

Harvey Norman **HOLDINGS LIMITED**

1991 ANNUAL REPORT

Annual General Meeting

*The Annual General Meeting of
the Shareholders of
Harvey Norman Holdings Limited
will be held in the
Stock Exchange Theatre
Basement Level 1
20 Bond Street, Sydney
on 26 November, 1991
at 11.00 a.m.*

*(For full details and Proxy Form
see separate document enclosed)*

Directors

*G. Harvey – Chairman
I. J. Norman
K. L. Page
S. M. Gibson
C. H. Brown*

Company Secretary

S. M. Gibson

Registered Office

*233 Parramatta Road,
Auburn, N.S.W. 2144
Telephone: (02) 647 2611*

Share Registry

*Arthur Andersen & Co.
141 Walker Street,
NORTH SYDNEY 2060*

Bankers

Australia & New Zealand Banking Group

Auditors

Arthur Andersen & Co.

Solicitors

Gillis Delaney Brown

HIGHLIGHTS

- Consolidated Operating Profit before tax for the 12 months to 30 June 1991 was \$12.73 million, an increase of 24% on the previous year. Operating Profit after tax was \$7.49 million, an increase of 24%.
- The recommended final dividend is increased from 4.5 cents to 5.0 cents a share, fully franked, bringing the full year dividend to 9.75 cents fully franked.
- Earnings per share increased from 24.1 cents to 30.0 cents.
- Return on shareholders' funds was 14.2%.
- New franchised stores were opened at Maitland, Carindale and Auburn.
- As a result of revaluation by the Directors of the Group's property, the aggregate values of the property have increased to \$53.7 million.

FINANCIAL SUMMARY

12 MONTHS TO 30 JUNE, 1991

	1991 \$'000	1990 \$'000	% Change
Operating Revenue	49,375	39,368	25
Operating Profit before Interest and Income Tax	17,481	14,818	18
Interest Expense	4,753	4,555	4
Income Tax Expense	5,239	4,228	24
Operating Profit	7,489	6,035	24
Earnings per share on issue at 30 June (cents)	30.0	24.1	24
Dividends per share (cents)	9.75	8.5	15
Return on Shareholders' Funds at 30 June (%)	14.2	13.1	8
Paid up capital at 30 June (\$ million)	12.5	12.5	-
Net Tangible Assets (Book Value) per share at 30 June (\$)	1.95	1.68	16

CHAIRMAN'S REPORT

Whilst trading conditions continued to be difficult during the year Harvey Norman's result for the year ended 30 June 1991 was satisfactory.

The Consolidated Operating Profit before interest charges and income tax was \$17.48 million, an increase of 18% on the previous year. After interest charges and income tax the net profit was \$7.489 million, an increase of 24% on 1989/90 year.



New franchised stores were opened during the year at Maitland and Auburn in NSW, and at Carindale in Brisbane. These contributed to the increase in sales from the franchised "Harvey Norman" stores and our own store at Lismore which totalled \$299.3 million, an increase of 21% on the previous year.

We have been able to increase our turnover by shifting our emphasis away from areas such as white goods, sales of which have suffered in the recession, into growth products such as computers where Harvey Norman are fast becoming recognised as market leaders.

In the current financial year new stores have been opened at Moore Park in August and Bathurst in September. Sales for the first three months from comparable franchised stores are up 6.5% and from all stores are up 14.5%.

During the year we completed stage II of the warehouse complex at Punchbowl, and the 7,000 sq metre retail store at Parramatta Road, Auburn which is leased to franchisees and opened for trading in May 1991. The Group's real estate, at Directors' valuation, was \$53.7 million at 30 June. Retained earnings and property revaluation have increased shareholders' funds from \$46.2 million to \$52.6 million and the total net asset backing per share has increased from \$1.68 to \$1.95.

In the current year we intend to consolidate our recent growth but at the same time take up opportunities as they arise.

I would like to thank my fellow Directors, the Harvey Norman employees and the franchisees and their staff for their continuing efforts and loyalty.

G. HARVEY
Chairman

DIRECTORS' REPORT

The Directors of Harvey Norman Holdings Limited have pleasure in presenting the Company and Group Accounts for the year ended 30 June, 1991.

DIRECTORS

The Directors of the Holding Company at the date of this report are:

Gerald Harvey – Chairman

Co-founder of the Norman Ross Group of companies in 1961. Appointed Chairman of that group when it went Public in 1972 and remained in that capacity until the Waltons Bond Limited takeover in 1982. In that year Mr. Harvey and Mr. Norman founded Harvey Norman. Mr. Harvey has been in retail all his working life and is regarded as perhaps Australia's most successful and aggressive independent retailer.

Ian John Norman – Director

Co-founder of Norman Ross Group of Companies in 1961 with Mr. Harvey. Mr Norman was co-managing director of Norman Ross until the takeover of that company in 1982. He has been in retail all his working life and has a wealth of experience.

Kay Lesley Page – Merchandising Director

Katie Page joined Harvey Norman in 1983. She is responsible for advertising and promotions. Many of the outstanding promotions of the Group have been as a result of her expertise and flair in this field.

Spencer Murray Gibson, AASA CPA
Finance Director

Mr. Gibson has had 26 years experience in retailing encompassing many aspects of the industry – administration, accounting, finance and store management. Mr Gibson joined the Harvey Norman Group on its inception in 1982, and is responsible for controlling the administration and financial functions of the Group.

Christopher Herbert Brown, LL.M
Non-Executive Director

Mr. Brown has acted as Solicitor for the Harvey Norman Group since inception and for Messrs Harvey and Norman and their respective interests since 1972. His area of practice is revenue and commercial law.

DIRECTORS' BENEFITS

During the financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received

or due and received by Directors shown in the group accounts; or the fixed salary of a full-time employee of the Company or Related Corporation) by reason of a contract made by the Company or Related Corporation with any Director or with a company in which he has a substantial financial interest, except Christopher Brown who is a partner in the firm of Gillis Delaney Brown, the Solicitors to the Group, and to whom normal professional fees may be payable for the provision of legal and taxation advice in the normal course of the running of the Group.

PRINCIPAL ACTIVITIES

The principal activities of the Group continue to be that of franchisor and retailing.

NET PROFIT

The net profit of the Group for the financial year ended 30 June, 1991 after provision for income tax was \$7,489,387.

PAYMENT OF RECOMMENDED DIVIDENDS

Directors recommend the fully franked dividend of 5.0 cents per share be paid on 29 November, 1991. Duly completed transfers received up to 5pm on 8 November, 1991 will be registered before dividend entitlements are determined. The following dividends of the Holding Company have been paid, declared or recommended since the end of the previous financial year.

1990 Final dividend paid (disclosed in the 1990 directors' report)	\$1,125,000
Dividend interim paid 3 May, 1991	\$1,187,500
Final recommended – payable 29 November, 1991	\$1,250,000

These dividends were fully franked.

