

**13TH ANNUAL REPORT 2006**



**DREAMWORLD LIMITED**



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



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## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Nawab Ahmed (Chairman & Chief Executive) Mrs. Qamar Hilal Director Mr. Tariq Hilal Director Mr. Irfan Hilal Ahmed Director Mrs. Sadia Imran Director Mrs. Sara Amir Director Mrs. Nida Irfan Director
<b>AUDIT COMMITTEE</b>	Mr. Nawab Ahmed Chairman Mr. Tariq Hilal Member Mr. Irfan Hilal Ahmed Member
<b>COMPANY SECRETARY</b>	Shaikh Muhammed Abdullah
<b>AUDITORS</b>	M. Sikandar & Company Chartered Accountants Karachi
<b>BANKERS</b>	Muslim Commercial Bank Limited Standard Chartered Bank Union Bank Ltd Askari Commercial Bank Limited
<b>REGISTERED OFFICE</b>	A/4, F-24, Block 9, Clifton, Karachi.
<b>PROJECT LOCATION</b>	NC- 137, Deh Taiser, District West, Karachi.



## NOTICE OF MEETING

Notice is hereby given that the 13th Annual General Meeting of the Shareholders of the Company, will be held on Saturday, the 28th October, 2006 at 5.30 P.M. at the Registered Office of the Company at A/4, F-24, Block 9, Clifton, Karachi, to transact the following business:

1. Recitation from the Holy Quran.
2. To confirm the minutes of the preceding meeting of the shareholders of the company.
3. To consider and approve the Annual Audited Accounts of the Company for the year ended 30<sup>th</sup> June, 2006 together with the Directors' and Auditors' Report thereon.
4. To approve a final cash dividend @ 10% i.e. Rs.1.00 per share of Rs.10.00 each as recommended by the Board of Directors for the year ended 30th June, 2006 to the minority shareholders only as the majority shareholders have waived their right of dividend.
5. To appoint Auditors for the year 2006-2007 and to fix their remuneration. The present auditors M/s. M. Sikandar & Company, Chartered Accountants., retired in terms of the provisions of Code of Corporate Governance. The Audit Committee considered the provision of the Code and recommended to the Board of Directors for their reappointment as Auditors of the Company for the year 2006-2007.
6. To transact any other business with the permission of the Chair.

By order of the Board

**SHAIKH MUHAMMED ABDULLAH**  
Company Secretary

Karachi: September 27, 2006

### NOTES :

1. The share transfer books of the Company shall remain closed from October 20, 2006 to October, 28, 2006 (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 19, 2006 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 address.
  - 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 Computerised 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) alongwith proxy form to the Company.



## STATEMENT OF ETHICS AND BUSINESS PRACTICES

### Policy Summary

-  This 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 2006

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

## DIRECTORS' REPORT

Dear Shareholders,

Assalam-o-Alaikum,

The Directors of Dreamworld Limited welcome you at 13<sup>th</sup> Annual General Meeting and are pleased to submit their report together with the Audited Accounts and Auditor's Report for the year ended 30<sup>th</sup> June, 2006.

Your Directors feel great pleasure to declare that by the Grace of Al-Mighty Allah, during the year under review, the performance of your Company has been tremendously improved as compared to last year yielding remarkable operating results.

Your Directors also thank God and are very glad to report that your Company has achieved a remarkable/distinctive target of total revenue at Rs. 435.38 Million as against the last year's total revenue of Rs.239.14 Million which is a resultant of continued vigorous efforts of management. Our management and team of dedicated workers believes and practically follows the principal "continuous efforts bring fruitful improvement/achievement through speed and team work". Likewise, operating profit attained for the year under report has reached up to the level of Rs.17.51 Million as compared to last year when it was at Rs.2.81 Million portraying overall significant improvement in operating results. In addition to these, the financial results of the Company for the year under report, are tabulated as under:

	<u>2006</u> Rupees	<u>2005</u> Rupees
Profit before Taxation	<b>10,830,521</b>	8,820,891
Taxation	<b>(2,439,728)</b>	(2,035,000)
Profit After Taxation	<b>8,390,793</b>	6,785,891
Un-appropriated Profit B/F	<b>16,854,961</b>	10,069,070
Un-appropriated Profit C/F	<b><u>25,245,754</u></b>	<b><u>16,854,961</u></b>

### Dividend:

In view of this operating results, 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, 2006 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 Annual General Meeting.

