

A modern interior scene featuring a large, geometric chandelier with multiple overlapping rings in black and copper tones, suspended from a ceiling with a grey, textured wall. Below the chandelier is a long, low fireplace with a black frame and a bed of white stones. In the foreground, a glass coffee table with a black metal frame sits on a light-colored rug. To the left, a dark grey armchair is partially visible, and a small black side table holds a Chanel book. A large, dark grey sofa is in the foreground, with an orange cushion visible on the right.

interim FINANCIAL REPORT

For the 26 weeks ended 27 December 2020
(prior period 26 weeks ended 29 December 2019)

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 27 December 2020.

1. DIRECTORS

The names of the Company's Directors in office during the 26 weeks ended 27 December 2020 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

Neil Osborne Non-Executive Director

Glen Robinson

Director, Chief Executive Officer

2. REVIEW OF OPERATIONS

The Beacon Lighting Group would like to thank our team members, our customers and business partners for their contribution to our ongoing success. For the 26 weeks ended 27 December 2020 (H1 FY2021), the Beacon Lighting Group achieved an outstanding Net Profit After Tax (NPAT) result of \$22.2 million. With an outstanding sales performance from Beacon Lighting company stores and Beacon International, gross profit margins reflecting an exciting product range, less promotional discounting and an improving cost base combined with the ongoing management of expenses, the Beacon Lighting Group was able to achieve a record sales and record profit result in H1 FY2021.

A comparable financial result for the Beacon Lighting Group will involve comparing the H1 FY2020 underlying result to the H1 FY2021 statutory result. This is presented in the following table:

\$'000	Underlying H1 FY2020 ^(a)	Statutory H1 FY2021	Change \$	Change %
Sales ⁽¹⁾	122,539	151,343	28,804	23.5%
Gross Profit	78,879	103,601	24,722	31.3%
Other Income	581	544	(37)	(6.4)%
Operating Expenses ⁽²⁾	(50,763)	(56,669)	(5,906)	11.6%
EBITDA ^(a)	28,697	47,476	18,779	65.4%
EBIT ^(a)	16,757	34,653	17,896	106.8%
Net Profit After Tax	9,519	22,164	12,645	132.8%

(1) Sales less sales discounts

(2) Operating Expenses exclude depreciation, amortisation and finance costs

The Beacon Lighting Group achieved the outstanding H1 FY2021 result during the COVID-19 pandemic. It has been during this time that the safety and wellbeing of our associates, customers, business partners and the community has continued to be the number one priority of the Group. The sales in Beacon Lighting stores have benefited from our customers redirecting their expenditure from holidays and entertainment to investing in the home. At no stage, did the Beacon Lighting Group apply for or receive the JobKeeper Subsidy.

During H1 FY2021, the Beacon Lighting Group has been focused on improving the service to our trade customers which has included the opening of stores at 7:30 am and the development of new product ranges. The Group has also opened new company stores at Virginia (QLD), Camperdown (NSW), Belmont (WA) and Tweed Heads (NSW). The franchise store at Ballarat (VIC) was purchased and converted into a company store. The Group upgraded the Beacon Lighting website onto a new technology platform to provide an enhanced online experience for our customers. H1 FY2021 has been a very successful period for the Beacon Lighting Group.

(a) The Group's results comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Group discloses certain non-IFRS measures in this Directors' Report, that are not audited or reviewed by the Group's auditors. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying financial performance of the Group. Non IFRS measures have been reconciled to the Financial statements as presented.

For the 26 weeks ended 29 December 2019 (H1 FY2020), the statutory result benefited from the profit recognised on the sale and leaseback of the Parkinson Distribution Centre (PDC) which was partially offset by the losses incurred during the closure of Beacon Energy Solutions (BES). A reconciliation of the Beacon Lighting Group statutory result to the underlying result in H1 FY2020 is presented in the following table:

\$'000	Statutory H1 FY2020	BES ⁽¹⁾	PDC Sale ⁽²⁾	Underlying H1 FY2020 ^(a)
Sales ⁽³⁾	123,038	(499)	-	122,539
Gross Profit	76,724	2,155	-	78,879
Other Income	8,361	-	(7,780)	581
Operating Expenses ⁽⁴⁾	(51,898)	1,135	-	(50,763)
EBITDA ^(a)	33,187	3,290	(7,780)	28,697
EBIT ^(a)	21,240	3,297	(7,780)	16,757
Net Profit After Tax	12,664	2,301	(5,446)	9,519

