

4035  
~~4035~~  
DREL

# 16TH ANNUAL REPORT 2009



**DREAMWORLD LIMITED**



*In the Name of Almighty Allah,*

*The Most Beneficent and*

*Merciful*



## CONTENTS

Company Information .....	3
Vision & Mission Statement.....	4
Notice of the Annual General Meeting .....	5
Statement of Ethics & Business Practices .....	6
Directors' Report .....	7
Key Operating & Financial Data .....	11
Statement of Compliance with the code of Corporate Governance.....	12
Auditors' Review Report to the Members on Statement of Compliance with best practices of code of Corporate Governance.....	14
Auditors' Report to the Members .....	15
Balance Sheet .....	16
Profit and Loss Account .....	17
Cash Flow Statement .....	18
Statement of Changes in Equity .....	19
Notes to the Accounts .....	20
Pattern of Shareholding .....	32
Proxy Form .....	



## 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



IN GOD WE TRUST

## 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 platform 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 economy 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 ANNUAL GENERAL MEETING

Notice is hereby given that the 16th 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 Saturday, October 31, 2009 at 6.30 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 31st October, 2008.
3. To receive, consider and approve the Company's audited financial statements for the year ended June 30, 2009 together with the reports of the directors and auditors thereon.
4. To consider and approve a final cash dividend @ 10% i.e. Rs.1.00 per share of Rs.10/= each as recommended by the Board of Directors, for the year ended 30th June, 2009 to the minority shareholders only as the majority shareholders have waived their right of dividend.
5. To appoint Auditors for the year 2009-2010 and fix their remuneration. (Messrs M. Sikandar & Co., Chartered Accountants, retire and have offered themselves for re-appointment.)
6. To transact any other business with the permission of the Chair.

By order of the Board

ZAKI UDDIN SIDDIQUI  
Company Secretary

Karachi: October 02, 2009

### NOTES :

- I. The Share Transfer Books of the Company shall remain closed from October 23, 2009 to October 31, 2009 (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, 2009 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 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 2009

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

## DIRECTORS' REPORT

Dear Shareholders,

Assalam-o-Alaikum,

Your Directors are pleased to present before you, the 16th Annual Report together with the audited financial statements of the company and the auditors' report thereon, for the year ended 30th June, 2009.

### Financial and Operating Results:

The financial & operating results of your company having compared with the preceding year's results, are tabulated as under:

	2009 Rupees	2008 Rupees
Total Revenue	314,168,278	321,645,566
Operating Profit/(Loss)	3,851,651	(7,095,190)
Profit/(Loss) before Taxation	3,851,651	(7,953,827)
Profit/(Loss) after Taxation	4,950,545	(8,137,372)
Earning per share - basic & diluted	0.15	(0.25)

### A bird eye view on financial & operating results

The financial results of the company as tabulated above, reveals overall improvement in the total revenue because the descending trend occurred during the preceding year, remained improved upto the considerable level/extent which may be evaluated/measured from the scale that during the preceding year, the decrease in the total revenue was about 18% of immediate preceding year i.e. 30th June, 2007 whereas by the Grace of Al-Mighty Allah, this descending trend in total revenue occurred during the year under report, has improved and remained only about 2% of the last year's total revenue which is the great achievement of the management of your company despite deterioration of unstable/uncertain situation combined with over all law and order situation of the country particularly the domestic security challenges to the lives of the people of the Karachi which made running of operations of our resort quite a challenge.

On the other side, Al-Hamdo-Lillah, because of better & timely planning/policies/strategies adopted/implemented by the efficient management of your company in view of the prevailed unfavourable circumstances as a whole in terms of global economic, financial and political crises and domestic security challenges as well beside focusing the eye on operating cost structure by curtailing the expenditures having maintained the quality/standard of all kinds of services provided to the members at Dreamworld Family Resort, I am very much happy to report that the losses incurred last year, has been set off and converted into profitability upto good extent which is an immense success of the company's management and accordingly, the earning rate per share has also improved from last year.

The year ended 30th June, 2009 commenced with under the shadow of severe economic crises and was also the turbulent year as the global economic crises spilled out into Pakistan impacting economic fundamentals severely and our operating cost structure remained under deep pressure on account of numerous factors involved in running the operation of our business including material cost increase driven by high inflation rupee devaluation, heavy rising commodity prices, rapid escalation in fuel/gas and other petroleum product's prices, high borrowing cost which Al-Hamdo-Lillah, your company neither has availed since inception nor believe at all being totally "HARAM" in our beloved religion "ISLAM", as well as gradual up-rise in the labour/wages expenses/cost as we had to employ more staff and laborers to keep continue the quality of services and maintenance of recreational & other facilities provided in excellent family atmosphere to the full satisfaction of our members & their families. All these factors/elements added substantially to our costs structure. In spite of that, by the Grace of Al-Mighty Allah, your company has been able to achieve best possible results and objectives successfully according to its vision and mission.





