

Harvey Norman HOLDINGS LIMITED 1992 ANNUAL REPORT

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THE 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 24 November 1992, at 11.00 a.m. (*For full details and Proxy Form see separate documents enclosed*)

DIRECTORY

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
NSW 2144
Telephone: (02) 647 2611

SHARE REGISTRY

Arthur Andersen
141 Walker Street
North Sydney
NSW 2060

BANKERS

Australia & New Zealand Banking Group

AUDITORS

Arthur Andersen

SOLICITORS

Gillis Delaney Brown

HIGHLIGHTS

Consolidated Operating Profit before tax for the 12 months to 30 June 1992 was \$14.37 million, an increase of 13% on the previous year. Operating Profit after tax was \$8.57 million, an increase of 14%.

The recommended final dividend is increased from 5.0 cents to 6.0 cents a share, fully franked, bringing the full year dividend to 11.0 cents fully franked.

Earnings per share on issue increased at 30 June from 30.0 cents to 30.6 cents.

Return on shareholders' funds was 14.0%.

New franchised stores were opened at Moore Park, Bathurst, Arncliffe and Nowra in N.S.W and Woden in A.C.T.

FINANCIAL SUMMARY 12 MONTHS TO 30 JUNE, 1992

	1992 \$'000	1991 \$'000	% Change
Operating Revenue	54,714	49,375	11
Operating Profit Before Interest and Income Tax	18,640	17,481	7
Interest Expense	4,269	4,753	-10
Income Tax Expense	5,801	5,239	11
Operating Profit after Income Tax	8,570	7,489	14
Earnings per share on issue at 30 June (cents)	30.6	30.0	2
Dividends per share (cents)	11.0	9.75	13
Return on Shareholders' Funds at 30 June (%)	14.0	14.2	-1
Paid up capital at 30 June (\$ million)	14.0	12.5	12
Net Tangible Assets (Book Value) per share at 30 June (\$)	2.06	1.95	6

CHAIRMAN'S REPORT



Despite the continuation of difficult trading conditions, Harvey Norman's result for the year ended 30 June, 1992, was its best to date.

The Consolidated Operating Profit before interest charges and income tax was \$18.64 million, an increase of 7% on the previous year. After interest charges and income tax, the net profit was \$8.57 million, an increase of 14%.

New franchised stores which opened during the year at Moore Park and Bathurst contributed to this increase. Other stores opened during the year were at Arncliffe and Nowra in New South Wales and at Woden Plaza in the A.C.T. Having opened late in the financial year, these last three mentioned shops are yet to contribute to the Group's profit.

Sales from the franchised "Harvey Norman" stores and from our own store at Lismore totalled \$356.8 million, an increase of 19.2% on the previous year.

In the circumstances, the result for the year was pleasing. Competition was fierce with "Survival at any cost" tactics of some retailers squeezing margins to the extent that some of our competitors are no longer trading.

Aggressive promotions in the latter part of the year lifted sales and resulted in a much better second half than expected.

In the current financial year, new franchised stores have been opened at Charswood in Sydney and at Jindalee in Brisbane. Sales in the first three months from all stores are up 17% despite one week less of trading in this period compared to last year.

We are extending our range of products to reflect changes in consumer tastes and have recently included business equipment items such as faxes and cellular phones.

We shall continue to pursue our proven strategy of steady expansion and are confident that the company will experience profit growth in the current half year.

G. HARVEY
Chairman

HARVEY NORMAN
HOLDINGS LIMITED
A.C.N. 003 237 545

233 Parramatta Road
Auburn, N.S.W. 2144
Telephone (02)647 2611
Facsimile (02)648 5674

NOTICE OF MEETING

The Annual General Meeting of Harvey Norman Holdings Limited will be held in the Stock Exchange Theatre, Basement Level 1, 20 Bond Street, Sydney, on Tuesday 24 November 1992 at 11.00 am.

AGENDA

Ordinary Business

1. To receive and consider the balance sheet and profit and loss accounts of the Company, the Group accounts, the statement by the Directors and the reports of the Directors and Auditors for the year ended 30 June 1992.
2. To declare a dividend as proposed by the Board.
3. To elect Directors

In accordance with article 63A of the Company's Articles of Association, Messrs I.J. Norman and S.M. Gibson retire and, being eligible, offer themselves for election.

Special Business

To consider and if thought fit to pass the following resolutions as special resolutions:

1. That the Company grant to Gerald Harvey (as trustee of the Harvey Option Trust, a trust under which Gerald Harvey is a beneficiary) options to take up two million five hundred thousand (2,500,000) shares of fifty cents (\$0.50) each in the Company such options to be granted on the terms and conditions set out in Annexure A accompanying this notice of general meeting;
2. That the Company grant to Kay Lesley Page (as trustee of the Page Option Trust, a trust under which Kay Lesley Page is a beneficiary) options to take up two hundred and fifty thousand (250,000) shares of fifty cents (\$0.50) each in the Company such options to be granted on the terms and conditions set out in Annexure A accompanying this notice of general meeting;
3. That the Company grant to Spencer Murray Gibson (as trustee of the Gibson Option Trust, a trust under which Spencer Murray Gibson is a beneficiary) options to take up two hundred and fifty thousand (250,000) shares of fifty cents (\$0.50) each in the Company such options to be granted on the terms and conditions set out in Annexure A accompanying this notice of general meeting.

Any person who may benefit from the proposed grant of the options and any person who for the purposes of Part 1.2 Division 2 of the Corporations Law would be regarded as a person associated with that person shall not vote on the resolutions.

