

# **Baker & McAuliffe Holdings Pty Ltd**

**Trading as JSB Lighting**

**ABN 15 059 756 811**

**Interim Report - 31 December 2020**

**Baker & McAuliffe Holdings Pty Ltd**  
**Trading as JSB Lighting**  
**Directors' report**  
**31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Baker & McAuliffe Holdings Pty Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the interim report for three months ended 31 December 2020.

**Directors**

The following persons were directors of Baker & McAuliffe Holdings Pty Ltd during the three months ended 31 December 2020 and up to the date of this report, unless otherwise stated:

**Con Scrinis (Non-Executive Director, appointed on 23 November 2020)**

Con has been involved in the electrical and lighting industry for over 35 years. He founded commercial lighting manufacturer Moonlighting in 1991. Moonlighting employed 150 staff with revenues of +\$30M. Moonlighting was sold to Gerard Lighting in 2004.

He then founded and was Managing Director of ASX listed Traffic Technologies which developed the first Australian Standard approved LED traffic light. Traffic Technologies had +\$100M in revenues across 3 divisions, Traffic lights, Traffic management and Traffic Signs. Con was a major shareholder and Director of ASX listed Enevis Ltd formerly Stokes Ltd which transformed from an appliance parts manufacturer and distributor to a lighting and audio visual business.

**Michael Koutsakis (Non-Executive Director, appointed on 2 February 2021)**

Michael completed his Degree in Electrical and Computing Engineering at Monash University and has been involved in the electrical / lighting industry for over 28 years. Michael has held senior sales & marketing positions Sunlighting/Holophane, Moonlighting, Zumtobel / Bega, and WE-EF lighting. Michael then joined the ASX listed Enevis Limited formerly Stokes Limited as Executive General Manager Lighting in order to further develop and grow the companies lighting division.

**Sandy Beard (Non-Executive Director, appointed on 23 November 2020 and resigned on 2 February 2021)**

Sandy Beard has been a Director of numerous public and private companies over the past 25 years. He is the former Chief Executive Officer of CVC Limited (ASX:CVC) (between 1991-2019) where he oversaw annual shareholder returns in excess of 15% per annum for over 15 years. He has extensive experience with investee businesses, both in providing advice, assisting in acquisitions and divestments, capital raisings and in direct management roles, especially bringing management expertise to small cap companies in driving shareholder returns.

**Principal activities**

The principal activity of the Company is strongly focused on qualitative lighting application, bringing to the Australian and New Zealand markets the latest in luminaire design and performance, applied with a detailed understanding of the role of light within architecture.

**Review of operations**

The profit for the consolidated entity after providing for income tax amounted to \$215,643 (31 December 2019: \$482,777).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the three months ended 31 December 2020.

**Matters subsequent to the end of the financial year and likely developments**

On 9 February 2021, FOS Capital Limited announced that they have completed the acquisition of remaining 50% shareholding of the consolidated entity from HGL Limited. As at this date, FOS Capital Limited has complete ownership of the consolidated entity.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Baker & McAuliffe Holdings Pty Ltd**  
**Trading as JSB Lighting**  
**Directors' report**  
**31 December 2020**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Con Scrinis  
Director  
Melbourne

Date: 28 May 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF BAKER & MCAULIFFE  
HOLDINGS PTY LTD**

I declare that, to the best of my knowledge and belief during the three months ended 31 December 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**N. S. Benbow**  
Director

Dated this 28<sup>th</sup> day of May, 2021

**Baker & McAuliffe Holdings Pty Ltd**  
**Trading as JSB Lighting**  
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**General information**

The financial statements cover Baker & McAuliffe Holdings Pty Ltd as a consolidated entity consisting of Baker & McAuliffe Holdings Pty Ltd and the entities it controlled at the end of, or during, the three months period. The financial statements are presented in Australian dollars, which is Baker & McAuliffe Holdings Pty Ltd's functional and presentation currency.

Baker & McAuliffe Holdings Pty Ltd is a proprietary company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

Suite A23  
15-21 Doody Street  
Alexandria NSW 2015

**Principal place of business**

Suite A23  
15-21 Doody Street  
Alexandria NSW 2015

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 May 2021.