### Significant Plans:

We report you with utmost pride that your Company has been making its plans to facilitate its members at maximum height/level enabling them to enjoy with the entertainment facilities available at Dreamworld Family Resort. In view of this consistency, we made a significant plan to add various new entertaining facilities in the year 2006. Some facilities already available, are being modified or quantum is being increased. During the year, certain new facilities have already been started and some are being constructed or installation of their equipments are in progress.

It is worthy to mention that the management has always tried and in future, would adopt all those strategies/policies which would be beneficial and purely in the best interest of the Company. As you would be well aware that your Company is expending its project with new facilities which needed procurement of material, machinery, equipments etc. etc. therefore, keeping in view the said requirements, the management



of your Company has carried out certain barter transactions on the basis of mutual agreements with concerned parties which have helped to complete the construction/installation of new facilities as was planned out and the same has also played a good role in getting new members having generated the Company's revenues.

## Audit Committee

In compliance to the Code of Corporate Governance issued by the S.E.C.P., the Board has formed an audit committee. It comprises of three Members. The Chairman of audit committee is executive director and remaining two are non-executive directors. Currently the Board of Audit Committee comprise of following Directors:

Mr. Nawab Ahmed	:	Chairman
Mr. Tariq Hilal	:	Member
Mr. Irfan Hilal Ahmed	:	Member

## Board of Directors Meeting

During the year under review, 15 (fifteen) meetings of Board of Directors were held. Attendance by each Director was as follows:

Name of Directors	No. of meetings attended
Mr. Nawab Ahmed	15
Mrs. Qamar Hilal	15
Mr. Tariq Hilal	15
Mr. Irfan Hilal Ahmed	15
Mrs. Sadia Imran	02
Mrs. Sara Amir	04
Mrs. Nida Irfan	09

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

## 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 informed of this statement and they are required to observe these rules of conduct effectively.

## Board of Directors

No changes have taken place in the Board of Directors during the year.

## Qualification For No Provision Of Un-funded Gratuity

The Company operates an un-funded gratuity scheme covering all its employees in accordance with terms of employment subject to a minimum qualifying period if any, and record the same as and when paid basis. Therefore, as per terms of the service of employees, there is no liability, hence actuarial valuation is not required. The Company has valued carrying amount of its liability as per para 51 of IAS 19 (Employees Benefits).

The Company has not made any provision for an un-funded gratuity scheme for its employees in the financial statements for the year ended June 30, 2006 or in previous years. The Directors would like to draw your attention to (a) of the Auditor's Report.

## Auditors

The Company's auditors, M/S Avais Hyder Nauman Rizwani, Chartered Accountants, stood retired during the year under report and to fill this casual vacancy, M/S M. Sikandar & Company, Chartered Accountants, have offered themselves for appointment as auditors of the Company in place of retiring auditors, M/S Avais Hyder Nauman Rizwani, Chartered Accountants. On the recommendation of the Board, new auditors M/S M. Sikandar & Company, Chartered Accountants has been appointed to fill the said casual vacancy.

At the conclusion of 13th Annual General Meeting, present auditors, M/s M. Sikandar & Company, Chartered Accountants, retire and offer themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors for the financial year ending 30th June, 2007.





## 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 as stated in note 2.12 and accounting estimates, which are based on reasonable and prudent judgment.
4. The international Accounting 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, 2006 whose disclosure is required under the reporting framework is included in the report at page No. 30.

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

## Acknowledgement

The Board would like to extend its deep appreciation to the management, executives, officers, workers of the Company and valued customers/members for their dedicated co-operation and performance throughout the year enabling the company to achieve excellent results.

The Board is, once again, confident that the management and team of all employees of the Company would keep on Insha-Allah their working with full devotion & zeal and consequently the Company will, Insha Allah, continue to prosper as well like this year.

We always pray to God for continued success of your Company.

For and on behalf of the Board

Karachi, September 27, 2006.

