

DREAMWORLD LIMITED
15TH ANNUAL REPORT 2008





*In the Name of Almighty Allah,
The Most Beneficent and
Merciful*



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Tariq Hilal	Chairman
Mr. Irfan Hilal Ahmed	Chief Executive
Mr. Zafar Uddin Siddiqui	Director
Mrs. Sadia Imran	Director
Mrs. Sara Amir	Director
Mrs. Tooba Tariq	Director
Mrs. Nida Irfan	Director

AUDIT COMMITTEE

Mr. Zafar Uddin Siddiqui	Chairman
Mrs. Sadia Imran	Member
Mrs. Sara Amir	Member

COMPANY SECRETARY

Mr. Zaki Uddin Siddiqui

CHIEF FINANCIAL OFFICER

Mr. Mahmood Anwar

AUDITORS

M. Sikandar & Company
Chartered Accountants
Karachi

BANKERS

MCB Bank Limited
Citibank Limited
Standard Chartered Bank
Bank Alfiah Limited
United Bank Limited
The Royal Bank of Scotland Limited

REGISTERED OFFICE

Dreamworld Tower, 65-A.M., Strachen Road,
Opp. Arts Council, Behind Sindh Assembly, Karachi

PROJECT LOCATION

NC- 137 , Deh Taiser , District West, Karachi

VISION AND MISSION STATEMENT

VISION

Our esteemed goal is to be the pioneer in providing the exclusive, distinctive, unique and truly recreational/amusement/leisure/ entertainment and enjoyment facilities to the members in family atmosphere at our Dreamworld Family Resort situated adjacent to Gulshan-e-Maymar, Super Highway, Karachi where people really feel themselves very much relaxed, stress-free and hassle-free at the highest level of satisfaction.

MISSION

-  To be the unique and matchless resort/club having exclusive un-paralleled amusement / recreational / entertainment facilities for the members of all ages in safe & sound, healthy and peaceful family atmosphere.
-  To provide wide range of recreational and joyous facilities to members and their families where dreams come true.
-  To assemble the people of all categories of life at a plate form for growing their social affiliations and attachments with each other which may create brotherhood environment amongst them.
-  To set and maintain high quality of recreational standards and services to the full satisfaction of visitors/members motivating as well the tourists and visitors from other countries sharing the economic of the country in shape of earning valuable Foreign Exchange.
-  To be the real home of first choice for our members & their families after their own home where they can enjoy/relax with all kinds of food and catering facilities.
-  To meet social and cultural obligations towards the society being a patriotic and conscientious corporate citizens besides increasing employment opportunities of the area and gradually improve their income and life style.



NOTICE OF THE 15TH ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of Dreamworld Limited, will be held at the registered office of the Company at Dreamworld Tower, 65-A.M., Strachen Road, Opp. Arts Council, Behind Sindh Assembly, Karachi, on Friday, October 31, 2008 at 4.00 p.m. to transact the following business:

1. Recitation from the Holy Quran.
2. To confirm the minutes of the Last Annual General Meeting held on 29th October, 2007.
3. To receive, consider and approve the Company's audited financial statements for the year ended June 30, 2008 together with the reports of the directors and auditors thereon.
4. To appoint Auditors for the year 2008-2009 and fix their remuneration. (Messrs M. Sikandar & Co., Chartered Accountants, retire and have offered themselves for re-appointment.)
5. To transact any other business with the permission of the Chair.

By order of the Board

ZAKI UDDIN SIDDIQUI
Company Secretary

Karachi: September 25, 2008

NOTES :

- I. The Share Transfer Books of the Company shall remain closed from October 23, 2008 to October 31, 2008 (both days inclusive) to determine the names of members entitled to attend the meeting. Transfers received in order at the Registered Office of the Company at the close of business on October 22, 2008 will be treated in time.
- II. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend and vote for him/her. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the holding of Meeting.
- III. Members are requested to notify immediately changes, if any, in their registered addresses.
- IV. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

For Attending the Meeting

- I. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulation, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- II. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

For Appointing Proxies

- I. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
- II. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- III. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- IV. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- V. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

Policy Summary

-  The Company's policy is to conduct its business with honesty and integrity and be ethical in its dealings showing respect for the interest of those with whom it has a relationship.
-  We, as a responsible corporate citizen, strongly adhere to Corporate Governance principles and comply with regulatory obligations enforced by regulatory agencies for improving corporate performance.
-  The Company does not support any political party or contributes any kind of funds in any shape or hidden manners to any group whose activities may promote party interests. The Company will promote its legitimate business interest through trade associations.
-  The Company is committed to run its business in an environmentally sound and sustainable manner and promote preservation of the good and ethical business environment.
-  The Company recognizes its social responsibility and will contribute to community activities as a good corporate citizen.
-  The Company is also committed and fully adheres to the reliability of financial reporting and transparent transaction.
-  The Company is committed to create/provide career opportunities reducing unemployment prevailed in the country and recruit and promote employees on merit, and provides safe and healthy working conditions for all its existing employees. It also believes in maintaining good communications with employees.
-  We believe in uprightness and performance and expect it to be a fundamental responsibility of our employees/workers to act upon in the best interest of the Company while holding confidential information. We also expect our employees/workers to neither solicit internal information from others nor disclose Company's figures, data or any other material information to any unauthorized person/body.
-  It is the responsibility of the Board to ensure that the above principles are complied with accordingly. The company believes in observing the laws of the Company in very strict manners.
-  It is recognized that enforcement of laws and regulations is the responsibility of the Management.



DREAMWORLD LIMITED - ANNUAL REPORT 2008

(In the Name of Almighty Allah the Most Beneficent and Merciful)

DIRECTORS' REPORT

Dear Shareholders,

Assalam-e-Alaikum,

The Directors of your company take pleasure in presenting before you their 15th Annual Report together with the company's audited financial statements and the auditors report for the year ended 30th June, 2008.

