352) | (1,195) | (11,547) |
| Net book amount | 19,132 | 1,394 | 20,526 |

Change in accounting estimate

During the period a review of property, plant and equipment was undertaken and as a result from 29 June 2015 the Group has adopted the straight line method of depreciation for all classes of asset. In addition, changes to the useful lives of certain assets has been made where it was considered appropriate. The impact of this change on the 26 week period result was not significant.

Class useful life

- Furniture, fittings & equipment 4 to 20 years
- Computer equipment 4 years
- Motor vehicles 5 to 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2015 and as at 28 June 2015
Beacon Lighting Group and its controlled entities

6. Intangible Assets

| Consolidated Entity | Goodwill \$'000 | Patents, trademarks and other rights \$'000 | Total \$'000 |
|---|--------------------|--|-----------------|
| At 28 June 2015 | | | |
| Cost | 4,805 | - | 4,805 |
| Valuation | - | 500 | 500 |
| Accumulated amortisation and impairment | - | (220) | (220) |
| Net book amount | 4,805 | 280 | 5,085 |
| At 27 December 2015 | | | |
| Cost | 5,803 | - | 5,803 |
| Valuation | - | 500 | 500 |
| Accumulated amortisation and impairment | - | (230) | (230) |
| Net book amount | 5,803 | 270 | 6,073 |



NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2015 and as at 28 June 2015
Beacon Lighting Group and its controlled entities

7. Trade and Other Payables

| Consolidated Entity | December 2015 \$'000 | June 2015 \$'000 |
|---------------------|----------------------------|------------------------|
| Trade payables | 9,311 | 5,883 |
| Customer deposits | 1,552 | 2,723 |
| Sundry creditors | 3,628 | 4,701 |
| Marketing fund | 2,613 | 2,139 |
| Other payables | 638 | 240 |
| | 17,742 | 15,686 |

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 2015 \$'000 | June 2015 \$'000 |
|-------------------------|----------------------------|------------------------|
| Unsecured | | |
| Trade Finance | 21,077 | 17,221 |
| Hire purchase liability | 855 | 869 |
| | 21,932 | 18,090 |

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2015 and as at 28 June 2015
Beacon Lighting Group and its controlled entities

9. Current Provisions

| Consolidated Entity | December 2015 \$'000 | June 2015 \$'000 |
|------------------------|----------------------------|------------------------|
| Employee benefits (a) | 4,100 | 3,786 |
| Warranty provision (b) | 768 | 870 |
| Other provisions (c) | 113 | 108 |
| | 4,981 | 4,764 |

(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.

| Consolidated Entity | December 2015 \$'000 | June 2015 \$'000 |
|--|----------------------------|------------------------|
| Leave obligations not expected to be settled within 12 months | 3,079 | 2,670 |

(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 labor costs. Were claim costs to differ by 10% from management's estimates, the warranty provision would be an estimated \$77,000 higher or lower.

Movement in warranty provision

| Consolidated Entity | December 2015 \$'000 | June 2015 \$'000 |
|--|----------------------------|------------------------|
| Carrying amount at the start of the period | 870 | 1,038 |
| Charged/(credited) to profit or loss - amount incurred and charged | (102) | (168) |
| Carrying amount at end of period | 768 | 870 |

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2015 and as at 28 June 2015
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 2015 \$'000 | June 2015 \$'000 |
|--|----------------------------|------------------------|
| Carrying amount at the start of the period | 108 | 92 |
| Charged/(credited) to profit or loss - amount incurred and charged | 211 | 470 |
| Amounts used during the period | (206) | (454) |
| Carrying amount at end of period | 113 | 108 |

10. Non Current Borrowings

| Consolidated Entity | December 2015 \$'000 | June 2015 \$'000 |
|---------------------|----------------------------|------------------------|
| Unsecured | | |
| Hire purchase plan | 849 | 1,278 |
| | 849 | 1,278 |