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AGENDA (Continued)

Proxies

- A member entitled to attend and vote is entitled to appoint one or two proxies.
- A proxy need not be a member of the Company.
- If more than one proxy is appointed each proxy must be appointed to represent a specified portion of the member's voting rights.
- A proxy form must be deposited at the registered office of the Company, 233 Parramatta Road, Auburn, N.S.W. not less than 48 hours before the time of the meeting.

A form of Proxy accompanies this Notice of Meeting.

G. Harvey

Chairman

23 October, 1992

ANNEXURE A

Terms and conditions of share options to be granted by Harvey Norman Holdings Limited to Gerald Harvey, Kay Lesley Page and Spencer Murray Gibson.

The options proposed to be granted shall each be subject to the following terms and conditions, namely:

1. The option shall:

- (a) subject to clause 2 and clause 3 of these terms and conditions, not be capable of being exercised prior to 1st July, 1995; and
- (b) expire at midnight on the 30th day June 1997 (hereinafter called the "expiry date").

- 2. (a) (i) Subject to clause 2 (a) (ii), the options granted to Gerald Harvey (acting in his capacity as trustee of the Harvey Option Trust) shall be exercisable wholly or in part by notice in writing to the Company at the registered office or other place of business of the Company, while Gerald Harvey remains an employee or director of the Company or a director of any one or more of the subsidiaries of the Company.
- (ii) If Gerald Harvey shall die and at the time of his death he shall have been an employee or director of the Company or a director of any one or more of the subsidiaries of the Company, the options granted to Gerald Harvey (acting in his capacity as trustee of the Harvey Option Trust) shall be exercisable wholly or in part by notice in writing to the Company at the registered office or other place of business of the Company, at any time within 6 calendar months after the date of death of Gerald Harvey.
- (b) (i) Subject to clause 2 (b) (ii), the options granted to Kay Lesley Page (acting in her capacity as trustee of the Page Option Trust) shall be exercisable wholly or in part by notice in writing to the Company at the registered office or other place of business of the Company, while Kay Lesley Page remains an employee or director of the Company or a director of any one or more of the subsidiaries of the Company.
- (ii) If Kay Lesley Page shall die and at the time of her death she shall have been an employee or director of the Company or a director of any one or more of the subsidiaries of the Company, the options granted to Kay Lesley Page (acting in her capacity as trustee of the Page Option Trust) shall be exercisable wholly or in part by notice in writing to the Company at the registered office or other place of business of the Company, at any time within 6 calendar months after the date of death of Kay Lesley Page.
- (c) (i) Subject to clause 2 (c) (ii), the options granted to Spencer Murray Gibson (acting in his capacity as trustee of the Gibson Option Trust) shall be exercisable wholly or in part by notice in writing to the Company at the registered office or other place of business of the Company, while Spencer Murray Gibson remains an employee or director of the Company or a director of any one or more of the subsidiaries of the Company.

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DIRECTORS' REPORT

The Board of Directors of Harvey Norman Holdings Limited has pleasure in submitting the balance sheets of the company and of the group at 30 June 1992, and related profit and loss accounts for the year then ended and reports as follows:

DIRECTORS

The directors of the parent 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, CPA
Finance Director

Mr. Gibson has had 27 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 AND INTERESTS

Since the end of the previous 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 receivable by directors shown in the group accounts or the fixed salary of a full-time employee of the company or a related body corporate) by reason of a contract made by the company or a related body corporate with any director or with a company in which he has a substantial financial interest or with a firm of which he is a member, 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.

The relevant interest of each director in the share capital of the parent company as at the date of this report is:

	<u>Number of Ordinary Shares</u>
Gerald Harvey	10,500,000
Ian John Norman	7,152,800
Kay Lesley Page	315,000
Spencer Murray Gibson	200,000
Christopher Herbert Brown	45,000

PRINCIPAL ACTIVITIES

The principal activity of the group continues to be that of franchise retailing.

NET PROFIT

The net profit of the group for the financial year ended 30 June, 1992 after provision for income tax was \$ 8,569,629.

PAYMENT OF RECOMMENDED DIVIDENDS

Directors recommend the fully franked dividend of 6.0 cents per share be paid on 27 November, 1992. Duly completed transfers received up to 5pm on 6 November, 1992 will be registered before dividend entitlements are determined. The following dividends of the parent company have been paid, declared or recommended since the end of the previous financial year.

1991 Final dividend paid (disclosed in the 1991 directors' report)	\$1,250,000
Interim dividend paid 1 May, 1992	\$1,400,000

These dividends were fully franked.

Final dividend recommended, fully franked - payable 27 November, 1992	\$1,680,000
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SHARE OPTIONS

Details of share options are set out in Note 18 of the accounts and form part of this report.

REVIEW OF GROUP OPERATIONS

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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 report or the group accounts.