## DREAMWORLD LIMITED - ANNUAL REPORT 2009

During the year under review, due to inadequate law & order situation and other ingredients involved in deterioration of unstable circumstance as pointed out above and in my preceding year's report, this year as well, membership fee revenue could not be improved but other revenues remained improved which compensated the level of overall revenues and the fall in the same has been restricted only upto about 2% of last year. Apart from this, in highly competitive business environment, your Company successfully attained its objectives by optimum utilization of available resources/funds combined with continued focus on quality of services and innovation. Cost curtailing measures and continued effective/aggressive marketing programs to magnate the new memberships besides to maximize the turn out of existing members having given new attractions and integration of all business strategies helped the company to maintain the level of overall revenues and converting the losses into profitability. AL-HAMDO-LILLAH, the management is confident that with the betterment/improvement in overall circumstances of the country particularly of Karachi, the business of your company will be improved and your company would enjoy with good profitability in future, INSHA-ALLAH-TAALA.

### Dividend

In the light of operating results as tabulated above, ALHAMDO-LILLAH, the Board of Directors is pleased to recommend a final cash dividend @ 10% (i.e. Rs.1.00 per share of Rs.10/= each) for the year ended 30th June, 2009 for minority share holders. The Board is thankful to the majority share holders who have waived off their right of dividend. The dividend recommended is subject to the approval by the share holders in forthcoming Annual General Meeting.

### 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. 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, 08 (eight) 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	08
Mr. Zafar Uddin Siddiqui	08
Mrs. Sadia Imran	05
Mrs. Sara Amir	04
Mrs. Tooba Tariq	08
Mrs. Nida Irfan	08

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



## Summary of key Operating and Financial Data for last six years

A summary of key operating and financial results for the last six years is annexed to this report.

## Statement of Business Ethics & Practices

The Board has adopted the statement of Business Ethics and Practices. All employees are accordingly informed of this statement and they are required to observe these rules of conduct effectively.

## 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, 2010 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 except for the change/addition as stated in note No. 2.5, 3.10, 3.12, 3.16 and 23 accounting estimates, which are based on reasonable and prudent judgment.



## DREAMWORLD LIMITED - ANNUAL REPORT 2009

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 Shareholding

A Statement of pattern of shareholding of certain class of shareholders as at 30th June, 2009 whose disclosure is required under the reporting framework is included in the report at Page No. 32.

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

I am very much thankful and place on record the warm gratitude to the shareholders, valued customers, suppliers and consultants from the core of my heart for their sociable attitude and continuous support.

I also acknowledge, the dedication, enthusiasm, loyalties and devotion of the entire management, officers, workers of the Company and valued customers/members enabling your Company to take out from garb of 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. I am confident that the management and all employees/workers of your Company shall continue to work with zeal and devotion consequent to which your company shall continue to prosper, Insha-Allah Taala.

For and on behalf of the Board

**TARIQ HILAL**  
Chairman

Karachi, October 02, 2009

## KEY OPERATING & FINANCIAL DATA SIX YEARS AT A GLANCE

PARTICULARS	JULY - JUNE					
	(RUPEES IN' 000)					
	2008 2009	2007 2008	2006 2007	2005 2006	2004 2005	2003 2004
Paid Up Share Capital	320,000	320,000	320,000	320,000	320,000	320,000
General Reserves	20,000	-	-	-	-	-
Shareholders Equity	345,243	340,292	348,430	345,246	336,855	330,069
Gross Revenue	314,168	321,646	391,360	435,377	239,143	167,539
Profit/(Loss) Before Taxation	3,852	(7,954)	10,205	10,831	8,821	11,371
Profit/(Loss) After Taxation	4,951	(8,137)	4,279	8,391	6,786	2,032
Unappropriated Profit	5,243	20,292	28,430	25,246	16,855	10,069
Earning Per Share - basic & diluted	0.15	(0.25)	0.13	0.26	0.21	0.06
Break Up Value Per Share	10.79	10.63	10.89	10.79	10.53	10.31
Current Assets	50,855	44,121	44,160	30,549	24,312	26,846
Current Liabilities	31,468	40,261	42,322	40,283	24,179	16,477
Current Ratio	1.62	1.10	1.04	0.76	1.01	1.63



## **STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2009**

Name of the company: **DREAMWORLD LIMITED.**  
Year Ended: **30<sup>TH</sup> JUNE, 2009.**

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 a 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 a 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 Board 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 auditor 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. The related party transactions have been placed before the Board Audit Committee and approved by the Board of Directors to comply with the requirements of listing regulation number 37 of the Karachi Stock Exchange (Guarantee) Limited.
21. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board

Karachi. October 02, 2009

**TARIQ HILAL**  
Chairman

**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, 2009, 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 are not required to consider whether the Board's statements on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance and risks.

