

# **Harvey Norman**

## **HOLDINGS LIMITED**

1990 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 27th November, 1990  
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**

*P. K. F. Registry Services  
Level 9  
234 Sussex Street,  
SYDNEY, N.S.W. 2000*

**Bankers**

*Australia & New Zealand Banking Group*

**Auditors**

*Pannell Kerr Forster*

**Solicitors**

*Gillis Delaney Brown*

## HIGHLIGHTS

- Consolidated Operating Profit before tax for the 12 months to 30th June 1990 was \$10.26 million, a decrease of 21.4% on the previous year. Operating Profit after tax was \$6.04 million, a decrease of 22.5%.
- The recommended final dividend is increased from 4 cents to 4.5 cents a share, fully franked, bringing the full year dividend to 8.5 cents fully franked.
- Earnings per share decreased from 31.1 cents to 24.1 cents.
- Return on shareholders' funds was 15.3%.
- New franchised stores were opened in Windsor and Mt.Gravatt (Brisbane), Kawana Waters (Sunshine Coast), Cairns and Wiley Park.
- As a result of revaluation by the Directors of the Group's property, the aggregate values of the property have increased by \$3.2 million to \$42.7 million.

## FINANCIAL SUMMARY 12 MONTHS TO 30TH JUNE, 1990

	1990 \$'000	1989 \$'000	% Change
Operating Revenue	39,367	33,762	17
Operating Profit before Interest and Income Tax	14,818	14,541	2
Interest Expense	4,555	1,477	-
Income Tax Expense	4,228	5,276	-
Operating Profit	6,035	7,788	-23
Extraordinary Items	-	(44)	-
Operating Profit after Extraordinary Items	6,035	7,744	-22
Earnings per share on issue at 30th June (cents)	24.1	31.1	-22
Dividends per share (cents)	8.5	7.5	13
Return on Shareholders' Funds at 30th June (%)	15.3	22.4	-32
Paid up capital at 30th June (\$ million)	12.5	12.5	-
Shareholders' Funds at 30th June (\$ million)	46.1	39.0	18
Net Tangible Assets (Book Value) per share at 30th June (\$)	1.68	1.39	21

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## CHAIRMAN'S REPORT

In view of the difficult economic conditions Harvey Norman's result for the year ended 30th June 1990 is considered to be satisfactory. The Consolidated Operating Profit before interest charges and Income Tax was \$14.818 million, a slight increase on the previous year. After interest charges and Income Tax the net profit was \$6.035 million, a decrease of 22% on 1988/89 year. This decrease has been caused by higher interest charges on borrowings to fund the Group's development of property for its own use. Interest charges increased to \$4.555 million compared to \$1.477 million previously.

The Directors have revalued the Group's real estate by \$3.2 million bringing the Director's valuation of property to \$42.7 million at 30th June 1990. Retained earnings and the property revaluation have increased Shareholders' Funds from \$39.0 million to \$46.1 million and the total net asset backing per share has increased from \$1.39 to \$1.68.

With new stores opened during the year in Queensland at Windsor, Kawana Waters, Cairns and Mt.Gravatt and in NSW, at Wiley Park, sales from the franchised "Harvey Norman" stores and our own store at Lismore totalled \$248.1

million, an increase of 19% on those of 1989. Sales for the 3 months to the end of September are up 30% on the same period of last year.

In the current financial year, new stores have been opened at Maitland in July and Carindale (Brisbane) in October. Other stores planned include Moore Park and Auburn.

Buildings completed during the year were retail stores at Wiley Park and Auburn, and Stage I of a warehouse complex at Punchbowl. Stage II of this project will be completed during the current financial year. Work has commenced on the construction of a 7,000 sq metre retail store at Parramatta Road, Auburn and this store will be franchised on completion in May 1991.

Despite the current slowdown in the economy and reduced consumer confidence our plans are to continue to expand as opportunities arise and I am confident that Harvey Norman will continue to grow strongly in the years ahead.

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

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## DIRECTORS' REPORT

The Directors of Harvey Norman Holdings Limited have pleasure in presenting the Company and Group Financial Statements for the year ended 30th June, 1990.

### 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 Discounts 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 25 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 of the Company 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 Company, 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 Company.

### PRINCIPAL ACTIVITIES

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

### NET PROFIT

The net profit of the Group for the financial year ended 30th June, 1990 after provision for income tax and extraordinary items was \$6,035,293.

### PAYMENT OF RECOMMENDED DIVIDENDS

Directors recommend the fully franked dividend of 4.5 cents per share be paid on 30th November, 1990. Duly completed transfers received up to 5pm on 9th November 1990 will be registered before dividend entitlements are determined. Details of dividends paid and payable out of profits of the year ended 30th June, 1990 are as follows:

	1990
Dividend interim paid 4th May, 1990	\$1,000,000
Final recommended – payable 30th November, 1990	\$1,125,000

### SHARE OPTIONS

At balance date, options over 3,000,000 ordinary shares exercisable at \$1.00 between 1st July, 1990 and 30th 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 30th June, 1990, 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.

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## **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, 1990.

## **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 of the Group, the results of those 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**

All figures in this report have been rounded to the nearest \$1.000 unless otherwise indicated.

