



Beacon Lighting Group Limited

ANNUAL REPORT 2016

Beacon
LIGHTING

ACN 164 122 785

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Important Notice

This 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. A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on page 14, which is not part of the financial report. The financial report was authorized for issue by the Directors on 17 August 2016. The Directors have the power to amend and re-issue the financial statements.



Chairman's and Chief Executive Officer's Report

Beacon Lighting Group Limited is pleased to release the financial results for FY2016. The Group was again able to achieve record sales and profits for the year. With a continued focus on new store rollouts, excellent customer service, the introduction of the latest fashion and technologically advanced products, Beacon Lighting has been able to maintain its market leadership position as Australia's leading specialist lighting retailer.

Group Overview

Beacon Lighting completed the FY2016 with 85 company stores, 11 franchised stores, 4 commercial offices, along with the Beacon International, Light Source Solutions and the Beacon Solar businesses. During FY2016, Beacon Lighting opened 5 new company stores located in Bundall (QLD), Maribyrnong (VIC), Gungahlin (ACT), Fairfield Waters (QLD) and Preston (VIC). The Group also purchased the Essendon (VIC) and Watergardens (VIC) franchised stores during the year. Additionally Beacon Lighting advanced its online presence with a major upgrade to its main Beacon Lighting website, plus further advances in our eBay online store and social media activities.

Financial Result

Beacon Lighting achieved sales growth of 7.7% to \$193.2 million in FY2016. Company store comparative sales growth was a positive 2.7% for the year. Gross profit dollars increased by 7.0% or \$8.2 million with a gross profit margin of 64.3%. Through effective management of expenses, Beacon Lighting was able to deliver productivity gains and reduce operating expenses from 51.6% of sales down to 50.7%. Beacon Lighting achieved an increase in EBITDA of 9.1% to \$29.9 million and an increase in Net Profit After Tax of 8.0% to \$18.3 million.

During FY2016, the Beacon Lighting Group implemented a new inventory valuation system and conducted a review of the supply chain costs to be capitalised into inventory. The effect of this change is an increase in inventory and gross profit of \$0.7 million. Therefore the underlying EBITDA result for FY2016 is an increase of 6.5% to \$29.2 million and the underlying Net Profit After Tax increased by 5.1% to \$17.8 million.

Trading throughout the year was varied with a strong H1 FY2016 result, which was boosted by an exceptional gross profit margin. The H2 FY2016 trading period was more challenging, particularly during March and April which were impacted by the early timing of Easter, the Federal Election, reduced exposure in key marketing initiatives and increased clearance activity by competitors. Although many of these factors are now past, the company believes ongoing clearance activity from competitors exiting the market will require continued attention from the Group.

Throughout the year, the company has maintained a conservative Balance Sheet with minimal debt and a gearing ratio of 18.3%. Inventories in the group have grown as a result of new company stores, new businesses (i.e. Light Source Solutions), the change in supply chain cost capitalisation and movements in exchange rates. Receivables have increased as a result of the growth of the Commercial business and the introduction of the Light Source Solutions business. Beacon Lighting's fixed assets have also increased through re-investment in new company stores, store refurbishments and IT projects. This growth in the asset base has for the most part been funded from the group's cashflow along with some trade finance.

FY2016 Highlights

Highlights which have contributed to the record results in FY2016 include:

Opened five new company stores and purchased two Beacon Lighting franchised stores.

Established the Light Source Solutions business in Australia and New Zealand.

Strong trade and commercial sales growth.

Online sales increased by 20.3%.

Beacon International sales increased by 32.7%.

Designed and developed over 500 exclusive new products.

Interstate 3PL product distribution increased by 27.6%.

VIP customers have increased by 65.0% to 169,000.

Key Growth Strategies

Beacon Lighting will maintain its key growth strategies to drive improved sales and profits. In FY2017, we will continue to:

- Target the opening of approximately six new company stores.
- Optimise the existing company store and commercial office network.
- Be the first to market with the latest fashion and technologically advanced lighting products.
- Further enhance our online and social media presence.
- Grow the emerging businesses: Beacon International, Light Source Solutions and Beacon Solar.
- Pursue aligned business acquisition opportunities in Australia and internationally.
- Investigate opportunities to leverage our business capabilities into new markets.
- Target efficiency gains whilst continuing to drive business growth.

The Board

The Board of Directors recognise the importance of good corporate governance for the benefit of our shareholders, associates and customers. Changes and development in the corporate governance area are monitored and reviewed for implementation if required. The Board is committed to ensuring that Beacon Lighting operates ethically and in accordance with high standards of corporate governance.



Ian Robinson
Executive Chairman

Dividends

The Directors have declared a fully franked dividend of 2.4 cents per share for H2 FY2016. Along with the H1 FY2016 fully franked dividend of 2.3 cents per share, this brings the annual Beacon Lighting fully franked dividend for FY2016 to 4.7 cents per share, an increase of 11.9% over FY2015. Going forward, the Directors of Beacon Lighting will continue to target a dividend payout ratio of between 50% and 60% of annual Net Profit After Tax which will be paid in March and September.

Outlook

Further to the FY2016 results and growth strategies in place, Beacon Lighting has committed to undertaking the following activities for FY2017:

- In July 2016, the Jindalee (QLD) franchised store was purchased.
- At the end of July 2016, Beacon Lighting purchased the Masson for Light trademark and right to operate the Masson for Light architectural lighting showroom in Richmond (VIC).
- Store network expansion of six new stores, South Melbourne (VIC), Marsden Park (NSW), Claremont (WA), Brookvale (NSW), Gladesville (NSW) and North Lakes (QLD) expected to open during FY2017.

The lighting industry continues to go through a period of exciting change with the continuing focus and rapid development of new technologies including LED, new energy efficiency regulations and lighting being continually used in new and different applications. Given Beacon Lighting's market position as Australia's leading specialist lighting retailer, it remains very well positioned to take advantage of the changes that are occurring.

With the key growth strategies in place, the Beacon Lighting team looks forward to delivering another record sales and profit year in FY2017.



Glen Robinson
Chief Executive Officer

* The Financial Result commentary in The Chairman and CEO Report is based on the underlying profit result for FY2016.

Key Highlights of FY2016

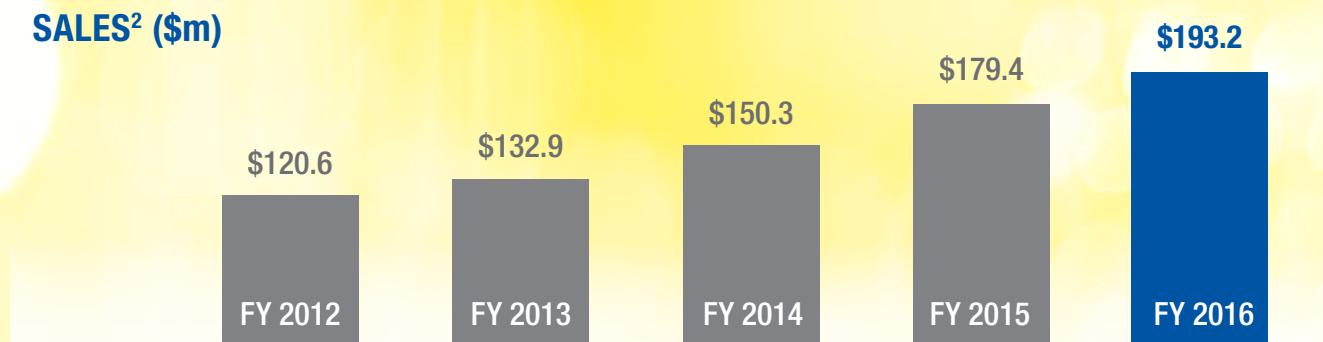
RECORD SALES

\$193.2m

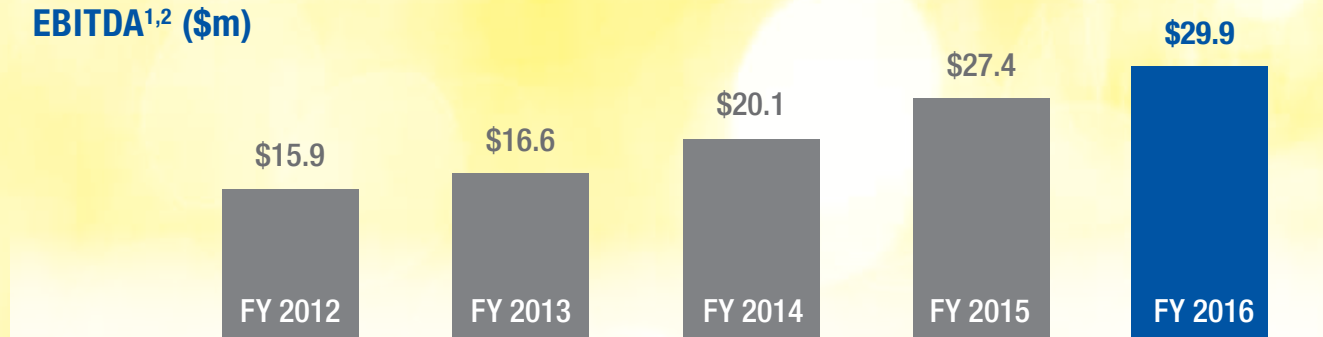
RECORD EBITDA¹

\$29.9m

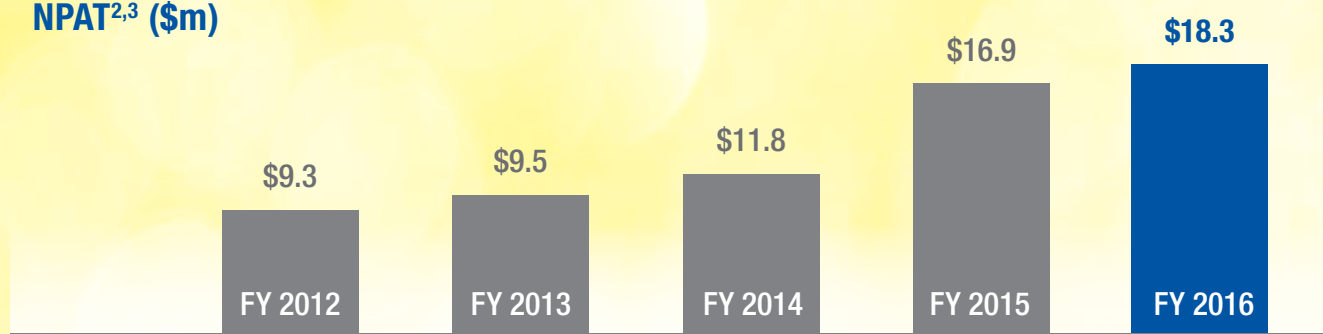
SALES² (\$m)



EBITDA^{1,2} (\$m)



NPAT^{2,3} (\$m)



¹ Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

² 52 week FY2012 and FY2013 Pro Forma result in the Prospectus dated 12 March 2014.

³ Net Profit After Tax (NPAT).



Board of Directors



Ian Robinson
Executive Chairman

42 year of service

Ian Robinson purchased the first Beacon Lighting store in 1975. Over the subsequent 40 years, his role has grown from store management, to CEO and in July 2013 to his current role as Executive Chairman. Ian remains actively involved in the Group operations. Ian is a Director of Lighting Council of Australia, Carbonetix Pty Ltd and the Large Format Retailers Association.



Glen Robinson
Chief Executive Officer

21 years of service

Glen Robinson assumed his current role of Chief Executive Officer in July 2013 after joining the Group in 1994. Glen has a strong understanding of the business having started with the Group on the sales floor, progressed to Trainee Buyer, Merchandising Manager and then taking responsibility for Beacon Lighting's product range from development to in-store presentation. Glen holds a Bachelor of Business (Management).



(James) Eric Barr
Deputy Chairman Non-Executive Director

Eric Barr is the Deputy Chairman and also the Chairman of Beacon Lighting's Remuneration and Nomination Committee. Eric retired in 2000 as a partner with PricewaterhouseCoopers after 20 years service providing multi-disciplinary services to numerous retailers. Since then he has been a Director of public and private companies in the United States and Australia, including 10 years as lead Director of Reading International Inc. Eric is Chairman of the Sydney Stock Exchange Limited and Chairman of their audit committee. He is a director and Chairman of the risk committee of Austock Life Limited and a member of their Investment Committee. Eric is a Chartered Accountant.



Neil Osborne
Non-Executive Director

Neil has over 30 years experience in the retail industry. He was formerly an Accenture Partner, leading large strategic projects in Australia and Asia. He also spent 18 years with Coles Myer Ltd in senior positions including finance, operations (including CFO Myer) and strategic planning. Neil is a Non-Executive Director of Vita Group (ASX Listed) and Chairman of Australian United Retailers (NSX Listed and trading as Foodworks). Neil was previously a Non-Executive Director of Lovisa Holdings. Neil holds a Bachelor of Commerce and is a CPA and a FAICD.

Management Team



Ian Bunnett
Managing Director - Retail

Joined Beacon Lighting in 2004 having had extensive retail experience including the GM of Store Operations with Payless Shoes.



Prue Robinson
Marketing Director

Joined Beacon Lighting in 2006 following a variety of roles in Sydney and London and four years in marketing with Spotlight. Prue holds a BBus (Management & Marketing).



David Speirs
Chief Financial Officer

Joined Beacon Lighting in 2003 after six years of business consulting and a career working with various Coles Myer businesses. David holds a BBus (Accounting), MBus (Accounting), Post Grad Dip (Finance) and is a FCPA.