Further, sub-Regulation (xiii) of Listing Regulations 37 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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, 2009.

Karachi, October 02, 2009

**M. SIKANDAR & COMPANY**  
Chartered Accountants  
(MOHAMMAD SIKANDAR)

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of DREAMWORLD LIMITED as at June 30, 2009 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 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, 2009 and of the Profit, 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, October 02, 2009

**M. SIKANDAR & COMPANY**  
Chartered Accountants  
(MOHAMMAD SIKANDAR)





## DREAMWORLD LIMITED - ANNUAL REPORT 2009

### BALANCE SHEET AS AT JUNE 30, 2009

	Note No.	2009 Rupees	2008 Rupees
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
<b>AUTHORISED</b>			
40,000,000 Ordinary Shares of Rs.10/- each		<u>400,000,000</u>	<u>400,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>			
32,000,000 Ordinary Shares of Rs.10/- each	4	320,000,000	320,000,000
General Reserves		20,000,000	-
Unappropriated Profit		5,242,705	20,292,160
Shareholders Equity		345,242,705	340,292,160
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred Liability	5	10,472,915	11,785,431
Long Term Loans	6	92,800,000	84,215,000
		103,272,915	96,000,431
<b>CURRENT LIABILITIES</b>			
Creditors, Accrued and Other Liabilities	7	29,718,426	38,635,900
Provision for Taxation		1,750,000	1,625,000
		31,468,426	40,260,900
Contingencies and Commitments	8	-	-
<b>Total Rupees</b>		<u>479,984,046</u>	<u>476,553,491</u>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipments	9	407,132,115	422,950,411
Capital Work in Progress	10	21,272,314	8,757,118
Long Term Deposits	11	724,650	724,650
		429,129,079	432,432,179
<b>CURRENT ASSETS</b>			
Stores		2,359,869	1,955,162
Sundry Debtors (unsecured considered good)		11,120,623	8,957,807
Advances & Deposits	12	30,471,500	25,883,709
Cash, Prize Bonds & Bank Balances	13	6,902,975	7,324,634
		50,854,967	44,121,312
<b>Total Rupees</b>		<u>479,984,046</u>	<u>476,553,491</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

**Tariq Hilal**  
Chairman

**Irfan Hilal Ahmed**  
Chief Executive



## DREAMWORLD LIMITED - ANNUAL REPORT 2009

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009

	Note No.	2009 Rupees	2008 Rupees
Revenue	14	198,164,430	181,929,833
Membership Fee		116,003,848	139,715,733
		<u>314,168,278</u>	<u>321,645,566</u>
Direct Expenses	15	(244,298,558)	(272,363,276)
		<u>69,869,720</u>	<u>49,282,290</u>
Operating Expenses			
Administrative Expenses	16	51,731,880	44,289,533
Selling & Marketing Expenses	17	12,742,767	10,578,549
Bank Charges	18	1,543,422	1,509,398
		<u>66,018,069</u>	<u>56,377,480</u>
Operating Profit/(Loss)		<u>3,851,651</u>	<u>(7,095,190)</u>
Gain/(Loss) on Disposal of Assets	19	-	(858,637)
Profit/(Loss) before Taxation		<u>3,851,651</u>	<u>(7,953,827)</u>
Taxation	20	1,098,894	(183,545)
Profit/(Loss) after Taxation		<u>4,950,545</u>	<u>(8,137,372)</u>
Earning per Share - basic & diluted	21	<u>0.15</u>	<u>(0.25)</u>

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

The annexed notes from 1 to 27 form an integral part of these financial statements.