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.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

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 OF AMOUNTS

The parent company is a company of the kind specified in Corporations Regulation 3.6.05(6). In accordance with Section 311 of the Corporations Law and Corporations Regulation 3.6.05 amounts in the accounts and directors' report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

*Signed in accordance with a resolution of directors
of Harvey Norman Holdings Limited 19 October, 1992.*

G. HARVEY
Chairman

K. L. PAGE
Director

S. M. GIBSON
Director

BALANCE SHEETS AS AT 30 JUNE 1992

	NOTES	CONSOLIDATED		PARENT COMPANY	
		1992 \$000	1991 \$000	1992 \$000	1991 \$000
Current Assets					
Cash		11,325	8,168	-	-
Receivables	6	57,995	42,100	28,161	31,218
Inventories	7	6,689	5,831	-	-
Other	8	159	673	-	-
Total Current Assets		76,168	56,772	28,161	31,218
Non-Current Assets					
Receivables	9	1,874	1,085	-	-
Investments	10	111	56	9,261	9,261
Property, Plant and Equipment	11	64,354	62,405	-	-
Intangibles	12	3,466	3,696	-	-
Other	13	330	337	231	223
Total Non-Current Assets		70,135	67,579	9,492	9,484
TOTAL ASSETS		146,303	124,351	37,653	40,702
Current Liabilities					
Creditors and Borrowings	14	32,958	26,889	46	46
Provisions	15	8,052	7,229	1,890	5,356
Total Current Liabilities		41,010	34,118	1,936	5,402
Non-Current Liabilities					
Creditors and Borrowings	16	44,000	37,500	-	-
Provisions	17	230	160	-	-
Total Non-Current Liabilities		44,230	37,660	-	-
Total Liabilities		85,240	71,778	1,936	5,402
NET ASSETS		61,063	52,573	35,717	35,300
Shareholders' Equity					
Share Capital	18	14,000	12,530	14,000	12,530
Reserves	5	23,080	21,550	14,030	12,500
Retained Profits		23,983	18,493	7,687	10,270
TOTAL SHAREHOLDERS' EQUITY		61,063	52,573	35,717	35,300

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

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1992

	NOTES	CONSOLIDATED		PARENT COMPANY	
		1992 \$000	1991 \$000	1992 \$000	1991 \$000
Operating Profit	2, 3	14,371	12,728	829	9,669
Income tax attributable to Operating Profit	4	5,801	5,239	332	4,027
Operating Profit after Income Tax		8,570	7,489	497	5,642
Aggregate of Amounts Transferred from Reserves	5	-	284	-	-
Retained Profits at the beginning of the financial year		18,493	13,157	10,270	7,065
Total available for Appropriation		27,063	20,930	10,767	12,707
Dividends provided for or paid		3,080	2,437	3,080	2,437
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		23,983	18,493	7,687	10,270

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1992

	NOTES	CONSOLIDATED		PARENT COMPANY	
		1992 \$000	1991 \$000	1992 \$000	1991 \$000
Cash flows from operating activities					
Receipts from customers and franchisees		36,628	42,534	9	9
Trust distribution received		-	-	849	9,682
Payments to suppliers and employees		(28,267)	(25,593)	(29)	(18)
Interest received		2,716	2,402	-	-
Interest paid		(3,885)	(5,151)	-	-
Income tax paid		(5,482)	(4,305)	(4,236)	(389)
Net cash provided by operating activities	27(b)	1,710	9,887	(3,407)	9,284

Cash flows from investing activities

Purchase of subsidiaries, net of cash acquired	27(c)	-	(372)	-	-
Payments for property, plant and equipment		(6,120)	(13,669)	-	-
Proceeds from disposal of plant and equipment		209	334	-	-
Payments for investments		(60)	-	-	-
Proceeds from sale of investments		10	-	-	-
Net loans repaid or (provided)		36	541	3,057	(6,985)
Net cash (used in) / provided by investing activities		(5,925)	(13,166)	3,057	(6,985)

The Statement of Cash Flows should be read in conjunction with the attached Notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1992 (Continued)

	NOTES	CONSOLIDATED		PARENT COMPANY	
		1992 \$000	1991 \$000	1992 \$000	1991 \$000
Cash flows from financing activities					
Proceeds from issues of shares		3,000	-	3,000	-
Proceeds from borrowings		7,022	10,006	-	-
Dividends paid		(2,650)	(2,312)	(2,650)	(2,312)
Net cash from financing activities		7,372	7,694	350	(2,312)
Net increase (decrease) in cash held		3,157	4,415	-	(13)
Cash at the beginning of the financial year	27(a)	8,168	3,753	(2)	11
Cash at the end of the financial year	27(a)	11,325	8,168	(2)	(2)

The Statement of Cash Flows should be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1992

1.STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General

Harvey Norman Holdings Limited controls each of the subsidiary companies and unit trusts listed in Note 29. Most of the subsidiary companies act as trustee companies to underlying unit trusts with the remainder of the subsidiaries operating in their own right.

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.

The recoverable amounts of all non current assets except the future income tax benefit are determined using net cash flows that have been discounted to their present value. The recoverable amount of the future income tax benefit is determined by reference to net cash flows which have not been discounted.

(b) Basis of Accounting

The accounts have been prepared in accordance with the historical cost convention and, except where stated, do not take into account current valuations of non-current assets.

(c) Principles of Consolidation

The consolidated accounts include the accounts of Harvey Norman Holdings Limited and all of its controlled entities (Refer Note 29). All intergroup transactions and balances have been eliminated.

(d) Investments

Shares in listed and unlisted companies, subsidiary companies and units in unit trusts are stated at the lower of cost and recoverable value.

(e) Freehold Land and Buildings

It is the policy of the group to annually review the values of freehold land and buildings based 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. The revaluations take no account of any 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 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.

(g) 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 at the beginning of the lease term. The discount rate used in determining the present value is the interest rate implicit in the lease. Lease payments are allocated between the principal and interest components. Lease receivables are reduced by payments of principal and the interest component is credited to profit.

(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 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 of revenue and expense items in the accounts in periods different from those in which they are assessable or allowable for income tax purposes, are represented in the balance sheets as a "future income tax benefit" 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 from date of acquisition and accordingly, goodwill is being amortised over that period.

(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.