Michael (Mick) Tan
Chief Information Officer

Joined Beacon Lighting in 2000 after having 30 years information technology experience including a career with Fujitsu Systems. Mick holds a Dip (Management), an ICL Certificate (Systems Analysts & Design) and an ICL Certificate (Base Computer Concepts & Programming).



Barry Martens
Chief Operating Officer

Joined Beacon Lighting in 1996 following a retail advertising career with Clemenger Harvey and retail marketing experience with Klein's Jewellery. Barry holds a Certificate in Business Studies (Advertising).



Rodney Brown
General Manager - Supply Chain

Joined Beacon Lighting in 2012 with extensive supply chain experience including management roles with Cadbury Schweppes and Fosters Brewing. Rodney holds a Certificate III in Purchasing and Warehouse Management.



Elizabeth Mikkelsen
Group Human Resources Manager

Joined Beacon Lighting in 2003 having had a retail management career which included Myer Stores in Human Resources and line management. Elizabeth holds a BA (Psych(Hons)) and a Dip (Human Resources).



Tracey Hutchinson
Financial Controller & Company Secretary

Joined Beacon Lighting in 2011 having had senior financial management roles with various ASX businesses, including Eyecare Partners. Tracey holds a BBus (Accounting), a MBus (Administration) and is a CPA.



Corporate Governance Statement

The Board of Directors of Beacon Lighting Group Limited is responsible for the corporate governance of the Group. This statement outlines the corporate governance policies and practices formally approved by the Board of Beacon Lighting. This statement is current as at 17 August 2016. These policies and practices are in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) unless otherwise stated. The Board considers that the Group's corporate governance practices and procedures substantially reflect the principles. The full content of the Group's Corporate Governance policies and charters can be found on the Group's website (www.beaconlightinggroup.com.au).

Principle 1

Lay solid foundations for management and oversight

The Board's responsibilities are defined in the Board Charter and there is a clear delineation between the matters expressly reserved to the Board and those delegated to the Chief Executive Officer and senior management.

The Board Charter outlines:

- The guidelines for Board composition, including the processes around Director appointments and resignations.
- The operation of the Board and the Board Committees.
- The roles of the Board, the Chairperson, CEO and senior management.
- Specifically includes risk management responsibilities (rather than these being delegated to a separate Risk Committee).

A copy of the Group's Board Charter is available on the Group's website.

The Board and Committee Charters sets out the processes for the annual review of the performance of the Board as a whole, each Director and the Board Committees.

The Board has established a Remuneration and Nomination Committee which is responsible for reviewing executive remuneration and incentive policies and practices.

The Group has a written agreement with each Director and senior executive setting out the terms of their appointment.

The Group has adopted a Diversity Policy. The Group does not propose to establish measurable objectives for achieving gender diversity in the foreseeable future as recommended by Recommendation 1.5 of the ASX Corporate Governance Principles and Recommendations as:

- The Group's senior management team is extremely experienced and stable and the Group does not intend to make changes in the immediate future.
- The Group is strongly committed to making all selection decisions on the basis of merit and the setting of specific targets for the proportion of men and women at any level would potentially influence decision making to the detriment of the business.

The Diversity Policy affirms the commitment of the Group to embrace diversity and sets out the principles and work practices to ensure that all Associates have the opportunity to achieve their full potential.

Principle 2

Structure the Board to add value

The experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors' Report.

The term in office held by each Director in office at the date of this report is as follows:

Name	Term in office
Ian Robinson	3 years
Eric Barr	2 years
Glen Robinson	2 years
Neil Osborne	2 years

Note: these terms of office relate to the listed entity Beacon Lighting Group Limited only and do not relate to the subsidiary or operating entities.

Ian Robinson is a substantial shareholder. He has been Chairman since July 2013 having previously held the position of Chairman and Chief Executive Officer.

Eric Barr and Neil Osborne are shareholders of Beacon Lighting Group Limited. They are Non-Executive Directors and bring objective judgment to bear on Board decisions commensurate with their commercial knowledge, experience and expertise.

Glen Robinson is a senior executive of Beacon Lighting and has been Chief Executive Officer since July 2013.

Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations recommends that the Board establishes a nomination committee and that the committee have at least three members, a majority of whom are independent and be chaired by an independent Director.

The Remuneration and Nominations Committee has four members. Three are independent: Eric Barr and Neil Osborne, as independent Directors, and one external consultant. Ian Robinson, Executive Chairman, is the other member.

The Committee is chaired by Eric Barr.

A copy of the Remuneration and Nomination Committee Charter is available on the Group's website.

In relation to nominations, the Remuneration and Nomination Committee is responsible for:

- Assessing current and future Director skills and experiences and identifying suitable candidates for succession.
- Annually enquiring of the Executive Chairman and the Chief Executive Officer their processes for evaluating their direct reports.

An internal process of evaluation is undertaken annually on the performance, skills and knowledge of the Board and its committees, utilising a board skills matrix. The review provides comfort to the Board that its structure and performance is effective and appropriate to Beacon Lighting and that the Board has the range of skills, knowledge and experience to direct the Group.

The board skills matrix sets out the requisite skills, expertise, experience and other desirable attributes for the Board. The following attributes have been identified which Beacon seeks to achieve across its Board membership: other Board experience, retail industry experience, financial management experience and governance experience.

The Directors have been selected for their relevant expertise and experience. They bring to the Board a variety of skills and experience, including industry and business knowledge, financial management, accounting, operational and corporate governance experience. The annual report includes details of the Directors, including their specific experience, expertise and term of office.

To enable performance of their duties, all Directors:

- Are provided with appropriate information in a timely manner and can request additional information at any time;
- Have access to the Company Secretary;
- Have access to appropriate continuing professional development opportunities; and
- Are able to seek independent professional advice at the Group's expense in certain circumstances.

Recommendations 2.4 and 2.5 of the ASX Corporate Governance Principles and Recommendations recommends that the Board comprise a majority of Directors who are independent, and that the Chairperson should be an independent Director. The Board, as currently composed, does not comply with these recommendations. The Board considers that the composition of the Board is appropriate given the Group's present circumstances.

Principle 3

Act ethically and responsibly

The Group has adopted a written Code of Conduct which applies to the Directors and all associates employed by the Group, including senior management. The objective of this Code is to ensure that high standards of corporate and individual behavior are observed by all associates in the context of their employment.

In summary, the Code requires associates to always act:

- In a professional, fair and ethical manner, in accordance with Group values.
- In accordance with applicable legislation and regulations, and internal policies and procedures.
- In a manner that protects the Group interests, reputation, property and resources.

The Code also reminds associates of their responsibility to raise any concerns in relation to suspected or actual breaches of the Code.

Beacon Lighting has in place a policy concerning trading in Beacon Lighting Group securities. The Securities Trading policy includes detailed requirements for Directors, officers and senior management regarding when they can trade Beacon Lighting securities.

Principle 4

Safeguard integrity in corporate reporting

Principle 4.1 of the ASX Corporate Governance Principles and Recommendations, recommends that the Audit Committee consist only of Non-Executive Directors and consists of a majority of independent Directors. The Audit Committee as currently composed does not comply with these recommendations. Beacon Lighting has an Audit Committee comprising of four members, three of whom are considered independent. The Audit Committee presently comprises Neil Osborne (Chairman), Eric Barr, Glen Robinson and one external consultant. Two of the four members of the committee are Non-Executive Directors and have experience in, and knowledge of, the industry in which Beacon Lighting operates. Neil Osborne, Eric Barr and the external consultant each have accounting qualifications.

The details of the number of Audit Committee meetings held and attended are included in the Directors' Report. Minutes are taken at each Audit Committee meeting, with the minutes tabled in the following full Board meeting.

The Audit Committee has adopted a formal charter which outlines its role in assisting the Board in the Group's governance and exercising of due care, diligence and skill in relation to:

- Reporting of financial information;
- The application of accounting policies;
- Financial risk management;
- The Group's internal control system; and
- Its relationship with the external auditor.

In accordance with Recommendation 4.2 the Board, before it approves the Group's statements for a financial period, ensures that it receives from its Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the Group have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

In accordance with Principle 4.3, the Group's external auditor attends each annual general meeting and is available to answer shareholder questions about the audit.

Principle 5

Make timely and balanced disclosure

Principle 5.1 of the ASX Corporate Governance Principles and Recommendations recommends that companies should establish a written policy designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose that policy or a summary of it. The Group has adopted a Continuous Disclosure Policy. This Policy sets out the standards, protocols and the detailed requirements expected of all Directors, officers, senior management and associates of the Group for ensuring the Group immediately discloses all price-sensitive information in compliance with the Listing Rules and Corporations Act relating to continuous disclosure.

Principle 6

Respect the rights of security holders

The Group has adopted a Communications Policy governing its approach to communicating with its shareholders, market participants, customers, associates and other stakeholders.

This policy specifically includes:

- The approach to briefing institutional investors, brokers and analysts.
- The approach to communications with investors whether by meetings, via the Group's websites, electronically or by any other means.

Beacon Lighting provides a printed copy of its annual report to all requesting shareholders. The annual report contains relevant information about the Group's operations during the year, changes in the state of affairs and, other disclosures required by the Corporations Act. The half year report contains summarised financial information and a review of Beacon Lighting operations during the period.

The Beacon Lighting Corporate website provides all shareholders and the public access to our announcements to the ASX, and general information about Beacon Lighting and its business. It also includes a section specifically dedicated to governance, which includes links to the Company's Constitution, Code of Conduct and its various corporate governance charters and policies.

The format of general meetings aims to encourage shareholders to actively participate in the meeting through being invited to comment, or raise questions of Directors on any matter relevant to the performance and operation of the Group.

Principle 7

Recognise and manage risk

Principle 7.1 of the ASX Corporate Governance Principles and Recommendations recommends that a listed company either have a committee to oversee risk or otherwise disclose the processes it employs to for overseeing the Company's risk management framework.

The Board does not currently have a committee to oversee risk. Instead, the Board Charter specifically includes risk management responsibilities (rather than these being delegated to a separate Risk Committee).

The Board evaluates all risks to the Group on an annual basis. The risk matrix is then reviewed at regular intervals throughout the year to ensure that the Group is not being exposed to any new risks and that all existing risks are being monitored and managed effectively.

The Board retains oversight responsibility for assessing the effectiveness of the Group's systems for the management of material business risks. The Board reviews the Group's risk management on an annual basis to ensure it continues to be sound.

The Board does not consider a separate internal audit function is necessary at this stage. One of the Audit Committee responsibilities is to evaluate compliance with the Group's risk management and internal control processes.

The Board has received written assurances from management as to the effectiveness of the Group's management of its material business risks.

The Chief Executive Officer and Chief Financial Officer provide a written assurance in the form of a declaration in respect of each relevant financial period that, in their opinion, the declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 7.4 of the ASX Corporate Governance Principles and Recommendations requires the Group to disclose details about whether it has any material exposure to economic, environmental and social sustainability risks (if any). The Group has considered the following risks and has risk mitigation strategies in place.

Economic risks include impacts to consumers' willingness to spend on discretionary retail and lighting products in particular. The Group mitigates the risk through the constant monitoring of the macro-economic environment and adjusting capital expenditure, new projects and operating expenses accordingly. Whilst consumer sentiment was lower in 2016 which affected general retail demand, housing activity remained positive which in part offset the impact of lower consumer sentiment towards discretionary expenditure for the Group.

Exchange rate volatility can impact upon the Group's ability to grow margins. The Group can also lock in a forward position for this foreign exchange exposure for a period of up to 12 months. The Board believes this mitigates the Group's exchange rate volatility risk to an acceptable level.

Environmental sustainability risks include impacts on the Group's supply chain from suppliers through to stores. These risks can be reputational, regulatory and financial. The Board assesses its primary exposure to be in the production of its products. The Group through its supply chain operates responsibly within the community and expects the same from its suppliers.

Social sustainability risks include workplace health and safety as well as personnel management and corporate conduct. The Group has an extensive workplace health and safety policy incorporating the early identification and correction of potential risks, both in store and at the support offices. The Board is informed of all incidents and material potential risks at each Board meeting and the appropriate action taken.





Corporate conduct risks could impact regulatory, reputational and financial performance. It includes stock loss and theft. The Group has a dedicated store operations team to regularly monitor and assess store related risks. The Group undertakes regular inventory counts and analysis of store performance to reduce the risk of material loss.

Principle 8

Remunerate fairly and responsibly

Principle 8.1 of the Corporate Governance Principles and Recommendations, recommends that the remuneration committee should comprise a majority of independent Directors. The Remuneration and Nomination Committee as currently composed does not comply with this recommendation. The Remuneration and Nomination Committee has four members. Three are independent: Eric Barr and Neil Osborne, as independent Directors, and one external consultant. Ian Robinson, Executive Chairman, is the other member. The Committee is chaired by Eric Barr.

In relation to remuneration, the Remuneration and Nomination Committee is responsible for:

- Ensuring the Group has remuneration policies and practices appropriate to attracting and retaining key talent.
- Reviewing and making recommendations in relation to the remuneration of Directors and senior management.
- Reviewing and recommending the design of any executive incentive plans and approving the proposed awards to each executive under those plans.

In accordance with its Charter, the Remuneration and Nomination Committee clearly distinguishes the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives.