# PROFIT & LOSS ACCOUNT

## For The Year Ended 30th June, 1990

	Notes	Consolidated				Holding Company	
		Supplementary 1990 \$000	1989 \$000	Statutory 1990 \$000	1989 \$000	1990 \$000	1989 \$000
Operating Profit	3, 4	10,263	13,064	10,494	13,251	997	11,692
Income tax attributable to Operating Profit	5	4,228	5,276	4,228	5,276	399	4,667
Operating Profit after Income Tax		6,035	7,788	6,266	7,975	598	7,025
(Loss) on Extraordinary Items	6	-	(44)	-	-	-	-
Operating Profit and Extraordinary Items after Income Tax		6,035	7,744	6,266	7,975	598	7,025
Retained Profits at the beginning of the financial year		9,247	3,378	9,709	3,609	8,592	3,442
Total available for Appropriation		15,282	11,122	15,975	11,584	9,190	10,467
Dividends provided for or paid		2,125	1,875	2,125	1,875	2,125	1,875
Retained Profits at the end of the financial year		13,157	9,247	13,850	9,709	7,065	8,592

The above Profit and Loss Account is to be read in conjunction with the accompanying Notes.

# **BALANCE SHEET** **as at 30th June, 1990**

	Notes	Supplementary		Consolidated		Statutory		Holding Company	
		1990	1989	1990	1989	1990	1989	1990	1989
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Current Assets</b>									
Cash		36	26	14	6			11	-
Receivables	8	38,143	33,538	102,309	117,599			24,233	29,934
Inventories	9	4,944	3,775	-	-			-	-
Other	10	4,244	1,749	86	-			-	-
<b>Total Current Assets</b>		<b>47,367</b>	<b>39,088</b>	<b>102,409</b>	<b>117,605</b>			<b>24,244</b>	<b>29,934</b>
<b>Non-Current Assets</b>									
Receivables	11	605	-	5,128	128			-	-
Investments	12	246	196	8,950	8,950			9,261	9,261
Property, Plant and Equipment	13	49,995	35,363	3,986	1,490			-	-
Intangibles	14	3,927	4,159	-	-			-	-
Other	15	258	157	258	157			148	148
<b>Total Non-Current Assets</b>		<b>55,031</b>	<b>39,875</b>	<b>18,322</b>	<b>10,725</b>			<b>9,409</b>	<b>9,409</b>
<b>Total Assets</b>		<b>102,398</b>	<b>78,963</b>	<b>120,731</b>	<b>128,330</b>			<b>33,653</b>	<b>39,343</b>
<b>Current Liabilities</b>									
Creditors and Borrowings	16	45,165	33,227	70,814	86,894			44	9
Provisions	17	5,909	6,631	5,909	6,631			1,514	5,712
<b>Total Current Liabilities</b>		<b>51,074</b>	<b>39,858</b>	<b>76,723</b>	<b>93,525</b>			<b>1,558</b>	<b>5,721</b>
<b>Non-Current Liabilities</b>									
Creditors and Borrowings	18	5,000	3	5,000	3			-	-
Provisions	19	128	63	128	63			-	-
<b>Total Non-Current Liabilities</b>		<b>5,128</b>	<b>66</b>	<b>5,128</b>	<b>66</b>			<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>56,202</b>	<b>39,924</b>	<b>81,851</b>	<b>93,591</b>			<b>1,558</b>	<b>5,721</b>
<b>Net Assets</b>		<b>46,196</b>	<b>39,039</b>	<b>38,880</b>	<b>34,739</b>			<b>32,095</b>	<b>33,622</b>
<b>Shareholders' Equity</b>									
Share Capital	20	12,530	12,530	12,530	12,530			12,530	12,530
Reserves	7	20,509	17,262	12,500	12,500			12,500	12,500
Retained Profits		13,157	9,247	13,850	9,709			7,065	8,592
<b>Total Shareholders' Equity</b>		<b>46,196</b>	<b>39,039</b>	<b>38,880</b>	<b>34,739</b>			<b>32,095</b>	<b>33,622</b>

The Balance Sheet is to be read in conjunction with the attached Notes.



## NOTES TO AND FORMING PART OF THE ACCOUNTS

### For The Year Ended 30th June, 1990

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#### 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 Company 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 32. 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 32).

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. Consequently, these rights of indemnity are included as assets in the trustees balance sheets.

##### (b) Principles of Consolidation

###### (i) Statutory Consolidation

In accordance with the provisions of the Companies (New South Wales) Code, the statutory consolidation includes the accounts of Harvey Norman Holdings Limited and all its subsidiary companies. All intercompany transactions and balances have been eliminated.

###### (ii) Supplementary Consolidation

The supplementary consolidation includes the accounts of Harvey Norman Holdings Limited and all its wholly owned operating entities (Refer Note 32). In this regard, assets of operating trusts have been substituted for the rights of indemnity in the statutory consolidation and the results of the operating trusts and operating companies are consolidated in the Profit and Loss Account. All intergroup transactions and balances have been eliminated. This supplementary consolidation has been included in the accounts because it provides a full and true disclosure of the state of affairs of the group as at 30th June, 1990 and of the profit of the group for the year ended on that date.

##### (c) 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.

##### (d) 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.

##### (e) 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 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.

##### (f) Depreciation and amortisation of fixed assets

Fixed assets 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 fixed assets are taken into account in determining the profit for the year.

##### (g) Leases

The company has adopted the following accounting policies for leases:

Company as Lessee

###### (i) Operating leases

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

###### (ii) Finance leases

– an initial asset and liability equal in amount to the present value of the minimum lease payments is recorded at the beginning of the lease term. The discount rate used in determining the present value is the (estimated) interest rate implicit in the lease. The lease asset is amortised against the income of the accounting periods which are expected to benefit

## NOTES TO AND FORMING PART OF THE ACCOUNTS For The Year Ended 30th June, 1990

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### Leases (Continued)

from its use. Minimum lease payments are allocated between interest expense and reduction of the lease liability. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period.

#### Company as Lessor

– Direct financing 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, 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.

### (h) 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.

### (i) 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.

### (j) 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.

### (k) 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 based on past experience.

### (l) Extraordinary Items

Items of expense, which are attributable to events or transactions outside the ordinary operations of the company are disclosed separately after arriving at the operating profit.