(1) BES was the Beacon Energy Solutions result for H1 FY2020

(2) PDC Sale was the sale of the Parkinson Distribution Centre in H1 FY2020. Under the sale and leaseback accounting rules, the cash flow profit before tax was \$13.5 million and the realised pre tax profit was \$7.8 million. The remaining \$5.7 million will be realised as a reduction in AASB 16 depreciation over the first term of the lease

(3) Sales less sales discounts

(4) Operating Expenses exclude depreciation, amortisation and finance costs



(a) The Group's results comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Group discloses certain non-IFRS measures in this Directors' Report, that are not audited or reviewed by the Group's auditors. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying financial performance of the Group. Non IFRS measures have been reconciled to the Financial statements as presented.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Beacon Lighting Group established the Beacon Commercial Property Fund and acquired two properties during the period ended 27 December 2020.

The Fund has been established to own several subfunds which will be used to acquire properties for the purposes of leasing them to Beacon Lighting and other tenants. Currently, the Fund is 50% owned by the Beacon Lighting Group, with the other 50% owned by Rebeach Pty Ltd which is controlled by Ian Robinson, the Executive Chairman of the Beacon Lighting Group.

The Directors have concluded that the Group controls the Beacon Commercial Property Fund and has consolidated it into the results.

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 5.

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,

A handwritten signature in black ink, appearing to be 'Ian Robinson'.

Ian Robinson
Executive Chairman

A handwritten signature in black ink, appearing to be 'Glen Robinson'.

Glen Robinson
Chief Executive Officer

Melbourne, 17 February 2021



Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the review of Beacon Lighting Group Limited for the period ended 27 December 2020, 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 black ink, appearing to be 'JP'.

Jason Perry
Partner
PricewaterhouseCoopers

Melbourne
17 February 2021

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

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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 17 February 2021.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 26 weeks ended 27 December 2020 and the 26 weeks ended 29 December 2019
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	27 December 2020 \$'000	29 December 2019 \$'000
REVENUE FROM ORDINARY ACTIVITIES			
Revenue from contracts with customers		151,343	123,038
Other revenue		401	467
		151,744	123,505
Other Income		143	7,894
EXPENSES			
Cost of sales of goods		(47,742)	(46,313)
Marketing		(6,805)	(7,040)
Selling and distribution		(53,079)	(48,592)
General and administration		(9,608)	(8,212)
Finance costs		(2,868)	(3,150)
PROFIT BEFORE INCOME TAX		31,785	18,091
Income tax expense	18	(9,621)	(5,427)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE MEMBERS OF THE PARENT ENTITY		22,164	12,664
PROFIT IS ATTRIBUTABLE TO:			
Owners of Beacon Lighting Group Limited		22,164	12,664
Non-controlling interests		-	-
		22,164	12,664
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Changes in the fair value of derivatives		32	59
Exchange differences on translation of foreign operations		(614)	180
Income tax relating to these items		175	(72)
Other comprehensive income for the period, net of tax		(408)	167
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE MEMBERS OF THE PARENT ENTITY		21,756	12,830
TOTAL COMPREHENSIVE INCOME IS ATTRIBUTABLE TO:			
Owners of Beacon Lighting Group Limited		21,756	12,830
Non-controlling interests		-	-
		21,756	12,830
EARNINGS PER SHARE FOR THE PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE PARENT ENTITY		Cents	Cents
Basic earnings per share		9.98	5.77
Diluted earnings per share		9.92	5.76