(l) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

	CONSOLIDATED		PARENT COMPANY	
	1992	1991	1992	1991
	\$000	\$000	\$000	\$000
2. Operating Revenue				
Sales Revenue	7,944	9,197	-	-
Other Revenue:				
Gross Revenue From				
Franchisees (Excluding Rent)	33,678	29,914	-	-
Rent Received	12,510	9,832	-	-
Trust Distribution Received	-	-	849	9,682
Interest Received	194	21	-	-
Other	169	77	9	9
Proceeds from the disposal of				
Non-Current Assets	219	334	-	-
	46,770	40,178	858	9,691
	54,714	49,375	858	9,691

3. Operating Profit

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

Trust Distributions	-	-	849	9,682
Interest Received from:				
Other Corporations	2,716	2,589	-	-
Profit on disposal of				
Non-Current Assets	-	22	-	-

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

Interest Paid to:				
Other Persons/Corporations	4,269	4,753	-	-
Bad Debts	4	47	-	-
Depreciation of Property,				
Plant and Equipment:				
Buildings on Freehold Land	736	640	-	-
Plant and Equipment	1,590	1,640	-	-
	2,326	2,280	-	-
Amortisation of Intangibles:				
Goodwill	231	231	-	-
Loss on disposal of				
Non-Current Assets	58	-	-	-
Operating Lease Rental Expense	6,721	4,960	-	-
Provision for Employee Entitlements	150	178	-	-

	CONSOLIDATED		PARENT COMPANY	
	1992 \$000	1991 \$000	1992 \$000	1991 \$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	5,605	4,964	323	3,771
The tax effect of permanent differences which:				
(a) increase tax payable:-				
Amortisation of Goodwill	90	90	-	-
Building Depreciation	69	96	-	86
Fringe Benefits Tax	20	14	1	12
Legal Fees	16	44	-	44
Over Provision in previous years	-	-	-	(4)
Sundry Items	1	31	8	118
	196	275	9	256
Income Tax attributable to operating profit.	5,801	5,239	332	4,027
This amount is attributable to:				
- the current period	5,670	5,358	210	4,106
- other periods	131	(119)	122	(79)
	5,801	5,239	332	4,027

5. Reserves

Share Premium	14,030	12,500	14,030	12,500
Asset Revaluation	9,050	9,050	-	-
	23,080	21,550	14,030	12,500
Movement in Reserves				
Asset Revaluation				
Balance at beginning of year	9,050	8,009	-	-
Revaluation of land and buildings during the year	-	1,325	-	-
Transfer to retained profits	-	(284)	-	-
Balance at end of year	9,050	9,050	-	-
Share Premium				
Balance at Beginning of Year	12,500	12,500	12,500	12,500
Issue of shares as described in Note 18.	1,530	-	1,530	-
Balance at the end of the year	14,030	12,500	14,030	12,500

	CONSOLIDATED		PARENT COMPANY	
	1992 \$000	1991 \$000	1992 \$000	1991 \$000
6. Receivables (Current)				
Trade Debtors	57,477	41,785	-	-
Amounts receivable in respect of finance leases	433	194	-	-
Non-trade debts receivable from:				
Related Corporations	-	-	28,161	31,218
Other Persons and Corporations	85	121	-	-
	85	121	28,161	31,218
	57,995	42,100	28,161	31,218
7. Inventories				
Finished Goods: at cost	6,689	5,831	-	-
8. Other Current Assets				
Prepayments	159	673	-	-
9. Receivables - Non-Current				
Amounts receivable in respect of finance leases	1,874	1,085	-	-
10. Investments (Non-Current)				
Listed Shares - at cost				
In Other Corporations	61	6	-	-
Market Value	74	6	-	-
Unlisted Shares - at cost				
In Other Corporations	50	50	-	-
In Related Corporations (Note 29)	-	-	500	500
Units in Unit Trusts - at cost (Note 29)	-	-	8,761	8,761
	50	50	9,261	9,261
Total Investments - at cost	111	56	9,261	9,261

	CONSOLIDATED		PARENT COMPANY	
	1992	1991	1992	1991
	\$000	\$000	\$000	\$000

11. Property, Plant and Equipment

Freehold Land				
at Directors' Valuation 1991	24,902	24,902	-	-
	24,902	24,902	-	-
Leasehold Property				
at Directors' Valuation 1991	1,684	1,684	-	-
	1,684	1,684	-	-
Buildings				
at Directors' Valuation 1991	27,147	27,147	-	-
at cost	440	-	-	-
	27,587	27,147	-	-
	54,173	53,733	-	-
Provision for Depreciation of Buildings	736	-	-	-
Total Freehold Land, Leasehold Property and Buildings, net	53,437	53,733	-	-
Plant and Equipment - at cost	17,469	13,842	-	-
Provision for Depreciation of Plant and Equipment	6,552	5,170	-	-
Total Plant and Equipment, net	10,917	8,672	-	-
Total Property, Plant and Equipment	71,642	67,575	-	-
Provision for Depreciation	7,288	5,170	-	-
Total Property, Plant and Equipment, net	64,354	62,405	-	-

Valuation of freehold land and buildings was made by all directors of the parent company as at 30 June, 1991 on the basis of market value.