Details of Directors' and executives' remuneration, including the principles used to determine the nature and amount of remuneration, are disclosed in the remuneration report section of the annual report.

The Group's Securities Trading Policy expressly prohibits relevant participants from entering into arrangements that limit the economic risk of participating in the Group's incentive schemes prior to the relevant securities becoming fully vested.



Directors' Report

The Directors of Beacon Lighting Group Limited (the 'Group') present their report together with the Consolidated Financial Statements of the Group and its controlled entities (the 'Consolidated Entity') for the 52 weeks ended 26 June 2016.

1. Directors

The Directors of the Group during the whole financial period and up to the date of the report were:

Ian Robinson
Executive Director

Chairman of the Board, Member of the Remuneration and Nomination Committee.

Glen Robinson
Chief Executive Officer

Member of the Audit Committee.

Eric Barr
Non-Executive Director

Deputy Chairman of the Board, Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee.

Neil Osborne
Non-Executive Director

Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee.

Details of the expertise and experience of the Directors are outlined on page 5 of this annual report.

2. Principal Activities

During the financial period the principal continuing activities of the Group consisted of the selling of light fittings, globes, ceiling fans and energy efficient products in the Australian market.

3. Results

The consolidated profit for the year attributable to the members of Beacon Lighting Group Limited was:

Consolidated Entity	Actual FY2016 \$'000	Actual FY2015 \$'000
Profit before Income Tax	26,160	23,832
Income Tax Expense	7,863	6,893
Operating profit after tax attributable to the members of Beacon Lighting Group Limited	18,298	16,939

4. Operating and Financial Review

4.1 Overview of Operations

Beacon Lighting is Australia's leading specialist retailer of light fittings, ceiling fans and light globes, offering its customers expert knowledge, service and advice on a wide range of specialist products. As a vertically integrated retailer, Beacon Lighting develops, designs, sources, imports, distributes, merchandises, promotes and sells its product range to meet the demands of its customers. More than 95% of the products sold in Beacon Lighting company stores are supplied through the Beacon Lighting wholesale supply chain and approximately 85% of the products are exclusively branded.

At the end of FY2016, Beacon Lighting operated the following businesses:

- 85 Beacon Lighting company stores.
- 11 Beacon Lighting franchised stores.
- 4 Commercial sales offices.
- 10 Beacon Lighting related websites.
- Beacon International.
- Beacon Solar.
- Light Source Solutions (in Australian and New Zealand).

During FY2016, the operational highlights included the following:

- Beacon Lighting opened five new company stores which were Bundall (QLD), Maribyrnong (VIC), Gungahlin (ACT), Fairfield Waters (QLD) and Preston (VIC).
- Beacon Lighting purchased the Essendon (VIC) and Watergardens (VIC) franchised stores in September 2015, converting them to company stores.
- A store expansion was completed at our Alexandria (NSW) store.
- Major store refurbishments were completed at the Osborne Park (WA) and Southport (QLD) stores.
- Light Source Solutions was set up to operate the licensed GE Globe Distribution business in both Australia and New Zealand, starting in September 2015.
- Designed and developed 509 exclusive new products for Beacon Lighting.
- Implemented a new inventory demand forecasting and replenishment system.
- The Beacon Lighting retail website was upgraded to enable better use on all mobile devices.
- The Beacon Lighting ebay.com.au e-commerce sales channel became operational.

4.2 Financial Summary

4.2.1 Financial Performance

A summary of the Beacon Lighting actual FY2016 financial performance compared to the actual FY2015 financial performance is presented in the following table:

	FY2016 \$'000	FY2015 \$'000	\$ Inc / Dec on FY 2015	% Inc / Dec on FY 2015
Sales	193,179	179,386	13,793	7.7%
Gross Profit	124,194	116,041	8,153	7.0%
Other Income	3,647	3,949	(302)	(7.6)%
Operating Expenses ¹	(97,965)	(92,594)	(5,370)	5.8%
EBITDA	29,876	27,395	2,481	9.1%
EBIT	27,330	25,042	2,288	9.1%
Net Profit After Tax	18,298	16,939	1,359	8.0%

¹ Operating Expenses exclude interest, depreciation and amortisation.

During FY2016, the Beacon Lighting Group implemented a new inventory valuation system and conducted a review of the supply chain costs to be capitalised into inventory. The effect of this change was to increase inventory by \$711,249 and increase the gross profit by \$711,249, thereby increasing the statutory profit compared to the underlying profit for FY2016. A reconciliation of the FY2016 statutory profit to the underlying profit is presented in the following table:

	Statutory Profit FY2016 \$'000	Underlying Profit Adjustments \$'000	Underlying Profit FY2016 \$'000
Sales	193,179		193,179
Gross Profit	124,194	(711)	123,483
Other Income	3,647		3,647
Operating Expenses ¹	(97,965)		(97,965)
EBITDA	29,876	(711)	29,165
EBIT	27,330	(711)	26,619
Net Profit After Tax	18,298	(498)	17,800

¹ Operating Expenses exclude interest, depreciation and amortisation.

4.2.2 Sales

Beacon Lighting achieved sales growth of 7.7% to \$193.2 million in FY2016. Company stores comparative sales growth grew by 2.7% for the year, with comparative sales in H1 FY2016 growing by 5.1% and in H2 FY2016 growing by 0.1%. New South Wales company stores achieved the best comparative sales result whilst both the Commercial and Beacon International teams both achieved significant sales increases over FY2015. The newly established Light Source Solutions businesses in both Australia and New Zealand also contributed to the sales increase. As a result of the strategy of acquiring franchised stores, wholesale sales to franchise stores continue to decline.

4.2.3 Gross Profit Margin

The gross profit dollars generated by Beacon Lighting increased by 7.0%. The gross profit margin for FY2016 was 64.3% of sales compared to FY2015 margin which was 64.7% of sales. The reduction occurred as a result of the competition in the Australian retail lighting industry, the change in the margin mix of the businesses within the Group and the fall in AUD/USD exchange rate thereby increasing our cost prices.

4.2.4 Other Income & Other Revenue

Other Income and Other Revenue primarily consists of franchised stores royalties and franchise stores marketing fund contributions. This income continues to fall as franchised stores have been purchased and converted to company operated stores. In FY2016, Other Income and Other Revenue decreased by 7.6% of sales to \$3.6 million. The Fountain Gate (VIC) franchise store was purchased in H1 FY2015 while the Essendon (VIC) and Watergardens (VIC) stores were purchased in H1 FY2016.

4.2.5 Operating Expenses

Supported by the effective management of operating expenses, Beacon Lighting has continued to achieve strong expense productivity gains despite the establishment of the new Light Source Solution business and the opening of five new company stores. Total operating expenses have increased by 5.8% to \$98.0 million in FY2016. As a percentage of sales, total operating expenses have improved to 50.7% in FY2016 from 51.6% in FY2015. Operating expense productivity gains were particularly made in relation to General and Administration expenses.

4.2.6 Earnings

Beacon Lighting achieved an Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) growth of 9.1% to \$29.9 million for FY2016. As a percentage of sales, the EBITDA result of 15.5% in FY2016 had increased from 15.3% in FY2015. The Net Profit After Tax (NPAT) result has increased to \$18.3 million or 9.5% of sales in FY2016 compared to \$16.9 million or 9.4% of sales in FY2015.

4.2.7 Dividends

The Directors of Beacon Lighting have declared an annual fully franked dividend of 4.7 cents per share for FY2016. For H1 FY2016, the Directors have already declared a fully franked dividend of 2.3 cents per share, therefore for H2 FY2016, the Directors have declared a fully franked dividend of 2.4 cents per share. This means Beacon Lighting will have a NPAT dividend payout ratio of 55.3% for FY2016. Going forward, it is expected that Beacon Lighting will continue to have an annual NPAT dividend payout ratio of between 50% and 60%.

4.2.8 Financial Position

In FY2016, Beacon Lighting continued to invest in additional inventory. An additional investment of \$7.1 million in inventory was the result of five new company stores, two franchise store conversions, the establishment of the Light Source Solution business, price increases as a result of exchange rate changes and the inventory valuation changes that were introduced.

Receivables increased by \$2.2 million reflecting the growth of sales in the Commercial Offices and sales from the new Light Source Solutions business. Capital expenditure of \$5.6 million included investment in new stores, store refurbishments, motor vehicles and major IT projects including a new inventory demand and planning forecasting system. Inclusive of the acquisition of two franchised stores, the additional investments were funded by cash from operations and additional borrowings.

The Beacon Lighting Group banking facilities have not been fully drawn down in FY2016 and provide Beacon Lighting with additional funding flexibility to support the ongoing operation of the Group. The Beacon Lighting Group also continues to operate well within its bank covenants.

4.3 Business Strategies

Beacon Lighting continues to strengthen its position as Australia's leading specialist retailer of light fittings, ceiling fans and light globes. Our current market position ensures that Beacon Lighting remains very well placed to take advantage of the changes that continue to occur in the lighting industry in Australia and the rest of the world. Beacon Lighting intends to drive sales and profit growth through a number of different business strategies.

4.3.1 New Store Rollout

Beacon Lighting will continue to target the opening of approximately six new company operated stores in Australia each year. These store openings are however dependent upon the identification of suitable sites, site negotiation and availability. The Group commissioned new independent research on the potential store network during the year. This research identified 50 new opportunities on top of the existing 96 stores.

4.3.2 Optimising Existing Stores and Commercial Offices

Beacon Lighting believes it is able to grow sales and profits through the continued investment in the existing stores and commercial portfolio. The existing store portfolio is being continually reviewed in order to optimise the product range, merchandising, marketing, fit out, customer service, training and operating costs.

4.3.3 New Product Ranges

Beacon Lighting will offer an extensive range of the latest fashion, on trend, technologically advanced and energy efficient products to our customers. Beacon Lighting has the scope to further improve the product range and aims to refresh approximately 20% of the product range each year. A need for greater energy efficiency in the market is further driving the development of LED technology and continues to represent additional opportunities for the Group.

4.3.4 Online and Social Media Presence

Beacon Lighting will continue to enhance our online and social media presence in order to drive incremental sales. Further opportunities involving third party websites and additional social media activities have been identified and continue to be worked on.

4.3.5. Acquisitions

Beacon Lighting intends to investigate and pursue local and international business opportunities that complement the core business activities or leverage off existing business activities. This may include, other lighting stores, franchise stores, wholesaling and other opportunities.

4.3.6 New Markets

There may be opportunities for Beacon Lighting to leverage our existing business capabilities into new markets. Beacon Lighting intends to further investigate and better understand the opportunities for the future growth of the Group.

4.3.7 Emerging Businesses

Beacon Lighting will continue to support our emerging businesses; Beacon International, Light Source Solutions and Beacon Solar. These emerging businesses continue to offer significant opportunities for the Group, including synergies with the core business and strengthen the overall market opportunities for the brand both within Australia and the rest of the world.

4.3.8 Efficiency Gains

Beacon Lighting will continue to target efficiency gains and manage growth of expenses through effective negotiation and partnership with service providers and continued investment in systems, technology and processes.

4.4 Business Risks

Beacon Lighting is subject to both specific risks to the Group and risks of a general nature which may threaten both the future operating and financial performance of the Group and the outcome of an investment in Beacon Lighting. The operating and financial performance of Beacon Lighting is influenced by a variety of general economic and business factors, including but not limited to interest rates, consumer confidence, business confidence, property prices, dwelling approvals, inflation, government policy, natural disasters along with other domestic and international events. Many of these risks are beyond the control and influence of the Directors and management of Beacon Lighting, but the Group is well positioned to face these challenges.

The specific material business risks faced by Beacon Lighting and how they are managed are set out below.

4.4.1 Competition

Beacon Lighting operates in a competitive retail market which is subject to moderate barriers to entry, changing competitor tactics and consumer preferences. Beacon Lighting believes that with its vertically integrated business model and business strategies as previously discussed, the Group remains well positioned to maintain its market leading position in Australia.

4.4.2 Supplier and Buying Agents

Beacon Lighting is a vertically integrated business which heavily relies upon third party suppliers and buying agent structures. Beacon Lighting will continue to monitor the performance of our suppliers and buying agents and spread product manufacturing across a number of suppliers.

4.4.3 Foreign Currency Rates

The majority of goods purchased and imported by Beacon Lighting are purchased in US dollars. As a result, the Group is exposed to fluctuations in the AUD/USD exchange rate. Beacon Lighting mitigates this risk by managing selling prices to our customers and from a cost perspective, carrying all domestic stock in Australia in AUD and by using a variety of forward contracts, spot rates and options.

4.4.4 Growth Strategies

Beacon Lighting has a number of different growth strategies to support future growth and earnings. There is no guarantee that the planned benefits of these strategies will be realised. Beacon Lighting will continue to invest in and support growth strategies that can continue to increase Group value in the long term. If these opportunities do not have this capability, then resources will be reallocated to other strategies.

4.4.5 GE Distribution and Licence Agreement

Light Source Solutions currently operates the GE Distribution and Licence Agreements for Australia and New Zealand wholesale sales. These agreements may be terminated by either party in various circumstances. The key to GE's ongoing support is that the business outcomes are beneficial to all parties involved.

4.4.6 Operating Expenses

Operating expenses will continue to increase. Some of these expenses are contractual and some are beyond the control of Beacon Lighting. The ongoing increase in scale of Beacon Lighting gives the Group the opportunity to achieve future operating expense efficiencies.