**Baker & McAuliffe Holdings Pty Ltd**  
**Trading as JSB Lighting**  
**Statement of profit or loss and other comprehensive income**  
**For the three months ended 31 December 2020**

	<b>Note</b>	<b>Consolidated 31 Dec 2019 (Unaudited) \$</b>	<b>31 Dec 2020 \$</b>
<b>Revenue</b>			
Sales		4,442,574	2,496,691
Cost of sales		<u>(2,308,182)</u>	<u>(1,391,355)</u>
Gross profit		2,134,392	1,105,336
Other income		13,889	183,521
<b>Expenses</b>			
Marketing, selling and distribution expenses		(843,905)	(590,520)
Occupancy expenses		(282,920)	(94,494)
Corporate and administrative expenses		<u>(483,535)</u>	<u>(265,352)</u>
<b>Operating profit</b>		537,921	338,491
Finance costs		(5,891)	(11,793)
Depreciation and amortisation expenses		<u>(49,253)</u>	<u>(87,007)</u>
<b>Profit before income tax expense</b>		482,777	239,691
Income tax expense		-	<u>(24,048)</u>
<b>Profit after income tax expense for the period attributable to the owners of Baker &amp; McAuliffe Holdings Pty Ltd</b>		482,777	215,643
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		1,001	<u>(1,170)</u>
Other comprehensive income for the period, net of tax		1,001	<u>(1,170)</u>
<b>Total comprehensive income for the period attributable to the owners of Baker &amp; McAuliffe Holdings Pty Ltd</b>		<u>483,778</u>	<u>214,473</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Baker & McAuliffe Holdings Pty Ltd**  
**Trading as JSB Lighting**  
**Statement of financial position**  
**As at 31 December 2020**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>30 Sep 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,386,633	1,174,297
Trade and other receivables	1,275,177	1,182,538
Inventories	337,469	401,845
Other current assets	62,386	76,434
<b>Total current assets</b>	<u>3,061,665</u>	<u>2,835,114</u>
<b>Non-current assets</b>		
Property, plant and equipment	269,191	294,783
Right-of-use assets	355,507	411,993
Security deposits	79,939	79,875
<b>Total non-current assets</b>	<u>704,637</u>	<u>786,651</u>
<b>Total assets</b>	<u>3,766,302</u>	<u>3,621,765</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	2,378,141	2,065,569
Lease liabilities	492,686	500,870
Income tax	24,048	-
Provisions	429,791	702,902
<b>Total current liabilities</b>	<u>3,324,666</u>	<u>3,269,341</u>
<b>Non-current liabilities</b>		
Lease liabilities	705,451	811,167
Provisions	46,771	66,316
<b>Total non-current liabilities</b>	<u>752,222</u>	<u>877,483</u>
<b>Total liabilities</b>	<u>4,076,888</u>	<u>4,146,824</u>
<b>Net liabilities</b>	<u>(310,586)</u>	<u>(525,059)</u>
<b>Equity</b>		
Issued capital	150	150
Foreign currency translation reserve	904	2,074
Accumulated losses	(311,640)	(527,283)
<b>Total deficiency in equity</b>	<u>(310,586)</u>	<u>(525,059)</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Baker & McAuliffe Holdings Pty Ltd**  
**Trading as JSB Lighting**  
**Statement of changes in equity**  
**For the three months ended 31 December 2020**

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Foreign currency translation reserve</b> <b>\$</b>	<b>Retained profits</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 October 2019	150	1,073	2,631,344	2,632,567
Profit after income tax expense for the period	-	-	482,777	482,777
Other comprehensive income for the period, net of tax	-	1,001	-	1,001
Total comprehensive income for the period	-	1,001	482,777	483,778
Balance at 31 December 2019	150	2,074	3,114,121	3,116,345

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Foreign currency translation reserve</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Total deficiency in equity</b> <b>\$</b>
Balance at 1 October 2020	150	2,074	(527,283)	(525,059)
Profit after income tax expense for the period	-	-	215,643	215,643
Other comprehensive income for the period, net of tax	-	(1,170)	-	(1,170)
Total comprehensive income for the period	-	(1,170)	215,643	214,473
Balance at 31 December 2020	150	904	(311,640)	(310,586)

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

**Baker & McAuliffe Holdings Pty Ltd**  
**Trading as JSB Lighting**  
**Statement of cash flows**  
**For the three months ended 31 December 2020**