Tariq Hilal  
Chairman

Irfan Hilal Ahmed  
Chief Executive



## DREAMWORLD LIMITED - ANNUAL REPORT 2009

### CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2009

	Note No.	2009 Rupees	2008 Rupees
<b>A. CASH FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation		3,851,651	(7,953,827)
Adjustment for;			
Depreciation		35,092,963	36,708,978
Advances & Deposits		-	(21,600,000)
Bank Charges		1,543,422	1,509,398
Provision for Gratuity		678,000	980,221
Income Tax Paid		(179,097)	(1,956,798)
Loss/(Gain) on Disposal of Assets		-	858,637
Operating Profit before Working Capital Changes		<u>40,986,939</u>	<u>8,546,609</u>
<b>Changes in Working Capital</b>			
(Increase)/Decrease in Current assets			
Stores		(404,707)	66,315
Sundry Debtors		(2,162,816)	(2,791,146)
Advances and Deposits		(4,587,791)	(1,506,801)
<b>Increase/(Decrease) in Current Liabilities</b>			
Creditors, Accrued & Other Liabilities		(8,917,474)	(1,725,722)
Cash Generated from Operation		<u>24,914,151</u>	<u>2,589,255</u>
Bank Charges Paid		(1,543,422)	(1,509,398)
Net cash flow from operating activities		<u>23,370,729</u>	<u>1,079,857</u>
<b>B. CASH FROM INVESTING ACTIVITIES</b>			
Property, Plant & Equipments		(19,802,667)	(27,453,049)
Proceeds from Sale of Assets		-	1,482,000
Assets Written off		528,000	352,000
Capital Work in Progress		(12,515,196)	268,834
Net cash outflow in investing activities		<u>(31,789,863)</u>	<u>(25,350,215)</u>
<b>C. CASH FROM FINANCING ACTIVITIES</b>			
Gratuity Paid		(587,525)	-
Long Term Loans		8,585,000	20,000,000
Net cash used in financing activities		<u>7,997,475</u>	<u>20,000,000</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(421,659)	(4,270,358)
Cash and cash equivalents at beginning of the year		7,324,634	11,594,992
Cash and cash equivalents at the end of the year -	13	<u>6,902,975</u>	<u>7,324,634</u>

The annexed notes from 1 to 27 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, 2009**

	Issued Subscribed & Paid up Capital	Revenue Reserves		Total
		General Reserves	Unappropriated Profit	
Balance as on July 1, 2007	320,000,000	-	28,429,532	348,429,532
<b>Changes in Equity for the year ended June 30, 2008</b>				
Loss after Taxation	-	-	(8,137,372)	(8,137,372)
Balance as on July 1, 2008	320,000,000	-	20,292,160	340,292,160
<b>Changes in Equity for the year ended June 30, 2009</b>				
Profit after Taxation	-	-	4,950,545	4,950,545
Transfer to General Reserves	-	20,000,000	(20,000,000)	-
Balance as at June 30, 2009	<u>320,000,000</u>	<u>20,000,000</u>	<u>5,242,705</u>	<u>345,242,705</u>

The annexed notes from 1 to 27 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, 2009

### 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 PREPERATION

#### 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 presantation 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 judgements, estimates and assumptions that affect the application on 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 Initial Application of a Standard, Amendment or an Interpretation to an Existing Standard and Forhcoming Requirements

#### 2.5.1 Initial Application

- IFRS 7 - Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April, 2008) supersedes IAS 30 - Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirement of IAS 32 - Financial Instruments: Disclosure and Presentation. The application of the standard did not have significant impact on the Company's financial statements other than increase in disclosures.
- IAS 29 - Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April, 2008). The Company does not have any operations in Hyperinflationary Economies and therefore the application of the standard did not affect the Company's financial statements.
- IFRIC 13 - Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July, 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 did not affect the Company's financial statements.

- IFRIC 14 – IAS 19 - The limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January, 2008) clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements for such asset.

## 2.5.2 Forthcoming requirements

The following standards, amendments and interpretations of approved accounting standards are only affective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operation or are not expected to have significant impact on the company's financial statements other than increased disclosures in certain cases:

- Revised IAS 1 – Presentation of financial statements (effective for annual periods beginning on or after 1 January, 2009).
- Revised IAS 23 – Borrowing costs (effective for annual periods beginning on or after 1 January, 2009).
- Amended IAS 27 – Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July, 2009).
- IAS 27 Consolidated and separate financial statements (effective for annual periods beginning on or after 1 January, 2009).
- Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January, 2009)
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible hedged Items (effective for annual periods beginning on or after 1 January, 2009).
- Amendments to IAS 39 and IFRIC 9 – Embedded derivatives (effective for annual periods beginning on or after 1 January, 2009).
- Amendment to IFRS 2 Share-based Payment Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January, 2009)
- Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January, 2010).
- Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July, 2009).
- IFRS 4 – Insurance Contracts (effective for annual periods beginning on or after 1 January, 2009).
- Amendment to IFRS 7 – Improving disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January, 2009).
- IFRS 8 – Operating Segments (affective for annual periods beginning on or after 1 January, 2009).
- IFRIC 15 – Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October, 2009).
- IFRIC 16 – Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October, 2008).
- IFRIC 17 – Distributions of Non-cash Assets to owners (effective for annual periods beginning on or after 1 July, 2009).
- IFRIC 18 Transfers of Assets from Customers (to be applied prospectively to transfers of assets from customers received on or after 01 July, 2009).
- The International Accounting Standards Board made certain amendments to existing standards as part of its first annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Company's 2010 financial statements.
- The International Accounting Standards Board made certain amendments to existing standards as part of its second annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Company's 2010 financial statements.