Financial and Operating Results:

The financial & operating results of your company are summarized as follows:

	2008 Rupees	2007 Rupees
Total Revenues	<u>321,645,566</u>	<u>391,359,539</u>
Operating Profit/(Loss)	<u>(7,095,190)</u>	<u>10,313,576</u>
Profit/(Loss) before Taxation	(7,953,827)	10,205,076
Taxation	<u>(183,545)</u>	<u>(5,926,498)</u>
Profit/(Loss) after Taxation	<u>(8,137,372)</u>	4,278,578
Unappropriated Profit B/F	<u>28,429,532</u>	<u>25,245,754</u>
	20,292,160	29,524,332
Appropriation:		
Dividend Paid	-	<u>(1,094,800)</u>
Unappropriated Profit C/F	<u>20,292,160</u>	<u>28,429,532</u>
Earning per share - basic & diluted	<u>(0.25)</u>	<u>0.13</u>

Elements responsible for fall in financial results

The financial results as summarized above, reflects the descending trend in the total revenue when compared with the last year which dragged the profitability of the company into losses due to certain unavoidable & inauspicious circumstances/reasons prevailed during the whole year under report which are being briefed out herein below:

The year being reported, can be named as the most challenging period during which our country had been facing with great difficulties/severe crises in terms of various scenarios like law and order situation, political uncertainty/instability, un-certained business circumstances severely effecting the smooth progressing of development process besides slowing down the growth of economy of the country. In the last a few years prior to this year under review, the Pakistan's economy was being grown rapidly which remained stuck off and obstruction is still continued due to the above situations.

As you are well cognizant that the main business of your company is to provide and facilitate the members and their families with enormous types of recreational / amusement/leisure / entertainment and joyous facilities in family atmosphere where they really feel themselves very much relaxed physically as well as mentally, stress/tense and hassle free at the highest level of satisfaction and our business totally depends upon the prevalence of adequate law & order situation where the self-worth/respect, lives and properties of the people must be secured and saved, peace of mind free from all types of tensions/worries, good civic condition of the city, stability of political circumstances but unfortunately, during the whole year under review with the small intervals of time, various major unpleasant incidents had been occurring resulting in aggravation of further deterioration of law & order situation seriously effecting the entire business & political scenarios leading towards disaster. Some of these major incidents are being narrated briefly hereunder which have created an atmosphere of great fear & terror particularly with reference to security of life and people were very much discouraged and reluctant/unwilling to get the membership of our family resort.

1. Just in the beginning of the year under report, long spells of heavy rainfalls, heavy traffic jams in all the areas of city due to excavation/digging of roads for laying water & sewerage lines as well as construction of flyovers/bridges etc. caused low turn out of members/visitors to our Resort.



2. In October, 2007, in Karachi, bomb blast took place in the procession welcoming Benazir Bhutto resulting in more than 150 killings of innocent peoples resulted in distortion of law & order situation which created uncertainty/insecurity of life.
3. In the end of December, 2007, the assassination of Benazir Bhutto had further aggravated the law & order situation/condition of entire country particularly of Karachi which created to be looming fear about worsening the security of human life besides political prospects, rising prices of commodities and slowing economic growth being still continued.
4. The people kept their outing & out door activities abandoned because of prevalence of insecurity of life and properties even in their homes.
5. The year under review was also the year of General Election and postponement of General Election because of assassination of Benazir Bhutto had prolonged the duration of great uncertainty & worst law and order situation of the country adversely effecting the entire business and political atmosphere and this situation is still continued therefore, any forecast for the betterment of said unavoidable situations, is pre-matured.
6. The lawyer's movement which is still going on since first week of November, 2007 has also twisted down the entire scenario (i.e. political & lucrative business as well as social circumstances). The worsening of law & order situation prevailed, can be evaluated from a horrible incident of mercilessness/hardheartedness/inhumanness that some lawyers were burnt out lively having been isolated in a building which further dragged the feeling of people into the fear of terrorism/intimidation and people diminished their routing to public parks and public places because of insecurity and un-safety of lives.
7. Looting/snatching, kidnapping for ransom, has been established as a routine/practice of culprits/criminals in all over the city which have confined the people to their homes.
8. The resort of your company is about 35 kilometer far from the center city and the unprecedented increase in fuel prices have further fuelled the rising inflation with food and energy prices reaching new record heights which also kept the motivation of people to get membership of resort towards lower side.
9. The business of your company comes within the preview of "LUXURY/LAVISHNESS" but soaring fuel prices and exorbitant increase in prices of commodities/inflatory rate touching to sky highs, have played a significant role in keeping away the people from availing the luxurious and lavishing facilities.

Apart from the above, here it is worthy to mention that all revenues other than membership fee, have improved despite prevalence of unavoidable circumstance. And it could be possible due to the reason that the members were magnated for their maximum turn out having been provided/offered various types of attractions/motivations which supported in increasing the said revenues but revenue of membership fee could not be improved due to the above explained situations which converted the profitability into losses.

Besides the strategies adopted by the management to improve the revenues at their level best as well as to save the company from suffering into huge losses, the management tried hard to curtail the expenses up to minimum level but keeping in view the nature of business of your company, the quality and standard of services/facilities as per our vision and mission has to be provided and maintained at any cost being an internationally recognized family resort and AL-HAMDO-LILLAH, because of the better, adequate and timely as well as effective strategies/policies adopted by the management, the company has been able to be saved from suffering into huge losses. INSHA-ALLAH TAALA, with the betterment and improvement in the above situations, the Company would improve its business yielding good profitability.



Dividend:

Considering the financial & operating results as stated above besides the requirements of finances/funds for the business particularly for capital expenditures keeping in view the future plan/outlook, the directors did not consider it necessary to recommend any dividend for the year under review.

Audit Committee

In compliance to the Code of Corporate Governance issued by the S.E.C.P., the Board of Directors has formed a Board Audit Committee ("BAC"). It comprises of three members and all members are non-executive directors including the Chairman of the Committee. Presently the Board Audit Committee comprises of following Directors

Mr. Zafar Uddin Siddiqui	:	Chairman
Mrs. Sadia Imran	:	Member
Mrs. Sara Amir	:	Member

Board of Directors Meeting

During the year under review, 09 (Nine) meetings of Board of Directors were held. Attendance by each Director was as follows:

Name of Directors	No. of meetings attended
Mr. Tariq Hilal	08
Mr. Irfan Hilal Ahmed	09
Mr. Zafar Uddin Siddiqui	09
Mrs. Sadia Imran	06
Mrs. Sara Amir	06
Mrs. Tooba Tariq	08
Mrs. Nida Irfan	09

Leave of absence was granted to directors who could not attend some of the board meetings due to their preoccupation.

Board of Directors

The Board of Directors is the most senior body with eventual responsibility for all kinds of plannings/strategies/policies and management of the affairs of Company to be adopted in the best interest of the Company and implemented accordingly besides for the supervision of its executive management. During the year, the Board was actively involved in performing their duties as defined in the Code of Corporate Governance.