**Nawab Ahmed**  
Chairman & Chief Executive



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

PARTICULARS	JULY - JUNE					
	(RUPEES IN' 000)					
	2005 2006	2004 2005	2003 2004	2002 2003	2001 2002	2000 2001
Paid Up Capital	320,000	320,000	320,000	320,000	320,000	320,000
Shareholders Equity	345,246	336,855	330,069	329,131	326,235	325,472
Gross Revenue	435,377	239,143	167,539	105,548	86,815	72,920
Profit Before Taxation	10,831	8,821	11,371	3,446	1,214	2,040
Profit After Taxation	8,391	6,786	2,032	2,896	764	1,640
Unappropriated Profit	25,246	16,855	10,069	9,131	6,235	5,472
Earning Per Share	0.26	0.21	0.06	0.09	0.02	0.05
Break Up Value Per Share	10.79	10.53	10.31	10.29	10.19	10.17
Current Assets	30,549	24,312	26,846	26,128	19,731	14,026
Current Liabilities	40,283	24,179	16,477	13,415	13,691	6,540
Current Ratio	0.76	1.01	1.63	1.95	1.44	2.14



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2006

Name of the company : **DREAMWORLD LIMITED.**

Year Ended : **30<sup>TH</sup> JUNE, 2006.**

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. Non of the director is a member of Stock Exchange.
4. No casual vacancy occurred in Board of Directors during the year 2005-2006
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. The Board arranged one orientation course for its directors during the year to apprise them of their duties and responsibilities and briefed them regarding amendments in Companies Ordinance/Corporate Laws.
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 audit committee. It comprises of three Members. The Chairman of audit committee is executive director and remaining two are non-executive directors.
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 auditor of the Company has confirmed that he has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan, that he, his 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.

**NAWAB AHMED**  
Chairman & Chief Executive

**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 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 30<sup>th</sup> June, 2006.

Karachi : September 27, 2006

**M. SIKANDAR & COMPANY**  
Chartered Accountants

## **AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of DREAMWORLD LIMITED ("the Company") as at June 30, 2006 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) The Company has not conducted actuarial valuation neither accrued provision for an un-funded gratuity scheme for its employees as per IAS. 19, which require that actuarial valuation should be conducted to ascertain the present value of the liability of the company for gratuity, and we consider that there were no alternative procedure that we could apply to confirm the existence and valuation of the above fact.
- b) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984:
- c) 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;
- d) 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, 2006 and of the profit, its cash flows and changes in equity for the year then ended; and
- e) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



## BALANCE SHEET

	Note No.	2006 Rupees	2005 Rupees
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL</b>			
AUTHORISED			
40,000,000 Ordinary Shares of Rs.10/- each		<b>400,000,000</b>	400,000,000
ISSUED, SUBSCRIBED & PAID UP			
32,000,000 Ordinary Shares of Rs.10/- each	3	<b>320,000,000</b>	320,000,000
UNAPPROPRIATED PROFIT		<b>25,245,754</b>	16,854,961
Shareholders Equity		<b>345,245,754</b>	336,854,961
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Advances & Deposits	4	<b>21,600,000</b>	21,600,000
Deferred Liability	5	<b>7,435,648</b>	9,474,604
Long Term Loans	6	<b>26,500,000</b>	-
		<b>55,535,648</b>	31,074,604
<b>CURRENT LIABILITIES</b>			
Creditors, Accrued and Other Liabilities	7	<b>37,857,610</b>	18,399,811
Provision for Taxation		<b>2,425,400</b>	5,778,908
		<b>40,283,010</b>	24,178,719
Contingencies and Commitments	8	-	-
Total Rupees		<b>441,064,412</b>	392,108,284

Karachi: Septemeber 27, 2006



# DREAMWORLD LIMITED - ANNUAL REPORT 2006

## AS AT JUNE 30, 2006

	Note No.	2006 Rupees	2005 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipments	9	400,871,725	359,521,890
Capital Work-in-Progress	10	8,917,460	6,729,381
Long Term Deposits	11	726,150	1,545,150
		<b>410,515,335</b>	<b>367,796,421</b>
<b>CURRENT ASSETS</b>			
Stores		748,679	-
Sundry Debtors (unsecured considered good)		5,054,086	5,265,220
Advances & Deposits	12	13,059,142	13,707,256
Cash, Prize Bonds & Bank Balances	13	11,687,170	5,339,387
		<b>30,549,077</b>	<b>24,311,863</b>
Total Rupees		<b>441,064,412</b>	<b>392,108,284</b>