4.5 Trading Outlook

Company store comparative sales have made a positive start to FY2017. Some of the key strategies that are already in place for FY2017 and beyond are:

- In July 2016, the Jindalee (QLD) franchised store was purchased and converted to a company store.
- Beacon Lighting purchased the Masson For Light trademark and architectural lighting store in Richmond (VIC) in July 2016.
- Six new stores, South Melbourne (VIC), Marsden Park (NSW), Gladesville (NSW), North Lakes (QLD), Claremont (WA) and Brookvale (NSW) are expected to open during FY2017.

Going forward, the ongoing development in LED, fan and globe technologies will continue to provide Beacon Lighting with opportunities to bring fresh and exciting new products to our customers. Beacon Lighting also continues to review a portfolio of new store opportunities along with possible business expansion and acquisition opportunities.

Beacon Lighting expects the current growth strategies to continue to drive improved sales and profit results in FY2017.

5. Significant Changes in the State of Affairs

During the financial year there were no significant changes in the state of the affairs of the Group.

6. Directors' Meetings

The numbers of meetings of the Group's Board of Directors held during the financial period ended 26 June 2016, and the numbers of meetings attended by each Director were:

	Director's Meetings		Committee Meetings			
			Audit		Remuneration & Nomination	
DIRECTOR	H	A	H	A	H	A
I Robinson	11	11	-	-	4	4
G Robinson	11	11	4	4	-	-
E Barr	11	11	4	4	4	4
N Osborne	11	11	4	4	4	4

H = Number of meetings held during the time the Director held office or was a member of the committee during the period.
A = Number of meetings attended.

7. Directors' Interests in Shares

The relevant interest of each Director in the Company, as notified by the Directors to the ASX in accordance with section 205G(l) of the Corporations Act 2001 (Cth), at the date of the report is as follows:

Director	Ordinary Shares in the Company
I Robinson ¹	118,685,441
G Robinson ¹	118,685,441
E Barr	150,000
N Osborne	300,000

¹Heystead Nominees Pty Ltd and other Robinson Family member interests.

8. Directors' Interests in Contracts

Directors' interests in contracts are disclosed in Note 31 of the financial statements.

9. Dividends

Dividends paid to members during the financial period were as follows:

Consolidated Entity	Actual FY2016 \$'000	Actual FY2015 \$'000
Fully franked dividends provided or paid during the period	10,111	6,882

10. Insurance of Officers

10.1 Indemnification of Directors

The Group has indemnified each Director referred to in this Report, the Company Secretary and previous Directors and officers against all liabilities or loss (other than to the Group or a related body corporate) that may arise from their position as officers of the Group and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or where indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an officer of the Group. The indemnity is contained in a Deed of Access, Insurance and Indemnity, which also gives each officer access to the Group's books and records.

The Group has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities or loss (other than to the Group or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or where indemnification is otherwise not permitted under the Corporations Act.

10.2 Insurance premiums

During the financial period, Beacon Lighting Group Limited paid a premium of \$43,062 to insure the Directors and officers of the Group against any loss which he/she becomes legally obligated to pay on account of any claim first made against him/her during the policy period.

11. Indemnity of Auditors

Beacon Lighting Group Limited has agreed to indemnify their auditors, PricewaterhouseCoopers (PwC), to the extent permitted by law, against any claim by a third party arising from Beacon Lighting Group Limited's breach of their agreement. The indemnity stipulates that Beacon Lighting Group Limited will meet the full amount of any such liabilities including a reasonable amount of legal costs.

12. Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001 (Cth).

13. Events Subsequent to Reporting Date

On 30th June 2016 Beacon Lighting acquired the Jindalee (QLD) franchise store.

On 27th July 2016 Beacon Lighting purchased the Masson for Light trademark and architectural lighting store based in Richmond, Victoria.

A fully franked dividend of \$5,163,892 was declared on August 17, 2016.

Other than the above, 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 Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

14. Audit Services

14.1 Auditor's independence declaration

The auditor's independence declaration to the Directors of the Consolidated Entity in relation to the auditor's compliance with the independence requirements of the Corporations Act 2001 (Cth) and the professional code of conduct for external auditors, forms part of the Directors' Report.

No person who was an officer of the Consolidated Entity during the financial year was a Director or partner of the Consolidated Entity's external auditor.

14.2 Audit and non-audit services provided by the external auditor

During the 52 weeks ended 26 June 2016, the following fees were paid or were due and payable for services provided by the external auditor, PwC, of the Consolidated Entity:

Consolidated Entity	FY 2016 \$	FY 2015 \$
Audit & assurance services		
Audit & review of financial statements	207,300	201,400
Other services		
Tax compliance services	23,155	33,300
Other Services	101,680	123,166
Total remuneration of PwC	332,135	357,866

In addition to their statutory audit duties, PwC provided taxation and other assurance related services to the Group.

The Board has a review process in relation to non-audit services provided by the external auditor. The Board considered the non-audit services provided by PwC and, in accordance with written advice provided, and endorsed, by a resolution of the Audit Committee, is satisfied that the provision of these non-audit services by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 (Cth) for the following reasons:

- All non-audit services are subject to the corporate governance procedures adopted by the Group and are reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor.
- Non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they do not involve reviewing or auditing the auditor's own work, aiding in a management or decision making capacity for the Group, acting as an advocate for the Company or jointly sharing risks and rewards with the Group.

Remuneration Framework

Element	Purpose	Performance Metrics	Potential Value	Changes for FY2016	Link to Performance
Fixed Remuneration	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at competitive market rates	No change	Consolidated Group as well as individual performance are considered during the annual review of fixed remuneration.
Short Term Incentive (Cash Bonus)	Reward for in year performance	Budgeted Net Profit Before Tax (NPBT)	200% of the executives on target cash bonus	No change	NPBT measures as determined by the Board.
Short Term Incentive (Performance Rights or Options)	Reward for in year performance.	Budgeted Net Profit Before Tax (NPBT)	125% of the executives on target cash bonus	Introduction of options	Grants are subject to achieving budgeted performance and vesting is subject to the executive remaining employed by the Group at the vesting date.

15. Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001 (Cth).

16. 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.

17. Remuneration Report

17.1 Remuneration policy and link to performance

The Board recognises that the performance of the Group depends on the quality and motivation of our Associates, including the senior management and our more than 800 Associates employed by the Group across Australia and Internationally. The Group remuneration strategy therefore seeks to appropriately attract, reward and retain Associates at all levels in the business, but in particular for management and key executives. The Board aims to achieve this by establishing executive remuneration packages that include a mix of fixed remuneration and short term incentives.

The Board has appointed the Remuneration and Nomination Committee whose objective is to assist the Board in relation to the Group remuneration strategy, policies and actions. In performing this responsibility, the Committee must give appropriate consideration to the Group's performance and objectives, employment conditions and external remuneration relativities. The Committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs and meets the Group's remuneration principles. No specific advice or recommendations were sought from remuneration consultants during the financial year ended 26 June 2016.

The remuneration framework for senior executives comprises a mix of both fixed and variable remuneration components. Variable remuneration may be delivered in the form of cash and performance rights or options, subject to the achievement of short term performance targets. An outline of the remuneration framework is set out below:

Remuneration Approach

The proportion of fixed and variable remuneration is established for Key Management Personnel (KMP) by the Board following recommendations from the Remuneration and Nomination Committee which are subject to Board approval. For FY2016 these are:

	Fixed Remuneration	Short Term Incentive (Cash Bonus)	Short Term Incentive (Performance Rights or Options)	Total
Chief Executive Officer	84.0%	9.1%	6.9%	100.0%
Managing Director – Retail	73.5%	15.1%	11.4%	100.0%
Chief Financial Officer	71.6%	16.2%	12.2%	100.0%
Chief Operating Officer	72.4%	15.8%	11.8%	100.0%

The Remuneration and Nomination Committee is responsible for assessing performance against KPIs and determining the STIs to be paid or issued. To assist in this assessment, the Committee receives detailed financial reports from management which are based on independently verifiable financial statements.

In the event of serious misconduct or material misstatement in the Group's financial statements the remuneration committee can cancel performance based remuneration and may also claw back performance based remuneration paid in previous financial years.

17.2 Principles used to determine the nature and amount of remuneration

(a) Directors' Fees

The Executive Chairman and the Chief Executive Officer do not receive Directors' fees but are remunerated as executives within the business.

The Deputy Chairman and the Non-Executive Director are entitled to receive annual fees of \$110,000 and \$100,000 respectively. These fees are inclusive of their relevant responsibilities on the various Group Committees, and are also inclusive of superannuation.

These fees exclude any additional fees for special services which may be determined from time to time. No additional retirement benefits are payable.

The Non-Executive Director fees are reviewed annually to ensure that the fees reflect market rates. There are no guaranteed annual increases in any Directors' fees. The Executive Chairman and Non-Executive Directors do not participate in the short or long term incentive schemes.

(b) Executive Remuneration

The current executive salary and reward framework has three components:

1. Fixed remuneration.
2. Short Term Incentive (Cash Bonus).
3. Short Term Incentive (Performance Rights or Options).

The combination of these components comprises the executives' total remuneration.

For the year ended 26 June 2016, the Group did not have a long term incentive program in place.

1. Fixed remuneration

Executive base salaries are structured as a part of the total employment remuneration package which comprises the fixed component of pay and other financial benefits being car allowances. Fixed remuneration includes superannuation which is paid in accordance with legislated amounts.

Fixed remuneration for executives is reviewed annually to provide competitiveness with the market, whilst also taking into account capability, experience, value to the organization and performance of the individual. There are no guaranteed base salary increases included in executive contracts. An executive's remuneration is also reviewed on promotion.

In FY2016 fixed remuneration was increased for the three executives at an average of increase of 2.96%. This was done to align remuneration with comparative roles.

2. Short term incentive (Cash Bonus)

Executives including the Chief Executive Officer but not the Executive Chairman are eligible to participate in an annual short term cash incentive which delivers rewards by way of cash bonuses, subject to the achievement of the Group financial performance targets.

The Group's Net Profit Before Tax (NPBT) result has been determined as the appropriate financial performance target to trigger the payment of cash incentives for each period. The amount of any short term cash incentive paid in a year is dependent upon the level of performance achieved against the Group's NPBT for the year. The Board considers NPBT to be an appropriate performance measure as it aligns the Group's remuneration philosophy with creating value, and is within the scope of influence of participants.

Structure of short term cash incentive plan

Feature	Description
Maximum opportunity	200% of on target cash bonus value
Performance metric	Budgeted NPBT
Delivery of STI	100% of STI award is paid in cash after the financial results have been audited and approved by the Board
Board discretion	The board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing down to zero if appropriate

3. Short Term Incentive (Performance Rights or Options).

During the year ended 26 June 2016 the Group continued to implement a short term performance rights incentive plan for selected senior management, and implemented for the first time a short term incentive option plan. The Executive Chairman does not participate in either plan. One Executive and the Chief Executive Officer (subject to shareholder approval) are eligible to participate in the annual short term performance rights incentive plan, subject to the achievement of the Group financial performance targets. Other executives are eligible to participate in the annual short term options incentive plan, subject to the achievement of the Group financial performance targets. Performance rights and options provide selected senior executives the opportunity to acquire shares, subject to meeting the relevant conditions for vesting including remaining an employee of the Group at that time, at no cost to the senior executive. 100% of grants are assessed by financial measures. The financial measure used is the Group's NPBT result. This is tested annually. The Board considers NPBT to be an appropriate performance measure as it aligns the Group's remuneration philosophy with creating value, and is within the scope of influence of participants.

The Board will review the nature of potential issues of performance incentives moving forward to reflect market practice and to reflect the principles underlying the Group's remuneration policy.

Structure of short term performance rights and options incentive plans

Feature	Description
Maximum opportunity	125% of on target cash bonus value
Performance metric	Budgeted NPBT
Delivery of STI	100% of STI performance rights and options award vests after the financial results have been audited and approved by the Board if the executive remains an employee of the Group at that time
Board discretion	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing down to zero if appropriate, subject to the terms of the plan

17.3 FY2016 performance and impact on remuneration

Beacon Lighting's financial performance in FY2016 exceeded that of the previous year, but was down compared to the FY2016 budget. For the year ended 26 June 2016, the Group's financial performance targets were partially met and the annual short term cash incentive is expected to be in the 60% range of the on target cash bonus value and the short term incentive (performance rights or options) is expected to be issued in the range of 50% of the on target bonus value.

17.4 Statutory performance indicators

Beacon Lighting aims to align executive remuneration to strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last two years as required by the Corporations Act 2001 (Cth). However these measures are not necessarily consistent with measures used in determining the variable amounts of remunerations awarded to KMPs. As a consequence there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Statutory key performance indicators of the Group

	FY 2016	FY 2015
Profit for the year attributable to owners of Beacon Lighting Group Limited (\$'000)	18,298	16,939
Basic earnings per share (cents)	8.51	7.88
Dividend payments (\$'000)	10,111	6,882
Share Price (Year End)	1.29	2.00

17.5 Details of remuneration

The following executives along with the Directors are identified as key management personnel with the authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly, during the financial year.

Ian Robinson	Executive Chairman
Glen Robinson	Chief Executive Officer
Ian Bunnett	Managing Director – Retail
David Speirs	Chief Financial Officer
Barry Martens	Chief Operating Officer

All of the above executives were employed by Beacon Lighting and were key management personnel for the entire year ended 26 June 2016 and year ended 28 June 2015 unless otherwise stated.