SHARE OPTIONS

At balance date, options over 3,000,000 ordinary shares exercisable at \$1.00 between 1 July, 1991 and 30 June, 1992 were held by the following:

Gerald Harvey	2,500,000
Kay Lesley Page	250,000
Spencer Murray Gibson	250,000

VENDOR SECURITIES

Of the 25,000,010 Ordinary Shares on issue at 30 June, 1991, 18,000,010 are classified as Vendor Securities. There are no restrictions on the Official Quotation of these securities by the Australian Stock Exchange (Sydney) Limited.

CONTINGENT AND OTHER LIABILITIES

No contingent or other liability of the Harvey Norman Group has become enforceable or is likely to become enforceable this year which will or may substantially affect the ability of the Group to meet its due obligations.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF
DIRECTORS OF HARVEY NORMAN HOLDINGS
LIMITED 22ND OCTOBER, 1991.

REVIEW OF GROUP OPERATIONS AND SIGNIFICANT CHANGES TO THE STATE OF THE GROUP'S AFFAIRS

G. HARVEY
Chairman

Shareholders are directed to the Chairman's Report for the review of the Group operations.

The state of the affairs of the Group has not been, in our opinion, substantially affected by any material or unusual matter otherwise than as referred to in this Annual Report.

K. L. PAGE
Director

SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than that referred to in the Chairman's Report, or in the accounts or notes thereto, which has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations or the state of affairs of the Group in financial years subsequent to this financial year.

S. M. GIBSON
Director

LIKELY DEVELOPMENTS

Likely developments in the operations of the Group and the expected results of those operations have been dealt with in the Chairman's Report.

Further information as to likely developments in the operation of the Group, including the expected results of those operations in subsequent financial years, would, in our opinion, prejudice the interests of your Company and has, therefore, not been included in this report.

ROUNDING

The amounts in the Accounts have been rounded to the nearest thousand dollars. The Holding Company is a company of the kind specified in Regulation 3.6.05 issued pursuant to Section 311 of the Corporations Law permitting such rounding.

PROFIT & LOSS ACCOUNTS

For The Year Ended 30 June, 1991

	Notes	Consolidated		Holding Company	
		1991	1990	1991	1990
		\$000	\$000	\$000	\$000
Operating Profit	2, 3	12,728	10,263	9,669	997
Income tax attributable to Operating Profit	4	5,239	4,228	4,027	399
Operating Profit after Income Tax		7,489	6,035	5,642	598
Aggregate of Amounts Transferred from Reserves	5	284	-	-	-
Retained Profits at the beginning of the financial year		13,157	9,247	7,065	8,592
Total available for Appropriation		20,930	15,282	12,707	9,190
Dividends provided for or paid		2,437	2,125	2,437	2,125
Retained Profits at the end of the financial year		18,493	13,157	10,270	7,065

The Profit and Loss Accounts are to be read in conjunction with the attached Notes.

BALANCE SHEETS

as at 30 June, 1991

	Notes	Consolidated		Holding Company	
		1991	1990	1991	1990
		\$000	\$000	\$000	\$000
Current Assets					
Cash		165	36	-	11
Receivables	6	42,100	38,143	31,218	24,233
Inventories	7	5,831	4,944	-	-
Other	8	8,676	4,244	-	-
Total Current Assets		56,772	47,367	31,218	24,244
Non-Current Assets					
Receivables	9	1,085	605	-	-
Investments	10	56	246	9,261	9,261
Property, Plant and Equipment	11	62,405	49,995	-	-
Intangibles	12	3,696	3,927	-	-
Other	13	378	258	264	148
Total Non-Current Assets		67,620	55,031	9,525	9,409
Total Assets		124,392	102,398	40,743	33,653
Current Liabilities					
Creditors and Borrowings	14	26,889	45,165	46	44
Provisions	15	7,229	5,909	5,356	1,514
Total Current Liabilities		34,118	51,074	5,402	1,558
Non-Current Liabilities					
Creditors and Borrowings	16	37,500	5,000	-	-
Provisions	17	160	128	-	-
Other	18	41	-	41	-
Total Non-Current Liabilities		37,701	5,128	41	-
Total Liabilities		71,819	56,202	5,443	1,558
Net Assets		52,573	46,196	35,300	32,095
Shareholders' Equity					
Share Capital	19	12,530	12,530	12,530	12,530
Reserves	5	21,550	20,509	12,500	12,500
Retained Profits		18,493	13,157	10,270	7,065
Total Shareholders' Equity		52,573	46,196	35,300	32,095

The Balance Sheets are to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

1. Statement of Significant Accounting Policies and Group Structure

An explanation of the Group Structure and the principal accounting policies adopted by Harvey Norman Holdings Limited Group are stated in order to assist in a general understanding of the financial statements. The policies have been consistently applied by the Group except as otherwise indicated.

(a) General

Harvey Norman Holdings Limited owns all the issued shares of subsidiary companies and all the units of unit trusts as listed at Note 30. Most of the subsidiary companies act as trustee companies to underlying unit trusts with the remainder of the wholly owned subsidiaries operating in their own right. (Refer Note 30).

The balance sheets of the trustee companies include the liabilities of underlying trusts in order to reflect the legal responsibility of the trustees for liabilities of the trusts.

The corporate trustees have a right to be indemnified from the assets of the trusts in order to discharge those liabilities.

(b) Basis of Accounting

The accounts have been prepared on the basis of historical costs and except where stated do not take into account current valuations of non-current assets.

(c) Application of Accounting Standards

Pursuant to Section 285(3) of the Corporations Law the Directors have elected in writing that the following accounting standards shall apply to the financial statements of the group for the year ended 30 June, 1991.

ASRB1024 Consolidated Financial Statements (to otherwise have effect on or after 31 December, 1991).

ASRB1010 Revaluation of Non-Current Assets as revised (to otherwise have effect on or after 30 June, 1992).

ASRB1017 Related Party Disclosure as revised (to otherwise have effect on or after 31 December, 1991).

The Directors believe the adoption of the above accounting standards provides a full and true state of affairs of the group as at 30 June, 1991 and of the profit of the group for the year ended on that date.

(d) Principles of Consolidation

The consolidation includes the accounts of Harvey Norman Holdings Limited and all its wholly owned operating entities (Refer Note 30). All intergroup transactions and balances have been eliminated.

(e) Investments

Shares in listed and non-listed companies and other investments are stated at cost. Shares in subsidiary companies and units in unit trusts are stated at cost.

(f) Freehold Land and Buildings

It is the policy of the group to revalue freehold land and buildings annually, determined on the use of the properties by the group as a going concern. The Directors are of the view that their valuations as adopted are not materially different from the current market values. With the exception of a warehouse property which is to be sold, the revaluations take no account of potential capital gains tax as it is the intention of the group to hold the properties as part of its ongoing operations.