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

**Nawab Ahmed**  
Chairman & Chief Executive

**Tariq Hilal**  
Director





**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2006**

	Note No.	2006 Rupees	2005 Rupees
Revenue	14	99,910,294	57,321,294
Membership Fee		<u>335,467,192</u>	<u>181,822,071</u>
		435,377,486	239,143,365
Direct Expenses	15	<u>(369,687,206)</u>	<u>(214,896,768)</u>
		65,690,280	24,246,597
<b>Operating Expenses</b>			
Administrative Expenses	16	<u>35,836,189</u>	<u>19,116,372</u>
Selling & Marketing Expenses	17	<u>10,239,499</u>	<u>773,043</u>
Bank Charges	18	<u>2,102,717</u>	<u>1,545,244</u>
		48,178,405	21,434,659
Operating Profit		17,511,875	2,811,938
Other Income	19	<u>2,450,000</u>	<u>6,000,000</u>
		19,961,875	8,811,938
Gain/(Loss) on Disposal of Assets	20	<u>(9,091,354)</u>	<u>18,953</u>
		10,870,521	8,830,891
Prior Year Adjustments	21	<u>(40,000)</u>	<u>(10,000)</u>
Profit before Taxation		10,830,521	8,820,891
Taxation	22	<u>(2,439,728)</u>	<u>(2,035,000)</u>
Net profit for the year		<u>8,390,793</u>	<u>6,785,891</u>
Earning per Share	23	<u>0.26</u>	<u>0.21</u>

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

**Nawab Ahmed**  
Chairman & Chief Executive

**Tariq Hilal**  
Director

Karachi, September 27, 2006



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2006**

	2006 Rupees	2005 Rupees
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,830,521	8,820,891
Adjustment for		
Depreciation	34,099,977	16,874,491
Bank Charges	2,102,717	1,545,244
Income Tax Paid	(7,832,192)	-
Loss/(Gain) on Disposal of Assets	9,091,354	(18,953)
Operating Profit before Working Capital Change	<u>48,292,377</u>	<u>27,221,673</u>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Current Assets		
Stores	(748,679)	-
Sundry Debtors	211,134	7,540,797
Advances and Deposits	648,114	(3,842,886)
<b>Increase/(Decrease) in Current Liabilities</b>		
Creditors, Accrued & Other Liabilities	19,457,799	6,628,239
Cash Generated from Operation	<u>67,860,745</u>	<u>37,543,323</u>
Bank Charges Paid	(2,102,717)	(1,545,244)
Net cash flow from operating activities	<u>65,758,028</u>	<u>36,002,579</u>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Operating Assets	(90,379,796)	(37,128,105)
Proceed from Sale of Fixed Assets	5,240,000	1,357,800
Assets Written off	598,630	838,700
Capital Work in Progress	(2,188,079)	971,412
Net cash outflow in investing activities	<u>(86,729,245)</u>	<u>(33,960,193)</u>
<b>C. CASH FROM FINANCING ACTIVITIES</b>		
Long Term Deposits	819,000	(879,000)
Long Term Loans	26,500,000	-
Net cash used in financing activities	<u>27,319,000</u>	<u>(879,000)</u>
Net increase in cash and cash equivalents (A+B+C)	6,347,783	1,163,386
Cash and cash equivalents at beginning of the year	5,339,387	4,176,001
Cash and cash equivalents at the end of the year	<u>11,687,170</u>	<u>5,339,387</u>

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

**Nawab Ahmed**  
Chairman & Chief Executive

**Tariq Hilal**  
Director



**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended June 30, 2006**

	<b>Paid up Share Capital</b>	<b>Accumulated Profit</b>	<b>Total</b>
Balance as on July 1, 2004	320,000,000	10,069,070	330,069,070
Net Profit for the year 2005	-	6,785,891	6,785,891
Balance as on July 1, 2005	320,000,000	16,854,961	336,854,961
Net Profit for the year 2006	-	8,390,793	8,390,793
Balance as at June 30, 2006	<u>320,000,000</u>	<u>25,245,754</u>	<u>345,245,754</u>