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

CONSOLIDATED BALANCE SHEET

As at 27 December 2020 and as at 28 June 2020 Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	December 2020 \$'000	June 2020 \$'000
CURRENT ASSETS			
Cash and cash equivalents		50,700	44,856
Trade and other receivables		6,583	8,620
Related party receivable	16	4,835	-
Inventories		68,761	63,082
Other current assets		1,280	1,496
Total current assets		132,159	118,054
Non-current assets			
Financial assets at fair value through profit or loss		238	-
Property, plant and equipment	5	33,706	32,847
Right of use asset	13	101,153	88,719
Investment properties	6	8,452	-
Intangible assets	7	13,748	12,953
Other non-current assets		504	1,238
Deferred tax assets		13,714	13,403
Total non-current assets		171,515	149,160
TOTAL ASSETS		303,674	267,214
CURRENT LIABILITIES			
Trade and other payables	8	26,527	22,132
Borrowings	9	21,352	17,197
Derivative financial instruments		832	855
Provisions	10	9,031	8,097
Current tax liabilities		6,482	4,464
Lease liabilities	13	23,972	23,242
Total current liabilities		88,196	75,987
Non-current liabilities			
Borrowings	11	-	13,200
Provisions	12	1,032	983
Lease liabilities	13	100,131	90,076
Total non-current liabilities		101,163	104,259
Total liabilities		189,359	180,246
Net assets		114,315	86,968
EQUITY			
Contributed equity	14	72,312	70,258
Other reserves		(44,247)	(43,567)
Retained earnings		77,124	60,277
Non-controlling interests	16	9,126	-
Total equity		114,315	86,968

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 2020 and the 26 weeks ended 29 December 2019
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	Attributable to owners of Beacon Lighting Group Limited				Non -controlling interests \$'000	Total Equity \$'000
		Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000		
Balance as at 30 June 2019		68,229	(43,333)	58,284	83,180	-	83,180
Adjustment for change in accounting policy	13	-	-	(10,123)	(10,123)	-	(10,123)
Restated balance 1 July 2019		68,229	(43,333)	48,161	73,057	-	73,057
Profit for the period		-	-	12,664	12,664	-	12,664
Other comprehensive income		-	167	-	167	-	167
Total comprehensive income for the period		-	167	12,664	12,830	-	12,830
Transactions with owners in their capacity as owners							
Dividend re-investment plan issues	14	1,047	-	-	1,047	-	1,047
Employee share scheme		-	(31)	-	(31)	-	(31)
Treasury share reserve		-	(93)	-	(93)	-	(93)
Dividends provided for or paid	17	-	-	(4,384)	(4,384)	-	(4,384)
Total contributions by and distributions to owners		1,047	(124)	(4,384)	(3,461)	-	(3,461)
Balance as at 29 December 2019		69,276	(43,290)	56,441	82,427	-	82,427
Balance as at 28 June 2020		70,258	(43,567)	60,277	86,968	-	86,968
Profit for the period		-	-	22,164	22,164	-	22,164
Other comprehensive (loss)/income		-	(408)	-	(408)	-	(408)
Total comprehensive income for the period		-	(408)	22,164	21,756	-	21,756
Transactions with owners in their capacity as owners							
Dividend re-investment plan issues	14	2,054	-	-	2,054	-	2,054
Employee share scheme		-	(85)	-	(85)	-	(85)
Treasury share reserve		-	(187)	-	(187)	-	(187)
Dividends provided for or paid	17	-	-	(5,317)	(5,317)	-	(5,317)
Non-controlling interest in investment properties		-	-	-	-	9,126	9,126
Total contributions by and distributions to owners		2,054	(272)	(5,317)	(3,535)	9,126	5,591
Balance as at 27 December 2020		72,312	(44,247)	77,124	105,189	9,126	114,315

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 2020 and the 26 weeks ended 29 December 2019
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	27 December 2020 \$'000	29 December 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of goods and services tax)		168,921	139,775
Payments to suppliers and employees (inclusive of goods and services tax)		(119,942)	(115,922)
Interest received		144	121
Borrowing costs		(2,868)	(3,150)
Income taxes paid		(7,557)	(3,292)
Net cash inflow from operating activities		38,698	17,532
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(3,506)	(3,918)
Payments for investment properties		(8,452)	-
Payments for acquisitions		(1,150)	(1,214)
Payments for financial assets at fair value through profit or loss		(250)	-
Proceeds from units issued in non-controlling interests		4,290	-
Proceeds from sale of property, plant and equipment		-	28,000
Net cash (outflow) / inflow from investing activities		(9,068)	22,868
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		40,460	40,585
Repayment of borrowings		(49,506)	(50,800)
Payments for principal portion of lease liabilities		(11,277)	(12,379)
Dividends paid to Company's shareholders	17	(3,263)	(3,338)
Net cash outflow from financing activities		(23,586)	(25,931)
Net increase in cash and cash equivalents		6,044	14,469
Cash and cash equivalents at the beginning of the financial year		44,856	18,305
Effects of exchange rate changes on cash and cash equivalents		(200)	15
Cash and cash equivalents at end of period		50,700	32,789

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 consolidated interim financial report for the 26 weeks ended 27 December 2020 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 2020 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. 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 52 weeks ended 28 June 2020.