## 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 Equivalents

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.

### 3.10 Dividend & Appropriation to Reserves

Dividend distribution to the Company's shareholders and appropriation to reserves is recognised in the period in which these are approved.

### 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. Transfers are made to relevant category of property, plant and equipments as and when assets are available for use.

### 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 Financial Instruments

#### a. Recognition

All the financial assets and liabilities are recognized at the time when the Company become apart to the contractual provisions to the instruments. Any gain/(loss) on de-recognition of the financial assets and liabilities is included in the profit/(loss) for the year to which it arises.

#### b. Offsetting

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.

#### c. Derivative

Derivative that do not qualify for hedge accounting are recognized in the balance sheet at estimated fair value with correspondence effect to Profit & (Loss). Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

		2009 Rupees	2008 Rupees
<b>4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>			
Fully paid ordinary shares of Rs.10/- each issued for cash		<u>320,000,000</u>	<u>320,000,000</u>
Number of Shares		<u>32,000,000</u>	<u>32,000,000</u>
<b>5. DEFERRED LIABILITY</b>			
Deferred Taxation	5.1	<u>8,564,415</u>	9,967,406
Provision for Gratuity	5.2	<u>1,908,500</u>	1,818,025
		<u>10,472,915</u>	<u>11,785,431</u>
<b>5.1 DEFERRED TAXATION</b>			
Opening Balance		<u>9,967,406</u>	11,405,659
Provision made during the year		<u>(1,402,991)</u>	(1,438,253)
		<u>8,564,415</u>	<u>9,967,406</u>
<b>5.2 PROVISION FOR GRATUITY</b>			
Opening Balance		<u>1,818,025</u>	837,804
Less: Paid during the year		<u>(587,525)</u>	-
		<u>1,230,500</u>	837,804
Add: Provision made during the year		<u>678,000</u>	980,221
		<u>1,908,500</u>	<u>1,818,025</u>





## DREAMWORLD LIMITED - ANNUAL REPORT 2009

	2009 Rupees	2008 Rupees
<p>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.</p>		
<b>6. LONG TERM LOANS</b>		
From Related Parties - unsecured	74,925,000	66,340,000
From Others	17,875,000	17,875,000
	<u>92,800,000</u>	<u>84,215,000</u>

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

<b>7. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Creditors	24,118,706	32,882,956
Accrued Expenses	5,599,720	5,752,944
	<u>29,718,426</u>	<u>38,635,900</u>

### 8. 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/- (2008: 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, in case of deciding the appeal against the Company, the contingent liability of central excise duty may be around of Rs.580,000/- (2008: 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/- (2008: 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/- (2008: 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 (2008: Nil).



# DREAMWORLD LIMITED - ANNUAL REPORT 2009

## 9. PROPERTY, PLANT & EQUIPMENTS

2009

	Cost as at 1 July 2008	(Disposal) / Addition	Cost as at 30 June 2009	Accumulated Depreciation as at 1 July 2008	Depreciation for the year	(Disposals)/ Adjustments	Accumulated Depreciation upto 30-06-2009	Net Book value as at 30 June 2009	Rate
Land Leasehold	149,850,000	-	149,850,000	-	-	-	-	149,850,000	0
Building	276,025,137	-	276,025,137	104,362,311	17,166,283	-	121,528,594	154,496,543	10
Furniture & Fixture Office and Other	22,008,242	3,854,747	25,862,989	7,910,886	2,692,815	-	10,603,701	15,259,288	15
Equipments	19,615,102	531,500	20,146,602	9,098,282	1,657,248	-	10,755,530	9,391,072	15
Boat & Others	26,197,268	97,985	26,295,253	10,878,712	2,342,481	-	13,021,193	13,274,060	15
Plant & Machinery	109,901,894	15,093,435	124,995,329	65,207,671	8,968,149	-	74,175,820	50,819,509	15
Vehicles	25,288,455	-	25,288,455	10,181,875	2,265,987	-	12,447,862	12,840,593	15
Horses	1,504,050	(528,000) 225,000	1,201,050	-	-	-	-	1,201,050	-
<b>Total</b>	<b>630,390,148</b>	<b>19,802,667</b>	<b>649,664,815</b>	<b>207,439,737</b>	<b>35,092,963</b>	<b>-</b>	<b>242,532,700</b>	<b>407,132,115</b>	

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

Allocation	Note No	2009
Direct Expenses	9.1	33,435,715
Administrative Expenses	9.2	1,657,248
		<b>35,092,963</b>