## 2. Accounts Disclosure

These accounts comply with the requirements of Schedule 7 of the Companies (New South Wales) Code Regulations as in force on 30th September, 1987.

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## For The Year Ended 30th June, 1990

	Consolidated				Holding Company	
	Supplementary		Statutory			
	1990	1989	1990	1989	1990	1989
	\$000	\$000	\$000	\$000	\$000	\$000
<b>3. Operating Revenue</b>						
Sales Revenue	4,853	5,002	-	-	-	-
Other Revenue:						
Management Fees	7,875	8,420	1,701	1,478	-	-
Rent Received	6,850	5,330	1,391	500	-	-
Trust Distribution Received	-	-	8,792	11,716	1,016	11,716
Other - (Franchise Fees, Warehouse Fees, Administration Fees, Consultancy, Settlement Discount)	19,790	15,010	3,462	1,547	9	5
	34,515	28,760	15,346	15,241	1,025	11,721
	39,368	33,762	15,346	15,241	1,025	11,721
<b>4. Operating Profit</b>						
The following items have been credited as revenue in determining operating profit:						
Dividends						
Other Corporations	-	10	-	-	-	-
Trust Distributions	-	-	8,792	11,716	1,016	11,716
Interest						
From Other Corporations	3,121	2,102	-	-	-	-
The following items have been charged as expenses in determining operating profit:						
Interest						
Other Persons/Corporations	4,555	1,477	1	5	-	-
Bad Debts	119	-	-	-	-	-
Depreciation and Amortisation of Property, Plant and Equipment						
Buildings on Freehold Land	401	270	-	-	-	-
Plant and Equipment	1,114	861	457	199	-	-
Leased Assets	-	36	-	-	-	-
	1,515	1,167	457	199	-	-
Amortisation of Intangibles						
Goodwill	231	231	-	-	-	-
Lease Finance Charges	-	11	-	-	-	-
Operating Lease Rental Expense	4,187	3,522	1,388	495	-	-

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### For The Year Ended 30th June, 1990

	Consolidated				Holding Company	
	Supplementary 1990 \$000	1989 \$000	Statutory 1990 \$000	1989 \$000	1990 \$000	1989 \$000
<b>5. Income Tax</b>						
The amount provided in respect of income tax differs from the amount prima facie payable on operating profit and extraordinary items. The difference is reconciled as follows:						
Prima facie income tax payable on operating profit	4,002	5,095	4,093	5,185	389	4,577
The tax effect of permanent differences which:						
(a) reduce tax payable:-						
franked dividends	-	4	-	4	-	4
(b) increase tax payable:-						
Amortisation of Goodwill	90	90	-	-	-	-
Building Depreciation	83	65	83	65	-	65
Fringe Benefits Tax	10	8	10	8	-	8
Under Provision in previous years	19	-	19	-	10	-
Sundry Items	24	22	23	22	-	21
	226	185	135	95	10	94
Net effect of permanent differences	226	181	135	91	10	90
Income Tax attributable to operating profit.	4,228	5,276	4,228	5,276	399	4,667
Comprises:						
Additions to provision for Income Tax	4,329	5,330	4,329	5,330	399	4,712
Deduct Future Income Tax Benefit	101	54	101	54	-	45
	4,228	5,276	4,228	5,276	399	4,667
<b>6. Extraordinary Items</b>						
Loss on insurance payout against book value of buildings destroyed by fire (No Income Tax applicable thereto.)	-	44	-	-	-	-

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## For The Year Ended 30th June, 1990

	Consolidated		Holding Company	
	Supplementary	Statutory		
	1990	1989	1990	1989
	\$000	\$000	\$000	\$000
<b>7. Reserves</b>				
Capital Reserve				
Share Premium	12,500	12,500	12,500	12,500
Capital Profits	-	-	-	-
Asset Revaluation	8,009	4,762	-	-
	<u>20,509</u>	<u>17,262</u>	<u>12,500</u>	<u>12,500</u>
Movement in Reserves				
Asset Revaluation Reserve				
Balance at beginning of year	4,762	2,000	-	-
Revaluation of land and buildings during the year	3,247	2,762	-	-
	<u>8,009</u>	<u>4,762</u>	<u>-</u>	<u>-</u>
<b>8. Receivables (Current)</b>				
Trade Debtors	37,384	32,836	4	-
	<u>37,384</u>	<u>32,836</u>	<u>4</u>	<u>-</u>
Amounts receivable in respect of finance leases	97	-	-	-
	<u>97</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-trade debts receivable from:				
Related Corporations	-	-	-	96
Associated Corporations	400	460	-	-
Other Persons and Corporations	262	242	90	90
	<u>662</u>	<u>702</u>	<u>90</u>	<u>186</u>
Right of Indemnity for liabilities incurred on behalf of Trusts listed in Note 32	-	-	102,215	117,413
	<u>38,143</u>	<u>33,538</u>	<u>102,309</u>	<u>117,599</u>
<b>9. Inventories (Current)</b>				
Finished Goods:				
at cost	4,944	3,775	-	-
	<u>4,944</u>	<u>3,775</u>	<u>-</u>	<u>-</u>
<b>10. Other Current Assets</b>				
Prepayments	444	349	86	-
Short Term Deposits	3,800	1,400	-	-
	<u>4,244</u>	<u>1,749</u>	<u>86</u>	<u>-</u>

Note: The Trusts assets which lie behind this right are not directly available to meet any liabilities which may have arisen from the trustee acting in its own right.