The details of the remuneration of the Directors and other key management personnel for the Beacon Lighting Group Limited and the consolidated entity for the current and prior financial periods are set out in the following table:

	Fixed Remuneration				Variable Remuneration		Total
	Cash Salary & Fees \$	Non-Monetary Benefits \$	Post Employment Super Contributions \$	Annual & Long Service Leave \$	Cash Performance Based Payment \$	Share Based Payments \$	
DIRECTORS							
I Robinson (Chairman)							
2016	159,625	-	17,397	33,104	-	-	210,126
2015	158,920	-	17,397	33,808	-	-	210,125
G Robinson (Chief Executive Officer)							
2016	308,681	-	19,308	29,629	68,493	6,539	432,650
2015	194,481	-	19,376	3,673	39,954	24,166	281,650
E Barr (Non-Executive)							
2016	100,457	-	9,543	-	-	-	110,000
2015	101,558	-	8,442	-	-	-	110,000
N Osborne (Non-Executive)							
2016	100,000	-	-	-	-	-	100,000
2015	100,000	-	-	-	-	-	100,000
Total Remuneration Directors							
2016	668,763	-	46,248	62,733	68,493	6,539	852,776
2015	554,959	-	45,215	37,481	39,954	24,166	701,775
EXECUTIVES							
I Bunnett (Managing Director – Retail)							
2016	203,096	-	19,308	23,389	68,493	9,510	323,796
2015	198,409	-	23,282	13,836	57,078	34,523	327,128
D Speirs (Chief Financial Officer)							
2016	183,785	-	19,770	19,519	68,493	9,510	301,077
2015	176,090	-	22,925	14,145	57,078	34,523	304,761
B Martens (Chief Operating Officer)							
2016	194,848	-	19,308	19,070	68,493	9,510	311,229
2015	190,481	-	21,451	13,468	57,078	34,523	317,001
Total Remuneration Executives							
2016	581,729	-	58,386	61,978	205,479	28,530	936,102
2015	564,980	-	67,658	41,449	171,234	103,569	948,890

17.6 Share based compensation

The number of performance rights over shares in the Group granted to the chief executive officer and other key management personnel during the current financial period, together with prior period grants which vested during the period is set out below:

	Grant Date	Quantity Granted	Vest Date	Value at Grant Date \$	Vest %	Quantity Vested	Value Expensed this Year \$
G Robinson	22/08/2014	30,781	25-Aug-15	32,813	33%	10,260	6,539
I Bunnett	22/08/2014	43,973	25-Aug-15	46,875	33%	14,658	9,341
D Speirs	22/08/2014	43,973	25-Aug-15	46,875	33%	14,658	9,341
B Martens	22/08/2014	43,973	25-Aug-15	46,875	33%	14,658	9,341
Total		162,700		173,438			34,562

The fair value of performance rights granted on 22 August 2014 (grant date) was \$1.066, with a final vesting date of 25 August 2016. All unvested performance rights will vest on 25 August 2016 provided the executive remains employed by the Group at the vesting date. The performance rights have a zero exercise price. Subject to meeting the relevant vesting conditions, shares will be issued at no cost to the executive. In the event an executive leaves the Group prior to the vesting date the performance rights will generally lapse.

The number of options over shares in the Group granted to the key management personnel during the current financial period, together with prior period grants which vested during the period is set out below.

	Grant Date	Quantity Granted	Vest Date	Value at Grant Date \$	Vest %	Quantity Vested	Value Expensed this Year \$
I Bunnett	24/06/2016	31,582	Refer below	40,740	0%	0	169
D Speirs	24/06/2016	31,582	Refer below	40,740	0%	0	169
B Martens	24/06/2016	31,582	Refer below	40,740	0%	0	169
Total		94,746		122,220			507

The fair value of options granted on 24 June 2016 (grant date) was \$1.29. 40% vest on 25 June 2017, 30% vest on 25 August 2017 and 30% vest on 25 August 2018, in each case provided that the executive remains employed by the Group at the vesting date. The options expire on 24 June 2031. The options have a zero exercise price. Subject to meeting the relevant vesting conditions, shares will be issued at no cost to the executive. In the event an executive leaves the Group prior to the vesting date the options will generally lapse.

17.7 Share holdings

The numbers of ordinary voting shares in the Company held during the financial year by each director of Beacon Lighting Group and other key management personnel of Beacon Lighting Group, including their personally related parties, are set out below.

	Balance at Start of Year	Received During the Year ¹	Purchase of Shares	Sales of Shares	Balance at End of the Year
DIRECTORS					
I Robinson (Chairman)²					
2016	118,602,329	12,592	10,000	-	118,624,921
2015	118,595,000	7,329	-	-	118,602,329
G Robinson (Chief Executive Officer)					
2016	50,260	10,260	-	-	60,520
2015	40,000	10,260	-	-	50,260
E Barr (Non-Executive)					
2016	150,000	-	-	-	150,000
2015	150,000	-	-	-	150,000
N Osborne (Non-Executive)					
2016	300,000	-	-	-	300,000
2015	300,000	-	-	-	300,000
EXECUTIVES					
I Bunnett (Managing Director – Retail)					
2016	34,658	14,658	-	-	49,316
2015	20,000	14,658	-	-	34,658
D Speirs (Chief Financial Officer)					
2016	44,658	14,658	-	-	59,316
2015	30,000	14,658	-	-	44,658
B Martens (Chief Operating Officer)					
2016	39,203	14,658	-	-	53,861
2015	24,545	14,658	-	-	39,203
Total					
2016	119,221,108	66,826	10,000	-	119,297,934
2015	119,159,545	61,563	-	-	119,221,108

¹ Shares received during the year were a result of performance rights vesting under the STI plan.

² Heystead Nominees Pty Ltd and other Robinson Family member interests, excluding Glen Robinson.

17.8 Service agreements

All executives are employed on terms consistent with the remuneration framework outlined in this report. Each of the relevant executive agreements is for a continuing term but may be terminated by either party with a required notice period of 12 weeks. These agreements do not provide for any termination payments other than payment in lieu of notice.

Signed in accordance with a resolution of Directors



Ian Robinson
Executive Chairman



Glen Robinson
Chief Executive Officer

Melbourne,
17 August 2016

17.9 Voting of shareholders at last year's annual general meeting

Beacon Lighting Group received more than 90% of yes votes on its remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.



Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of Beacon Lighting Group Limited for the year ended 26 June 2016, 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 audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

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 read 'D Rosenberg', written in a cursive style.

Daniel Rosenberg
Partner
PricewaterhouseCoopers

Melbourne
17 August 2016

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 26 June 2016 and the 52 weeks ended 28 June 2015
Beacon Lighting Group and its controlled entities

	Notes	FY 2016 \$'000	FY 2015 \$'000
Revenue from ordinary activities			
Sale of goods	4	193,179	179,386
Other revenue	4	3,484	3,743
Total revenue from ordinary activities and other revenue	4	196,663	183,129
Other income	5	163	206
Expenses	6		
Cost of sales of goods		(68,985)	(63,345)
<i>Other expenses from ordinary activities</i>			
Marketing		(11,536)	(11,004)
Selling and distribution		(73,362)	(67,508)
General and administration		(15,614)	(16,436)
Finance costs	6	(1,169)	(1,210)
Profit before income tax		26,160	23,832
Income tax expense	7	(7,863)	(6,893)
Profit for the period attributable to the members of the parent entity		18,298	16,939
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of derivatives	23(a)	(430)	767
Exchange differences on translation of foreign operations	23(a)	37	613
Income tax relating to these items		118	(414)
Other comprehensive income for the period, net of tax		(275)	966
Total comprehensive income for the period attributable to the members of the parent entity		18,023	17,905
Earnings per share		Cents	Cents
Basic earnings per share	27	8.51	7.88
Diluted earnings per share	27	8.50	7.87

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

CONSOLIDATED BALANCE SHEET

As at 26 June 2016 and as at 28 June 2015
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	FY 2016 \$'000	FY 2015 \$'000
Current assets			
Cash and cash equivalents	8	9,255	11,779
Trade and other receivables	9	9,188	7,017
Inventories	10	51,737	44,656
Derivative financial instruments	11	-	299
Other current assets	12	970	698
Total current assets		71,150	64,449
Non-current assets			
Property, plant and equipment	13	22,076	19,121
Deferred tax assets	14	4,965	5,481
Intangible assets	15	6,063	5,085
Total non-current assets		33,104	29,687
Total assets		104,254	94,136
Current liabilities			
Trade and other payables	16	16,171	15,686
Borrowings	17	20,939	18,090
Provisions	18	5,237	4,764
Derivative financial instruments	11	1	-
Current tax liabilities	19	323	2,572
Total current liabilities		42,671	41,112
Non-current liabilities			
Borrowings	20	1,220	1,278
Provisions	21	2,940	2,340
Total non-current liabilities		4,160	3,618
Total liabilities		46,831	44,730
Net assets		57,423	49,406
Equity			
Contributed equity	22	62,735	62,647
Other reserves	23(a)	(43,105)	(42,847)
Retained earnings	23(b)	37,793	29,606
Total equity		57,423	49,406

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 26 June 2016 and the 52 weeks ended 28 June 2015
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 28 June 2015		62,647	(42,847)	29,606	49,406
Profit for the year		-	-	18,298	18,298
Other comprehensive income	23(a)	-	(275)	-	(275)
Total comprehensive income for the period		-	(275)	18,298	18,023
Transactions with owners in their capacity as owners:					
Issue of shares to employees	22	88	-	-	88
Employee share scheme	23(a)	-	17	-	17
Dividends provided for or paid	24	-	-	(10,111)	(10,111)
Total contributions by and distributions to owners		88	17	(10,111)	(10,006)
Balance as at 26 June 2016		62,735	(43,105)	37,793	57,423
Balance as at 30 June 2014		62,565	(43,910)	19,549	38,204
Profit for the year		-	-	16,939	16,939
Other comprehensive income	23(a)	-	966	-	966
Total comprehensive income for the period		-	966	16,939	17,905
Transactions with owners in their capacity as owners:					
Issue of shares to employees	22	82	-	-	82
Employee share scheme	23(a)	-	97	-	97
Dividends provided for or paid	24	-	-	(6,882)	(6,882)
Total contributions by and distributions to owners		82	97	(6,882)	(6,703)
Balance as at 28 June 2015		62,647	(42,847)	29,606	49,406

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 52 weeks ended 26 June 2016 and the 52 weeks ended 28 June 2015
Beacon Lighting Group and its controlled entities

Consolidated Entity	Notes	FY 2016 \$'000	FY 2015 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		208,300	201,208
Payments to suppliers and employees (inclusive of goods and services tax)		(187,688)	(184,439)
Interest received		101	91
Borrowing costs		(1,169)	(1,210)
Income taxes paid		(8,849)	(6,566)
Net cash inflow from operating activities	34	10,695	9,084
Cash flows from investing activities			
Payments for acquisitions		(1,425)	(1,400)
Payments for property, plant and equipment		(4,559)	(3,986)
Proceeds from sale of property, plant and equipment		85	75
Net cash (outflow) from investing activities		(5,899)	(5,311)
Cash flows from financing activities			
Proceeds from borrowings (net)		2,791	3,461
Dividends paid to Company's shareholders	24	(10,111)	(6,882)
Net cash (outflow) from financing activities		(7,320)	(3,421)
Net increase (decrease) in cash and cash equivalents		(2,524)	352
Cash and cash equivalents at the beginning of the financial year		11,779	11,427
Cash and cash equivalents at the end of the financial year	8	9,255	11,779

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

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 June 2016 and the 52 weeks ended 28 June 2015
Beacon Lighting Group and its controlled entities

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.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001 (Cth). Beacon Lighting Group Limited is a for-profit entity for the purpose of preparing the financial report.

Beacon Lighting Group Limited operates within a retail financial period. The current financial period was a 52 week retail period ending on the 26 June 2016 (2015: 52 week period ending 28 June 2015). This treatment is consistent with section 323D of Corporations Act 2001 (Cth).

(i) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

(ii) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 26 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. For lessee accounting, the standard eliminates the 'operating lease' and 'finance lease' classification required by AASB 117 'Leases'. Subject to exceptions, a 'right-of-use' asset will be capitalised in the consolidated statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in the finance costs). For classification within the consolidated statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) components. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standards is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. The Group will adopt this standard from 1 July 2018. The changes in revenue recognition requirements in AASB 15 are not expected to have a significant impact on the timing and amount of revenue recorded in the financial statements, or result in significant additional disclosures

(iii) Compliance with IFRS

The consolidated financial report of the Beacon Lighting Group Limited Group also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(iv) Historical cost convention

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

(v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Refer to Note 36 Critical Accounting Estimates for detailed explanation of items requiring assumptions and estimates.

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

(b) Comparative Financial Information

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

(c) Principles of Consolidation

The consolidated financial report incorporates the assets and liabilities of all subsidiaries of Beacon Lighting Group Limited ('Group' or 'parent entity') as at 26 June 2016 and the results of all subsidiaries for the period then ended. Beacon Lighting Group Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 June 2016 and the 52 weeks ended 28 June 2015

Beacon Lighting Group and its controlled entities

control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(i)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where control of an entity is obtained during a financial period, its results are included in the consolidated statement of comprehensive income from the date on which control commences. Where control of an entity ceases during a financial period its results are included for that part of the period during which control existed.

Investments in subsidiaries are accounted for at cost in accounting records of Beacon Lighting Group Limited.