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

**Nawab Ahmed**  
**Chairman & Chief Executive**

**Tariq Hilal**  
**Director**

Karachi, September 27, 2006



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2006

### 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 A/4, F-24, Block-9, Clifton, Karachi.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standard as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards (IASs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

#### 2.2 Basis of preparation

The financial statement 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) as applicable in Pakistan

#### 2.3 Staff retirement Benefits

Company operates an un-funded gratuity scheme for employees in accordance with terms of employment subject to a minimum qualifying period if any and record the same as and when paid basis. Most of the employees are appointed on the basis of less then a minimum qualifying period of service, and no gratuity is accrued as per terms of their services as such actuarial valuations is not carried out in this respect.

#### 2.4 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.

#### 2.5 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.



## 2.6 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.

## 2.7 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.

## 2.8 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.

## 2.9 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 receivable 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.

## 2.10 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.

## 2.11 Operating Assets

Operating 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

## 2.12 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.

## 2.13 Provision

Provision 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.

## 2.14 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.



# DREAMWORLD LIMITED - ANNUAL REPORT 2006

	2006 Rupees	2005 Rupees
<b>3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>		
Fully paid ordinary shares of Rs.10/- each issued for cash	<b>320,000,000</b>	320,000,000
Number of Shares	<b>32,000,000</b>	32,000,000
<b>SHARES HELD BY RELATED PARTIES</b>		
The following shares held by Related Parties		
2006                  2005 (Number of Shares)		
<b>4,368,300</b> 4,368,300                  Nawab & Company (Pvt) Ltd.	<b>43,683,000</b>	43,683,000
<b>15,951,800</b> 15,951,800                  Shafiq Hanif (Pvt) Ltd.	<b>159,518,000</b>	159,518,000
<b>4,826,500</b> 4,826,500                  Asia Textile Industries (Pvt) Ltd.	<b>48,265,000</b>	48,265,000
<b>25,146,600</b> 25,146,600	<b>251,466,000</b>	251,466,000
<b>4. ADVANCES AND DEPOSITS</b>		
Membership Fees (Refundable)	<b>21,600,000</b>	21,600,000
This represents membership fees which is refundable on cancellation or withdrawal of membership and adjustable with unpaid amount of members dues.		
<b>5. DEFERRED LIABILITY</b>		
Deferred taxation previous year	<b>9,474,604</b>	8,513,357
Tax effect of changes in prior year current tax	<b>(2,053,284)</b>	-
Deferred taxation during the year	<b>14,328</b>	961,247
Deferred Taxation	<b>7,435,648</b>	9,474,604
<b>6. LONG TERM LOANS</b>		
From Related parties - unsecured	<b>26,500,000</b>	-
This represents loan received from related parties which is interest free and payable on availability of funds.		
<b>7. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Creditors	<b>31,982,398</b>	17,292,892
Accrued Expenses	<b>5,875,212</b>	1,106,919
	<b>37,857,610</b>	18,399,811

## 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/- against which a Suit for declaration and injunction has been filed by the Company before the Hon'ble 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.

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/-. 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/- 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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## 9. PROPERTY, PLANT & EQUIPMENTS