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## For The Year Ended 30th June, 1990

	Consolidated				Holding Company	
	Supplementary		Statutory			
	1990	1989	1990	1989	1990	1989
	\$000	\$000	\$000	\$000	\$000	\$000
<b>11. Receivables – (Non-Current)</b>						
Amounts receivable in respect of finance leases	605	-	-	-	-	-
Right of indemnity for liabilities incurred on behalf of Trusts listed in Note 32	-	-	5,128	128	-	-
	605	-	5,128	128	-	-
The Trusts assets which lie behind this right are not directly available to meet any liabilities which may have arisen from the trustee acting in its own right.						
<b>12. Investments (Non-Current)</b>						
Shares – Listed on a Prescribed Stock Exchange – at cost	6	6	-	-	-	-
Market Value	4	4	-	-	-	-
Shares						
In Other Corporations	240	190	190	190	-	-
In Related Corporations (Note 32)	-	-	-	-	500	500
Units in Unit Trusts (Note 32)	-	-	8,760	8,760	8,761	8,761
	240	190	8,950	8,950	9,261	9,261
Total Investments	246	196	8,950	8,950	9,261	9,261
<b>13. Property, Plant and Equipment</b>						
Freehold Land						
at Directors' Valuation 1990	23,628	-	-	-	-	-
at Directors' Valuation 1989	-	11,154	-	-	-	-
at cost	-	6,747	-	-	-	-
	23,628	17,901	-	-	-	-
Leasehold Property						
at Directors Valuation 1990	1,684	-	-	-	-	-
at Directors Valuation 1989	-	1,631	-	-	-	-
	1,684	1,631	-	-	-	-
Buildings						
at Directors' Valuation 1990	17,611	-	-	-	-	-
at Directors' Valuation 1989	-	1,024	-	-	-	-
at cost	-	12,095	-	-	-	-
	17,611	13,119	-	-	-	-
Construction in Progress at cost	624	-	-	-	-	-
Provision for Depreciation of Buildings	854	453	-	-	-	-
Net carrying amount of Freehold Land, Leasehold Property and Buildings						
at Directors Valuation	42,693	13,809	-	-	-	-
at cost	-	18,389	-	-	-	-
	42,693	32,198	-	-	-	-
Plant and Equipment at cost	11,209	5,965	4,685	1,734	-	-
under Finance Lease	-	169	-	-	-	-
	11,209	6,134	4,685	1,734	-	-

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## For The Year Ended 30th June, 1990

	Consolidated				Holding Company	
	Supplementary 1990 \$000	1989 \$000	Statutory 1990 \$000	1989 \$000	1990 \$000	1989 \$000
<b>13. Property, Plant and Equipment (Continued)</b>						
Provision for Depreciation and Amortisation of Plant and Equipment at cost	3,907	2,851	699	244	-	-
under Finance Lease	-	118	-	-	-	-
	<u>3,907</u>	<u>2,969</u>	<u>699</u>	<u>244</u>	<u>-</u>	<u>-</u>
Net carrying amount of Plant and Equipment at cost	7,302	3,114	3,986	1,490	-	-
under Finance Lease	-	51	-	-	-	-
	<u>7,302</u>	<u>3,165</u>	<u>3,986</u>	<u>1,490</u>	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	54,756	38,785	4,685	1,734	-	-
Provision for Depreciation and Amortisation	4,761	3,422	699	244	-	-
Total net carrying amount	<u>49,995</u>	<u>35,363</u>	<u>3,986</u>	<u>1,490</u>	<u>-</u>	<u>-</u>
Valuation of freehold land and buildings was made by all the Directors of the holding company as at 30th June, 1990 on the basis of market value.						
<b>14. Intangibles</b>						
Goodwill - at cost	4,621	4,621	-	-	-	-
Provision for Amortisation	694	462	-	-	-	-
	<u>3,927</u>	<u>4,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>15. Other (Non-Current)</b>						
Future Income Tax Benefit	258	157	258	157	148	148
<b>16. Creditors and Borrowings (Current)</b>						
Bank Overdraft *	83	379	103	379	-	-
Bills Payable *	22,900	14,415	22,900	14,415	-	-
Trade Creditors	21,149	17,619	21,191	17,619	44	-
Lease Liabilities (Note 21)	-	48	-	48	-	-
	<u>44,132</u>	<u>32,461</u>	<u>44,194</u>	<u>32,461</u>	<u>44</u>	<u>-</u>
Other Loans						
Other Persons and Corporations	1,033	766	26,620	54,433	-	9
	<u>45,165</u>	<u>33,227</u>	<u>70,814</u>	<u>86,894</u>	<u>44</u>	<u>9</u>
Included in the above are amounts payable to the following related parties:						
Directors	545	-	545	-	-	-
Group Owned Trusts	-	-	25,560	53,667	-	-
* 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.						
<b>17. Provisions (Current)</b>						
Dividends	1,125	1,000	1,125	1,000	1,125	1,000
Taxation	4,309	5,287	4,309	5,287	389	4,712
Employee Entitlements	475	344	475	344	-	-
	<u>5,909</u>	<u>6,631</u>	<u>5,909</u>	<u>6,631</u>	<u>1,514</u>	<u>5,712</u>

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## For The Year Ended 30th June, 1990

	Consolidated				Holding Company	
	Supplementary		Statutory			
	1990	1989	1990	1989	1990	1989
	\$000	\$000	\$000	\$000	\$000	\$000
<b>18. Creditors and Borrowings (Non-Current)</b>						
Bills payable*	5,000	-	5,000	-	-	-
Lease Liabilities (Note 21)	-	3	-	3	-	-
	<u>5,000</u>	<u>3</u>	<u>5,000</u>	<u>3</u>	<u>-</u>	<u>-</u>

\*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.