The Board of Directors comprises of following seven directors including Chief Executive Officer:

1. Mr. Tariq Hilal
2. Mr. Irfan Hilal Ahmed
3. Mr. Zafar Uddin Siddiqui
4. Mrs. Sadia Imran
5. Mrs. Sara Amir
6. Mrs. Tooba Tariq
7. Mrs. Nida Irfan

Auditors

The present auditors, M/s M. Sikandar & Company, Chartered Accountants, retire and have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors for the financial year ending 30th June, 2009 and the Board agrees to the recommendation of the Audit Committee.



Statement on Corporate and Financial Reporting Framework

The Directors are pleased to state that the necessary steps have been taken to comply with requirements of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP).

Following are the Statements on Corporate and Financial Reporting Frame Work:

1. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates, which are based on reasonable and prudent judgment.
4. The International Accounting Standards & International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
5. The system of internal controls is sound in design and has been effectively implemented and monitored.
6. There is no significant doubt upon the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance as detailed in the Listing Regulations.

Pattern of Shares holding

A Statement of pattern of shareholding of certain class of shareholders as at 30th June, 2008 whose disclosure is required under the reporting framework is included in the report at Page No. 31.

During the financial year under review, no trades in the shares of the Company were carried out by Directors, CEO, CFO, Company Secretary and their Spouses and minor children.

Acknowledgement

The Board wish to place on record our warm gratitude to the shareholders, valued member, customers, suppliers and consultants from the core of heart for their sociable attitude and continuous support.

The Board strongly acknowledge as well, the dedication, enthusiasm, loyalties and devotion of the entire management, officers, workers of the Company and valued customers/members enabling your Company to save from suffering into heavy losses as well as to achieve its best possible results during the unstable/uncertain political and business circumstances prevailed in the whole year under report. The Board is confident that the management and employees of your Company shall continue to work with the zeal and devotion and consequently your company shall, Insha-Allah, continue to prosper.

For and on behalf of the Board

Tariq Hilal
Chairman

Karachi, September 25, 2008.



KEY OPERATING & FINANCIAL DATA SIX YEARS AT A GLANCE

PARTICULARS	JULY - JUNE					
	(RUPEES IN' 000)					
	2007 2008	2006 2007	2005 2006	2004 2005	2003 2004	2002 2003
Paid Up Capital	320,000	320,000	320,000	320,000	320,000	320,000
Shareholders Equity	340,292	348,430	345,246	336,855	330,069	329,131
Gross Revenue	321,646	391,360	435,377	239,143	167,539	105,548
Profit/(Loss) Before Taxation	(7,954)	10,205	10,831	8,821	11,371	3,446
Profit/(Loss) After Taxation	(8,137)	4,279	8,391	6,786	2,032	2,896
Unappropriated Profit	20,292	28,430	25,246	16,855	10,069	9,131
Earning Per Share	(0.25)	0.13	0.26	0.21	0.06	0.09
Break Up Value Per Share	10.63	10.89	10.79	10.53	10.31	10.29
Current Assets	44,121	44,160	30,549	24,312	26,846	26,128
Current Liabilities	40,261	42,322	40,283	24,179	16,477	13,415
Current Ratio	1.10	1.04	0.76	1.01	1.63	1.95



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2008

Name of the company: **DREAMWORLD LIMITED.**
Year Ended: **30TH JUNE, 2008.**

This statement is being presented to comply with the Code of Corporate Governance contained in the Regulation No. 37 (Chapter XI) of listing regulations of Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

- 1 The Board comprises seven Directors, including the C.E.O. The Company encourages representation of independent non-executive directors on its Board including those representing minority interests.
- 2 The directors have confirmed that none of them is serving as directors in more than ten listed companies, including this Company.
- 3 All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or an Non-Banking Financial Institution. None of the director is a member of Stock Exchange.
- 4 No casual vacancy arose in the Board during the year.
- 5 The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Company.
- 6 The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.
- 7 All the powers of the Board have duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
- 8 The meeting of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 9 No specific orientation course for directors was arranged during the year. However, the management continues to apprise and formalize them with the changes in law to discharge their duties and responsibilities.



- 10 The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
- 11 The Directors' report for this year has been prepared in compliance with the requirements of Code and fully describes the salient matters required to be disclosed.
- 12 The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
- 13 The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- 14 The Company has complied with all the corporate and financial reporting requirements of the Code.
- 15 The Board has formed an Board Audit Committee ("BAC"). It comprises of three members. All are non-executive directors including the chairman of the committee.
- 16 The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
- 17 The Board has set up an effective internal audit function.
- 18 The statutory auditors of the Company has confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan, that they or their spouses and minor children do not hold shares of the Company and that the firm is in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.
- 19 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 20 We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board

TARIQ HILAL
Chairman

Karachi, September 25, 2008

**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE
WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Dreamworld Limited for the year ended June 30, 2008 to comply with the Listing Regulation No. 37 (Chapter XI) of the Karachi Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30th June, 2008.

Karachi, September 25, 2008

M. SIKANDAR & COMPANY
Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of DREAMWORLD LIMITED as at June 30, 2008 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that:

- a in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984:
- b in our opinion:
 - i the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied
 - ii the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved the accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required, and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2008 and of the Loss, its cash flows and changes in equity for the year then ended: and
- d in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Karachi, September 25, 2008

M. SIKANDAR & COMPANY
Chartered Accountants



BALANCE SHEET

	Note No.	2008 Rupees	2007 Rupees
EQUITY & LIABILITIES			
SHARE CAPITAL			
AUTHORISED			
40,000,000 Ordinary Shares of Rs.10/- each		<u>400,000,000</u>	<u>400,000,000</u>
ISSUED, SUBSCRIBED & PAID UP			
32,000,000 Ordinary Shares of Rs.10/- each	4	320,000,000	320,000,000
UNAPPROPRIATED PROFIT		20,292,160	28,429,532
Shareholders Equity		340,292,160	348,429,532
LIABILITIES			
NON CURRENT LIABILITIES			
Advances & Deposits	5	-	21,600,000
Deferred Liability	6	11,785,431	12,243,463
Long Term Loans	7	84,215,000	64,215,000
		96,000,431	98,058,463
CURRENT LIABILITIES			
Creditors, Accrued and Other Liabilities	8	38,635,900	40,361,622
Provision for Taxation		1,625,000	1,960,000
		40,260,900	42,321,622
Contingencies and Commitments	9	-	-
Total Rupees		<u>476,553,491</u>	<u>488,809,617</u>



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AS AT JUNE 30, 2008

	Note No.	2008 Rupees	2007 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipments	10	422,950,411	434,898,977
Capital Work in Progress	11	8,757,118	9,025,952
Long Term Deposits	12	724,650	724,650
		432,432,179	444,649,579
CURRENT ASSETS			
Stores		1,955,162	2,021,477
Sundry Debtors (unsecured considered good)		8,957,807	6,166,661
Advances & Deposits	13	25,883,709	24,376,908
Cash, Prize Bonds & Bank Balances	14	7,324,634	11,594,992
		44,121,312	44,160,038
Total Rupees		476,553,491	488,809,617

The annexed notes form an integral part of these financial statements.