12. Intangibles

Goodwill - at cost	4,621	4,621	-	-
Accumulated Amortisation	1,155	925	-	-
	3,466	3,696	-	-

	CONSOLIDATED		PARENT COMPANY	
	1992 \$000	1991 \$000	1992 \$000	1991 \$000

13. Other (Non-Current)

Future Income Tax Benefit: Not Attributable to Tax Losses	330	337	231	223
--	-----	-----	-----	-----

14. Creditors and Borrowings (Current)

Bank Overdraft	-	-	2	2
Trade Creditors	30,997	25,450	44	44
	30,997	25,450	46	46

Other Loans				
Other Persons and Corporations	1,961	1,439	-	-
	32,958	26,889	46	46

Included in the above are amounts payable to the following related parties:

Directors	925	456	-	-
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Bank Overdraft is 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	1,680	1,250	1,680	1,250
Taxation	5,670	5,358	210	4,106
Employee Entitlements	702	621	-	-
	8,052	7,229	1,890	5,356

16. Creditors and Borrowings (Non-Current)

Bills Payable	44,000	37,500	-	-
---------------	--------	--------	---	---

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 no principal repayments are required to be made prior to 31 December, 1994. 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.

	CONSOLIDATED		PARENT COMPANY	
	1992	1991	1992	1991
	\$000	\$000	\$000	\$000

17. Provisions (Non-Current)

Employee Entitlements	230	160	-	-
-----------------------	-----	-----	---	---

18. 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:				
28,000,010 Ordinary Shares				
of \$0.50 each	14,000	12,500	14,000	12,500

During the year the parent company issued 3,000,000 ordinary shares pursuant to options exercised during the year.

The options were exercised at \$1.00 per share which resulted in a premium of \$0.50 per share. Further the cost of purchasing these options has been treated as an additional share premium.

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

Terms of issue: Exercisable between 1st July, 1991 and 30th June, 1992 at \$1.00 being \$0.50 at par and a premium of \$0.50 per share.

	14,000	12,530	14,000	12,530
--	--------	--------	--------	--------

	CONSOLIDATED		PARENT COMPANY	
	1992	1991	1992	1991
	\$000	\$000	\$000	\$000
19. Lease Commitments				
Non-cancellable operating leases with a term of more than one year - commitments not provided for.				
Payable:				
Not later than one year	8,155	5,903	-	-
Later than one year but not later than two years	7,457	5,805	-	-
Later than two years but not later than five years	15,863	11,199	-	-
Later than five years	12,152	8,809	-	-
	<u>43,627</u>	<u>31,716</u>	<u>-</u>	<u>-</u>

20. Commitments for Expenditure

Capital expenditure contracted as at 30 June, 1992 but not provided for:

Not later than one year	-	324	-	-
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21. Contingent Liabilities

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

284 238 - -

Irrevocable Letters of Credit

365 665 - -

The parent company has guaranteed the performance of a number of subsidiaries which have entered into leases with other parties.

- - 35,260 20,166

649 903 35,260 20,166

22. Retirement Benefits

The following prescribed benefits were given to a prescribed superannuation fund in connection with the retirement of persons from prescribed offices in relation to a corporation in the group during the financial year. Particulars have been summarised as the Directors believe that provision of full particulars would be unreasonable given the detail required

17 17 - -

CONSOLIDATED

PARENT COMPANY

1992	1991	1992	1991
\$000	\$000	\$000	\$000

23. Superannuation Commitments

Yoogaiu Superannuation Funds:

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 fund is an accumulation plan. 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.

24. Remuneration of Auditors

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

Auditing the accounts	108	110	-	-
Other services	31	13	-	-
	139	123	-	-

	CONSOLIDATED		PARENT COMPANY	
	1992	1991	1992	1991
	\$000	\$000	\$000	\$000
25. Directors' and Executives' Income				
Aggregate income received or due and receivable, by directors	481	480	481	480
Number of directors of the parent company whose total income falls within the following bands:				
\$20,000 - \$29,999				
\$90,000 - \$99,999			2	2
\$250,000 - \$259,999			2	2
			1	1
Executive Officers whose Total Income equals or exceeds \$100,000	-	-	-	-

The following persons held the position of director of the parent company during part or all of the period:

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

26. Related Party Transactions

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

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

2. 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.

	CONSOLIDATED		PARENT COMPANY	
	1992	1991	1992	1991
	\$000	\$000	\$000	\$000

27. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash	11,325	8,168	-	-
Bank Overdraft	-	-	(2)	(2)
	11,325	8,168	(2)	(2)

(b) Reconciliation of net cash provided by operating activities to operating profit after income tax.

Operating Profit after income tax	8,570	7,489	497	5,642
Adjustments for non-cash income and expense items:				
Bad debts	4	47	-	-
Depreciation of:				
Property, Plant and Equipment	2,326	2,280	-	-
Amortisation of: Goodwill	231	231	-	-
Principal repayments under finance lease	396	351	-	-
Transfers to provisions:				
Employee entitlements	150	178	-	-
(Profit)/loss on disposal of:				
Property, plant and equipment	63	(22)	-	-
Investments	(5)	-	-	-
Increase in provision for:				
Income tax payable	312	1,049	(3,896)	3,717

27. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	CONSOLIDATED		PARENT COMPANY	
	1992 \$000	1991 \$000	1992 \$000	1991 \$000
Changes in assets and liabilities net of effects from purchase of subsidiaries:				
(Increase)/decrease in:				
Accounts receivable	(15,547)	(4,455)	-	-
Inventory	(858)	(887)	-	-
Other Assets	7	(79)	(8)	(75)
Prepaid expenses	514	(229)	-	-
Trade Creditors	5,547	3,934	-	-
Net cash from operating activities	1,710	9,887	(3,407)	9,284
(c) Subsidiaries acquired				
During the last financial year Sarsha Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) purchased all of the ordinary shares in Ventama Pty Limited. Details of the acquisitions are as follows:				
Consideration - cash paid	-	393	-	-
Fair value of net assets of entities acquired:				
Cash	-	21	-	-
Receivables	-	30	-	-
Property, plant and equipment	-	935	-	-
Creditors and borrowings	-	(367)	-	-
Provisions	-	(36)	-	-
	-	583	-	-
Less: Ordinary shares purchased in prior years	-	190	-	-
	-	393	-	-
Outflow of cash to acquire the entities net of cash acquired:				
Cash consideration	-	393	-	-
Less cash balance acquired	-	21	-	-
Outflow of cash	-	372	-	-