(g) Depreciation and Amortisation of Property, Plant and Equipment

Property, plant and equipment other than freehold land are depreciated over their estimated useful lives.

New assets are depreciated from the time of acquisition.

Profits and losses on disposal of property, plant and equipment are taken into account in determining the profit for the year.

(h) Leases

The group has adopted the following accounting policies for leases:

Company as Lessee

Operating leases

– minimum lease payments are charged to expense in equal instalments over the accounting periods covered by the lease term.

Company as Lessor

Direct finance leases

– the investment in the lease, comprising the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual expected to accrue to the benefit of the company at the end of the lease term, is brought to account, as a receivable,

NOTES TO AND FORMING PART OF THE ACCOUNTS For The Year Ended 30 June, 1991

Leases (Continued)

at the beginning of the lease term. The discount rate used in determining the present value is the interest rate implicit in the lease. The finance income attributable to the lease is brought to account progressively in the profit and loss account over the lease term in accordance with the actuarial method so as to achieve a constant periodic rate of return on the investment in the lease outstanding at the beginning of each lease payment period.

(i) Income Tax

Income tax has been brought to account using a method of tax effect accounting whereby income tax expense for the period is calculated on the accounting profit after adjusting for the items which, as a result of their treatment under income tax legislation, create permanent differences between that profit and the taxable income. The tax effect of timing differences which arise from the recognition in the statements of items of revenue and expense in periods different from those in which they are assessable or allowable for income tax purposes, are represented in the balance sheet as "future income tax benefits" or "provision for deferred income tax", as the case may be, at current tax rates. A future income tax benefit is only carried forward as an asset where realisation of the benefit can be regarded as being assured beyond reasonable doubt.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the specific identification method.

(k) Intangible Assets

Goodwill represents the future benefits associated with businesses acquired. It is anticipated that the assets of these businesses will continue to provide both economic and revenue benefits to the company for at least 20 years and goodwill is being amortised over that period in accordance with accounting standards.

(l) Employee Benefits

The amount expected to be paid to employees for their pro-rata entitlements to long service and annual leave are accrued at current wage rates.

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

	Consolidated		Holding Company	
	1991	1990	1991	1990
	\$000	\$000	\$000	\$000
2. Operating Revenue				
Sales Revenue	9,197	4,853	-	-
Other Revenue:				
Management Fees	8,726	7,875	-	-
Rent Received	9,832	7,959	-	-
Trust Distribution Received	-	-	9,682	1,016
Other	21,286	18,681	9	9
Proceeds from the sale of Non-Current Assets	334	-	-	-
	40,178	34,515	9,691	1,025
	49,375	39,368	9,691	1,025

3. Operating Profit

The following items have been credited as revenue in determining operating profit:

Trust Distributions	-	-	9,682	1,016
Interest				
From Other Corporations	2,589	3,121	-	-
Profit on sale of Non-Current Assets	22	-	-	-

The following items have been charged as expenses in determining operating profit:

Interest				
Other Persons/Corporations	4,753	4,555	-	-
Bad Debts	47	119	-	-
Depreciation of Property, Plant and Equipment:				
Buildings on Freehold Land	640	401	-	-
Plant and Equipment	1,640	1,114	-	-
	2,280	1,515	-	-
Amortisation of Goodwill	231	231	-	-
Operating Lease Rental Expense	4,960	4,187	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

	Consolidated		Holding Company	
	1991	1990	1991	1990
	\$000	\$000	\$000	\$000
4. Income Tax				
The amount provided in respect of income tax differs from the amount prima facie payable on operating profit. The difference is reconciled as follows:				
Prima facie income tax payable on operating profit	4,964	4,002	3,771	389
The tax effect of permanent differences which:				
(a) increase tax payable:-				
Amortisation of Goodwill	90	90	-	-
Building Depreciation	96	83	86	-
Fringe Benefits Tax	14	10	12	-
Legal Fees	44	-	44	-
Under/(Over) Provision in previous years	-	19	(4)	10
Sundry Items	31	24	118	-
	275	226	256	10
Income Tax attributable to operating profit.	5,239	4,228	4,027	399
This amount is attributable to:				
- the current period	5,358	4,329	4,106	399
- other periods	(119)	(101)	(79)	-
	5,239	4,228	4,027	399
5. Reserves				
Share Premium	12,500	12,500	12,500	12,500
Asset Revaluation	9,050	8,009	-	-
	21,550	20,509	12,500	12,500
Movement in Reserves				
Asset Revaluation Reserve				
Balance at beginning of year	8,009	4,762	-	-
Revaluation of land and buildings during the year	1,325	3,247	-	-
Transfer from reserves	(284)	-	-	-
Balance at end of year	9,050	8,009	-	-
6. Receivables (Current)				
Trade Debtors	41,785	37,384	-	-
Amounts receivable in respect of finance leases	194	97	-	-
Non-trade debts receivable from:				
Related Corporations	-	-	31,218	24,233
Associated Corporations	-	400	-	-
Other Persons and Corporations	121	262	-	-
	121	662	31,218	24,233
	42,100	38,143	31,218	24,233

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

	Consolidated		Holding Company	
	1991	1990	1991	1990
	\$000	\$000	\$000	\$000
7. Inventories				
Finished Goods:				
at cost	5,831	4,944	-	-
8. Other Current Assets				
Prepayments	673	444	-	-
Short Term Deposits	8,003	3,800	-	-
	8,676	4,244	-	-
9. Receivables – (Non-Current)				
Amounts receivable in respect of finance leases	1,085	605	-	-
10. Investments (Non-Current)				
Shares – Listed on a Prescribed				
Stock Exchange – at cost	6	6	-	-
Market Value	6	4	-	-
Shares				
In Other Corporations	50	240	-	-
In Related Corporations (Note 30)	-	-	500	500
Units in Unit Trusts (Note 30)	-	-	8,761	8,761
	50	240	9,261	9,261
Total Investments	56	246	9,261	9,261
11. Property, Plant and Equipment				
Freehold Land				
at Directors' Valuation 1991	24,902	-	-	-
at Directors' Valuation 1990	-	23,628	-	-
	24,902	23,628	-	-
Leasehold Property				
at Directors' Valuation 1991	1,684	-	-	-
at Directors' Valuation 1990	-	1,684	-	-
	1,684	1,684	-	-
Buildings				
at Directors' Valuation 1991	27,147	-	-	-
at Directors' Valuation 1990	-	17,611	-	-
	27,147	17,611	-	-
Construction in Progress at cost	-	624	-	-
Provision for Depreciation of Buildings	-	854	-	-
Total Freehold Land, Leasehold Property and Buildings at Directors' Valuation	53,733	42,693	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