(d) Segment Reporting

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.

(e) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial report of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial report is presented in Australian dollars, which is Beacon Lighting Group Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Specific commitments

Hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in exchange rates. Gains or costs arising upon entry into a hedging transaction intended to hedge the purchase or sale of goods and services, together with subsequent exchange gains or losses resulting from those transactions are deferred in the consolidated statement of comprehensive income from the inception of the hedging transaction up to the date of the purchase or sale and included in the measurement of the purchase or sale. Any gains or losses arising on the hedging transaction after the recognition of the hedge purchase or sale are included in the consolidated statement of comprehensive income.

In the case of hedges of monetary items, exchange gains or losses are brought to account in the financial period in which the exchange rates change. Gains or costs arising at the time of entering into such hedging transactions are brought to account in the consolidated statement of comprehensive income over the lives of the hedges.

(iv) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards are considered passed to the buyer at the time of control of the goods is passed to the customer. Revenue recognised equals the fair value of the consideration received or receivable.

(ii) Trust distribution income

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

(iii) Interest income

Interest income is recognised using the effective interest method.

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.

(g) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or

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liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Beacon Lighting Group Limited and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation.

(h) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as non current assets (Note 13). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 30). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(i) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and

the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition-date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(j) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(k) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

(l) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade

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receivables are due for settlement no more than 30-60 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated statement of comprehensive income.

The amount of the impairment loss is recognised in profit or loss within general and administration expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(m) Inventories

Finished goods are stated at the lower of cost and net realisable value.

Cost comprises direct materials, and an appropriate proportion of variable and fixed overhead expenditure.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(n) Derivatives and Hedging Activities

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 the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedge

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 reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or general and administration 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 forward foreign exchange contracts which hedge imported inventory purchases are ultimately recognised in the profit or loss as cost of goods sold.

(o) Property, Plant and Equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(p) Intangible Assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(ii) Patents, Trademarks and Other Rights

Patents, Trademarks and Other Rights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the patents, trademarks and other rights over their useful life of 25 years.

(q) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(s) Provisions

Provisions for legal claims and product warranties are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(t) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share based payments

Share based compensation benefits are provided to employees via the Beacon Lighting Short Term Incentive Plan. Information relating to this scheme is set out in the Remuneration Report and Note 26. The fair value of performance rights and options granted under the plan are recognised as an employee benefit expense over the period during which the employees become unconditionally entitled to the rights with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest which are revised at the end of each reporting period. The impact of the revision to original estimates, if any; is recognised in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

The fair value is measured at grant date and the expense recognised over the life of the plan. The fair value is determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the rights.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(v) Store Opening Costs

Non-capital costs associated with the setup of a new store are expensed in the period in which they are incurred.

(w) Dividends

Provision is made for the amount of any dividends declared, determined or publicly recommended by the Directors on or before the end of the financial period but not distributed at balance date.

(x) Contributed Equity

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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(y) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares (including performance rights) and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(z) Rounding 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.

(aa) Parent Entity Financial Information

The financial information for the parent entity, Beacon Lighting Group Limited, disclosed in Note 37 has been prepared on the same basis as the consolidated financial report, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial report of Beacon Lighting Group Limited.



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2. Financial Risk Management

The consolidated entity is exposed to a variety of financial risks comprising:

- a) Market risk;
- b) Credit risk; and
- c) Liquidity risk

Risk management is carried out under policies approved by the Chief Executive Officer.

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange risks and ageing analysis for credit risk.

The Group holds the following financial instruments:

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Financial Assets		
Cash and cash equivalents	9,255	11,779
Trade and other receivables	9,188	7,017
Derivative financial instruments	-	299
	18,443	19,095
Financial Liabilities		
Trade and other payables	16,171	15,686
Borrowings	22,159	19,368
Derivative financial instruments	1	-
	38,331	35,054

(a) Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group hedges its foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts. The Group has a policy of hedging 100% of the Group's inventory which is purchased in USD and sold in AUD. The Group can also lock in a forward position for this foreign exchange exposure for a period of up to 12 months.

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Forward exchange and interest rate swap contracts - buy cash flow hedges	26,489	20,237

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Interest rate risk

The Group's main interest rate risk arises from short terms borrowings with variable rates, which expose the group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps.

The Group's exposure to foreign currency and interest rate risk at the end of the reporting period, expressed in Australian dollar, was as follows:

Group sensitivity

At 26 June 2016 100% of Beacon Lighting Group's short term borrowings are hedged using forward exchange contracts and interest rate swaps. Therefore any movements in the Australian dollar against the US dollar or interest rates would have no impact on the Group's pre- tax profit or equity.

Therefore a sensitivity analysis has not been performed.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, favorable derivative financial instruments and deposits with banks as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. Individual credit limits are set based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by wholesale and retail customers is regularly monitored by line management. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

An analysis of trade receivables is disclosed in Note 9.

(c) Liquidity risk

Financing arrangements

The Group had access to the following financing facilities at the end of each reporting period:

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Floating rate – Total facilities		
Overdraft	500	500
Trade finance facility	27,750	23,750
Asset finance facility	3,500	3,500
Floating rate – Total undrawn facilities		
Overdraft	500	500
Trade finance facility	7,916	6,529
Asset finance facility	1,175	1,353

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings as follows::

(a) based on their contractual maturities:

- (i) all non-derivative financial liabilities, and
- (ii) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

(b) based on the remaining period to the expected settlement date:

- (i) derivative financial liabilities for which the contractual maturities are not essential for an understanding of the timing of the cash flows.

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The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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
At 26 June 2016						
Non-derivatives						
Trade and other payables	16,171	-	-	-	16,171	16,171
Borrowings	19,834	-	-	-	19,834	19,834
Finance lease liabilities	-	1,105	1,220	-	2,325	2,325
Total non-derivatives	36,005	1,105	1,220	-	38,330	38,330
Derivatives						
Net settled (cash flow hedges)	1	-	-	-	1	1
At 28 June 2015						
Non-derivatives						
Trade and other payables	15,686	-	-	-	15,686	15,686
Borrowings	17,221	-	-	-	17,221	17,221
Finance lease liabilities	-	869	1,278	-	2,147	2,147
Total non-derivatives	32,907	869	1,278	-	35,054	35,054
Derivatives						
Net settled (cash flow hedges)	(299)	-	-	-	(299)	(299)

(d) Fair Value measurements

For information about the methods and assumptions used in determining the fair value of derivatives please refer to Note 11.

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 Group's financial assets and financial liabilities measured and recognised at fair value at 26 June 2016 on a recurring basis.

At 26 June 2016	Level 2 \$'000	Total \$'000
Derivatives used for hedging - Net Position	1	1

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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.

3. Segment Information

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 with 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 in the Australian market.

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

4. Revenue from Ordinary Activities and Other Revenue

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
(a) From ordinary activities		
Sale of goods	193,179	179,386
(b) Other revenue		
Franchise fees	3,087	3,543
Sundry revenue	397	200
	3,484	3,743
	196,663	183,129

5. Other Income

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Interest	101	91
Customs duty refund	-	33
Other income	62	82
	163	206

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6. Expenses

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
(a) Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	2,248	2,068
Motor vehicles	278	265
<i>Amortisation</i>		
Patents, trademarks and other rights	20	20
<i>Finance costs</i>		
Interest and finance charges paid/payable	1,169	1,210
<i>Net loss on disposal of property, plant and equipment</i>	78	815
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	17,134	15,444
<i>Employee benefits</i>	40,461	41,055
(b) Net foreign exchange gains and losses		
Net foreign exchange (gains)/losses recognised in profit before income tax for the period (as either other income or expense)	(20)	43
(c) Individually significant items		
Profit for the year includes the following items that are significant because of their nature, size or incidence:		
Change in accounting estimates (gain) relating to inventory valuation	(711)	-



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7. Income Tax Expense

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
(a) Income tax expense		
Current tax	7,263	8,093
Deferred tax	700	(1,200)
Adjustments for current tax of prior periods	(100)	-
	7,863	6,893
<i>Deferred income tax (revenue) included in income tax expense comprises (Note 14):</i>		
Decrease (increase) in deferred tax assets	747	(1,193)
(Decrease) increase in deferred tax liabilities	(47)	(7)
	700	(1,200)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	26,160	23,832
Tax at the Australian tax rate of 30.0% (2014 – 30.0%)	7,848	7,150
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Write off deferred tax assets relating to prior year losses	-	355
Tax effect of prior years franchise agreement termination fees	(185)	(755)
Entertainment	24	19
Sundry items	176	124
Income tax expense	7,863	6,893

(c) Aggregate amounts of deferred tax arising in the reporting period not recognised in net profit or other comprehensive income but directly credited to equity (Note 14): 2016: nil (2015: \$29,000).

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8. Cash and Cash Equivalents

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Cash at bank and in hand	8,235	11,579
Deposits at call (a)	1,020	200
	9,255	11,779

(a) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Risk exposure

The Group's and the parent entity's exposure to interest rate risk is discussed in Note 2.

9. Trade and Other Receivables

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Trade receivables (a)	8,905	6,856
Provision for impairment of receivables (b)	(288)	(239)
Net amounts receivable from customers	8,617	6,617
Other debtors (c)	571	400
	9,188	7,017

(a) Ageing of trade receivables

Trade receivables ageing analysis at period end is:

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Not past due	6,814	5,167
Past due 31-60 days	1,166	825
Past due 61-90 days	395	470
Past due more than 91 days	530	394
	8,905	6,856

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(b) Provision for impairment of receivables

Trade receivables are non-interest bearing with terms that vary between 30 and 60 days end of month terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. A provision against impairment for the amount of \$288,000 (2015: \$239,228) has been raised against the balance of trade receivables for 2016. The impairment losses have been included within expenses in the consolidated statement of comprehensive income. Trade receivables that are not impaired are largely expected to be received within trading terms or shortly thereafter.

Movements in the provision for impairment of receivables are as follows:

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Opening balance	239	178
Provision for impairment recognised during the year	93	104
Receivables written off during the year as uncollectable	(44)	(43)
Closing balance	288	239

(c) Other debtors

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

Foreign exchange and interest rate risk

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 2.

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to Note 2 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

10. Inventories

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Inventory at lower of cost and net realizable value	49,583	42,392
Goods in transit - at cost	2,154	2,264
	51,737	44,656

Inventory expense

Inventories recognised as expense during the 52 week period ended 26 June 2016 and included in cost of sales of goods amounted to \$73,059,273 (2015: \$63,023,378).

Write-downs of inventories to net realisable value recognised as an expense during the 52 week period ended 26 June 2016 amounted to \$14,696 (2015: \$936,417).

Change in estimates

During the period the Group implemented a new inventory valuation system and conducted a review of supply chain costs that should be capitalised into inventory. As a result, effective 26 June 2016, the Group updated its estimates to more accurately represent the costs incurred in bringing the Groups' inventories to their present location.

The effect of this change in estimate was to increase inventory by \$711,249 and increase profit before tax by \$711,249.

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11. Derivative Financial Instruments

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Derivatives used for hedging - Net Position	(1)	299

The Group's risk exposures are provided in Note 2.

Forward exchange contracts and interest rate swaps– cash flow hedges

The Group purchases products in US currency. In order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase US dollars and an interest rate swap to hedge against interest rate fluctuations.

These contracts are hedging highly probable forecasted purchases for the ensuing financial year. The contracts are timed to mature when payments for major purchases of inventory are scheduled to be made.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. When the cash flows occur, the group adjusts the initial measurement of the component recognised in the balance sheet by removing the related amount from other comprehensive income.

During the year ended 26 June 2016 there were no gains or losses (2015 – \$0) recognised in profit or loss for the ineffective portion of these hedging contracts.

12. Other Current Assets

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Prepayments and other current assets	970	698



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13. Property, Plant and Equipment

Consolidated Entity	Furniture, Fittings and Equipment \$'000	Vehicles \$'000	Total \$'000
At 29 June 2014			
Cost	27,037	2,819	29,856
Accumulated depreciation	(11,413)	(1,625)	(13,038)
Net book amount	15,624	1,194	16,818
Year ended 28 June 2015			
Opening net book amount	15,624	1,194	16,818
Additions	5,008	519	5,527
Disposals	(763)	(128)	(891)
Depreciation charge	(2,068)	(265)	(2,333)
Closing net book amount	17,801	1,320	19,121
At 28 June 2015			
Cost	31,282	3,210	34,492
Accumulated depreciation	(13,481)	(1,890)	(15,371)
Net book amount	17,801	1,320	19,121
Year ended 26 June 2016			
Opening net book amount	17,801	1,320	19,121
Additions	5,187	449	5,636
Disposals	(90)	(65)	(156)
Depreciation charge	(2,248)	(278)	(2,526)
Closing net book amount	20,650	1,426	22,076
At 26 June 2016			
Cost	32,149	2,676	34,825
Accumulated depreciation	(11,499)	(1,250)	(12,749)
Net book amount	20,650	1,426	22,076

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 assets.

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 52 week period result was not significant. Refer to Note 1(o) for details of the updated accounting policy.