**Tariq Hilal
Chairman**

**Irfan Hilal Ahmed
Chief Executive**



**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2008**

	Note No.	2008 Rupees	2007 Rupees
Revenue	15	181,929,833	159,159,693
Membership Fee		139,715,733	232,199,846
		321,645,566	391,359,539
Direct Expenses	16	(272,363,276)	(322,229,344)
		49,282,290	69,130,195
Operating Expenses			
Administrative Expenses	17	44,289,533	44,898,689
Selling & Marketing Expenses	18	10,578,549	12,525,744
Bank Charges	19	1,509,398	1,392,186
		56,377,480	58,816,619
Operating Profit/(Loss)		(7,095,190)	10,313,576
Gain/(Loss) on Disposal of Assets	20	(858,637)	(38,500)
		(7,953,827)	10,275,076
Prior Year Adjustments	21	-	(70,000)
Profit/(Loss) before Taxation		(7,953,827)	10,205,076
Taxation	22	(183,545)	(5,926,498)
Profit/(Loss) after Taxation		(8,137,372)	4,278,578
Earning per Share - basic & diluted	23	(0.25)	0.13

Appropriation has been reflected in the statement of Changes in Equity.

The annexed notes form an integral part of these financial statements.

**Tariq Hilal
Chairman**

**Irfan Hilal Ahmed
Chief Executive**



**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008**

	Note No.	2008 Rupees	2007 Rupees
A. CASH FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		(7,953,827)	10,205,076
Adjustment for			
Depreciation		36,708,978	38,768,386
Advances & Deposits		(21,600,000)	-
Bank Charges		1,509,398	1,392,186
Provision for Gratuity		980,221	837,804
Income Tax Paid		(1,956,798)	(2,421,887)
Loss/(Gain) on Disposal of Assets		858,637	38,500
Operating Profit before Working Capital Changes		<u>8,546,609</u>	<u>48,820,066</u>
Changes in Working Capital			
(Increase)/Decrease in Current assets			
Stores		66,315	(1,272,798)
Sundry Debtors		(2,791,146)	(1,112,575)
Advances and Deposits		(1,506,801)	(11,317,766)
Increase/(Decrease) in Current Liabilities			
Creditors, Accrued & Other Liabilities		<u>(1,725,722)</u>	<u>2,504,012</u>
Cash Generated from Operation		<u>2,589,255</u>	<u>37,620,939</u>
Bank Charges Paid		(1,509,398)	(1,392,186)
Net cash flow from operating activities		<u>1,079,857</u>	<u>36,228,752</u>
B. CASH FROM INVESTING ACTIVITIES			
Property Plant & Equipments		(27,453,049)	(75,909,138)
Proceed from Sale of Assets		1,482,000	2,890,000
Assets Written off		352,000	185,000
Capital Work in Progress		<u>268,834</u>	<u>(108,492)</u>
Net cash outflow in investing activities		<u>(25,350,215)</u>	<u>(72,942,630)</u>
C. CASH FROM FINANCING ACTIVITIES			
Long Term Deposits		-	1,500
Long Term Loans		20,000,000	37,715,000
Dividend paid 2006		-	(1,094,800)
Net cash used in financing activities		<u>20,000,000</u>	<u>36,621,700</u>
Net increase in cash and cash equivalents (A+B+C)		<u>(4,270,358)</u>	<u>(92,178)</u>
Cash and cash equivalents at beginning of the year		<u>11,594,992</u>	<u>11,687,170</u>
Cash and cash equivalents at the end of the year	14	<u><u>7,324,634</u></u>	<u><u>11,594,992</u></u>

The annexed notes form an integral part of these financial statements.

Tariq Hilal
Chairman

Irfan Hilal Ahmed
Chief Executive



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2008**

	Paid up Share Capital	Accumulated Profit	Total
Balance as on July 1, 2006	320,000,000	25,245,754	345,245,754
Changes in Equity for the year ended June 30, 2007			
Profit after Taxation	-	4,278,578	4,278,578
Less: Dividend Paid 2006	-	(1,094,800)	(1,094,800)
Balance as on July 1, 2007	320,000,000	28,429,532	348,429,532
Changes in Equity for the year ended June 30, 2008			
Loss after Taxation	-	(8,137,372)	(8,137,372)
Balance as at June 30, 2008	<u>320,000,000</u>	<u>20,292,160</u>	<u>340,292,160</u>

The annexed notes form an integral part of these financial statements.

**Tariq Hilal
Chairman**

**Irfan Hilal Ahmed
Chief Executive**



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2008

1 LEGAL STATUS AND OPERATIONS

The Company was incorporated as a Public Limited Company on February 07, 1994, and is listed on Karachi Stock Exchange. The Company has established an Amusement project in Karachi at Super Highway. The Registered Office of the Company is situated at Dreamworld Tower, 65-AM, Strachen Road, Opp. Arts Council, Behind Sindh Assembly, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provision of and directives issued under the Companies Ordinance, 1984. In case requirement differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of Measurement

The financial statements of the company have been prepared under the historical cost convention and in accordance with the requirements of the Companies Ordinance 1984, and International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as applicable in Pakistan.

2.3 Functional and presentaion Currency

The financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4 Use of Estimates and Judgements.

These preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

2.5 New Accounting Standards and IFRIC Interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning on or after 1 July 2008 and are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures in the certain cases:

- Revised IAS 1 - Presentation of Financial statements:
- Revised IAS 23 - Borrowing costs:
- IAS 29 - Financial Reporting in Hyperinflationary Economies:
- IAS 32 (amendment) - Financial instruments: presentation and consequential amendments to IAS 1 - presentation of Financial statements:



- IFRS 2 (amendment) _ Share-based payments:
- IFRS 3 (amendment) - Business Combinations and consequential amendments to IAS 27 - Consolidated and separate financial statements, IAS 28 - Investment in associates and IAS 31 - Interest in Joint Ventures:
- IFRS 7 - Financial Instruments : Disclosures:
- IFRS 8 - Operating Segments;
- IFRIC 12 - Service Concession Arrangements;
- IFRIC 13 - Customer Loyalty Programmes;
- IFRIC 14- IAS19 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction;
- IFRIC 15 - Agreement for the Construction of Real Estate;
- IFRIC 16 - Hedge of Net Investment in a foreign Operation;

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement Benefits

The company operates an un-funded gratuity scheme covering all employees according to the terms of employment, payable on the cessation of employment, subject to a minimum qualifying period of service. The actuarial valuation in this regard, was carried out as at 30th June, 2007 by using the Projected Credit Unit Method. As per actuaries report, actuarial gains and losses are recognised on the basis of “minimum 10% corridor” approach.

3.2 Taxation

Current

Provision of current taxation is based on current rates of tax on taxable income or one half percent of turnover, whichever is higher, after taking into account tax credits available.

Deferred

Deferred tax is provided by using the liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognized only to the extent that it is probable that future profit will be available against which the assets can be utilized.

3.3 Borrowing Cost

Since the Company is not borrowing any fund there is no borrowing cost. However in case of any future requirement the borrowing cost will be recognized as an expense in the period in which they are incurred except to such extent they are directly attributable to acquisition of assets, the same will be capitalized.

3.4 Trade Debts

Trade debts are carried at original invoice amount less an estimate for irrecoverable balances, based on review of outstanding amounts at the end of period . Bad debts are written off when identified.

3.5 Creditors, Accrued and Other Liabilities

Liabilities for trade, services and other amounts payable are carried at cost which is the fair value of the consideration to be paid. In future for goods and services received. Whether or not billed to the Company.

3.6 Stores

These are valued at purchase cost including invoice value plus other charges incurred, if any. Accordingly the items in transit, if any, are valued at cost comprising invoice value and other charges incurred thereon.

3.7 Cash & Cash Equivalent

For the purpose of the cash flow statement, cash and cash equivalents consist of cash & Prize Bonds in hand and Cash at banks.

3.8 Foreign Currency Transactions

Transactions in Foreign Currencies are accounted for in rupees at the exchange rate prevailing on the date of transaction. Assets and Liabilities in Foreign Currencies, if any, are translated into rupees at the rate of exchange prevailing on the Balance Sheet date. Exchange differences are included in the profit and loss account if any.

3.9 Related party Transactions

All transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method.



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3.10 Dividend

Dividend distribution to the shareholders is recognised as a liability in the period in which it is approved by the shareholders.

3.11 Impairment of Assets

The Company assesses at the date of each balance sheet whether there is any indication that assets may be impaired. In case if indication exists, the carrying amount of such assets are reviewed to ascertain whether the same are recorded in excess of their recoverable amount. Where carrying value exceed recoverable amount the assets are written down to the recoverable amount, and difference is charged to profit & loss account on balance sheet date.

3.12 Capital Work-in-Progress

Capital work-in-progress is stated at cost. It consists of expenditure incurred and advances made in connection with the construction.

3.13 Property, Plant and Equipments

Fixed assets are stated at cost less accumulated depreciation except lease-hold land stated at cost which has not been amortized as per policy of the management because lease is renewable. Depreciation is charged to income at the normal tax rates applying the diminishing balance method. Maintenance and normal repair are charged to income as and when incurred, major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gain and losses on disposal of assets are included in Profit & Loss Account.

3.14 Revenue Recognition

Revenue is recognized on the basis of actual receipts. Whereas sales are recorded on the basis of dispatch of goods.

Membership fee is recognized on the basis of actual receipts and or barter agreements.

3.15 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is possible that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

3.16 Offsetting of Financial Asset & Liability

A financial asset and financial liability is offset and the net amount is reported in the balance sheet, if the Company has legally enforceable right to setoff the recognized amount and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Fully paid ordinary shares of
Rs.10/- each issued for cash

	2008 Rupees	2007 Rupees
	<u>320,000,000</u>	<u>320,000,000</u>
Number of Shares	<u>32,000,000</u>	<u>32,000,000</u>

SHARES HELD BY RELATED PARTIES

The following shares held by Related Parties.

	2008	2007		2008	2007
(Number of shares)				Rupees	Rupees
4,368,300	4,368,300		Nawab & Company (Pvt) Ltd	43,683,000	43,683,000
15,951,800	15,951,800		Shafiq Hanif (Pvt) Ltd	159,518,000	159,518,000
4,826,500	4,826,500		Asia Textile Industries (Pvt) Ltd	48,265,000	48,265,000
<u>25,146,600</u>	<u>25,146,600</u>			<u>251,466,000</u>	<u>251,466,000</u>

5. ADVANCES AND DEPOSITS

Membership Fee

-	21,600,000
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The above membership fee has been transferred/adjusted towards membership (revenue) account to streamline the members account.

6. DEFERRED LIABILITY

Deferred Taxation

6.1 **9,967,406** 11,405,659

Provision for Gratuity

6.2 **1,818,025** 837,804

11,785,431 12,243,463



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	2008 Rupees	2007 Rupees
6.1 DEFERRED TAXATION		
Opening Balance	11,405,659	7,435,648
Provision made during the year	<u>(1,438,253)</u>	<u>3,970,011</u>
	<u>9,967,406</u>	<u>11,405,659</u>
6.2 PROVISION FOR GRATUITY		
Opening Balance	837,804	-
Provision made during the year	<u>980,221</u>	<u>837,804</u>
	<u>1,818,025</u>	<u>837,804</u>

The Company has accounted for the Gratuity on liability method. However as required by IAS-19 the liability has not been determined on actuarial valuation basis as the management feels that the existing provision is adequate to cover the obligation.

7. LONG TERM LOANS		
From Related Parties - unsecured	66,340,000	46,340,000
From Others	<u>17,875,000</u>	<u>17,875,000</u>
	<u>84,215,000</u>	<u>64,215,000</u>

This represents loan received from above parties which are interest free and payable on availability of funds.