(a) Investment property and non-controlling interest

The Group acquired investment properties during the 26 weeks ended 27 December 2020. For the accounting policy and further details on investment property, refer to Note 6.

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

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

(c) Historical cost convention

This interim financial report has been prepared in accordance with the historical cost convention, except for certain investment properties and financial assets and liabilities (including derivative instruments). 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 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 predominately into Australia. The Group's one reportable segment is the selling of light fittings, fans and energy efficient products.



NOTES TO THE FINANCIAL STATEMENTS

3 Profit and Loss Information

Significant Items

Profit for the 26 weeks ended 27 December 2020 includes the following items that are unusual because of their nature, size or incidence:

Consolidated Entity	December 2020 \$'000	December 2019 \$'000
Gain on sale of freehold land and building (included in other income)	-	7,780
Losses attributable to closure of Beacon Energy Solutions	-	(3,297)

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 2020, on a recurring basis.

At 27 December 2020	Level 2 \$'000	Total \$'000
Derivatives used for hedging – Net Position	(832)	(832)

At 28 June 2020	Level 2 \$'000	Total \$'000
Derivatives used for hedging – Net Position	(855)	(855)

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 2020 and as at 28 June 2020 Beacon Lighting Group and its controlled entities

5 Property, Plant and Equipment

Consolidated Entity	Furniture, Fittings and Equipment \$'000	Vehicles \$'000	Land and Buildings \$'000	Total \$'000
At 28 June 2020				
Cost	54,040	3,576	1,673	59,289
Accumulated depreciation	(24,480)	(1,940)	(22)	(26,442)
Net book amount	29,560	1,636	1,651	32,847
Half Year ended 27 December 2020				
Opening net book amount	29,560	1,636	1,651	32,847
Additions	3,374	132	-	3,506
Disposals	(348)	-	-	(348)
Depreciation charge	(2,088)	(194)	(17)	(2,299)
Closing net book amount	30,498	1,574	1,634	33,706
At 27 December 2020				
Cost	56,502	3,510	1,673	61,685
Accumulated depreciation	(26,004)	(1,936)	(39)	(27,979)
Net book amount	30,498	1,574	1,634	33,706

6 Investment Properties

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Carrying amount at start of period	-	-
Acquisitions	8,452	-
Capitalised subsequent expenditure	-	-
Net gain / (loss) from fair value adjustment	-	-
Carrying amount at end of period	8,452	-

Measuring Investment Properties at Fair Value

These investment properties are held within the Beacon Commercial Property Fund (refer note 16). The Fund has been established to own several subfunds which will be used to acquire properties for the purposes of leasing them to Beacon Lighting and other tenants. Investment properties are held for long term rental yields. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income.

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2020 and as at 28 June 2020 Beacon Lighting Group and its controlled entities

7 Intangible Assets

Consolidated Entity	Goodwill \$'000	Patents, trademarks and other rights \$'000	Total \$'000
At 28 June 2020			
Cost	12,773	500	13,273
Accumulated amortisation and impairment	-	(320)	(320)
Net book amount	12,773	180	12,953
At 27 December 2020			
Cost	13,578	500	14,078
Accumulated amortisation and impairment	-	(330)	(330)
Net book amount	13,578	170	13,748

8 Trade and Other Payables

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Trade payables	12,008	9,818
Customer deposits	3,209	3,494
Sundry creditors	8,435	6,586
Marketing fund	2,000	1,500
Other payables	875	734
	26,527	22,132

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.

9 Current Borrowings

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Secured		
Inventory finance	-	84
Loan facility floating rate	-	1,500
Interchange facility	21,352	15,613
	21,352	17,197

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2020 and as at 28 June 2020 Beacon Lighting Group and its controlled entities

10 Current Provisions

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Employee benefits	7,034	6,270
Warranty provision ^(a)	1,344	1,351
Other provisions ^(b)	653	476
	9,031	8,097

(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.