	Consolidated		Holding Company	
	1991	1990	1991	1990
	\$000	\$000	\$000	\$000
11. Property, Plant and Equipment (Continued)				
Plant and Equipment at cost	13,842	11,209	-	-
Provision for Depreciation of Plant and Equipment	5,170	3,907	-	-
Total Plant and Equipment, net	8,672	7,302	-	-
Total Property, Plant and Equipment	67,575	54,756	-	-
Provision for Depreciation	5,170	4,761	-	-
Total Property, Plant and Equipment, net	62,405	49,995	-	-
Valuation of freehold land and buildings was made by all the Directors of the holding company as at 30 June, 1991 on the basis of market value.				
12. Intangibles				
Goodwill – at cost	4,621	4,621	-	-
Provision for Amortisation	925	694	-	-
	3,696	3,927	-	-
13. Other (Non-Current)				
Future Income Tax Benefit	378	258	264	148
14. Creditors and Borrowings (Current)				
Bank Overdraft	-	83	2	-
Bills Payable	-	22,900	-	-
Trade Creditors	25,450	21,149	44	44
	25,450	44,132	46	44
Other Loans				
Other Persons and Corporations	1,439	1,033	-	-
	26,889	45,165	46	44
Included in the above are amounts payable to the following related parties:				
Directors	456	545	-	-
Bank Overdraft and Bills Payable are secured by a first mortgage over freehold land and buildings and by deeds of charge and Mortgage Debentures over Inventories and Trade Debtors.				
15. Provisions (Current)				
Dividends	1,250	1,125	1,250	1,125
Taxation	5,358	4,309	4,106	389
Employee Entitlements	621	475	-	-
	7,229	5,909	5,356	1,514

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

	Consolidated		Holding Company	
	1991	1990	1991	1990
	\$000	\$000	\$000	\$000
16. Creditors and Borrowings (Non-Current)				
Bills Payable	37,500	5,000	-	-
Bills Payable are secured by a first mortgage over freehold land and buildings and by deeds of charge and Mortgage Debentures over Inventories and Trade Debtors.				
Bills Payable have been classified as non-current liabilities on the basis that the loan facility with our bankers does not expire until 15 February, 1993. The bank reserves the right to withdraw the facilities if in the opinion of the bank there have been material adverse changes in the financial condition or operation of the business. In addition certain financial ratios are to be maintained to the satisfaction of the bank.				
17. Provisions				
Employee Entitlements	160	128	-	-
18. Other (Non-Current)				
Provision for Deferred Income Tax	41	-	41	-
19. Share Capital				
Authorised				
Ordinary Shares:				
100,000,000 Ordinary Shares of \$0.50 each	50,000	50,000	50,000	50,000
Issued				
Ordinary Shares:				
25,000,010 Ordinary Shares of \$0.50 each	12,500	12,500	12,500	12,500
Unissued Shares in respect of which options are outstanding:				
3,000,000 options at \$0.01 each fully paid issued in respect of Ordinary Shares	30	30	30	30
Terms of issue: Exercisable between 1 July, 1991 and 30 June, 1992 at \$1.00 being \$0.50 at par and a premium of \$0.50 per share.				
	12,530	12,530	12,530	12,530
20. Lease Commitments				
Non-cancellable operating leases with a term of more than one year				
- commitments not provided for.				
Payable:				
Not later than one year	5,903	5,468	-	-
Later than one year but not later than two years	5,805	4,114	-	-
Later than two years but not later than five years	11,199	7,595	-	-
Later than five years	8,809	4,164	-	-
	31,716	21,341	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

	Consolidated		Holding Company	
	1991	1990	1991	1990
	\$000	\$000	\$000	\$000

21. Commitments for Expenditure

Capital expenditure contracted as at 30 June, 1991
but not provided for:

Not later than one year	324	9,274	-	-
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22. Contingent Liabilities

Bank performance guarantees given to various
councils and other third parties on behalf of
group companies.

238	239	-	-
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Irrevocable Letters of Credit

665	-	-	-
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903	239	-	-
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23. Payments to Persons/Prescribed Superannuation Funds

The Yoogalu Superannuation Fund

31	32	-	-
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Harvey Norman Superannuation Fund

203	172	-	-
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234	204	-	-
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24. Superannuation Commitments

Yoogalu Superannuation Fund: A group company contributes to superannuation funds for certain employees. The funds are all accumulation plans. The company is obliged to contribute to the fund but such obligation is not legally enforceable. No actuarial assessments have been obtained. There being no defined benefits payable, there is no liability of the company in the event of termination of the funds or voluntary or compulsory termination of the employment of each employee.

Harvey Norman Superannuation Fund: The group contributes to an employee superannuation fund and such contributions are charged against profit. The funds are all accumulation plans. The amount of benefits vested in a member is calculated on the basis of contributions made to the fund and on the net earnings of the fund.

	Consolidated		Holding Company	
	1991	1990	1991	1990
	\$000	\$000	\$000	\$000

25. Remuneration of Auditors

Total of remuneration received or due and receivable
by the auditors in connection with:

Auditing the accounts	110	101	110	101
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Other services	13	-	13	-
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123	101	123	101
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NOTES TO AND FORMING PART OF THE ACCOUNTS For The Year Ended 30 June, 1991

	Consolidated		Holding Company	
	1991	1990	1991	1990
	\$000	\$000	\$000	\$000

26. Directors' and Executives' Income

Aggregate income received or due and receivable,
by directors

<u>480</u>	<u>468</u>	<u>480</u>	<u>468</u>
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Number of directors of the holding company whose
total income falls within the following bands:

\$20,000 - \$29,999	2	2
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	2	1
\$50,000 - \$59,999	1	1

Executive Officers whose Total Income equals
or exceeds \$100,000

<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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The following persons held the position of director of the holding company during part or all of the period:

G. Harvey
I.J. Norman
K.L. Page
S.M. Gibson
C.H. Brown

27. Related Party Transactions

During the year the following transactions took
place with related parties.

- Interest paid at normal commercial rates on loans
from directors or related parties thereto.

Interest Paid I.J. Norman \$47,206

- Legal fees, amounting to \$33,218, were paid to the
firm of which Mr C.H. Brown is a partner for
professional services rendered to the Group in the
normal course of business.