### 19. Provisions (Non-Current)

Employee Entitlements	128	63	128	63	-	-
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### 20. Share Capital

Authorised						
Ordinary Shares:						
100,000,000 Ordinary Shares						
of \$0.50 each	50,000	50,000	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	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	30	30
Terms of issue: Exercisable between						
1st July, 1990 and 30th June, 1992 at						
\$1.00 being \$0.50 at par and a premium						
of \$0.50 per share.						
	<u>12,530</u>	<u>12,530</u>	<u>12,530</u>	<u>12,530</u>	<u>12,530</u>	<u>12,530</u>

### 21. Lease Commitments

Non-cancellable operating leases with a term of more than one year – commitments not provided for.

Payable:

Not later than one year	5,468	4,197	5,468	4,197	-	-
Later than one year but						
not later than two years	4,114	4,168	4,114	4,168	-	-
Later than two years but						
not later than five years	7,595	7,914	7,595	7,914	-	-
Later than 5 years	4,164	-	4,164	-	-	-
	<u>21,341</u>	<u>16,279</u>	<u>21,341</u>	<u>16,279</u>	<u>-</u>	<u>-</u>



# NOTES TO AND FORMING PART OF THE ACCOUNTS

## For The Year Ended 30th June, 1990

	Consolidated				Holding Company	
	Supplementary		Statutory			
	1990	1989	1990	1989	1990	1989
	\$000	\$000	\$000	\$000	\$000	\$000
<b>21. Lease Commitments (Continued)</b>						
Finance Leases – Analysis of Commitments Payable:						
Not later than one year	-	53	-	53	-	-
Later than one year but not later than two years	-	3	-	3	-	-
Later than two years but not later than five years	-	-	-	-	-	-
Total Minimum Lease Payments	-	56	-	56	-	-
Future Finance Charges	-	5	-	5	-	-
Lease Liability	-	51	-	51	-	-
Current Liability (Note 16)	-	48	-	48	-	-
Non-Current Liability (Note 18)	-	3	-	3	-	-
	-	51	-	51	-	-
<b>22. Commitments for Expenditure</b>						
Capital expenditure contracted as at 30th June, 1990 but not provided for:						
Not later than one year	9,274	7,824	9,274	7,824	-	-
Later than one year but not later than two years	-	-	-	-	-	-
Later than two years but not later than five years	-	-	-	-	-	-
	9,274	7,824	9,274	7,824	-	-
<b>23. Business Undertakings</b>						
Bank performance guarantees given to various Councils and other third parties on behalf of group companies.	239	120	239	120	-	-
	239	120	239	120	-	-
<b>24. Payments to Persons/Prescribed Superannuation Funds</b>						
The Yoogalu Superannuation Fund	32	31	32	31	-	-
Harvey Norman Superannuation Fund	172	68	172	68	-	-
	204	99	204	99	-	-
<b>25. Superannuation Commitments</b>						

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 income. 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.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### For The Year Ended 30th June, 1990

	Consolidated				Holding Company	
	Supplementary		Statutory			
	1990	1989	1990	1989	1990	1989
	\$000	\$000	\$000	\$000	\$000	\$000
<b>26. Remuneration of Auditors</b>						
Total of all remuneration received or due and receivable by the auditors in connection with:						
Auditing the accounts	101	50	101	50	101	50
Other services	-	-	-	-	-	-
	<u>101</u>	<u>50</u>	<u>101</u>	<u>50</u>	<u>101</u>	<u>50</u>

### 27. Directors' and Executives' Income

Aggregate income received or due and receivable, by directors	468	323	468	323	468	323
Number of directors of the holding company whose total income falls within the following bands:						
\$10,001 - \$20,000					2	2
\$70,001 - \$80,000					-	1
\$80,001 - \$90,000					1	1
\$90,001 - \$100,000					1	-
\$130,001 - \$140,000					-	1
\$250,001 - \$260,000					1	-
Executive Officers whose Total Income equals or exceeds \$85,000	-	-	-	-	-	-

### 28. 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	\$22,000
	G. Harvey	\$15,000

- Legal fees 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.

### 29. Sources and Applications of Funds

Sources of Funds:

Funds from operations (1)

Inflows of funds from operations

Sales Revenue	4,853	5,002	-	-
Other Revenue	34,515	28,760	15,346	15,241
Proceeds from sale of Non-current Assets	-	542	-	-
	<u>39,368</u>	<u>34,304</u>	<u>15,346</u>	<u>15,241</u>

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## For The Year Ended 30th June, 1990

	Consolidated			
	Supplementary		Statutory	
	1990	1989	1990	1989
	\$000	\$000	\$000	\$000
<b>29. Sources and Applications of Funds (Continued)</b>				
Outflows of funds from operations	<b>27,294</b>	19,260	<b>4,330</b>	1,751
	<b>12,074</b>	15,044	<b>11,016</b>	13,490
Reduction in Assets:				
Current Assets				
Cash	-	367	-	367
Receivables	-	-	<b>10,290</b>	-
Investments	-	128	-	-
Others	-	751	-	-
	-	1,246	<b>10,290</b>	367
Non-Current Assets				
Property, Plant and Equipment	-	-	-	3,807
	-	-	-	3,807
Increase in Liabilities:				
Current Liabilities				
Creditors and Borrowings	<b>11,938</b>	8,861	-	22,893
Provisions	<b>131</b>	102	<b>131</b>	102
	<b>12,069</b>	8,963	<b>131</b>	22,995
Non-Current Liabilities				
Creditors and Borrowings	<b>4,997</b>	-	<b>4,997</b>	-
	<b>4,997</b>	-	<b>4,997</b>	-
	<b>29,140</b>	25,253	<b>26,434</b>	40,659
Applications of Funds				
Increase in Assets:-				
Current Assets				
Cash	<b>10</b>	-	<b>8</b>	-
Receivables	<b>4,605</b>	2,927	-	33,747
Others	<b>2,495</b>	-	<b>86</b>	-
Inventories	<b>1,169</b>	1,158	-	-
	<b>8,279</b>	4,085	<b>94</b>	33,747
Non-Current Assets				
Investments	<b>50</b>	-	-	-
Property, Plant and Equipment	<b>12,899</b>	14,256	<b>2,953</b>	-
Receivables	<b>605</b>	-	-	-
	<b>13,554</b>	14,256	<b>2,953</b>	-
Reductions in Liabilities				
Current Liabilities				
Creditors and Borrowings	-	-	<b>16,080</b>	-
Non-Current Liabilities				
Creditors and Borrowings	-	40	-	40
	-	40	<b>16,080</b>	40