Movement in warranty provision

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Carrying amount at the start of the period	1,351	1,452
Charged to profit or loss - amount incurred and charged	(7)	(101)
Carrying amount at end of period	1,344	1,351

(b) Other provisions

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

Movement in other provisions

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Carrying amount at the start of the period	476	136
Charged to profit or loss - amount incurred and charged	468	1,426
Amounts used during the period	(291)	(1,086)
Carrying amount at end of period	653	476

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2020 and as at 28 June 2020 Beacon Lighting Group and its controlled entities

11 Non Current Borrowings

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Secured		
Loan facility floating rate	-	13,200

12 Non Current Provisions

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Employee benefits	1,032	983
	1,032	983



NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2020 and as at 28 June 2020 Beacon Lighting Group and its controlled entities

13 Leases

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Right of Use Assets		
Buildings	100,542	88,086
Equipment	483	497
Vehicles	128	136
	101,153	88,719
Lease Liabilities		
Current	23,972	23,242
Non current	100,131	90,076
	124,103	113,318

Amounts recognized in the statement of profit or loss

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Depreciation charge right of use assets		
Equipment	13	26
Vehicles	8	16
Buildings	10,494	20,012
	10,515	20,054
Lease liabilities		
Interest expense	2,211	4,078
	2,211	4,078

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2020 and as at 28 June 2020 Beacon Lighting Group and its controlled entities

14 Contributed Equity

Consolidated Entity	December 2020 Shares	June 2020 Shares
Number of ordinary shares, fully paid	223,321,406	221,537,880

Consolidated Entity	December 2020 Shares	June 2020 Shares
Movements in the number of ordinary shares		
Balance at the beginning of the period	221,537,880	219,214,930
Dividend re-investment plan issue	1,783,526	2,322,950
Balance at the end of the period	223,321,406	221,537,880

Consolidated Entity	December 2020 \$'000	June 2020 \$'000
Movements in ordinary share capital		
Balance at the beginning of the period	70,258	68,229
Dividend re-investment plan issue	2,054	2,029
Balance at the end of the period	72,312	70,258

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.

NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2020 and as at 28 June 2020 Beacon Lighting Group and its controlled entities

15 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	26,527	-	-	-	26,527	26,527
Borrowings	21,400	-	-	-	21,400	21,352
Lease liabilities	-	23,972	100,131	-	124,103	124,103
Total non derivatives	47,926	23,972	100,131	-	172,030	171,982
Derivatives						
Forward exchange contracts	(366)	-	-	-	(366)	(366)
Interest rate swap contract	(466)	-	-	-	(466)	(466)
Net settled cash flow hedges	(832)	-	-	-	(832)	(832)



NOTES TO THE FINANCIAL STATEMENTS

As at 27 December 2020 and as at 28 June 2020 Beacon Lighting Group and its controlled entities

16 Transactions with Non-Controlling Interests and Related Parties

Beacon Lighting Group established the Beacon Commercial Property Fund during the period ended 27 December 2020.

The Fund has been established to own several subfunds which will be used to acquire properties for the purposes of leasing them to Beacon Lighting and other tenants. Currently, the Fund is 50% owned by the Beacon Lighting Group, with the other 50% owned by Rebeach Pty Ltd which is controlled by the Robinson Family.

The Directors have concluded that the Group controls Beacon Commercial Property Fund. This is because the Fund is 50% owned by Rebeach Pty Ltd which is controlled by the Robinson Family. As such, its results are consolidated in the reported Group results.

Beacon Lighting Group Limited acquired 50% of the issued units in Beacon Commercial Property Fund for the amount of \$9,125,500. The Group recognized investment properties during the period of \$8,452,000 and an increase in other receivables of \$4,835,000 of which \$3,810,000 was received on 21 January 2021.

The receivable of \$4,835,000 outstanding at 27 December 2020 relates to funds owed by Rebeach Pty Ltd for units issued in Beacon Commercial Property Fund.

17 Dividends

Consolidated Entity	27 December 2020 \$'000	29 December 2019 \$'000
Total dividends provided for or paid during the half year	5,317	4,384

18 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 27 December 2020 is 30%, compared to 30% for the 26 weeks ended 29 December 2019.

19 Contingencies

There were no significant or material contingent liabilities including legal claims at 27 December 2020 or 29 December 2019.

20 Commitments

Other than the item described below, there has been no significant change to the substance or value of commitments to those disclosed in the 28 June 2020 financial report.

- At 27 December 2020, the Beacon Commercial Property Fund had a capital commitment to acquire an investment property. The purchase price of the investment property was \$7.8 million plus stamp duty. The acquisition of the property was settled on 22 January 2021.