	Cost as at 1 July 2005	(Disposals) / Addition	Cost as at 30 June 2006	Accumulated Depreciation as at 1 July 2005	Depreciation for the year	(Disposals) / Adjustments	Accumulated Depreciation upto 30 June 2006	Net Book Value as at 30 June 2006	Rate %
Land Leasehold	149,850,000	-	149,850,000	-	-	-	-	149,850,000	-
Building	182,220,281	37,626,873	219,847,154	48,854,585	17,099,257	-	65,953,842	153,893,312	10
Furniture & Fixture	13,665,541	<b>(10,327,784)</b> 10,792,121	14,129,878	4,948,545	1,974,198	(3,979,990)	2,942,753	11,187,124	15
Office and Other Equipment	10,230,375	<b>(2,009,407)</b> 8,554,966	16,775,934	3,542,066	2,029,178	(293,986)	5,277,258	11,498,676	15
Boats & Others	12,110,909	4,852,808	16,963,717	3,519,347	2,016,656	-	5,536,003	11,427,715	15
Plant & Machinery	82,797,052	<b>(6,046,359)</b> 18,016,447	94,767,140	41,478,068	8,145,655	(1,015,292)	48,608,431	46,158,709	15
Vehicles	13,711,526	<b>(1,885,500)</b> 9,745,581	21,571,607	3,319,813	2,835,033	(648,428)	5,506,418	16,065,189	15
Horses	598,630	<b>(598,630)</b> 791,000	791,000	-	-	-	-	791,000	-
<b>2006</b>	<b>465,184,314</b>	<b>(20,867,680)</b> <b>90,379,796</b>	<b>534,696,430</b>	<b>105,662,424</b>	<b>34,099,977</b>	<b>(5,937,696)</b>	<b>133,824,705</b>	<b>400,871,725</b>	
<b>2005</b>	431,577,501	(3,521,229) 37,128,105	465,184,314	90,131,678	16,874,491	(1,343,745)	105,662,424	359,521,890	

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

	Note	2006 Rupees	2005 Rupees
<b>ALLOCATION</b>			
Direct expenses	9.1	<b>32,070,799</b>	16,131,346
Administrative expenses	9.2	<b>2,029,178</b>	743,145
		<b>34,099,977</b>	<b>16,874,491</b>



# DREAMWORLD LIMITED - ANNUAL REPORT 2006

	Balance As At 01-07-2005	Capital Expenditure During the Year	Transfer to Operating assets	Balance As At 30-06-2006
<b>10. CAPITAL WORK-IN-PROGRESS</b>				
Civil works	-	38,232,638	35,740,178	2,492,460
Electrical Installation	304,381	1,582,314	1,886,695	-
Philips Electrical Industries	6,425,000	-	-	6,425,000
<b>2006</b>	<b>6,729,381</b>	<b>39,814,952</b>	<b>37,626,873</b>	<b>8,917,460</b>
2005	7,700,793	9,606,110	10,577,522	6,729,381
		<b>Note No.</b>	<b>2006 Rupees</b>	<b>2005 Rupees</b>
<b>11. LONG TERM DEPOSITS</b>				
Security Deposits			<b>726,150</b>	1,545,150
<b>12. ADVANCES AND DEPOSITS</b> (unsecured considered good)				
Advances			<b>11,668,046</b>	2,739,290
Taxation			<b>1,391,096</b>	10,967,966
			<b>13,059,142</b>	13,707,256
<b>13. CASH, PRIZE BONDS AND BANK BALANCES</b>				
Cash & Prize Bonds in Hand			<b>7,393,088</b>	1,568,320
Cash at Banks				
- In Current Accounts			<b>4,283,589</b>	3,760,574
- In Foreign Currency Accounts		13.1	<b>10,493</b>	10,493
			<b>11,687,170</b>	5,339,387
13.1 This represent US\$173.64 @ Rs.60.43				
<b>14. REVENUE</b>				
Catering			<b>32,133,070</b>	21,519,404
Subscription			<b>62,140,140</b>	32,511,559
Concert			<b>2,072,020</b>	836,889
Other			<b>3,565,064</b>	2,453,442
			<b>99,910,294</b>	57,321,294
<b>15. DIRECT EXPENSES</b>				
Staff Salaries, Wages & Benefits			<b>43,442,657</b>	25,598,735
Directors' Remuneration & Allowances			<b>2,376,000</b>	2,520,000
Cartage & Conveyance			<b>829,100</b>	525,232
Festivals and Concert			<b>4,181,231</b>	2,797,308
E.O.B.I. Contribution			<b>839,800</b>	782,771
Social Security Contribution			<b>1,084,882</b>	661,153
Education Sess			<b>23,500</b>	22,500
Electricity Duty			<b>84,120</b>	-
Advertisement Expenses			<b>34,259,238</b>	8,843,206
Vehicle Running & Maintenance			<b>1,857,103</b>	1,105,064
Security Expenses			<b>5,805,055</b>	5,550,528
Resort Maintenance Expenses			<b>36,879,940</b>	25,580,626
Entertainment Duty Expenses			<b>55,000</b>	142,250