28. Segment Information

Industry segments	Franchise Retailing		Property Investments		Investments & Financial Services		Corporate items		Consolidated	
	1992 \$000	1991 \$000	1992 \$000	1991 \$000	1992 \$000	1991 \$000	1992 \$000	1991 \$000	1992 \$000	1991 \$000
Segment Revenue	36,914	34,657	12,515	10,166	5,285	4,552	-	-	54,714	49,375
Segment Result	6,333	5,787	2,404	1,805	64	128	(231)	(231)	8,570	7,489
Segment Assets	79,235	65,089	54,190	54,526	12,878	4,736	-	-	146,303	124,351

The company operates wholly within Australia.

Shares held by Harvey Norman Holdings Limited

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.

		1992	1991
		\$	\$
Ventama Pty Limited	Australia	563,395	563,395
(100% owned by Sarsha Pty Limited)			

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

Hodberg Pty Limited	Australia†	4	4
Hodvale Pty Limited	Australia †	4	4
		8	8

(† 100% owned by Harvey Norman Retailing Pty Limited)

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

Edbrook Pty Limited ††	Australia	2	2
Havrex Pty Limited ††	Australia	2	2
Hoxco Pty Limited ††	Australia	4	4
Nomadale Pty Limited ††	Australia	2	2
Onza Pty Limited ††	Australia	2	2
Swanpark Pty Limited ††	Australia	2	2
		14	14

(†† 100% owned by Harvey Norman Stores Pty Limited)

Units in Unit Trusts held by Harvey Norman Holdings Limited

Name	Book Value of Units Held In Unit Trusts	
	1992 \$000	1991 \$000
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 Warringham Mall Trust	1	1
Yoogalu Warringham 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	-	-
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	-	-

29. SUBSIDIARY COMPANIES AND UNIT TRUSTS (Continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited (Continued)

Name	Book Value of Units Held In Unit Trusts		Name	Consolidated	
	1992 \$000	1991 \$000		1992 \$000	1991 \$000
Burawango No. 2 Trust	-	-	Korinti Pty Limited	-	-
Swaneti No. 2 Trust	-	-	Lamino Pty Limited	-	-
Donove No. 2 Trust	-	-	Lesandu Pty Limited	-	-
Dracome No. 2 Trust	-	-	Manutu Pty Limited	-	-
Kasharni No. 2 Trust	-	-	Maradoni Pty Limited	-	-
Abaro No. 2 Trust	-	-	Swanero Pty Limited	-	-
Hanemare No. 2 Trust	-	-	Tatoko Pty Limited	-	-
Maylene No. 2 Trust	-	-	Uconu Pty Limited	-	-
Penalve No. 2 Trust	-	-	Wanaiti Pty Limited	-	-
Rexmac No. 2 Trust	-	-	Warungi Pty Limited	-	-
Taruli No. 2 Trust	-	-	Calardu Pty Limited	-	-
Brontome No. 2 Trust	-	-	Zavarte Pty Limited	315	289
Fondorro No. 2 Trust	-	-	Waytango Pty Limited	-	-
Kasparu No. 2 Trust	-	-	Wemeni Pty Limited	5	-
Spedera No. 2 Trust	-	-	Yoogalu Pty Limited	-	-
Tarseru No. 2 Trust	-	-	Zirdano Pty Limited	-	-
			Zirdanu Pty Limited	-	-
			Edbrook Pty Limited	-	1
	8,761	8,761	Lexeri Pty Limited	-	-
			Durslee Pty Limited	-	-
			Loreste Pty Limited	-	1
			Solaro Pty Limited	132	125
			Onza Pty Limited	262	249
			Bilarni Pty Limited	-	-
			Malemi Pty Limited	-	-
			Charmela Pty Limited	-	-
			Harvey Norman Stores Pty Limited	-	-
			Osraidi Pty Limited	-	-
			Valerinar Pty Limited	-	-
			Bradiz Pty Limited	52	-
			Malvis Pty Limited	178	390
			Harvey Norman Retailing Pty Limited	-	-
			Taraweru Pty Limited	-	-
			Marinski Pty Limited	120	125
			Sarsha Pty Limited	-	(12)
			Jartoso Pty Limited	183	159
			Aloku Pty Limited	-	-
			Maylene Pty Limited	-	-
			Hanemare Pty Limited	-	-
			Braxpine Pty Limited	118	4
			Ventama Pty Limited	72	(7)
			Zabella Pty Limited	76	(15)
			Plezero Pty Limited	13	69
			Flormonda Pty Limited	109	80
			Hoxco Pty Limited	7	5
			Nedcroft Pty Limited	43	69
			Balwundu Pty Limited	-	4
			Swanpark Pty Limited	-	8
			Nomadale Pty Limited	-	-
			Havrex Pty Limited	5	3
			Oldmist Pty Limited	-	-
			Koodero Pty Limited	1	-
			Lodare Pty Limited	9	8

*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.

Contribution by Subsidiary Companies and Unit Trusts to operating profit after income tax.