	<b>31 Dec 2020</b>	<b>Consolidated 31 Dec 2019 (Unaudited)</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	2,656,414	4,547,352
Payments to suppliers (inclusive of GST)	(2,503,174)	(4,344,871)
Proceeds from grant income	191,400	-
	<u>344,640</u>	<u>202,481</u>
Net cash from operating activities		
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(4,723)	(49,254)
	<u>(4,723)</u>	<u>(49,254)</u>
Net cash used in investing activities		
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(126,411)	(8,540)
Repayment of loans from HGL Limited and its controlled entities	(150,000)	-
Proceeds from loans from HGL Limited and its controlled entities	150,000	458,620
	<u>(126,411)</u>	<u>450,080</u>
Net cash from/(used in) financing activities		
Net increase in cash and cash equivalents	213,506	603,307
Cash and cash equivalents at the beginning of the period	1,174,297	599,079
Effects of exchange rate changes on cash and cash equivalents	(1,170)	-
	<u>1,386,633</u>	<u>1,202,386</u>
Cash and cash equivalents at the end of the period		

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

**Baker & McAuliffe Holdings Pty Ltd**  
**Trading as JSB Lighting**  
**Notes to the financial statements**  
**31 December 2020**

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim three months reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 September 2020.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There were no material impacts arising from the adoption of those standards in these financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 2. Operating segments**

*Identification of reportable operating segments*

The consolidated entity is organised into one operating segment, the Australasian region. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

*Major customers*

During the period ended 31 December 2020, there was a customer (2019: 2) who made up more than 10% of total Group revenue. The total revenue recognised from this customer was \$288,607 (2019: \$1,439,161).

*Geographical information*

	<b>Sales to external customers</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$</b>	<b>(Unaudited)</b>
	<b>\$</b>	<b>\$</b>
Australia	2,361,147	4,276,814
New Zealand	135,544	165,760
	<u>2,496,691</u>	<u>4,442,574</u>

**Note 3. Contingent liabilities**

In August 2017 the company entered into an agreement with Intralux Australia Pty Ltd (Intralux) whereby it would acquire specified assets, trademarks and patents relating to the Intralux brand in-exchange for upfront consideration of \$511,000 and a royalty right entitling Intralux to 7.5% of all sales of Intralux products in-excess of \$2,000,000 annually. Under the terms of the agreement, Intralux has the right to reacquire any Intralux stock at fair value, together with the rights to the trademarks and patents in the event that sales of Intralux product lower than \$4,000,000 are achieved annually. On 26 November 2020, Intralux served the company with a notice of buyback in-respect of this condition. The company has the ability to cancel this buyback right, through to 2024, by paying Intralux a fee of \$100,000 annually. The company has chosen not to cancel the buyback. The buyback is currently being actioned and the parties have appointed an independent expert to make a determination on the value of the buyback stock.

In addition to this matter, the consolidated entity holds deposits for rental as recorded on the statement of financial position. These deposits are refundable only upon a successful termination of the underlying leasehold.

**Note 4. Events after the reporting period**

On 9 February 2021, FOS Capital Limited announced that they have completed the acquisition of remaining 50% shareholding of the consolidated entity from HGL Limited. As at this date, FOS Capital Limited has complete ownership of the consolidated entity.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 5. Correction of typographical error**

In the interim report for three months ended 31 December 2020 signed on 29 March 2021, report was referring "half-year" instead of saying "three months period", this typographical error is corrected in this report.

No other matter or circumstance has arisen since release of interim report for three months ended 31 December 2020 on 29 March 2021.

**Baker & McAuliffe Holdings Pty Ltd**  
**Trading as JSB Lighting**  
**Directors' declaration**  
**31 December 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the three months ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Con Scrinis  
Director  
Melbourne

Date: 28 May 2021

## Baker & McAuliffe Pty Ltd

### Independent auditor's review report

## Report on the Review of the Interim Financial Report

### Conclusion

We have reviewed the accompanying interim financial report of Baker & McAuliffe Pty Ltd (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the three-months ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Baker & McAuliffe Pty Ltd is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the three-months ended on that date; and
- b. complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Other matter

We refer you to note 5 to the financial statements, which describes typographical reason for the restatement of the accompanying financial report which was first signed on 29 March 2021.

### Responsibility of Management for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the three months ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Baker & McAuliffe Pty Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is

substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

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

William Buck

**William Buck Audit (Vic) Pty Ltd**

ABN: 59 116 151 136



**N. S. Benbow**

Melbourne, dated this 28<sup>th</sup> day of May 2021