28. Sources and Applications of Funds

Sources of Funds:

Funds from operations (1)

Inflows of funds from operations

Sales Revenue	9,197	4,853
Other Revenue	39,844	34,515
Proceeds from sale of Non-current Assets	334	-

<u>49,375</u>	<u>39,368</u>
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Outflows of funds from operations

<u>34,103</u>	<u>27,294</u>
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15,272	12,074
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NOTES TO AND FORMING PART OF THE ACCOUNTS For The Year Ended 30 June, 1991

	Consolidated	
	1991	1990
	\$000	\$000
28. Sources and Applications of Funds (Continued)		
Reduction in Assets:		
Non-Current Assets		
Investments	190	-
	190	-
Increase in Liabilities:		
Current Liabilities		
Creditors and Borrowings	-	11,938
Provisions	145	131
	145	12,069
Non-Current Liabilities		
Creditors and Borrowings	32,500	4,997
	48,107	29,140
Applications of Funds		
Increase in Assets:		
Current Assets		
Cash	129	10
Receivables	3,957	4,605
Inventories	887	1,169
Other	4,432	2,495
	9,405	8,279
Non-Current Assets		
Receivables	480	605
Investments	-	50
Property, Plant and Equipment	13,365	12,899
	13,845	13,554
Reductions in Liabilities		
Current Liabilities		
Creditors and Borrowings	18,276	-
Tax Paid	4,268	5,307
Dividends Paid	2,313	2,000
	6,581	7,307
	48,107	29,140

Note 1: Reconciliation of funds from operations with operating profit before income tax is as follows:

Funds from operations	15,272	12,074
Less: Depreciation and Amortisation	2,512	1,746
Provision for Long Service Leave	32	65
	2,544	1,811
Operating Profit before Income Tax	12,728	10,263

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

29. Segment Information

The company operates wholly within Australia predominantly in the Retail Industry.

Name	Country of Formation/ Incorporation	1991 \$	Cost of Shares Held 1990 \$
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30. Subsidiary Companies and Unit Trusts

Shares held by Harvey Norman Holdings Limited (Holding Company)

Abaro Pty. Limited	Australia	2	2
Algoni Pty. Limited	Australia	2	2
Aloku Pty. Limited	Australia	2	2
Anwarah Pty. Limited	Australia	2	2
Arlenu Pty. Limited	Australia	2	2
Arpayo Pty. Limited	Australia	2	2
Balwundu Pty. Limited	Australia	2	2
Bilarni Pty. Limited	Australia	2	2
Bradiz Pty. Limited	Australia	2	2
Braxpine Pty. Limited	Australia	2	2
Burawange Pty. Limited	Australia	2	2
Burawango Pty. Limited	Australia	2	2
Calardu Pty. Limited	Australia	2	2
Carlando Pty. Limited	Australia	2	2
Charmela Pty. Limited	Australia	2	2
Cherone Pty. Limited	Australia	2	2
Clambruno Pty. Limited	Australia	2	2
Daldere Pty. Limited	Australia	2	2
Dandolena Pty. Limited	Australia	2	2
Derni Pty. Limited	Australia	500,000	500,000
Divonda Pty. Limited	Australia	2	2
Donove Pty. Limited	Australia	2	2
Dracome Pty. Limited	Australia	2	—
Durslee Pty. Limited	Australia	2	2
Edbrook Pty. Limited	Australia	2	2
Elmedi Pty. Limited	Australia	2	2
Farane Pty. Limited	Australia	2	2
Flormonda Pty. Limited	Australia	2	2
Ganoru Pty. Limited	Australia	2	2
Graminda Pty. Limited	Australia	2	—
Hanemare Pty. Limited	Australia	2	—
Harvey Norman Retailing Pty. Limited	Australia	2	2
Harvey Norman Stores Pty. Limited	Australia	2	2
Havrex Pty. Limited	Australia	2	2
Hodberg Pty. Limited	Australia	2	2
Hodvale Pty. Limited	Australia	2	2
Hoxco Pty. Limited	Australia	2	2
Irmaleni Pty. Limited	Australia	2	2
Jartoso Pty. Limited	Australia	2	2
Jondarlo Pty. Limited	Australia	2	2
Kambaldu Pty. Limited	Australia	2	2
Kasharni Pty. Limited	Australia	2	2
Koodero Pty. Limited	Australia	2	2
Korinti Pty. Limited	Australia	2	2

Harvey Norman Holdings Limited owns all the shares in the above companies.

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

Name	Country of Formation/ Incorporation	1991 \$	Cost of Shares Held 1990 \$
30. Subsidiary Companies and Unit Trusts (Continued)			
Shares held by Harvey Norman Holdings Limited (Holding Company)			
Lamino Pty. Limited	Australia	3	3
Lesandu Pty. Limited	Australia	2	2
Lexeri Pty. Limited	Australia	2	2
Lodare Pty. Limited	Australia	2	2
Loreste Pty. Limited	Australia	2	2
Malemi Pty. Limited	Australia	2	2
Malvis Pty. Limited	Australia	2	2
Manutu Pty. Limited	Australia	2	2
Maradoni Pty. Limited	Australia	2	2
Marinski Pty. Limited	Australia	2	-
Maylene Pty. Limited	Australia	2	2
Nedcroft Pty. Limited	Australia	2	2
Nomadale Pty. Limited	Australia	2	2
Oldmist Pty. Limited	Australia	2	2
Onza Pty. Limited	Australia	2	2
Osraidi Pty. Limited	Australia	2	2
Parwarna Pty. Limited	Australia	2	2
Plezero Pty. Limited	Australia	2	2
Penalve Pty. Limited	Australia	2	-
Rexmac Pty. Limited	Australia	2	2
Sarsha Pty. Limited	Australia	2	2
Solaro Pty. Limited	Australia	2	-
Spirarzu Pty. Limited	Australia	2	2
Strathloro Pty. Limited	Australia	2	2
Swaneti Pty. Limited	Australia	2	2
Swaneto Pty. Limited	Australia	2	2
Swan Park Pty. Limited	Australia	2	2
Taraweru Pty. Limited	Australia	2	2
Taruli Pty. Limited	Australia	2	-
Tatroko Pty. Limited	Australia	2	2
Torcarsa Pty. Limited	Australia	2	2
Uconu Pty. Limited	Australia	2	2
Valerinar Pty. Limited	Australia	2	2
Vitarnu Pty. Limited	Australia	2	2
Wanalti Pty. Limited	Australia	2	2
Warungi Pty. Limited	Australia	2	2
Waytango Pty. Limited	Australia	2	2
Wemeni Pty. Limited	Australia	2	2
Yoogalu Pty. Limited	Australia	2	2
Zabella Pty. Limited	Australia	2	-
Zavarte Pty. Limited	Australia	2	2
Zirdano Pty. Limited	Australia	2	2
Zirdanu Pty. Limited	Australia	2	2
		<u>500,173</u>	<u>500,157</u>

Harvey Norman Holdings Limited owns all the shares in the above companies.

Shares held by Sarsha Pty. Limited, a wholly owned subsidiary of Harvey Norman Holdings Limited.