Name	Consolidated		Name	Consolidated	
	1992 \$000	1991 \$000		1992 \$000	1991 \$000
Rexmac Pty Limited	-	-	Braxpine Pty Limited	118	4
Penalve Pty Limited	-	-	Ventama Pty Limited	72	(7)
Abaro Pty Limited	-	-	Zabella Pty Limited	76	(15)
Arpayo Pty Limited	-	-	Plezero Pty Limited	13	69
Arlenu Pty Limited	-	-	Flormonda Pty Limited	109	80
Carlundo Pty Limited	-	-	Hoxco Pty Limited	7	5
Clambruno Pty Limited	-	-	Nedcroft Pty Limited	43	69
Daldere Pty Limited	-	-	Balwundu Pty Limited	-	4
Dandolena Pty Limited	-	-	Swanpark Pty Limited	-	8
Demi Pty Limited	-	-	Nomadale Pty Limited	-	-
Farane Pty Limited	-	-	Havrex Pty Limited	5	3
Ganoru Pty Limited	-	-	Oldmist Pty Limited	-	-
Jondario Pty Limited	-	-	Koodero Pty Limited	1	-
Kambaidu Pty Limited	-	-	Lodare Pty Limited	9	8

29. SUBSIDIARY COMPANIES AND UNIT TRUSTS (Continued)

Name	Consolidated		Name	Consolidated	
	1992	1991		1992	1991
	\$000	\$000		\$000	\$000
Parwana Pty Limited	-	-	Big Apple Trust	-	-
Hodberg Pty Limited	131	172	Lesandu Rockdale Trust	-	-
Hodvale Pty Limited	32	-	Uconu No. 1 Unit Trust	-	-
Strathloro Pty Limited	142	47	Malvis No. 2 Trust	-	-
Divonda Pty Limited	-	-	Bradiz No. 2 Trust	-	-
Algoni Pty Limited	-	-	Charmeia No. 2 Trust	-	-
Irmaleni Pty Limited	-	-	Valerinar No. 2 Trust	-	-
Torcarsa Pty Limited	23	-	Lesandu Penrith Trust	-	1
Elmedi Pty Limited	-	-	The Calardu Trust	694	9
Anwarah Pty Limited	5	-	Calardu A.C.T. Trust	(11)	(43)
Burawange Pty Limited	-	-	Calardu No. 1 Trust	61	178
Burawango Pty Limited	-	-	Calardu No. 2 Trust	495	513
Swaneri Pty Limited	-	-	Calardu No. 3 Trust	290	299
Donove Pty Limited	-	-	Bilarni No. 2 Trust	-	-
Dracome Pty Limited	-	-	Osraidi No. 2 Trust	-	-
Kasharni Pty Limited	-	-	Taraweru No. 2 Trust	-	-
Vitarnu Pty Limited	-	(1)	Lodare No. 2 Trust	-	-
Taruli Pty Limited	-	-	Parwana No. 2 Trust	-	-
Brontome Pty Limited	-	-	Algoni No. 3 Trust	-	-
Fondorro Pty Limited	-	-	Irmaleni No. 2 Trust	-	-
Kasparu Pty Limited	-	-	Torcarsa No. 2 Trust	-	-
Spedera Pty Limited	-	-	Elmedi No. 2 Trust	-	-
Tarsetu Pty Limited	-	-	Anwarah No. 2 Trust	-	-
Harvey Norman No. 1 Trust	92	135	Burawange No. 2 Trust	-	-
Harvey Norman Discounts No. 1 Trust	1,218	904	Burawango No. 2 Trust	-	-
Lamino Investments No. 1 Trust	139	50	Swaneri No. 2 Trust	-	-
Lamino Investments No. 2 Trust	168	167	Donove No. 2 Trust	-	-
Lamino Investments No. 3 Trust	77	76	Dracome No. 2 Trust	-	-
Lamino Investments No. 4 Trust	-	-	Kasharni No. 2 Trust	-	-
Lamino Investments No. 5 Trust	-	-	Abaro No. 2 Trust	-	-
Lamino Investments No. 6 Trust	143	143	Brontome No. 2 Trust	-	-
Lesandu No. 1 Trust	113	152	Fondorro No. 2 Trust	-	-
Lesandu Gosford Trust	225	240	Kasparu No. 2 Trust	-	-
Yoogaiu Gosford Trust	488	460	Spedera No. 2 Trust	-	-
Lesandu Miranda Trust	2	3	Tarsetu No. 2 Trust	-	-
Yoogaiu Miranda Trust	435	432			
Lesandu Gordon Trust	-	1			
Yoogaiu Gordon Trust	633	723	Total subsidiary companies and unit trusts	8,829	7,727
Hanemare No. 2 Trust	-	-			
Maylene No. 2 Trust	-	-	Parent Company profit /(loss)*	(28)	(7)
Penalve No. 2 Trust	-	-			
Rexmac No. 2 Trust	-	-	Amortisation of goodwill on consolidation	(231)	(231)
Lesandu Newcastle Trust	-	-			
Yoogaiu Newcastle Trust	600	586	Operating profit after income tax	8,570	7,489
Lesandu Fairfield Trust	2	2			
Yoogaiu Fairfield Trust	62	2			
Lesandu Warrawong Trust	-	-			
Yoogaiu Warrawong Trust	301	268			
Lesandu Albury Trust	-	-			
Yoogaiu Albury Trust	1	4			
Lesandu Warringah Mall Trust	-	-			
Yoogaiu Warringah Mall Trust	226	243			
Lesandu Campbelltown Trust	-	12			
Yoogaiu Campbelltown Trust	230	273			
Yoogaiu Lismore Trust	112	121			
Sydney No. 1 Trust	-	-			

*The parent company profit /(loss) is before the distribution of profits from unit trusts.