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### For The Year Ended 30th June, 1990

	Consolidated				Holding Company	
	Supplementary		Statutory			
	1990	1989	1990	1989	1990	1989
	\$000	\$000	\$000	\$000	\$000	\$000

#### 29. Sources and Applications of Funds (Continued)

Tax Paid	5,307	5,247	5,307	5,247
Dividends Paid	2,000	1,625	2,000	1,625
	7,307	6,872	7,307	6,872
	29,140	25,253	26,434	40,659

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

Funds from operations	12,074	14,502	11,016	13,490
Less: Depreciation and Amortisation	1,746	1,398	457	199
Provision for Long Service Leave	65	40	65	40
	1,811	1,438	522	239
Operating Profit before Income Tax	10,263	13,064	10,494	13,251

#### 30. Dividend Imputation

(a) Amount of franked dividends paid in the year	2,000	1,625	2,000	1,625	2,000	1,625
(b) Amount of proposed dividends recognised in the financial statements as payable that will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in 1990/91 year.	1,125	1,000	1,125	1,000	1,125	1,000
(c) Amount of unappropriated profits and reserves at 30th June, 1990 that could be distributed and be franked out of existing franking credits or out of franking credits arising from the payment of income tax in 1990/91 after deducting the franking credits in (b) above	13,157	9,247	13,850	9,709	7,065	8,592

#### 31. Segment Information

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

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### For The Year Ended 30th June, 1990

Name	Country of Formation/ Incorporation	Cost of Shares Held \$
<b>32. Subsidiary Companies and Unit Trusts</b>		
Shares held by Harvey Norman Holdings Limited (Holding Company)		
Abaro Pty. Limited	Australia	2
Arpayo Pty. Limited	Australia	2
Arlenu Pty. Limited	Australia	2
Carlando Pty. Limited	Australia	2
Clambruno Pty. Limited	Australia	2
Daldere Pty. Limited	Australia	2
Dandolena Pty. Limited	Australia	2
Derni Pty. Limited	Australia	500,000
Farane Pty. Limited	Australia	2
Ganoru Pty. Limited	Australia	2
Jondarlo Pty. Limited	Australia	2
Kambaldu Pty. Limited	Australia	2
Korinti Pty. Limited	Australia	2
Lamino Pty. Limited	Australia	3
Lesandu Pty. Limited	Australia	2
Manutu Pty. Limited	Australia	2
Maradoni Pty. Limited	Australia	2
Swaneto Pty. Limited	Australia	2
Tatroko Pty. Limited	Australia	2
Uconu Pty. Limited	Australia	2
Wanalti Pty. Limited	Australia	2
Warungi Pty. Limited	Australia	2
Calardu Pty. Limited	Australia	2
Zavarte Pty. Limited	Australia	2
Waytango Pty. Limited	Australia	2
Wemeni Pty. Limited	Australia	2
Yoogalu Pty. Limited	Australia	2
Zirdano Pty. Limited	Australia	2
Zirdanu Pty. Limited	Australia	2
Edbrook Pty. Limited	Australia	2
Lexeri Pty. Limited	Australia	2
Durslee Pty. Limited	Australia	2
Loreste Pty. Limited	Australia	2
Solaro Pty. Limited	Australia	2
Onza Pty. Limited	Australia	2
Bilarni Pty. Limited	Australia	2
Malemi Pty. Limited	Australia	2
Charmela Pty. Limited	Australia	2
Harvey Norman Stores Pty. Limited	Australia	2
Osraidi Pty. Limited	Australia	2
Valerinar Pty. Limited	Australia	2
Bradiz Pty. Limited	Australia	2
Malvis Pty. Limited	Australia	2
Harvey Norman Retailing Pty. Limited	Australia	2
Taraweru Pty. Limited	Australia	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 30th June, 1990

Name	Country of Formation/ Incorporation	Cost of Shares Held \$
<b>32. Subsidiary Companies and Unit Trusts (Continued)</b>		
Shares held by Harvey Norman Holdings Limited (Holding Company)		
Marinski Pty. Limited	Australia	2
Sarsha Pty. Limited	Australia	2
Jartoso Pty. Limited	Australia	2
Aloku Pty. Limited	Australia	2
Plezero Pty. Limited	Australia	2
Flormonda Pty. Limited	Australia	2
Hoxco Pty. Limited	Australia	2
Nedcroft Pty. Limited	Australia	2
Balwundu Pty. Limited	Australia	2
Swan Park Pty. Limited	Australia	2
Nomadale Pty. Limited	Australia	2
Havrex Pty. Limited	Australia	2
Oldmist Pty. Limited	Australia	2
Koodero Pty. Limited	Australia	2
Lodare Pty. Limited	Australia	2
Parwarna Pty. Limited	Australia	2
Hodberg Pty. Limited	Australia	2
Hodvale Pty. Limited	Australia	2
Strathloro Pty. Limited	Australia	2
Divonda Pty. Limited	Australia	2
Algoni Pty. Limited	Australia	2
Irmaleni Pty. Limited	Australia	2
Torcarsa Pty. Limited	Australia	2
Elmedi Pty. Limited	Australia	2
Anwarah Pty. Limited	Australia	2
Burawange Pty. Limited	Australia	2
Burawango Pty. Limited	Australia	2
Swaneti Pty. Limited	Australia	2
Donove Pty. Limited	Australia	2
Dracome Pty. Limited	Australia	2
Kasharni Pty. Limited	Australia	2
Vitarnu Pty. Limited	Australia	2
Evandarli Pty. Limited	Australia	2
		<u>500,155</u>