8. CREDITORS, ACCRUED AND OTHER LIABILITIES		
Creditors	32,882,956	35,562,066
Accrued Expenses	<u>5,752,944</u>	<u>4,799,556</u>
	<u>38,635,900</u>	<u>40,361,622</u>

9. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

The Company has received a Challan for so called water supply from Karachi Water & Sewerage Board for illegal demand of Rs.8,747,360/- (2007: Rs. 8,747,360/-) against which a Suit for declaration and injunction has been filed by the Company before the Hon'ble High Court of Sindh, Karachi. The case is under process, and the extent of liabilities if any can be determined after judgment. However, the management is confident that the decision will be made in favour of the Company.

The Central Excise Department has filed an Appeal against the judgment of Hon'ble High Court in our favour deciding that Excise Duty is not payable on services other than Restaurant. The outcome of Appeal can not be determined at this stage, hence the impact on Profit & Loss Account can not be ascertained. However, God forbid, incase of deciding the appeal against the Company, the contingent liability of central excise duty may be around of Rs. 580,000/- (2007: Rs. 580,000/-).

Messrs Philips electrical Industries of Pakistan Limited filed a suit against the Company in the High Court of Sindh at Karachi for recovery of Rs.23,755,784/- (2007:Rs.23,755,784/-). The Company had also filed a suit against Philips Electrical Industries before Hon'ble High Court of Sindh at Karachi for recovery of Rs.83,472,000/- (2007:Rs.83,472,000/-) being penalty and other dues, on account of failure to perform their contractual commitment. Since both the suits are still pending the outcome will be determined after judgment.

COMMITMENTS

There are no commitments in respect of capital expenditures at the balance sheet date.



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10. PROPERTY, PLANT & EQUIPMENTS

	Cost as at 1 July 2007	(Disposal) / Addition	Cost as at 30 June 2008	Accumulated Depreciation 1 July 2007	Depreciation for the year	(Disposals) / Adjustments	Accumulated Depreciation upto 30 June 2008	Net Book value as at 30 June 2008	Rate
Land Leasehold	149,850,000	-	149,850,000	-	-	-	-	149,850,000	-
Building	259,302,057	16,723,080	276,025,137	85,288,664	19,073,647	-	104,362,311	171,662,826	10
Furniture & Fixture	19,478,516	2,529,726	22,008,242	5,423,117	2,487,769	-	7,910,886	14,097,356	15
Office and Other Equipments	18,378,021	1,237,081	19,615,102	7,242,372	1,855,910	-	9,098,282	10,516,820	15
Boat & Others	21,563,606	4,633,662	26,197,268	7,940,143	2,738,569	-	10,678,712	15,518,556	15
Plant & Machinery	113,203,363	(3,301,469)	109,901,894	58,297,671	7,887,216	(977,216)	65,207,671	44,694,223	15
Vehicles	23,942,955	(40,000)	25,288,455	7,539,624	2,665,867	(23,616)	10,181,875	15,106,580	15
Horses	912,050	(352,000)	1,504,050	-	-	-	-	1,504,050	-
2008	606,630,568	(3,693,469)	630,390,148	171,731,591	36,708,978	(1,000,832)	207,439,737	422,950,411	
2007	534,696,430	(3,975,000)	606,630,568	133,824,705	38,768,386	(861,500)	171,731,591	434,898,977	

Note: Depreciation provided during the year is allocated as under:

<u>Allocation</u>	<u>Note No</u>	<u>2008</u>	<u>2007</u>
Direct Expenses	10.1	34,853,068	36,803,272
Administrative Expenses	10.2	1,855,910	1,965,114
		36,708,978	38,768,386

11. CAPITAL WORK-IN-PROGRESS

	Balance As At 01 -07 -2007	Capital Expenditure During the year	Transfer to Operating assets	Balance As At 30 -06 -2008
Civil works	2,600,952	16,454,246	16,723,080	2,332,118
Philips Electrical Industries	6,425,000	-	-	6,425,000
2008	9,025,952	16,454,246	16,723,080	8,757,118
2007	8,917,460	39,563,395	39,454,903	9,025,952

12. LONG TERM DEPOSITS

	2008 Rupees	2007 Rupees
Security Deposits	724,650	724,650

13. ADVANCES AND DEPOSITS (unsecured considered good)

	2008 Rupees	2007 Rupees
Advances	4,482,908	3,842,510
Advance for Flats	19,437,500	18,937,500
Advance Income Tax	1,963,301	1,596,898
	25,883,709	24,376,908



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	Note No.	2008 Rupees	2007 Rupees
14. CASH, PRIZE BONDS AND BANK BALANCES			
Cash & Prize Bond in Hand		2,348,824	3,989,471
Cash at Banks			
- In Current Accounts		4,961,549	7,592,028
- In Foreign Currency Accounts	14.1	<u>14,261</u>	<u>13,493</u>
		<u>7,324,634</u>	<u>11,594,992</u>
14.1 This represent US\$207.89 @ Rs.68.60			
15. REVENUE			
Catering		41,394,231	37,148,025
Subscription		124,288,896	107,658,093
Concert		3,661,050	2,505,946
Other		<u>12,585,656</u>	<u>11,847,629</u>
		<u>181,929,833</u>	<u>159,159,693</u>
16. DIRECT EXPENSES			
Staff Salaries, Wages & Benefits		42,334,304	48,875,006
Directors' Remuneration & Allowances		1,944,000	2,389,500
Cartage & Conveyance		1,592,103	1,258,112
Festivals and Concert		3,568,774	3,744,188
E.O.B.I. Contribution		1,516,218	1,142,400
Social Security Contribution		1,361,457	977,856
Education cess		63,000	-
Electricity Duty		96,998	33,796
Advertisement Expenses		7,171,337	33,962,188
Property Tax		510,373	-
Vehicle Running & Maintenance		2,863,919	1,935,163
Security Expenses		5,005,494	6,447,608
Resort Maintenance Expenses		28,278,036	27,399,290
Entertainment Duty Expenses		42,000	50,000
Power & Fuel		19,474,989	19,601,311
Catering Purchase & Expenses		30,960,606	23,830,059
Depreciation	10.1	34,853,068	36,803,272
Golf Course Maintenance		20,919,090	31,317,133
Gardening Expenses		16,580,687	24,614,534
Tubewells Expenses		5,220,712	5,354,944
Play Ground Maintenance		5,119,272	5,397,763
Archery Maintenance		2,692,330	2,644,165
Sewerage Water Tanker Expenses		5,882,652	5,622,615
Lakes Maintenance		2,697,294	3,837,504
Artificial Sea Maintenance		2,056,752	2,844,145
Hatchery Cutting Designing Expenses		3,173,293	3,264,880
Boundary Wall Maintenance		2,624,550	3,134,712
Road & Walk Wears Maintenance		1,427,770	1,837,458
Car Racing Track Maintenance		860,330	1,000,430
Parking Lot Maintenance		839,913	696,833
Swimming Pools & Building Maintenance		13,253,101	13,733,559
Fire Works Expenses		800,000	2,510,600
Golf Course Cables & Poles Maintenance		1,640,725	1,097,460
Dancing Fountain Pool Maintenance		211,960	-
Dashing Cars & Bikes Maintenance		365,110	643,056
Buffet Lounge Maintenance		2,024,213	2,110,329
Artificial Hills & Stone Walls Maintenance		1,054,496	961,725
Slides Maintenance		<u>1,282,350</u>	<u>1,155,750</u>
		<u>272,363,276</u>	<u>322,229,344</u>