2008

	Cost as at 1 July 2007	(Disposal) / Addition	Cost as at 30 June 2008	Accumulated Depreciation as at 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 Office and Other	19,478,516	2,529,726	22,008,242	5,423,117	2,487,769	-	7,910,886	14,097,356	15
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) (40,000)	109,901,894	58,297,671	7,887,216	(977,216)	65,207,671	44,694,223	15
Vehicles	23,942,955	1,385,500 (352,000)	25,288,455	7,539,624	2,665,867	(23,616)	10,181,875	15,106,580	15
Horses	912,050	944,000	1,504,050	-	-	-	-	1,504,050	-
<b>Total</b>	<b>606,630,568</b>	<b>(3,693,469)</b> <b>27,453,049</b>	<b>630,390,148</b>	<b>171,731,591</b>	<b>36,708,978</b>	<b>(1,000,832)</b>	<b>207,439,737</b>	<b>422,950,411</b>	

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

Allocation	Note No	2008
Direct Expenses	10.1	34,853,068
Administrative Expenses	10.2	1,855,910
		<b>36,708,978</b>

## 10. CAPITAL WORK IN PROGRESS

2009

	Balance As At 01-07-2008	Capital Expenditure During the Year	Transfer to Operating assets	Balance As At 30-06-2009
Civil works	2,332,118	12,515,196	-	14,847,314
Philips Electrical Industries	6,425,000	-	-	6,425,000
<b>Total</b>	<b>8,757,118</b>	<b>12,515,196</b>	<b>-</b>	<b>21,272,314</b>



## DREAMWORLD LIMITED - ANNUAL REPORT 2009

	2008			Balance As At 30 -06 -2008
	Balance As At 01 -07 -2007	Capital Expenditure During the year	Transfer to Operating assets	
Civil works	2,600,952	16,454,246	16,723,080	2,332,118
Philips Electrical Industries	6,425,000	-	-	6,425,000
Total	<u>9,025,952</u>	<u>16,454,246</u>	<u>16,723,080</u>	<u>8,757,118</u>

		2009 Rupees	2008 Rupees
11	<b>LONG TERM DEPOSITS</b> Security Deposits	<u>724,650</u>	<u>724,650</u>
12	<b>ADVANCES AND DEPOSITS</b> (unsecured considered good) Advances Advance for Flats Advance Income Tax	<u>7,438,342</u> <u>19,437,500</u> <u>3,595,658</u> <u>30,471,500</u>	4,482,908 19,437,500 1,963,301 <u>25,883,709</u>
13	<b>CASH, PRIZE BONDS AND BANK BALANCES</b> Cash & Prize Bonds in hand Cash at Banks - In Current Accounts - In Foreign Currency Accounts	<u>3,409,867</u> <u>3,476,165</u> <u>16,943</u> <u>6,902,975</u>	2,348,824 4,961,549 14,261 <u>7,324,634</u>
13.1	This represent US\$207.89 @ Rs.81.50	13.1	
14	<b>REVENUE</b> Catering Subscription Concert Other	<u>44,404,079</u> <u>129,750,396</u> <u>6,785,208</u> <u>17,224,747</u> <u>198,164,430</u>	41,394,231 124,288,896 3,661,050 12,585,656 <u>181,929,833</u>
15	<b>DIRECT EXPENSES</b> Staff Salaries, Wages & Benefits Directors' Remuneration & Allowances Cartage & Conveyance Festivals and Concerts E.O.B.I. Contribution Social Security Contribution Education Cess Electricity Duty Advertisement Expenses Property Tax Vehicle Running & Maintenance Security Expenses Resort Maintenance Expenses Entertainment Duty Expenses Power & Fuel Catering Purchase & Expenses Depreciation Golf Course Maintenance Gardening Expenses Tubewells Expenses Play Ground Maintenance Archery Maintenance	<u>48,631,615</u> <u>1,944,000</u> <u>2,788,502</u> <u>3,305,948</u> <u>1,739,232</u> <u>1,740,260</u> <u>23,000</u> <u>31,538</u> <u>7,886,158</u> <u>510,373</u> <u>3,427,523</u> <u>6,486,834</u> <u>27,248,831</u> <u>60,900</u> <u>22,386,619</u> <u>34,572,542</u> <u>33,435,715</u> <u>7,661,487</u> <u>7,250,392</u> <u>3,192,477</u> <u>1,664,120</u> <u>564,824</u>	42,334,304 1,944,000 1,592,103 3,568,774 1,516,218 1,361,457 63,000 96,998 7,171,337 510,373 2,863,919 5,005,494 28,278,036 42,000 19,474,989 30,960,606 34,853,068 20,919,090 16,580,687 5,220,712 5,119,272 2,692,330
		9.1	