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

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### For The Year Ended 30th June, 1990

Name	Book Value of Units Held in Units Trusts 1990 \$000
<b>32. Subsidiary Companies and Unit Trusts (Continued)</b>	
Units Held By Harvey Norman Holdings Limited.	
Harvey Norman No. 1 Trust	1,534
Harvey Norman Discounts No. 1 Trust	1,228
Lamino Investments No. 1 Trust	1,540
Lamino Investments No. 2 Trust	1,025
Lamino Investments No. 3 Trust	437
Lamino Investments No. 4 Trust	-
Lamino Investments No. 5 Trust	155
Lamino Investments No. 6 Trust	342
Lesandu No. 1 Trust	169
Lesandu Gosford Trust	149
Yoogalu Gosford Trust *	445
Lesandu Miranda Trust	17
Yoogalu Miranda Trust	410
Lesandu Gordon Trust	-
Yoogalu Gordon Trust	667
Lesandu Newcastle Trust	110
Yoogalu Newcastle Trust	377
Lesandu Fairfield Trust	-
Yoogalu Fairfield Trust	27
Lesandu Warrawong Trust	1
Yoogalu Warrawong Trust	-
Lesandu Albury Trust	-
Yoogalu Albury Trust	-
Lesandu Warringah Mall Trust	1
Yoogalu Warringah Mall Trust	4
Lesandu Campbelltown Trust	1
Yoogalu Campbelltown Trust	29
Yoogalu Lismore Trust *	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 30th June, 1990

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Name	Book Value of Units Held in Units Trusts 1990 \$000
<b>32. Subsidiary Companies and Unit Trusts (Continued)</b>	
Units Held By Harvey Norman Holdings Limited.	
Taraweru No. 2 Trust	-
Lodare No. 2 Trust	-
Parwana 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	-
	<hr/>
	8,761

\* 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 30th June, 1990

Name	Consolidated			
	Supplementary 1990 \$000	1989 \$000	Statutory 1990 \$000	1989 \$000
<b>32. Subsidiary Companies and Unit Trusts (Continued)</b>				
Contribution by Subsidiary Companies and Unit Trusts to operating profit and extraordinary items after income tax.				
Abaro Pty. Limited	-	-	-	-
Arpayo Pty. Limited	-	-	-	-
Arlenu Pty. Limited	-	-	-	-
Carlando Pty. Limited	-	-	-	-
Clambruno Pty. Limited	-	-	-	-
Daldere Pty. Limited	-	-	-	-
Dandolena Pty. Limited	-	-	-	-
Derni Pty. Limited	-	-	3103	-
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	327	317	327	317
Waytango Pty. Limited	-	-	-	-
Wemeni Pty. Limited	-	-	-	-
Yoogalu Pty. Limited	-	-	-	-
Zirdano Pty. Limited	-	-	-	-
Zirdanu Pty. Limited	-	-	-	-
Edbrook Pty. Limited	3	-	3	-
Lexeri Pty. Limited	-	1	-	1
Durslee Pty. Limited	-	-	-	-
Loreste Pty. Limited	-	8	-	8
Solaro Pty. Limited	110	125	110	125
Onza Pty. Limited	213	358	213	358
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	8	-	8	-
Harvey Norman Retailing Pty. Limited	-	-	-	-
Taraweru Pty. Limited	-	-	-	-
Marinski Pty. Limited	104	30	104	30
Sarsha Pty. Limited	-	-	-	-
Jartoso Pty. Limited	144	108	144	108
Aloku Pty. Limited	-	-	-	-
Total Carried Forward	909	947	4012	947

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### For The Year Ended 30th June, 1990

Name	Consolidated			
	Supplementary 1990 \$000	1989 \$000	Statutory 1990 \$000	1989 \$000
<b>32. Subsidiary Companies and Unit Trusts (Continued)</b>				
Contribution by Subsidiary Companies and Unit Trusts to operating profit and extraordinary items after income tax.				
Total Brought Forward	909	947	4,012	947
Plezero Pty. Limited	45	2	45	2
Flormonda Pty. Limited	43	1	43	1
Hoxco Pty. Limited	34	-	34	-
Nedcroft Pty. Limited	2	-	2	-
Balwundu Pty. Limited	3	-	3	-
Swan Park Pty. Limited	-	-	-	-
Nomadale Pty. Limited	-	-	-	-
Havrex Pty Limited	-	-	-	-
Oldmist Pty Limited	-	-	-	-
Koodero Pty. Limited	-	-	-	-
Lodare Pty Limited	-	-	-	-
Parwarna Pty. Limited	-	-	-	-
Hodberg Pty. Limited	2	-	2	-
Hodvale Pty. Limited	-	-	-	-
Strathloro Pty. Limited	-	-	-	-
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	-	-	1,527	-
Evandarli Pty. Limited	-	-	-	-
Harvey Norman No 1 Trust	1,525	1,530	-	-
Harvey Norman Discounts No. 1 Trust	(669)	1,087	-	-
Lamino Investments No. 1 Trust	14	26	-	-
Lamino Investments No. 2 Trust	159	174	-	-
Lamino Investments No. 3 Trust	65	45	-	-
Lamino Investments No. 4 Trust	-	-	-	-
Lamino Investments No. 5 Trust	-	-	-	-
Lamino Investments No. 6 Trust	3	1	-	-
Lesandu No. 1 Trust	225	180	-	-
Lesandu Gosford Trust	171	154	-	-
Yoogalu Gosford Trust	621	765	-	-
Lesandu Miranda Trust	1	18	-	-
Yoogalu Miranda Trust	453	583	-	-
Lesandu Gordon Trust	1	1	-	-
Yoogalu Gordon Trust	757	767	-	-
Total Carried Forward	4,364	6,281	5,668	950