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		2008 Rupees	2007 Rupees
17. ADMINISTRATIVE EXPENSES			
Staff Salaries & Benefits		14,886,921	18,132,715
Directors' Remuneration & Allowances		972,000	972,000
Office Rent		4,068,420	8,242,100
Traveling & Conveyance		1,614,473	1,985,309
Printing & Stationery		5,772,457	4,664,424
Postage and Stamp		2,028,992	906,027
Auditors' Remuneration	17.1	180,000	135,000
Legal and Professional		1,451,722	873,678
Computer Expenses		1,605,210	1,099,976
Office Expenses		3,452,070	1,651,666
Vehicle Running & Maintenance		2,945,660	1,972,210
Subscription Expenses		175,912	86,400
Telephone Expenses		2,198,683	1,392,542
Electricity Charges		694,103	396,929
Insurance Expenses		-	70,000
Donation	17.2	35,000	30,000
Depreciation Expenses	10.2	1,855,910	1,965,114
Assets Written off	17.3	352,000	185,000
Bad Debts Written off		-	137,599
		44,289,533	44,898,689
17.1 AUDITORS' REMUNERATION			
Audit Fee & Other Services		170,000	125,000
Out of Pocket Expenses		10,000	10,000
		180,000	135,000
17.2	No Director, his / her spouse had any interest in donee's fund.		
17.3 ASSETS WRITTEN OFF			
Horses (Natural Death)		352,000	185,000
		352,000	185,000
18. SELLING & MARKETING EXPENSES			
Commission on Membership		1,959,139	1,760,444
Marketing & Training Expenses		8,619,410	10,765,300
		10,578,549	12,525,744
19. BANK CHARGES			
Bank Charges		1,509,398	1,392,186
20. GAIN/(LOSS) ON SALES OF FIXED ASSETS BY NEGOTIATION			
20.1 GAIN ON SALE OF FIXED ASSETS			

S.No	Particulars of Assets	Original Cost	Accumulated Depreciation	W.D.V.	Sales Proceeds	Gain	Name & Address of Byers
1	Generator 224 KVA	301,469	144,716	156,753	165,000	8,247	Hyder Ali Butt, House No:03, Army Officers Colony, M.A. Jinnah Road, Karachi.
2	Motor Cycle Hero 70CC	40,000	23,616	16,384	17,000	616	Unique Centre, Jamitulfalah, KMC Market Building No:02, Opp MCB Akbar Market, Karachi
2008		341,469	168,332	173,137	182,000	8,863	
2007		3,250,000	861,500	2,388,500	2,400,000	11,500	



20.2 LOSS ON SALE OF FIXED ASSETS

S.No	Particulars of Assets	Original Cost	Accumulated Depreciation	W.D.V.	Sales Proceeds	(Loss)	Name & Address of Byers
1	Generator G 399 SI	3,000,000	832,500	2,167,500	1,300,000	(867,500)	Mohammad Shoaib, 65/82, Rafah-e-Aam Society, Malir Halt, Karachi
2008		3,000,000	832,500	2,167,500	1,300,000	(867,500)	
2007		540,000	-	540,000	490,000	(50,000)	
2008		3,341,469	1,000,832	2,340,637	1,482,000	(858,637)	
2007		3,790,000	861,500	2,928,500	2,890,000	(38,500)	

	2008 Rupees	2007 Rupees
21. PRIOR YEAR ADJUSTMENTS	-	(70,000)

Adjustments of revenue on account of short or excess received in prior years.

22. TAXATION

Current		
- for the year	1,625,000	1,960,000
- for the prior period	(3,202)	(3,513)
	<u>1,621,798</u>	<u>1,956,487</u>
Deferred Tax	<u>(1,438,253)</u>	<u>3,970,011</u>
	<u>183,545</u>	<u>5,926,498</u>
Relationship between income tax expenses and accounting profit		
Profit/(Loss) before taxation	<u>(7,953,827)</u>	<u>10,205,076</u>
Tax at the income tax rate of 35% (2007: 35%)	-	3,571,777
Tax effect of expenses that		
Inadmissible in determining taxable profit	12,848,142	13,568,935
Tax effect of expenses that are admissible		
in determining taxable profit	(11,209,606)	(15,485,663)
Timing Difference	343,077	293,231
Tax effect of temporary differences between the carrying		
amounts of assets and liabilities for financial reporting		
purposes and the amounts used for taxation purposes	(1,438,253)	3,970,011
Tax effect of permanent difference	(359,815)	8,207
Tax effective rate / tax charge	<u>183,545</u>	<u>5,926,498</u>

23. EARNING PER SHARE - basic and diluted

There is no dilutive effect on the basic earning per share of the company, which is based on;

Profit/(Loss) after taxation	(8,137,372)	4,278,578
Weighted average number of ordinary shares	32,000,000	32,000,000
Earning per share - basic & diluted	<u>(0.25)</u>	<u>0.13</u>



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24. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2008		2007	
	Rupees	No. of Person	Rupees	No. of Person
Chief Executive	486,000	1	486,000	1
Directors	2,430,000	5	2,875,500	6
Total	2,916,000	6	3,361,500	7

Directors have waived their meeting fees for the year.