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14. Deferred Tax Assets

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Gross Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
Employee benefits	1,549	1,657
Inventory	770	1,109
Franchise agreement termination fees	833	940
Debtor provision	86	72
Fixed assets	381	274
IPO capitalised expenses	209	314
Marketing fund	716	642
Other provisions/accruals	585	535
Total deferred tax assets	5,129	5,543
Deferred tax assets expected to be recovered within 12 months	4,133	4,328
Deferred tax assets expected to be recovered after more than 12 months	846	1,215
	4,979	5,543
Gross Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Other accruals and provisions	15	62
Total deferred tax liabilities	15	62
Deferred tax liabilities expected to be settled within 12 months	15	62
	15	62
Movements in Net Deferred Tax Assets		
Opening balance	5,481	3,832
Charged/(credited) to the consolidated statement of comprehensive income (Note 7)	(700)	1,200
Charged/(credited) amounts recognised on acquisitions	184	420
Charged/(credited) amounts recognised directly in equity	-	29
Net Deferred Tax Assets	4,965	5,481

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15. Intangible Assets

Consolidated Entity	Goodwill \$'000	Patents, Trademarks and Other Rights \$'000	Total \$'000
Year ended 28 June 2015			
Opening net book amount	3,825	300	4,125
Additions	980	-	980
Amortisation charge for the year	-	(20)	(20)
Closing net book amount	4,805	280	5,085
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
Year ended 26 June 2016			
Opening net book amount	4,805	280	5,085
Additions	998	-	998
Amortisation charge for the year	-	(20)	(20)
Closing net book amount	5,803	260	6,063
At 26 June 2016			
Cost	5,803	-	5,803
Valuation	-	500	500
Accumulated amortisation and impairment	-	(240)	(240)
Net book amount	5,803	260	6,063

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(a) Impairment tests for goodwill

Goodwill is allocated to the Group's one cash generating unit being the selling of light fittings, fans and energy efficient products in the Australian market (refer Note 3).

The recoverable amount is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

(b) Key assumptions used for value-in-use calculations

Gross Margin		Growth Rate		Discount Rate	
2016	2015	2016	2015	2016	2015
%	%	%	%	%	%
64.0	64.0	3.0	3.0	11.0	11.0

Management determined gross margin based on past performance and its expectations for the future. The weighted average growth rates used are consistent with forecasts included in industry reports. Management has considered reasonably possible changes in the key assumptions used in the value-in-use calculations, and has not identified any reasonably possible change that would cause a material impact in the carrying amount of the Group's cash generating unit.

16. Trade and Other Payables

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Trade payables	6,628	5,883
Customer deposits	2,377	2,723
Sundry creditors	4,141	4,701
Marketing fund	2,388	2,139
Other payables	637	240
	16,171	15,686

(a) Risk exposure

Information about the Group's exposure to foreign exchange risk is provided in Note 2.

(b) 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.

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For the 52 weeks ended 26 June 2016 and the 52 weeks ended 28 June 2015
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17. Current Borrowings

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Unsecured		
Trade finance	19,834	17,221
Hire purchase liability (a)	1,105	869
Total unsecured current borrowings	20,939	18,090

(a) Hire purchase liability

The Group utilises hire-purchase plans to acquire assets (i.e. fixtures and fittings and motor vehicles).

The terms range from one to four years. Details on the accounting for these hire-purchase plans is disclosed in Note 1(h) of this report.

Security and fair value disclosures

Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in Note 20.

Risk exposures

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 2.

18. Current Provisions

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Employee benefits (a)	3,990	3,786
Warranty provision (b)	1,137	870
Other provisions (c)	110	108
	5,237	4,764

(a) Employee benefits

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	FY 2016 \$'000	FY 2015 \$'000
Leave obligations not expected to be settled within 12 months	3,237	2,670

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(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. If claim costs to differ by 10% from management's estimates, the warranty provision would be an estimated \$113,000 (2015: \$87,000) higher or lower.

Movement in warranty provision

(c) Other provisions

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Carrying amount at the start of the year	870	1,038
Charged/(credited) to profit or loss - amount incurred and charged	268	(168)
Carrying amount at end of period	1,138	870

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

Movements in other provisions

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Carrying amount at the start of the year	108	92
Charged/(credited) to profit or loss - amount incurred and charged	505	470
Amounts used during the year	(503)	(454)
Carrying amount at end of period	110	108

19. Current Tax Liabilities

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Provision for income tax	323	2,572

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20. Non Current Borrowings

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Unsecured		
Hire purchase plan (a)	1,220	1,278
Total unsecured non-current borrowings	1,220	1,278

(a) Hire purchase plan

The Group utilises hire-purchase plans to acquire assets (i.e. furniture and fittings and motor vehicles), with one to four year terms. Details on the accounting for these hire-purchase plans is disclosed in Note 1(h) of this report.

Risk exposures

Information about the Group's exposure to interest rate and foreign exchange risk is provided in Note 2.



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21. Non Current Provisions

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Lease liabilities	2,027	1,789
Employee benefits	913	551
Total non current provisions	2,940	2,340

22. Contributed Equity

Consolidated Entity	FY 2016	FY 2015
Number of ordinary shares, fully paid	215,157,117	215,075,927

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Movements in ordinary share capital		
Balance at the beginning of the year	62,647	62,565
Performance rights vesting into shares	88	82
Balance at the end of the year	62,735	62,647

Consolidated Entity	FY 2016	FY 2015
Movements in the number of ordinary shares		
Balance at the beginning of the year	215,075,927	215,000,000
Performance rights vesting into shares	81,190	75,927
Balance at the end of the year	215,157,117	215,075,927

Ordinary shares

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

All shares carry one vote per share.

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

Capital risk management

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 June 2016 and the 52 weeks ended 28 June 2015
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23. Reserves and Retained Profits

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
(a) Other reserves		
Cash flow hedges reserve	(1)	299
Share based payment reserve	115	97
Foreign currency translation reserve	454	429
Common control reserve	(43,672)	(43,672)
	(43,105)	(42,847)
<i>Movement in cash flow hedges</i>		
Opening balance	299	(238)
Revaluation (net of tax effect)	(300)	537
Closing balance	(1)	299
<i>Movement in share based payments reserve</i>		
Opening balance	97	-
Transactions arising from share based payments	17	97
Closing balance	115	97
<i>Movement in foreign currency translation reserve</i>		
Opening balance	429	-
Revaluation (net of tax effect)	25	429
Closing balance	454	429
<i>Movement in common control reserve</i>		
Opening balance	(43,672)	(43,672)
Transactions arising from share capital restructure	-	-
Closing balance	(43,672)	(43,672)

Nature and Purpose of Other Reserves

Cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in Note 1(n). Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Share based payments reserve

The share based payments reserve is used to recognise:

- the grant date fair value of rights issued to employees but not exercised
- the grant date fair value of shares issued to employees

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Common control reserve

This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

NOTES TO THE FINANCIAL STATEMENTS

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Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
(b) Retained earnings		
<i>Movements in retained earnings were as follows:</i>		
Opening balance	29,606	19,549
Net profit for the period	18,298	16,939
Dividends paid	(10,111)	(6,882)
Closing balance	37,793	29,606

24. Dividends

(a) Ordinary shares

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Final Dividend for year ended 28 June 2015 2.4 cents (2015 - 1.4 cents) per fully paid share	5,163	3,011
Interim dividend for year ended 26 June 2016 of 2.3 cents (2015 - 1.8 cents) per full paid share	4,948	3,871
Total Dividends paid	10,111	6,882

(b) Dividends not recognized at the end of the reporting period

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 2.4 cents per fully paid ordinary share (2015 - 2.4 cents), fully franked based on tax paid at 30%. The proposed dividend is to be paid out of retained earnings at 26 June 2016, but not recognised as a liability at year end.	5,164	5,163

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(c) Franked dividends

The franked portions of the final dividends recommended after 26 June 2016 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the 52 week period ended 26 June 2016.

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2015 - 30.0%)	28,279	22,529

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax,
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

25. Key Management Personnel Disclosures

Consolidated Entity	FY 2016 \$	FY 2015 \$
Key management personnel compensation		
Short-term employee benefits	581,729	564,980
Post-employment benefits	58,386	67,658
Long-term benefits	61,978	41,449
Performance based cash benefits	205,479	171,234
Performance based share benefits	28,530	103,569
	936,102	948,890

Detailed remuneration disclosures are provided in the remuneration report on pages 19 to 25.

26. Share Based Payments

(a) Executive Short Term Incentive Scheme

Under the Group's short-term incentive (STI) plan, executives received 57% of the annual STI in cash and 43% in the form of performance rights and options to ordinary shares of Beacon Lighting Group Limited.

Performance rights were granted on 22 August 2014, which in part vested immediately, one year after the grant date and two years after the grant date. Under the plan, participants are granted performance rights which only vest if certain requirements are met.

Options were granted on 24 June 2016 40% vest on 25 June 2017, 30% vest on 25 August 2017 and 30% vest on 25 August 2018, in each case provided that the executive remains employed by the Group at the vesting date. The options expire on 24 June 2031. The options have a zero exercise price. Subject to meeting the relevant vesting conditions, shares will be issued at no cost to the executive. In the event an executive leaves the Group prior to the vesting date the options will generally lapse.

Participation in the plan is at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

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The number of rights and options to be granted is determined based on the average share price at 30 June (averaged over + / - 30 days).

	FY 2016	FY 2015
Number of performance rights granted	-	227,779
Fair Value of performance rights at grant date	-	\$1.066

	FY 2016	FY 2015
Number of options granted	94,746	-
Fair Value of options at grant date	\$1.29	-

(b) Fair value of performance rights granted

The fair value of the rights at the grant date was estimated using the Black Scholes Model which takes into account the share price at grant date, the impact of dilution (where material), expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate.

The model inputs for the performance rights granted during the year ended 26 June 2016 included:

	FY 2016	FY 2015
Exercise price	-	\$0.000
Grant date	-	22 August 2014
Share Price at grant date	-	\$1.16
Expected dividend yield	-	4.09%

The expected volatility of the Company's shares and the risk free interest rate do not have a material impact on the fair value calculation of the performance rights granted.

(c) Fair value of options granted

The fair value of the options at the grant date was estimated using the Black Scholes Model which takes into account the share price at grant date, the impact of dilution (where material), expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate.

The model inputs for the options granted:

	FY 2016	FY 2015
Exercise price	\$0.000	-
Grant date	24 June 2016	-
Share Price at grant date	\$1.29	-
Expected dividend yield	3.64%	-

The expected volatility of the company's shares and the risk free interest rate do not have a material impact on the fair value calculation of the options granted.

(d) Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the period as part of employee benefits expense were as follows:

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Performance rights and options issued under employee STI plans	105	178

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27. Earnings Per Share

Consolidated Entity	FY 2016	FY 2015
Basic earnings per share - cents	8.51	7.88
Diluted earnings per share - cents	8.50	7.87
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	215,110,924	215,064,423
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	215,180,919	215,193,269

28. Remuneration of Auditors

During the period the following fees were paid or payable for services provided by PricewaterhouseCoopers, auditor of the parent entity.

Consolidated Entity	FY 2016 \$	FY 2015 \$
Audit and Assurance Services		
Audit and review of financial statements	207,300	201,400
Other Services:		
Taxation services	23,155	33,300
Other services	101,680	123,166
Total remuneration of PwC	332,135	357,866

29. Contingencies

There were no significant or material contingent liabilities including legal claims at 26 June 2016 or 28 June 2015.

30. Commitments

Lease commitments: lessee

(a) Non-cancellable operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Within one year	17,627	16,478
Later than one year but not later than five years	47,868	45,604
Later than five years	10,246	12,777
	75,741	74,859

The Group leases various offices, warehouses and retail stores under non-cancellable operating leases expiring within 1 to 15 years. The leases have varying terms, with rent payable monthly in advance. Various options exist to renew the leases at expiry for an additional term. On renewal, the terms of the leases are renegotiated.

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(b) Hire purchase commitments

Commitments in relation to finance leases are payable as follows:

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Within one year	1,197	964
Later than one year but not later than five years	1,287	1,328
Minimum lease payments	2,484	2,292
Future finance charges	(159)	(145)
Total lease liabilities	2,325	2,147
Representing lease liabilities:		
Current (Note 17)	1,105	869
Non-current (Note 20)	1,220	1,278
	2,325	2,147

(c) Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is \$1.2m (2015: \$0).

31. Related Party Transactions

(a) Subsidiaries

Interests in subsidiaries are set out in Note 32.

(b) Key management personnel

Disclosures relating to key management personnel are set out in Note 25.

(c) Transactions with other related parties

Consolidated Entity	FY 2016 \$	FY 2015 \$
The following transactions occurred with related parties:		
Purchases of goods		
Purchases of goods and supply of services from other related parties	3,227	-
Other transactions		
Income received from other related parties	36,493	37,557
Rent paid to other related parties	1,455,881	1,288,724

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The Robinson family has a 100% interest as the owner of the Derrimut distribution centre leased by Beacon Lighting on arms length commercial terms. The current rent is \$947,600 per annum increasing by 3% annually. The lease expires in March 2021 with two further rights of renewal for periods of seven years each.

The Robinson family has a 100% interest as owner of the Heidelberg store leased by Beacon Lighting on arms length terms. The current rent is \$167,489 per annum increasing by 3% annually. The lease expires in 2017 with one further right of renewal for a period of seven years.

The Robinson family has a 100% interest as owner of the Fyshwick store leased by Beacon Lighting on arms length terms. The current rent is \$218,392 per annum increasing by 3% annually. The lease expires in 2017 with one further right of renewal for a period of seven years.