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	Note No.	<u>2006 Rupees</u>	<u>2005 Rupees</u>
Power & Fuel		40,998,770	26,054,916
Catering Purchase & Expenses		20,742,466	13,349,915
Depreciation	9.1	32,070,799	16,131,346
Golf Course Maintenance		37,256,720	25,402,241
Gardening Expenses		29,575,509	18,610,359
Tubewells Expenses		6,509,010	4,982,916
Play Ground Maintenance		7,718,203	5,535,954
Archery Maintenance		3,080,484	2,196,150
Sewerage Water Tanker Expenses		9,778,545	6,646,800
Lakes Maintenance		5,251,612	1,212,980
Artificial Sea Maintenance		2,718,548	1,941,820
Hatchery Cutting Designing Expenses		4,141,785	3,018,320
Boundary Wall Maintenance		3,425,073	1,715,785
Road & Walk Wears Maintenance		4,130,757	1,532,679
Car Racing Track Maintenance		2,478,029	1,376,010
Parking Lot Maintenance		2,484,615	1,260,226
Swimming Pools & Building Maintenance		14,016,841	9,798,978
Fire Works Expenses		2,990,570	-
Golf Course Cables & Poles Maintenance		1,348,433	-
Dashing Cars & Bikes Maintenance		973,829	-
Buffet Lounge Maintenance		1,452,620	-
Artificial Hills & Stone Walls Maintenance		2,911,572	-
Slides Maintenance		1,914,790	-
		<u>369,687,206</u>	<u>214,896,768</u>

## 16. ADMINISTRATIVE EXPENSES

Staff Salaries & Benefits		12,353,722	4,985,255
Directors' Remuneration & Allowances		1,188,000	1,008,000
Office Rent		315,000	138,000
Traveling & Conveyance		3,816,965	751,372
Printing & Stationery		4,758,558	2,333,847
Postage and Stamp		750,537	461,763
Auditors' Remuneration	16.1	135,000	135,000
Legal and Professional		1,945,150	1,781,747
Computer Expenses		2,231,726	1,247,552
Office Expenses		2,230,360	1,240,986
Vehicle Running & Maintenance		1,880,554	1,223,074
Subscription Expenses		1,300	40,122
Telephone Expenses		840,282	683,390
Electricity Charges		453,880	414,041
Insurance Expenses		99,651	310,250
Donation	16.2	148,356	100,000
Depreciation Expenses	9.2	2,029,178	743,145
Assets Written off	16.3	598,630	838,700
Bad Debts Written off		59,340	680,128
		<u>35,836,189</u>	<u>19,116,372</u>



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	2006 Rupees	2005 Rupees
<b>16.1 AUDITORS' REMUNERATION</b>		
Audit Fee	125,000	125,000
Out of Pocket Expenses	10,000	10,000
	<b>135,000</b>	<b>135,000</b>
<b>16.2</b> No Director, his / her spouse had any interest in donee's fund.		
<b>16.3 ASSETS WRITTEN OFF</b>		
Crockery & Cutlery (WDV 30-06-2004)	-	483,454
Kitchen Equipments (WDV 30-06-2004)	-	175,246
Horses (Natural Death)	598,630	180,000
	<b>598,630</b>	<b>838,700</b>
<b>17. SELLING &amp; MARKETING EXPENSES</b>		
Commission on Membership	2,482,963	639,000
Marketing & Training Expenses	7,756,536	134,043
	<b>10,239,499</b>	<b>773,043</b>
<b>18. BANK CHARGES</b>		
Bank Charges	2,102,717	1,545,244
<b>19. OTHER INCOME</b>		
Prize Bond Income	2,450,000	6,000,000