29. 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	Date Acquired
		\$	\$	
Brontome Pty Limited	100%	2	2	26 November, 1991
Fondorro Pty Limited	100%	2	2	17 October, 1991
Kasparu Pty Limited	100%	2	2	17 October, 1991
Tarseru Pty Limited	100%	2	2	19 September, 1991
Brontome No. 2 Trust	100%	10	10	26 November, 1991
Fondorro No. 2 Trust	100%	10	10	17 October, 1991
Kasparu No. 2 Trust	100%	10	10	17 October, 1991
Tarseru No. 2 Trust	100%	10	10	19 September, 1991
		48	48	

30. Deed of Cross Guarantee

All subsidiary companies (refer Note 29) have entered into a deed of cross guarantee dated 21 September 1992 with Harvey Norman Holdings Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. In addition, as a result of the Class Order issued by the Australian Securities Commission these companies are relieved from the requirement to prepare accounts.

DIRECTORS' STATEMENT

In the opinion of the directors:

(a) the 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 1992;

(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 at 30 June 1992 and;

(c) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due, and the companies and parent company who are a party to the deed described in Note 30, will as a group be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee dated 21 September 1992.

It is also the opinion of the directors that the accompanying financial statements are drawn up in accordance with Divisions 4A and 4B of Part 3.6 of the Corporations Law, and so as to give a true and fair view of:

(a) the profit of the group for the year ended 30 June 1992; and

(b) the state of affairs of the group as at 30 June 1992.

This statement has been made in accordance with a resolution of directors.

G. HARVEY
Chairman

K. L. PAGE
Director

S. M. GIBSON
Director

Sydney
19 October 1992

INDEPENDENT AUDIT REPORT

To the Members of Harvey Norman Holdings Limited

Scope

We have audited the financial statements of HARVEY NORMAN HOLDINGS LIMITED and of the group for the year ended 30 June 1992, as set out on pages 6-29. The company's directors are responsible for the preparation and presentation of these financial statements and of the information they contain. 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 Australian 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 positions 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 Limited 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 at 30 June 1992 and of the profit of the company and of the group for the year ended on that date;

(ii) the other matters required by Divisions 4, 4A and 4B 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

Chartered Accountants

C.R. SERGENT

Partner

Sydney

19 October 1992

SHAREHOLDER INFORMATION

Distribution of Shareholdings as at 23 September 1992

Size of Holding	Ordinary Shareholders
1 -1,000	524
1,001 -5,000	525
5,001 - 10,000	44
10,001 and over	70
	<hr/>
	1,163

Number of Shareholders	
with less than a marketable parcel	1

Voting Rights

All ordinary shares issued by Harvey Norman Holdings Limited carry one vote per share without restriction.

Twenty Largest Shareholders as at 23 September 1992

Number of Ordinary Shares	Shareholder
8,000,000	G Harvey Nominees Pty Limited
7,000,000	Dimbulu Pty Limited
2,500,000	Gerald Harvey
2,000,000	Lynette Margaret Harvey
677,300	Perpetual Trustee Co Limited
656,700	IOOF Australia Trustees (N.S.W.) Limited
653,300	Enbearn Pty Limited
650,000	Permanent Trustee Co Limited
382,090	National Nominees Limited
315,000	Kay Lesley Page
264,310	Perpetual Trustees Nominees Limited
263,500	Haematite Pty Limited
233,700	Tyndall Life Insurance Co Limited
200,000	Spencer Murray Gibson
200,000	Investment Services Nominees Pty Limited
190,600	MLC Life Limited
152,800	I J Norman Nominees Pty Limited
111,200	Associated National Life Insurance Co Limited
100,000	Commonwealth Funds Management Limited
81,900	State Electricity Commission of Victoria

Total: 24,632,400

Total held by twenty largest shareholders as a percentage 88%

DIRECTORY OF "HARVEY NORMAN DISCOUNTS" SHOPPING COMPLEXES

SYDNEY SUBURBAN

ARNCLIFFE

127 Princes Highway
Phone: (02) 599 1366

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

CHATSWOOD

Wallaceway Shopping Centre
Cnr Endeavour Avenue
& Orchard Street
Chatswood
Phone: (02) 419 6133

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 Street
& Todman Avenue
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 & Condomine 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

BENNETS GREEN (NEWCASTLE)

7 Abdon Close
Bennets 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

DIRECTORY OF "HARVEY NORMAN DISCOUNTS" SHOPPING COMPLEXES

LISMORE

17 Zadoc Street
Lismore
Phone: (066) 21 8888

MAITLAND

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

NOWRA

1 O'Keefe Street
Nowra
Phone: (044) 21 5755

ORANGE

70 Endsleigh Avenue
Orange
Phone: (063) 61 4111

PORT MACQUARIE

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

TAMWORTH

174-176 Peel Street
Tamworth
Phone: (067) 66 7988

WAGGA

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

WARRAWONG (WOLLONGONG)

Cnr King Street & Shellharbour Road
Warrawong
Phone: (042) 75 2722

INTERSTATE

BRISBANE QUEENSLAND

CARINDALE

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

JINDALEE

Cnr Centenary Highway & Seventeen Mile Rocks
Road
Jindalee
Phone: (07) 279 0244

MT GRAVATT

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

WINDSOR

Units C1-3 Windsor Centre
Cnr Lurwyche & 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

AUSTRALIAN CAPITAL TERRITORY

WODEN

Shop A5 Mezzanine Level
Woden Plaza
Woden
Phone: (06) 282 2511