Ventama Pty. Limited (100% owned by Sarsha Pty. Limited)	Australia	<u>563,395</u>	-
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NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

Name	Book Value of Units Held in Units Trusts	
	1991 \$000	1990 \$000
30. Subsidiary Companies and Unit Trusts (Continued)		
Shares held by Harvey Norman Holdings Limited (Holding Company).		
Harvey Norman No. 1 Trust	1,534	1,534
Harvey Norman Discounts No. 1 Trust	1,228	1,228
Lamino Investments No. 1 Trust	1,540	1,540
Lamino Investments No. 2 Trust	1,025	1,025
Lamino Investments No. 3 Trust	437	437
Lamino Investments No. 4 Trust	-	-
Lamino Investments No. 5 Trust	155	155
Lamino Investments No. 6 Trust	342	342
Lesandu No. 1 Trust	169	169
Lesandu Gosford Trust	149	149
Yoogalu Gosford Trust *	445	445
Lesandu Miranda Trust	17	17
Yoogalu Miranda Trust	410	410
Lesandu Gordon Trust	-	-
Yoogalu Gordon Trust	667	667
Lesandu Newcastle Trust	110	110
Yoogalu Newcastle Trust	377	377
Lesandu Fairfield Trust	-	-
Yoogalu Fairfield Trust	27	27
Lesandu Warrawong Trust	1	1
Yoogalu Warrawong Trust	-	-
Lesandu Albury Trust	-	-
Yoogalu Albury Trust	-	-
Lesandu Warringah Mall Trust	1	1
Yoogalu Warringah Mall Trust	4	4
Lesandu Campbelltown Trust	1	1
Yoogalu Campbelltown Trust	29	29
Yoogalu Lismore Trust *	93	93
Sydney No. 1 Trust	-	-
Big Apple Trust	-	-
Lesandu Rockdale Trust	-	-
Uconu No. 1 Unit Trust	-	-
Malvis No. 2 Trust	-	-
Bradiz No. 2 Trust	-	-
Charmela No. 2 Trust	-	-
Valerinar No. 2 Trust	-	-
Lesandu Penrith Trust	-	-
The Calardu Trust	-	-
Calardu A.C.T. Trust	-	-
Calardu No. 1 Trust	-	-
Calardu No. 2 Trust	-	-
Calardu No. 3 Trust	-	-
Bilarni No. 2 Trust	-	-
Osraidi No. 2 Trust	-	-

* All the units in the Unit Trusts are held by Harvey Norman Holdings Limited except that minority units exist in Yoogalu Gosford Trust and Yoogalu Lismore Trust. Minority unit holders hold redeemable units entitling them to a share of profits but they have no rights to receive more than the par value of those units on winding up.

NOTES TO AND FORMING PART OF THE ACCOUNTS For The Year Ended 30 June, 1991

Name	Book Value of Units Held in Units Trusts	
	1991 \$000	1990 \$000
30. Subsidiary Companies and Unit Trusts (Continued)		
Units held by Harvey Norman Holdings Limited.		
Taraweru No. 2 Trust	-	-
Lodare No. 2 Trust	-	-
Parwarna No. 2 Trust	-	-
Algoni No. 3 Trust	-	-
Irmaleni No. 2 Trust	-	-
Torcarsa No. 2 Trust	-	-
Elmedi No. 2 Trust	-	-
Anwarah No. 2 Trust	-	-
Burawange No. 2 Trust	-	-
Burawango No. 2 Trust	-	-
Swaneti No. 2 Trust	-	-
Donove No. 2 Trust	-	-
Dracome No. 2 Trust	-	-
Kasharni No. 2 Trust	-	-
Abaro No. 2 Trust	-	-
Graminda No. 2 Trust	-	-
Hanemare No. 2 Trust	-	-
Maylene No. 2 Trust	-	-
Penalve No. 2 Trust	-	-
Rexmac No. 2 Trust	-	-
Spirarzu No. 2 Trust	-	-
Taruli No. 2 Trust	-	-
	<u>8,761</u>	<u>8,761</u>

* All the units in the Unit Trusts are held by Harvey Norman Holdings Limited except that minority units exist in Yoogalu Gosford Trust and Yoogalu Lismore Trust. Minority unit holders hold redeemable units entitling them to a share of profits but they have no rights to receive more than the par value of those units on winding up.

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

Name	Consolidated	
	1991 \$000	1990 \$000
30. Subsidiary Companies and Unit Trusts (Continued)		
Contribution by Subsidiary Companies and Unit Trusts to operating profit after income tax.		
Rexmac Pty. Limited	-	-
Penalve Pty. Limited	-	-
Abaro Pty. Limited	-	-
Arpayo Pty. Limited	-	-
Arlenu Pty. Limited	-	-
Carlando Pty. Limited	-	-
Clambruno Pty. Limited	-	-
Daldere Pty. Limited	-	-
Dandolena Pty. Limited	-	-
Derni Pty. Limited	-	-
Farane Pty. Limited	-	-
Ganoru Pty. Limited	-	-
Jondarlo Pty. Limited	-	-
Kambaldu Pty. Limited	-	-
Korinti Pty. Limited	-	-
Lamino Pty. Limited	-	-
Lesandu Pty. Limited	-	-
Manutu Pty. Limited	-	-
Maradoni Pty. Limited	-	-
Swaneto Pty. Limited	-	-
Tatroko Pty. Limited	-	-
Uconu Pty. Limited	-	-
Wanalti Pty. Limited	-	-
Warungi Pty. Limited	-	-
Calardu Pty. Limited	-	-
Zavarte Pty. Limited	289	327
Waytango Pty. Limited	-	-
Wemeni Pty. Limited	-	-
Yoogalu Pty. Limited	-	-
Zirdano Pty. Limited	-	-
Zirdanu Pty. Limited	-	-
Edbrook Pty. Limited	1	3
Lexeri Pty. Limited	-	-
Durslee Pty. Limited	-	-
Loreste Pty. Limited	1	-
Solaro Pty. Limited	125	110
Onza Pty. Limited	249	213
Bilarni Pty. Limited	-	-
Malemi Pty. Limited	-	-
Charmela Pty. Limited	-	-
Harvey Norman Stores Pty. Limited	-	-
Osraidi Pty. Limited	-	-
Valerinar Pty. Limited	-	-
Bradiz Pty. Limited	-	-
Malvis Pty. Limited	390	8
Harvey Norman Retailing Pty. Limited	-	-
Taraweru Pty. Limited	-	-
Marinski Pty. Limited	125	104
Sarsha Pty. Limited	(12)	-
Total Carried Forward	1,168	765