The Robinson family has a 100% interest as owner of the Bendigo store leased by Beacon Lighting on arms length terms. The current rent is \$52,056 per annum increasing by CPI annually. The lease expires in 2017 with one further right of renewal for a period of seven years.

These disclosures are made due to Beacon Lighting having obtained, at the time of listing, a waiver from Listing Rule 10.1 permitting the lease arrangements described above continuing without shareholder approval conditional on disclosure being made in the Annual Report as set out here.

Ian Robinson has a 100% interest in Carbonetix Pty Ltd. Carbonetix Pty Ltd and Beacon Solar have an arms length working alliance whereby business opportunities are jointly explored. Beacon Lighting subleases office space to Carbonetix Pty Ltd at an arms length fee.

(d) Outstanding balances

As at 26 June 2016 Carbonetix Pty Ltd owed the Group \$40,263.

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(e) Loans to/from related parties

There were no loans owing to or from related parties for the years ended 26 June 2016 and 28 June 2015.



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32. Subsidiaries

The consolidated financial report incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in Note 1(b):

Name of Entity	Incorporation	Shares	Equity Holding ¹	
			2016 %	2015 %
Beacon Lighting Corporation Pty Ltd	Australia	Ordinary	100	100
Beacon Lighting Group Incentive Plan Pty Ltd	Australia	Ordinary	100	100
Brightlite Unit Trust	Australia	Ordinary	100	100
Beacon Lighting Wholesalers Unit Trust	Australia	Ordinary	100	100
Beacon Lighting Franchising Unit Trust	Australia	Ordinary	100	100
Tanex Unit Trust	Australia	Ordinary	100	100
Enviro Renew Pty Ltd	Australia	Ordinary	100	100
Manrob Investments Pty Ltd	Australia	Ordinary	100	100
Beacon Solar Pty Ltd	Australia	Ordinary	100	100
Light Source Solutions New Zealand Limited	New Zealand	Ordinary	100	-
Light Source Solutions Limited	Hong Kong	Ordinary	100	100
Beacon International Limited	Hong Kong	Ordinary	100	100
Beacon Lighting International	Hong Kong	Ordinary	100	100
Fanaway International Trading Limited	Hong Kong	Ordinary	100	100

¹The proportion of ownership interest is equal to the proportion of voting power held.

33. Events Occurring After the Reporting Period

On 30th June 2016 Beacon Lighting acquired the Jindalee (QLD) franchise store and converted it to a company store.

On 27th July 2016 Beacon Lighting purchased the Masson for Light trademark and architectural lighting store based in Richmond, Victoria.

A fully franked dividend of \$5,163,891 was declared on August 17 2016.

Other than the above, 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 Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

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34. Reconciliation of Profit After Income Tax to Net Cash Inflow from Operating Activities

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Profit for the period	18,299	16,939
Depreciation	2,526	2,333
Net loss on disposal of non-current assets	78	815
Amortisation	20	20
Share based payments	105	179
Net exchange differences	(20)	43
Change in operating assets and liabilities:		
(Increase) decrease in receivables	(2,171)	1,201
(Increase) decrease in inventories	(7,081)	(12,462)
(Increase) decrease in deferred tax assets	516	(1,648)
(Increase) decrease in other operating assets	(274)	(333)
(Decrease) increase in payables	(128)	(74)
(Decrease) increase in provision for income taxes payable	(2,249)	1,425
(Decrease) increase in other provisions	1,074	647
Net cash inflow from operating activities	10,695	9,084

35. Non-Cash Investing and Financing Activities

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Acquisition of plant and equipment by means of finance leases	1,077	1,541

36. Critical Accounting Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

The areas that involves a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong are detailed in Note 18. The group has assessed the calculation of the warranty provisions to be a critical accounting estimate.

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37. Parent Entity Financial Information

(a) Summary financial information

The individual financial report for the parent entity show the following aggregate amounts:

Consolidated Entity	FY 2016 \$'000	FY 2015 \$'000
Balance sheet		
Current assets	15,411	8,939
Non-current assets	88,604	88,892
Total assets	104,015	97,831
Current liabilities	1,397	1,905
Non-current liabilities	15	-
Total liabilities	1,412	1,905
Net assets	102,603	95,926
Contributed equity	87,052	86,964
Reserves	(23)	(71)
Retained profits	15,574	9,033
Total equity	102,603	95,926
Profit / (Loss) for the period	1,653	946
Total comprehensive income	1,653	946

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 26 June 2016 or 28 June 2015.

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38. Deed of Cross Guarantee

Beacon Lighting Group Limited and Beacon Lighting Corporation are parties to a deed of cross guarantee under which each Group guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investment Commission.

The above companies represent a closed group for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Beacon Lighting Group Limited, they also represent the extended closed group.

Set out below is a consolidated income statement, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 26 June 2016 of the closed group consisting of Beacon Lighting Group Limited and Beacon Lighting Corporation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE CLOSED GROUP

Beacon Lighting Group Limited and Beacon Lighting Corporation Pty Ltd	FY 2016 \$'000	FY 2015 \$'000
Distribution income	29,041	26,324
Expenses		
General and administration	(3,073)	(3,271)
Profit before income tax	25,968	23,053
Income tax expense	(7,816)	(6,260)
Profit for the period attributable to the members of the closed group	18,152	16,793
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of derivatives	44	(241)
Income tax relating to these items	(13)	72
Other comprehensive income for the period, net of tax	31	(169)
Total comprehensive income for the period attributable to the members of the closed group	18,183	16,624

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CONSOLIDATED BALANCE SHEET OF THE CLOSED GROUP

Beacon Lighting Group Limited and Beacon Lighting Corporation Pty Ltd	FY 2016 \$'000	FY 2015 \$'000
Current assets		
Cash and cash equivalents	627	1,292
Trade and other receivables	278	516
Other current assets	286	26
Related party receivables	45,696	38,623
Total current assets	46,887	40,457
Non-current assets		
Deferred tax assets	4,936	5,158
Investment in subsidiaries	70,633	70,633
Total non-current assets	75,569	75,791
Total assets	122,456	116,248
Current liabilities		
Trade and other payables	-	759
Derivative financial instruments	138	169
Provisions	632	571
Current tax liabilities	296	2,399
Total current liabilities	1,066	3,898
Non-current liabilities		
Provisions	863	-
Non-current liabilities	863	-
Total liabilities	1,929	3,898
Net assets	120,527	112,350
Equity		
Contributed equity	62,730	62,642
Other reserves	(23)	(71)
Retained earnings	57,820	49,779
Total equity	120,527	112,350

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE CLOSED GROUP

Beacon Lighting Group Ltd and Beacon Lighting Corporation Pty Ltd	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 29 June 2014	62,561	-	39,868	102,429
Profit for the year	-	-	16,793	16,793
Other comprehensive income	-	(169)		(169)
Total comprehensive income for the period	-	(169)	16,793	16,624
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares to employees	81	-	-	81
Employee share scheme	-	98	-	98
Dividends provided for or paid	-	-	(6,882)	(6,882)
Total contributions by and distributions to owners	81	98	(6,882)	(6,703)
Balance as at 28 June 2015	62,642	(71)	49,779	112,350
Balance as at 28 June 2015	62,642	(71)	49,779	112,350
Profit for the year	-	-	18,152	18,152
Other comprehensive income	-	31		31
Total comprehensive income for the period	-	31	18,152	18,183
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares to employees	88	-	-	88
Employee share scheme	-	17	-	17
Dividends provided for or paid	-	-	(10,111)	(10,111)
Total contributions by and distributions to owners	88	17	(10,111)	(10,006)
Balance as at 26 June 2016	62,730	(23)	57,820	120,527

Directors' Declaration

In the opinion of the Directors:

- (a) the Financial Statements, notes and the additional disclosures set out on pages 28 to 68 are in accordance with the Corporations Act 2001 (Cth), 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 26 June 2016 and of its performance for the 52 weeks ended on that date.
- (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,
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 38 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 38,
- (d) Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board and
- (e) the Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by the section 295A of the Corporations Act 2001 (Cth).

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

Signed in accordance with a resolution of Directors.



Ian Robinson
Executive Chairman



Glen Robinson
Chief Executive Officer

Melbourne, 17 August 2016



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

Report on the financial report

We have audited the accompanying financial report of Beacon Lighting Group Limited (the company), which comprises the consolidated balance sheet as at 26 June 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other 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 at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Independent auditor's report to the members of Beacon Lighting Group Limited (continued)

Report on the financial report (continued)

Auditor's opinion

In our opinion:

- (a) the financial report of Beacon Lighting Group Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 26 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 19 to 25 of the directors' report for the year ended 26 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Beacon Lighting Group Limited for the year ended 26 June 2016 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Daniel Rosenberg', written in a cursive style.

Daniel Rosenberg
Partner

Melbourne
17 August 2016



Beacon
LIGHTING

Beacon
LIGHTING

inks

UP TO
50%
OFF

UP TO
50%
OFF

UP TO
50%
OFF

Large
Range
of
lights
\$49

Shareholders' Information

In accordance with Section 4.10 of the Australian Stock Exchange Limited Listing Rules, the Directors provide the following information.

SHAREHOLDING ANALYSIS

(a) Distribution of shareholders

At 28 July 2016, the distribution of shareholdings was as follows

Size of Shareholding	Number of Shareholders
1 - 1,000	189
1,001 – 5,000	536
5,001 – 10,000	453
10,001 – 100,000	750
Over 100,000	48
Total number of shareholders	1,976
Holdings of less than a marketable parcel	84

(b) Substantial shareholdings

The number of shares held by the substantial shareholders listed in the Company's register of substantial shareholders as at 28 July 2016 were:

Shareholder	Number of Shares	% Held
Heystead Nominees Pty Ltd (including Robinson Family members)	118,685,441	55.16%
FMR LLC	10,803,502	5.02%

(c) Class of shares and voting rights

At 28 July 2016, there were 1,976 holders of ordinary shares of the Company. All of the issued shares in the capital of the parent entity are ordinary shares and each shareholder is entitled to one vote per share.

Twenty largest shareholders, as at 28 July 2016:

Rank	Name	Number of Shares	% Holding
1	HEYSTED NOMINEES PTY LTD	118,250,000	54.96
2	RBC INVESTOR SERVICES	21,044,228	9.78
3	HSBC CUSTODY NOMINEES	12,414,837	5.77
4	CITICORP NOMINEES PTY LTD	10,487,157	4.87
5	J P MORGAN NOMINEES AUSTRALIA	6,419,026	2.98
6	NATIONAL NOMINEES LTD	4,277,337	1.99
7	RBC INVESTOR SERVICES	2,267,510	1.05
8	MIRRABOOKA INVESTMENTS LTD	2,000,000	0.93
9	AMCIL LTD	1,624,141	0.75
10	RELIABLE BUSINESS CO LTD	1,363,636	0.63
11	BOND STREET CUSTODIANS LTD	867,314	0.40
12	TRUEBELL CAPITAL PTY LTD	800,000	0.37
13	KJA HOLDINGS PTY LTD	520,000	0.24
14	WASK MANAGEMENT PTY LTD	510,748	0.24
15	BNP PARIBAS NOMS PTY LTD	487,972	0.23
16	DR DJ RITCHIE & DR GJ RITCHIE	350,000	0.16
17	MR N OSBORNE	300,000	0.14
18	MRS EJ GRAY	268,727	0.12
19	INVIA CUSTODIAN PTY LTD	268,379	0.12
20	BB CAPITAL PTY LTD	250,000	0.12
Totals: Top 20 holders of ISSUED CAPITAL		184,771,012	85.88
Total Remaining Holders Balance		30,386,105	14.12
		215,157,117	100.00

Corporate Directory

DIRECTORS

Ian Robinson

Glen Robinson

(James) Eric Barr

Neil Osborne

Executive Chairman

Chief Executive Officer

Deputy Chairman

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.beaconsolar.com.au

www.beaconlightingcommercial.com.au

www.beaconinternational.com

www.fanaway.com

www.lucciair.com

www.lightsourcesolutions.com.au

www.lightsourcesolutions.com.nz

LEGAL ADVISORS

Baker & McKenzie

Level 19, 181 William Street, Melbourne

Victoria

AUDITORS

PricewaterhouseCoopers

Freshwater Place

2 Southbank Boulevard, 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

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

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

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 Wharf DFO

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

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

Campbelltown

Homebase
24 Blaxland Rd

Castle Hill

Home Hub Hills, Cnr
Victoria & Hudson Ave

Crossroads

Homemaker Centre
Parkers Farm Place
Casula

Gosford West

Hometown
356 Manns Rd

Hornsby

Cnr Pacific Hwy
& Yardley Ave, Waitara

Kotara

Kotara Home
108 Park Ave

Lake Haven

Home Mega Centre
Cnr Pacific Hwy
& Lake Haven Drv

Marsden Park

Home Hub Marsden Park
Richmond Rd

McGraths Hill

Home Central
264-272 Windsor Rd

Mittagong

Highlands
Homemaker Centre
205 Old Hume Hwy

Parramatta

Cnr Church and
Daking Sts

Penrith

Homemaker Centre
2 Patty's Place

Port Macquarie

180 Lake Rd

Prospect

Homebase
19 Stoddart Rd

Rutherford

Harvey Norman Centre,
366 New England Hwy

Shellharbour

146 New Lake
Entrance Rd

Taren Point

105 Parraweena Rd

Warners Bay

Warners Bay Home
240 Hillsborough Rd

ACT

Fyshwick

175 Gladstone St

Gungahlin

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

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 - 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

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 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

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