21 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 21 January 2021 an amount of \$3,810,000 was received from a related party, refer Note 16.
- On 22 January 2021 the Beacon Commercial Property Fund acquired a third property located at 19-21 William Street, Beckenham, Western Australia, 6107. The purchase price of the Beckenham property was \$7.8 million plus stamp duty. The 50% contribution by the Beacon Lighting Group inclusive of acquisition costs and required working capital is expected to be in the order of \$4.2 million. No new debt was drawn down for the acquisition and the purchase was funded through existing cash resources and debt facilities.
- A fully franked interim dividend of \$0.0420 was declared on 17 February 2021.



Directors' Declaration

In the opinion of the Directors:

- (a) the Financial Statements, notes and the additional disclosures set out on pages 5 to 22 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 2020 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, 17 February 2021



Glen Robinson
Chief Executive Officer



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

Report on the interim financial report

Conclusion

We have reviewed the interim financial report of Beacon Lighting Group Limited (the Company) and the entities it controlled during the period (together the Group), which comprises the consolidated balance sheet as at 27 December 2020, 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, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of Beacon Lighting Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 27 December 2020 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors 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 gives a true and fair view and is free from material misstatement whether due to fraud or error.

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

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Auditor's responsibility for the review of the interim financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether 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 27 December 2020 and of its performance for the period ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

PricewaterhouseCoopers

PricewaterhouseCoopers

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

Jason Perry
Partner

Melbourne
17 February 2021



Corporate Directory

DIRECTORS

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

COMPANY SECRETARY

Tracey Hutchinson

REGISTERED OFFICE

5 Bastow Place
Mulgrave
Victoria

WEBSITE

Corporate site

www.beaconlightinggroup.com.au

Retail site

www.beaconlighting.com.au

Other business websites

www.beaconlightingtradeclub.com.au
www.beaconenergysolutions.com.au
www.beaconlightingcommercial.com.au
www.beaconinternational.com
www.customlighting.com.au
www.lightsourcesolutions.com.au
www.lightsourcesolutions.co.nz
www.lucciair.com
www.fanaway.com
www.massonforlight.com.au
www.beaconlighting.us
www.beaconlighting.eu

LEGAL ADVISORS

Baker & McKenzie
Level 19
181 William Street
Melbourne
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

Store Locations

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

Chirnside Park
Showroom Centre
286 Maroondah Hwy

Coburg
Lincoln Mills
Homemaker Centre
64-74 Gaffney St

Craigieburn
440 Craigieburn Rd

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 McMahon's 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
1402-1404 Dandenong 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

Thomastown
Homemaker Centre
Cnr Dalton and
Settlement Rds

Warrnambool
14, 1-49 Raglan St

Watergardens
Homemaker Centre
440 Keilor-Melton Hwy
Taylors Lakes

Waurin Ponds
Homemaker Centre
235 Colac Rd
(Princes Hwy)

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

Camperdown
139-143 Parramatta Rd

Castle Hill
Home Hub Hills
Cnr Victoria & Hudson Ave

Crossroads
Homemaker Centre
Parkers Farm Place
Casula

Crows Nest
118 Falcon St

Gladesville
Wharf Square
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
Hollinsworth Rd

McGraths Hill
Home Central
264-272 Windsor Rd

Mittagong
Highlands
Homemaker Centre
205 Old Hume Hwy

Moore Park
Supa Centa Moore Park
Cnr Sth Dowling St
& Todman Ave

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 Parraween Rd

Tweed Heads
29-41 Greenway Dr

Warners Bay
Warners Bay Home
240 Hillsborough Rd

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

111 McLachlan 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 Heaths Rd

Maroochydore

Sunshine Homemaker
Centre
72 Maroochydore Rd

Morayfield

Supa Centre
344 Morayfield Rd

Noosa

Noosa Civic
Eenie 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

Virginia

1860 Sandgate Rd

Windsor Homemaker City

190 Lutwyche Rd

WA

Baldivis

Safety Bay Rd

Belmont

225 Great Eastern Hwy

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 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

Modbury

985 North East Rd

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

TAS

Launceston

40 William St

Moonah

7-9 Derwent Park Rd

ACT

Fyshwick

175 Gladstone St

Gungahlin

14/5 Hibberson St