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

Name	1991 \$000	Consolidated 1990 \$000
30. Subsidiary Companies and Unit Trusts (Continued)		
Contribution by Subsidiary Companies and Unit Trusts to operating profit after income tax.		
Total Brought Forward	1,168	765
Jartoso Pty. Limited	159	144
Aloku Pty. Limited	-	-
Maylene Pty. Limited	-	-
Graminda Pty. Limited	-	-
Hanemare Pty. Limited	-	-
Braxpine Pty. Limited	4	-
Ventama Pty. Limited	(7)	-
Zabella Pty. Limited	(15)	-
Plezero Pty. Limited	69	45
Flormonda Pty. Limited	80	43
Hoxco Pty. Limited	5	34
Nedcroft Pty. Limited	69	2
Balwundu Pty. Limited	4	3
Swan Park Pty. Limited	8	-
Nomadale Pty. Limited	-	-
Havrex Pty. Limited	3	-
Oldmist Pty. Limited	-	-
Koodero Pty. Limited	-	-
Lodare Pty. Limited	8	-
Parwarna Pty. Limited	-	-
Hodberg Pty. Limited	172	2
Hodvale Pty. Limited	-	-
Strathloro Pty. Limited	47	-
Divonda Pty. Limited	-	-
Algoni Pty. Limited	-	-
Irmaleni Pty. Limited	-	-
Torcarsa Pty. Limited	-	-
Elmedi Pty. Limited	-	-
Anwarah Pty. Limited	-	-
Burawange Pty. Limited	-	-
Burawango Pty. Limited	-	-
Swaneti Pty. Limited	-	-
Donove Pty. Limited	-	-
Dracome Pty. Limited	-	-
Kasharni Pty. Limited	-	-
Vitarnu Pty. Limited	(1)	-
Evandarli Pty. Limited	-	-
Harvey Norman No 1 Trust	135	1,525
Harvey Norman Discounts No. 1 Trust	904	(669)
Lamino Investments No. 1 Trust	50	14
Lamino Investments No. 2 Trust	167	159
Lamino Investments No. 3 Trust	76	65
Lamino Investments No. 4 Trust	-	-
Lamino Investments No. 5 Trust	-	-
Lamino Investments No. 6 Trust	143	3
Lesandu No. 1 Trust	152	225
Lesandu Gosford Trust	240	171
Total Carried Forward	3,640	2,531

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

Name	Consolidated	
	1991 \$000	1990 \$000
30. Subsidiary Companies and Unit Trusts (Continued)		
Contribution by Subsidiary Companies and Unit Trusts to operating profit after income tax.		
Total Brought Forward	3,640	2,531
Yoogalu Gosford Trust	460	621
Lesandu Miranda Trust	3	1
Yoogalu Miranda Trust	432	453
Lesandu Gordon Trust	1	1
Yoogalu Gordon Trust	723	757
Graminda No. 2 Trust	-	-
Hanemare No. 2 Trust	-	-
Maylene No. 2 Trust	-	-
Penalve No. 2 Trust	-	-
Rexmac No. 2 Trust	-	-
Lesandu Newcastle Trust	-	8
Yoogalu Newcastle Trust	586	343
Lesandu Fairfield Trust	2	-
Yoogalu Fairfield Trust	2	1
Lesandu Warrawong Trust	-	-
Yoogalu Warrawong Trust	268	238
Lesandu Albury Trust	-	-
Yoogalu Albury Trust	4	11
Lesandu Warringah Mall Trust	-	-
Yoogalu Warringah Mall Trust	243	372
Lesandu Campbelltown Trust	12	16
Yoogalu Campbelltown Trust	273	238
Yoogalu Lismore Trust	121	109
Sydney No. 1 Trust	-	-
Big Apple Trust	-	-
Lesandu Rockdale Trust	-	-
Uconu No. 1 Unit Trust	-	-
Malvis No. 2 Trust	-	-
Bradiz No. 2 Trust	-	-
Charmela No. 2 Trust	-	-
Valerinar No. 2 Trust	-	-
Lesandu Penrith Trust	1	3
The Calardu Trust	9	1
Calardu A.C.T. Trust	(43)	(7)
Calardu No. 1 Trust	178	136
Calardu No. 2 Trust	513	194
Calardu No. 3 Trust	299	251
Bilarni No. 2 Trust	-	-
Osraidi No. 2 Trust	-	-
Taraweru No. 2 Trust	-	-
Lodare No. 2 Trust	-	-
Parwarna No. 2 Trust	-	-
Algoni No. 3 Trust	-	-
Irmaleni No. 2 Trust	-	-
Torcarsa No. 2 Trust	-	-
Elmedi No. 2 Trust	-	-
Anwarah No. 2 Trust	-	-
Total Carried Forward	7,727	6,278

NOTES TO AND FORMING PART OF THE ACCOUNTS

For The Year Ended 30 June, 1991

Name	Consolidated	
	1991 \$000	1990 \$000
30. Subsidiary Companies and Unit Trusts (Continued)		
Contribution by Subsidiary Companies and Unit Trusts to operating profit after income tax.		
Total Brought Forward	7,727	6,278
Burawange No. 2 Trust	-	-
Burawango No. 2 Trust	-	-
Swaneti No. 2 Trust	-	-
Donove No. 2 Trust	-	-
Dracome No. 2 Trust	-	-
Kasharni No. 2 Trust	-	-
Abaro No. 2 Trust	-	-
Total subsidiary companies and units trusts	7,727	6,278
Holding Company profit *	(7)	(12)
Amortisation of goodwill on consolidation	(231)	(231)
Operating profit after income tax	7,489	6,035

* The Holding Company profit is before the distribution of profits from unit trusts.

NOTES TO AND FORMING PART OF THE ACCOUNTS For The Year Ended 30 June, 1991

30. Subsidiary Companies and Unit Trusts (Continued)

Acquisition of Subsidiaries

Name of Company	Portion of Shares Acquired	Consideration Paid for Shares	Fair value of net tangible assets at time of acquisition
Ventama Pty. Limited	100%	563,395	563,395
Dracome Pty. Limited	100%	2	2
Graminda Pty. Limited	100%	2	2
Hanemare Pty. Limited	100%	2	2
Maylene Pty. Limited	100%	2	2
Rexmac Pty. Limited	100%	2	2
Spirarzu Pty. Limited	100%	2	2
Taruli Pty. Limited	100%	2	2
Zabella Pty. Limited	100%	2	2
Dracome No. 2 Trust	100%	10	10
Graminda No. 2 Trust	100%	10	10
Hanemare No. 2 Trust	100%	10	10
Maylene No. 2 Trust	100%	10	10
Rexmac No. 2 Trust	100%	10	10
Spirarzu No. 2 Trust	100%	10	10
Taruli No. 2 Trust	100%	10	10
		<u>563,481</u>	<u>563,481</u>

SHARE INFORMATION

Twenty largest shareholders

The names of 20 largest holders of each class of equity security as at 2 October, 1991 are listed below:

Shareholder	No. of Shares	% of Issued Capital
G. Harvey Nominees Pty. Limited	9,000,000	36.0
Dimbulu Pty. Limited	7,000,000	28.0
Lynette Margaret Harvey	2,000,000	8.0
Winchcombe Carson Trustee Co. Limited	1,317,700	5.3
Enbear Pty. Limited	653,300	2.6
Tyndall Life Insurance Co. Limited	317,700	1.3
Associated National Deposits Limited	254,100	1.0
Perpetual Trustees Nominees Limited	212,000	0.8
Associated National Life Insurance Co. Limited	203,500	0.8
I. J. Norman Nominees Pty. Limited	152,800	0.6
Michael John Harvey	102,500	0.4
Perpetual Trustees Co. Limited	93,600	0.4
Kay Lesley Page	90,000	0.4
State Electricity Commission of Victoria	81,900	0.3
Permanent Trustee Co. Limited	68,800	0.3
Nutu Inc.	55,000	0.2
Mary Elizabeth Sexton	53,800	0.2
Graeme Harvey	53,000	0.2
John Richard Griffiths	51,000	0.2
Peapes Pty. Limited	50,200	0.2
Total	21,810,900	87.2

Directors' Shareholdings at 9 October, 1991.