## DREAMWORLD LIMITED - ANNUAL REPORT 2009

	2009 Rupees	2008 Rupees
Sewerage Water Tanker Expenses	1,330,102	5,882,652
Lakes Maintenance	2,063,217	2,697,294
Artificial Sea Maintenance	1,550,670	2,056,752
Hatchery Cutting Designing Expenses	1,122,766	3,173,293
Boundary Wall Maintenance	2,460,657	2,624,550
Road & Walk Wears Maintenance	1,085,083	1,427,770
Car Racing Track Maintenance	-	860,330
Parking Lot Maintenance	685,430	839,913
Swimming Pools & Building Maintenance	11,418,868	13,253,101
Fire Works Expenses	1,099,460	800,000
Golf Course Cables & Poles Maintenance	455,435	1,640,725
Dancing Fountain Pool Maintenance	489,637	211,960
Dashing Cars & Bikes Maintenance	1,329,075	365,110
Buffet Lounge Maintenance	1,430,810	2,024,213
Artificial Hills & Stone Walls Maintenance	883,478	1,054,496
Chellets Expenses	12,060	-
Slides Maintenance	328,920	1,282,350
	<b><u>244,298,558</u></b>	<b><u>272,363,276</u></b>
<b>16. ADMINISTRATIVE EXPENSES</b>		
Staff Salaries & Benefits	17,102,416	14,886,921
Directors' Remuneration & Allowances	972,000	972,000
Office Rent	5,348,683	4,068,420
Traveling & Conveyance	3,007,807	1,614,473
Printing & Stationery	5,191,571	5,772,457
Postage and Stamp	2,175,689	2,028,992
Auditors' Remuneration	16.1 260,000	180,000
Legal and Professional	929,476	1,451,722
Computer Expenses	2,003,233	1,605,210
Office Expenses	4,004,693	3,452,070
Vehicle Running & Maintenance	4,058,664	2,945,660
Subscription Expenses	246,580	175,912
Telephone Expenses	2,996,511	2,198,683
Electricity Charges	1,204,309	694,103
Insurance Expenses	45,000	-
Donation	16.2 -	35,000
Depreciation Expenses	9.2 1,657,248	1,855,910
Assets Written off	16.3 528,000	352,000
	<b><u>51,731,880</u></b>	<b><u>44,289,533</u></b>
<b>16.1 AUDITORS' REMUNERATION</b>		
Audit Fee & Other Services	250,000	170,000
Out of Pocket Expenses	10,000	10,000
	<b><u>260,000</u></b>	<b><u>180,000</u></b>
<b>16.2</b> No Director, his / her spouse had any interest in donee's fund.		
<b>16.3 ASSETS WRITTEN OFF</b>		
Horses (by Natural Death)	528,000	352,000
	<b><u>528,000</u></b>	<b><u>352,000</u></b>
<b>17. SELLING &amp; MARKETING EXPENSES</b>		
Commission on Membership	6,610,760	1,959,139
Marketing & Training Expenses	6,132,007	8,619,410
	<b><u>12,742,767</u></b>	<b><u>10,578,549</u></b>



## DREAMWORLD LIMITED - ANNUAL REPORT 2009

		2009 Rupees	2008 Rupees
18.	<b>BANK CHARGES</b>		
	Bank Charges	<u>1,543,422</u>	<u>1,509,398</u>

### 19. GAIN/(LOSS) ON SALES OF FIXED ASSETS BY NEGOTIATION

#### 19.1 GAIN ON SALE OF FIXED ASSETS

S.No	Particulars of Assets	Original Cost	Accumulated Depreciation	W.D.V.	Sales Proceeds	Gain	Name & Address of Buyers
	<b>2009</b>	-	-	-	-	-	
	2008	341,469	168,332	173,137	182,000	8,863	

#### 19.2 LOSS ON SALE OF FIXED ASSETS

S.No	Particulars of Assets	Original Cost	Accumulated Depreciation	W.D.V.	Sales Proceeds	(Loss)	Name & Address of Buyers
	<b>2009</b>	-	-	-	-	-	
	2008	3,000,000	832,500	2,167,500	1,300,000	(867,500)	
	<b>2009</b>	-	-	-	-	-	
	2008	3,341,469	1,000,832	2,340,637	1,482,000	(858,637)	

### 20. TAXATION

Current			
- for the year	125,000	1,625,000	
- for the prior period	-	(3,202)	
	<u>125,000</u>	1,621,798	
Tax Paid during the year	<u>179,097</u>	-	
	<u>304,097</u>	1,621,798	
Deferred Tax	<u>(1,402,991)</u>	(1,438,253)	
	<u>(1,098,894)</u>	183,545	
Relationship between income tax expenses and accounting profit			
Profit/(Loss) before taxation	<u>3,851,651</u>	(7,953,827)	
Tax at the income tax rate of 35% (2008: 35%)	1,348,078	-	
Tax effect of expenses that are inadmissible in determining taxable profit	12,282,537	12,848,142	
Tax effect of expenses that are admissible in determining taxable profit	(10,879,546)	(11,209,606)	
Timing Difference	237,300	343,077	
Tax effect of difference in tax rates under normal assessment for financial reporting purposes and the amounts used for taxation purposes	(2,783,839)	-	
Tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes	(1,402,991)	(1,438,253)	
Tax effect of permanent difference	99,567	(359,815)	
Tax effective rate / tax charge	<u>(1,098,894)</u>	<u>183,545</u>	