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## For The Year Ended 30th June, 1990

Name	Consolidated			
	Supplementary 1990 \$000	1989 \$000	Statutory 1990 \$000	1989 \$000
<b>32. Subsidiary Companies and Unit Trusts (Continued)</b>				
Contribution by Subsidiary Companies and Unit Trusts to operating profit and extraordinary items after income tax.				
Total Brought Forward	4,364	6,281	5,668	950
Lesandu Newcastle Trust	8	4	-	-
Yoogalu Newcastle Trust	343	492	-	-
Lesandu Fairfield Trust	-	2	-	-
Yoogalu Fairfield Trust	1	8	-	-
Lesandu Warrawong Trust	-	1	-	-
Yoogalu Warrawong Trust	238	204	-	-
Lesandu Albury Trust	-	-	-	-
Yoogalu Albury Trust	11	121	-	-
Lesandu Warringah Mall Trust	-	-	-	-
Yoogalu Warringah Mall Trust	372	312	-	-
Lesandu Campbelltown Trust	16	-	-	-
Yoogalu Campbelltown Trust	238	225	-	-
Yoogalu Lismore Trust	109	149	-	-
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	3	3	-	-
The Calardu Trust	1	1	-	-
Calardu A.C.T. Trust	(7)	-	-	-
Calardu No. 1 Trust	136	87	-	-
Calardu No. 2 Trust	194	1	-	-
Calardu No. 3 Trust	251	99	-	-
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	-	-	-	-
Burawange No. 2 Trust	-	-	-	-
Burawango No. 2 Trust	-	-	-	-
Swaneti No. 2 Trust	-	-	-	-
Donove No. 2 Trust	-	-	-	-
Dracome No. 2 Trust	-	-	-	-
Kasharni No. 2 Trust	-	-	-	-

Total Carried Forward

6,278      7,990      5,668      950

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## For The Year Ended 30th June, 1990

Name	Consolidated			
	Supplementary 1990 \$000	1989 \$000	Statutory 1990 \$000	1989 \$000
<b>32. Subsidiary Companies and Unit Trusts (Continued)</b>				
Contribution by Subsidiary Companies and Unit Trusts to operating profit and extraordinary items after income tax.				
Total Brought Forward	6,278	7,990	5,668	950
Abaro No. 2 Trust	-	-	-	-
Total subsidiary companies and units trusts	6,278	7,990	5,668	950
Parent Company profit *	(12)	(15)	598	7,025
Amortisation of goodwill on consolidation	(231)	(231)	-	-
Operating profit and extraordinary items after income tax	6,035	7,744	6,266	7,975

\* The Parent Company profit in the statutory consolidation is after the distribution of profits from unit trusts.

## SHARE INFORMATION

### Twenty largest shareholders

The names of 20 largest holders of each class of equity security as at 9th October, 1990 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	1,380,700	5.5
Enbear Pty. Limited	653,300	2.6
Tyndall Life Insurance Co. Limited	317,700	1.3
Associated National Deposits Limited	254,100	1.0
ANZ Executors Nominees (N.S.W.) Limited	229,500	0.9
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
Kay Lesley Page	90,000	0.4
State Electricity Commission of Victoria	81,900	0.3
Nutu Inc.	55,000	0.2
Graeme Harvey	53,000	0.2
Jennifer Ferguson	50,000	0.2
Alan Edward Lanham	50,000	0.2
Mary Elizabeth Sexton	46,000	0.2
Lisaura Pty. Limited	45,000	0.2
Walter Gordon Dick	43,570	0.2
Total	21,808,570	87.2

### Directors' Shareholdings at 22nd October, 1990.

Director's Name	Number of Shares	Interest
G. Harvey	9,020,000	Held in name of another company of which he is a member or a director, and held in own name.
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	611	46.5	561,960	2.2
1,001 - 5,000	586	44.5	1,638,650	6.6
5,001 - 10,000	51	3.9	408,100	1.6
10,001 and over	67	5.1	22,391,300	89.6
	1,315	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 30th June, 1990.
- (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 30th June, 1990 and of the state of affairs of the group as at the end of the year, so far as they concern members of the Company.

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

SIGNED this 22nd day of October, 1990 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 LIMITED

We have audited the accounts in accordance with Australian Auditing Standards. The accounts consist of the Statement by Directors, Balance Sheet, Profit and Loss Account and Notes thereto.

In our opinion the accounts of Harvey Norman Holdings Limited, and group accounts, are properly drawn up in accordance with the provisions of the Companies (New South Wales) Code and so as to give a true and fair view of:

- (i) the state of affairs of the Company and of the group as at 30th June, 1990 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 holding Company; and
- (ii) the other matters required by Section 269 of that Code to be dealt with in the accounts and in the group accounts;

and are in accordance with Australian Accounting Standards and applicable approved accounting standards.

PANNELL KERR FORSTER  
Chartered Accountants

C. R. SERGENT  
Partner

Sydney, 22nd October, 1990

**DIRECTORY OF  
"HARVEY NORMAN DISCOUNTS" SHOPPING COMPLEXES**

**SYDNEY SUBURBAN**

**Auburn**  
233 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

**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

**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