Director's Name	Number of Shares	Interest
G. Harvey	9,000,000	Held in name of another company of which he is a member or a director.
I. J. Norman	7,152,800	Held in names of other companies of which he is a member or a director.
K. L. Page	90,000	Held in own name.
C. H. Brown	45,000	Held in name of another company of which he is a member or a director.

Distribution Schedule of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 1,000	575	45.8	525,160	2.1
1,001 - 5,000	570	45.4	1,592,350	6.4
5,001 - 10,000	43	3.4	345,500	1.4
10,001 and over	68	5.4	22,537,000	90.1
	1,256	100.0	25,000,010	100.0

Shareholders holding less than a marketable parcel - Nil

STATEMENT BY DIRECTORS

In the opinion of the Directors:

- (a) The accompanying Profit and Loss Account is drawn up so as to give a true and fair view of the profit of the Company for the year ended 30 June, 1991.
- (b) The accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the Company as at that date.
- (c) At the date of this statement there are reasonable grounds to believe that the Company will be able to:
 - (i) Pay its debts as and when they are due; and
 - (ii) Meet any obligations or liabilities that may arise from any guarantee or undertaking given to its subsidiaries.
- (d) The accompanying Group Accounts are drawn up so as to give a true and fair view of the profit of the group for the year ended 30 June, 1991 and of the state of affairs of the group as at that date, so far as they concern members of the Holding Company.

The Accounts of the Company and the Group Accounts have been made out in accordance with applicable accounting standards.

SIGNED this 22nd day of October, 1991 in accordance with a resolution of the Board of Directors.

G. HARVEY
Chairman

K. L. PAGE
Director

S. M. GIBSON
Director

AUDITORS' REPORT

To the Members of
Harvey Norman Holdings Pty. Limited

Scope

We have audited the accompanying financial statements of HARVEY NORMAN HOLDINGS LTD and of the group for the year ended 30 June 1991. The company's directors are responsible for the preparation and presentation of the financial statements and of the information contained therein. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Australian auditing standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial statements are presented fairly in accordance with Australia accounting concepts and standards and statutory requirements so as to present a view of the company and of the group which is consistent with our understanding of their financial position and the results of their operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of Harvey Norman Holdings Ltd and of the group are properly drawn up:

- (a) so as to give a true and fair view of:
 - (i) the state of affairs of the Company and of the group as at 30 June, 1991 and of the profit of the Company and of the group for the year ended on that date so far as they concern members of the Company; and
 - (ii) the other matters required by Division 4 of Part 3.6 of the Corporations Law to be dealt with in the financial statements;
- (b) in accordance with the provisions of the Corporations Law; and
- (c) in accordance with the statements of accounting concepts and applicable accounting standards.

Arthur Andersen & Co.

C. R. SERGENT
Partner

Sydney, 22nd October, 1991

DIRECTORY OF **“HARVEY NORMAN DISCOUNTS” SHOPPING COMPLEXES**

SYDNEY SUBURBAN

Auburn

233 Parramatta Road,
Auburn.
Phone: (02) 647 2611

250 Parramatta Road,
Auburn.
Phone: (02) 647 2611

Campbelltown

Unit 1, 233 Airds Road,
Leumeah.
Phone: (046) 28 4088

Fairfield

Shop 4, 46-52 Court Road,
Fairfield.
Phone: (02) 727 8777

Gordon

1st Floor, 802-808 Pacific Highway,
Gordon.
Phone: (02) 498 1499

Miranda

4th Floor, Westfield Miranda Fair,
The Kingsway,
Miranda.
Phone: (02) 526 1333

Moore Park

Cnr. South Dowling St. & Todman Ave.,
Moore Park.
Phone: (02) 313 6500

Penrith

Shop 2, 61-79 Henry Street,
Penrith.
Phone: (047) 32 1566

Warringah Mall (Brookvale)

Shop 137 Warringah Mall
Cnr. Old Pittwater Road and
Condamine Street,
Brookvale.
Phone: (02) 938 1711

Wiley Park

1018 Canterbury Road,
Wiley Park.
Phone: (02) 740 6055

COUNTRY NEW SOUTH WALES

Albury

430 Wilson Street,
Albury.
Phone: (060) 41 1944

Bathurst

2 Sydney Road,
Kelso.
Phone: (063) 32 3399

Bennetts Green (Newcastle)

7 Abdon Close
Bennetts Green.
Phone: (049) 48 4555

Coffs Harbour

Park Beach Plaza
Cnr. Park Beach Road & Arthur Street,
Coffs Harbour.
Phone: (066) 51 9011

Dubbo

195 Cobra Street,
Dubbo.
Phone: (068) 81 8922

Erina (Gosford)

25B Miranda Avenue,
Erina.
Phone (043) 67 6444

Lismore

17 Zadoc Street,
Lismore.
Phone: (066) 21 8888

Maitland

The Maitland Cinema Centre
Ken Tubman Drive
Maitland.
Phone: (049) 34 2423

Orange

70 Endsleigh Avenue,
Orange.
Phone: (063) 61 4111

Port Macquarie

Cnr. Lake Street & Acacia Avenue,
Port Macquarie.
Phone: (065) 81 0088

Tamworth

170 Peel Street,
Tamworth.
Phone: (067) 66 7988

Wagga

75 Morgan Street,
Wagga Wagga.
Phone: (069) 21 7100

Warrawong (Wollongong)

Cnr. King Street and
Shellharbour Road,
Warrawong.
Phone: (042) 75 2722

INTERSTATE

BRISBANE QUEENSLAND

Carindale

Carindale Shopping Centre
Cnr Creek Road & Winstanley Street,
Carindale.
Phone: (07) 843 1700

Mt. Gravatt

Big Top Showrooms
1290 Logan Road,
Mt. Gravatt.
Phone: (07) 849 4299

Windsor

Units C1-3 Windsor Centre
Cnr. Lutwyche and Newmarket Roads,
Windsor.
Phone: (07) 357 7777

COUNTRY QUEENSLAND

Bundall (Gold Coast QLD)

Block A, 53-63 Upton Street,
Bundall.
Phone: (075) 38 3155

Cairns

Cairns Festival Faire
Cnr Alfred & Koch Streets,
Manunda.
Phone: (070) 32 1899

Kawana Waters (Sunshine Coast QLD)

Cnr. Nicklin Way & Eden Street,
Minyama Gardens,
Kawana Waters.
Phone: (071) 44 8277