25. RELATED PARTY TRANSACTIONS

Related parties comprises of associated companies, directors and key management personnel. The company in the normal course of business carries out transactions with various related parties. All transactions with related parties have been carried out on commercial terms and conditions. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

	2008 Rupees	2007 Rupees
Related Parties		
Various Venues/Sites Maintenance	13,722,004	-
Gardening Expenses	8,552,757	-
Sewerage Water Tanker Expenses	918,367	-
Hatchery Cutting & Designing Expenses	3,158,293	-
Office Rent	4,068,420	8,242,100
	<u>30,419,841</u>	<u>8,242,100</u>

The Company continues to have policy in respect to Related Party Transaction as defined in Note No: 3.9

26. DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these financial statements for issue on September 25, 2008.

27. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Particulars	2008						Total
	Interest Bearing			Non Interest Bearing			
	Maturity within one year	Maturity more than one but less than five year	Maturity more than five year	Maturity within one year	Maturity more than one but less than five year	Maturity more than five year	
Financial Assets							
Long Term Deposits	-	-	-	-	-	725	725
Sundry Debtors	-	-	-	8,958	-	-	8,958
Advances and Deposits	-	-	-	25,884	-	-	25,884
Cash & Bank Balances	-	-	-	7,325	-	-	7,325
	-	-	-	<u>42,167</u>	-	725	<u>42,892</u>
Financial Liabilities							
Long Term Liabilities	-	-	-	-	-	-	-
Long Term Loans	-	-	-	-	84,215	-	84,215
Creditors, Accrued and Other Liabilities	-	-	-	38,636	-	-	38,636
	-	-	-	<u>38,636</u>	<u>84,215</u>	-	<u>122,851</u>
Net Financial Assets over (Liabilities)	-	-	-	3,531	(84,215)	725	(79,959)
Unrecognised:							
KWSB	-	-	-	(8,747)	-	-	(8,747)
Philips Electrical Co	-	-	-	59,716	-	-	59,716
Off Balance Sheet Gap	-	-	-	<u>54,500</u>	<u>(84,215)</u>	<u>725</u>	<u>(28,990)</u>



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(Rupees in '000)

Particulars	Interest Bearing			Non Interest Bearing			Total
	Maturity within one year	Maturity more than one but less than five year	Maturity more than five year	Maturity within one year	Maturity more than one but less than five year	Maturity more than five year	
Financial Assets							
Long Term Deposits	-	-	-	-	-	725	725
Sundry Debtors	-	-	-	6,167	-	-	6,167
Advances and Deposits	-	-	-	24,377	-	-	24,377
Cash & Bank Balances	-	-	-	11,595	-	-	11,595
				42,139	-	725	42,864
Financial Liabilities							
Long Term Liabilities	-	-	-	-	21,600	-	21,600
Long Term Loans	-	-	-	-	64,215	-	64,215
Creditors, Accrued and Other Liabilities	-	-	-	40,362	-	-	40,362
				40,362	85,815	-	126,177
Net Financial Assets over (Liabilities)	-	-	-	1,777	(85,815)	725	(83,313)
Unrecognised:							
KWSB	-	-	-	(8,747)	-	-	(8,747)
Philips Electrical Co	-	-	-	59,716	-	-	59,716
Off Balance Sheet Gap				52,746	(85,815)	725	(32,344)

27.1 Concentration of Credit Risk

The Company attempts to control risk associated with specific customers and receivable by monitoring credit worthiness of such customers.

27.2 Foreign Exchange Risk

Foreign currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The company believes that it is not exposed to major foreign exchange risk in this respect.

27.3 Fair Value of Financial Instruments

The estimated fair value of financial instruments are not significantly different from their book value as shown in these financial statements.

27.4 Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

27.5 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The management of the company believes that it is not exposed to significant level of liquidity risk.

28. FIGURES

- (i) Previous year figures have been rearranged and reclassified where necessary for the purposes of comparison. These changes were made for better presentation of transactions in the financial statements of the Company.

Tariq Hilal
Chairman

Irfan Hilal Ahmed
Chief Executive



PATTERN OF SHARE HOLDING AS AT JUNE 30, 2008

NO. OF SHAREHOLDERS	SHARE HOLDINGS		TOTAL SHARES HELD
	FROM	TO	
28	1	100	2,800
11	101	500	5,300
1	501	1,000	1,000
9	1,001	5,000	18,700
2	5,001	10,000	13,000
1	15,001	20,000	20,000
1	25,001	30,000	30,000
1	3,308,001	3,313,000	3,313,000
1	3,445,001	3,450,000	3,449,600
1	4,365,001	4,370,000	4,368,300
1	4,825,001	4,830,000	4,826,500
1	15,950,001	15,955,000	15,951,800

58

32,000,000

Categories	Number	Shares Held	Percentage
INDIVIDUALS	48	76,700	0.25%
<u>DIRECTORS, CEO & THEIR SPOUSE AND MINOR CHILDREN</u>			
MR. TARIQ HILAL	1	3,313,000	10.35%
MR. IRFAN HILAL AHMED	1	3,449,600	10.78%
MR. ZAFAR UDDIN SIDDIQUI	1	500	0.00%
MRS. SADIA IMRAN	1	3,000	0.01%
MRS. SARA AMIR	1	3,000	0.01%
MRS. TOOBA TARIQ	1	7,100	0.02%
MRS. NIDA IRFAN	1	500	0.00%
<u>ASSOCIATED COMPANIES</u>			
NAWAB & COMPANY (PVT) LTD.	1	4,368,300	13.65%
SHAFIQ HANIF (PVT) LTD.	1	15,951,800	49.85%
ASIA TEXTILE INDUSTRIES (PVT) LTD.	1	4,826,500	15.08%

58

32,000,000

100.00%

The above statement include 07 Shareholders holding 3,600 Shares through the Central Depository Company of Pakistan Ltd. (CDC)



PROXY FORM

15th Annual General Meeting

Folio No. _____

I / We _____
(Name)

of _____
(Address)

being a member of DREAMWORLD LIMITED holding _____
(Number of Shares)

Ordinary Shares hereby appoint _____
(Name)

of _____
(Address)

of failing him / her _____
(Name)

of _____
(Address)

Who is / are also member (s) of **DREAMWORLD LIMITED** as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to be held on 31st October 2008 and / or any adjournment thereof.

As witness my / our hand/seal this _____ day of _____ 2008.

Signed by _____

In the presence of _____

Signature on
Five Rupee
Revenue stamp

The Signature should agree
with the specimen registered
with the Company

Important :

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
2. No Person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy as deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.