11. Non Current Provisions

| Consolidated Entity | December 2015 \$'000 | June 2015 \$'000 |
|---------------------|----------------------------|------------------------|
| Lease liabilities | 1,984 | 1,789 |
| Employee benefits | 645 | 551 |
| | 2,629 | 2,340 |

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2015 and as at 28 June 2015
Beacon Lighting Group and its controlled entities

12. Contributed equity

| Consolidated Entity | December 2015 Shares | June 2015 Shares |
|---------------------------------------|----------------------------|------------------------|
| Number of Ordinary shares, fully paid | 215,151,854 | 215,075,927 |

| Consolidated Entity | December 2015 Shares | June 2015 Shares |
|--|----------------------------|------------------------|
| Movements in the number of ordinary shares | | |
| Balance at the beginning of the period | 215,075,927 | 215,000,000 |
| Performance rights vesting into shares | 75,927 | 75,927 |
| Balance at the end of the period | 215,151,854 | 215,075,927 |

| Consolidated Entity | December 2015 \$'000 | June 2015 \$'000 |
|---|----------------------------|------------------------|
| Movements in ordinary share capital | | |
| Balance at the beginning of the period | 62,647 | 62,565 |
| Performance rights vesting into shares | 77 | 82 |
| Balance at the end of the period | 62,724 | 62,647 |

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 divided by borrowings less cash plus total equity. Net debt is calculated as total borrowings less cash.

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2015 and as at 28 June 2015
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 |
|--------------------------------|------------------------------|-----------------------|---------------------------------|------------------------|--|--|
| Non Derivatives | | | | | | |
| Trade and other payables | 17,742 | | | - | 17,742 | 17,742 |
| Borrowings | 21,077 | | | - | 21,077 | 21,077 |
| Finance lease liabilities | | 855 | 849 | - | 1,704 | 1,704 |
| Total non-derivatives | 38,819 | 855 | 849 | - | 40,523 | 40,523 |
| Derivatives | | | | | | |
| Net settled (cash flow hedges) | (176) | | | | (176) | (176) |
| Total derivatives | (176) | - | - | - | (176) | (176) |

14. Dividends

| Consolidated Entity | 27 December 2015 \$'000 | 28 December 2014 \$'000 |
|---|----------------------------|----------------------------|
| Total dividends provided for or paid during the half year | 5,164 | 3,011 |

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 to 27 December 2015 is 30%, compared to 30% for the 26 weeks ended 28 December 2014.

16. Contingencies

There were no significant or material legal claims at 27 December 2015.

17. Commitments

There has been no significant change to the substance or value of commitments to those disclosed in the 28 June 2015 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 \$0.023 was declared on February 18, 2016.



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 27 December 2015 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, 18 February 2016



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 balance sheet as at 27 December 2015, the consolidated statement of 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 (including the Australian Accounting Interpretations) 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 27 December 2015 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*.

PricewaterhouseCoopers, ABN 52 780 433 757

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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:

- a) giving a true and fair view of the consolidated entity's financial position as at 27 December 2015 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A blue ink signature, likely of a representative from PricewaterhouseCoopers, written in a cursive style.

PricewaterhouseCoopers

A blue ink signature of Daniel Rosenberg, written in a cursive style.

Daniel Rosenberg
Partner

Melbourne
18 February 2016



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

Retail site

www.beaconlighting.com.au

Other business divisions

www.beaconlightingtradeclub.com.au

www.beaconsolar.com.au

www.beaconlightingcommercial.com.au

www.beaconinternational.com

www.fanaway.com

STOCK EXCHANGE LISTING

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

Store Locations

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 Maroondah 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

Scoresby

1391 Ferntree Gully Rd

South Wharf DFO

Level 1,
Homemaker Hub
20 Convention
Centre Place

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

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

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

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

Ipswich

Riverlink Shopping Centre
Cnr The Terrace
& Downs St

Hervey Bay

140 Boat
Harbour Drv

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
Eenie 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

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