## DREAMWORLD LIMITED - ANNUAL REPORT 2009

2009  
Rupees

2008  
Rupees

### 21. 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	4,950,545	(8,137,372)
Weighted average number of ordinary shares	32,000,000	32,000,000
Earning per share - basic & diluted	<u>0.15</u>	<u>(0.25)</u>

### 22. REMUNERATION TO CHEIF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2009		2008	
	Rupees	No. of Person	Rupees	No. of Person
Chief Executive	486,000	1	486,000	1
Directors	2,430,000	5	2,430,000	5
Total	<u>2,916,000</u>	6	<u>2,916,000</u>	6

### 23. PROPOSED DIVIDEND

The Board of Directors at their meeting held on October 02, 2009 have proposed for the year ended 30<sup>th</sup> June, 2009 final cash dividend @ 10% i.e. Rs.1/- per share of Rs.10/- each subject to the approval of members at the Annual General Meeting to be held on 31<sup>st</sup> October, 2009.

### 24. 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:

#### Associated Companies / Related Parties

Various Venues/Sites Maintenance	15,934,997	13,722,004
Gardening Expenses	434,029	8,552,757
Sewerage Water Tanker Expenses	-	918,367
Hatchery Cutting & Designing Expenses	-	3,158,293
Office Rent	5,094,000	4,068,420
	<u>21,463,026</u>	<u>30,419,841</u>

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

### 25. DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these financial statements for issue on October 02, 2009.



# DREAMWORLD LIMITED - ANNUAL REPORT 2009

## 26. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

2009

Particulars	Interest Bearing			Non Interest Bearing			Total
	Maturity within one year	Maturity more than one but less than five year	Maturity more than five	Maturity within one year	Maturity more than one but less than five year	Maturity more than five year	
<b>Financial Assets</b>							
Long Term Deposits	-	-	-	-	-	725	725
Sundry Debtors	-	-	-	11,121	-	-	11,121
Advances and Deposits	-	-	-	30,472	-	-	30,472
Cash, Prize Bonds & Bank Balances	-	-	-	6,903	-	-	6,903
	-	-	-	48,496	-	725	49,221
<b>Financial Liabilities</b>							
Long Term Liabilities	-	-	-	-	-	-	-
Long Term Loans	-	-	-	-	92,800	-	92,800
Creditors, Accrued and Other Liabilities	-	-	-	29,718	-	-	29,718
	-	-	-	29,718	92,800	-	122,518
Net Financial Assets over (Liabilities)	-	-	-	18,778	(92,800)	725	(73,297)
<b>Unrecognised:</b>							
CED	-	-	-	(580)	-	-	(580)
KWSB	-	-	-	(8,747)	-	-	(8,747)
Philips Electrical Co	-	-	-	59,716	-	-	59,716
Net off Balance Sheet Gap	-	-	-	69,167	(92,800)	725	(22,908)

2008

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



### 26.1 **Concentration of Credit Risk**

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

### 26.2 **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.

### 26.3 **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.

### 26.4 **Interest Rate Risk**

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

### 26.5 **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.

## 27. **FIGURES**

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





# DREAMWORLD LIMITED - ANNUAL REPORT 2009

## PATTERN OF SHARE HOLDING AS AT JUNE 30, 2009

NO. OF SHAREHOLDERS	SHARE HOLDINGS		TOTAL SHARES HELD
	FROM	TO	
22	1	100	2,200
10	101	500	4,900
3	501	1,000	3,000
8	1,001	5,000	17,700
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
			<b>32,000,000</b>

Categories	Number	Shares Held	Percentage
INDIVIDUALS	42	76,700	0.25%
<b><u>DIRECTORS, CEO &amp; THEIR SPOUSE AND MINOR CHILDREN</u></b>			
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%
<b><u>ASSOCIATED COMPANIES</u></b>			
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%
	<b>52</b>	<b>32,000,000</b>	<b>100.00%</b>

The above statement include 08 Shareholders holding 14,100 Shares through the Central Depository Company of Pakistan Ltd. (CDC)



# PROXY FORM

## 16th 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 16<sup>th</sup> Annual General Meeting of the Company to be held on 31<sup>st</sup> October 2009 and / or any adjournment thereof.

As witness my / our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

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.