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

### 20.1 GAIN ON SALE OF FIXED ASSETS

S. No.	Particular of Assets	Original Cost	Accumulated Depreciation	WDV	Sales Proceeds	Gain	Name & Address of Byers
1	Honda Civic Model 2002 Reg ADV-553	885,000	177,000	708,000	715,000	7,000	Waqar Masood Flat No. 220 Adeel Complex F.B. Area, Block 7, Karachi
2	Honda Civic Model 1998 Reg ACD-007	695,000	410,328	284,672	300,000	15,328	Mohd. Ilyas House # JM 695, BL-3 Yousfeen Apartment, Jamshad Road, Karachi.
3	FIAT Tractor	469,000	-	469,000	500,000	31,000	Mohd Ramzan, House # 2193/22, Umar Farooq Colony, North Nazimabad Block Q, Karachi.
	<b>2006</b>	<b>2,049,000</b>	<b>587,328</b>	<b>1,461,672</b>	<b>1,515,000</b>	<b>53,328</b>	
	2005	2,520,000	1,223,653	1,296,347	1,319,800	23,453	



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## 20.2 LOSS ON SALE OF ASSETS

S. No.	Particular of Assets	Original Cost	Accumulated Depreciation	WDV	Sales Proceeds	(Loss)	Name & Address of Byers
1	Suzuki Khyber Model 96-97 Reg APP-328	305,500	61,100	244,400	225,000	(19,400)	Mohd Zubair Mufti Hose No. 627/15 Dastagir Society F. B. Area, Karachi.
2	Generators	3,930,589	619,139	3,311,450	1,000,000	(2,311,450)	Dee Zad Sales, Mono Garden, Shaheed-e-Millat Road, Near Pizza Hut, Karachi.
3	Kitchen & Electronics Equipments	3,656,177	690,139	2,966,038	800,000	(2,166,038)	A.R. Furniture, Plot No. 420. Shop No. 04. Rahmat Ali Road, Manzoor Colony Karachi.
4	Furniture & Fixture	10,327,784	3,979,990	6,347,794	1,700,000	(4,647,794)	Dee Zed Sons, Outlet, 2nd Mezanine, Mono Garden, Shaheed-e-Millat Road, Karachi.
<b>2006</b>		<b>18,220,050</b>	<b>5,350,368</b>	<b>12,869,682</b>	<b>3,725,000</b>	<b>(9,144,682)</b>	
2005		42,500	-	42,500	38,000	(4,500)	
<b>2006</b>		<b>20,269,050</b>	<b>5,937,696</b>	<b>14,331,354</b>	<b>5,240,000</b>	<b>(9,091,354)</b>	
2005		2,562,500	1,223,653	1,338,847	1,357,800	18,953	

## 21. PRIOR YEAR ADJUSTMENTS

(40,000)

(10,000)

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

## 22. TAXATION

Current

- for the year

**2,425,400**

1,073,753

Deffred Tax

**14,328**

961,247

**2,439,728**

2,035,000

Relationship between income tax expenses and accounting profit

	<b>2006</b>	2005	<b>2006</b>	2005
	<b>effective tax rate %</b>	<b>effective tax rate %</b>	<b>Rupees</b>	<b>Rupees</b>
Profit before taxation			<b>10,830,521</b>	8,820,891
Tax at the income tax rate of 35% (2005: 35%)	<b>35.00</b>	35.00	<u><b>3,790,682</b></u>	<u>3,087,312</u>
Tax effect of expenses that are inadmissible in determining taxable profit	<b>1.10</b>	0.67	<b>11,934,992</b>	5,906,072
Tax effect of expenses that are admissible in determining taxable profit	<b>(1.30)</b>	(0.66)	<b>(14,118,407)</b>	(5,819,631)
Effect of Tax on Prize Money under presumptive tax regime	<b>(0.08)</b>	(0.24)	<b>(857,500)</b>	(2,100,000)
Tax effect of changes in prior year current tax	<b>0.19</b>	-	<b>2,038,956</b>	-
Tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes	<b>0.00</b>	0.11	<b>14,328</b>	961,247
Tax effect of permanent difference	<b>(0.03)</b>	-	<b>(363,323)</b>	-
Tax Effective rate / Tax charge	<u><b>34.91</b></u>	<u>34.88</u>	<u><b>2,439,728</b></u>	<u>2,035,000</u>



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	2006 Rupees	2005 Rupees
<b>23. EARNING PER SHARE</b>		
Profit after taxation	<b>8,390,793</b>	6,785,891
Weighted average number of ordinary share	<b>32,000,000</b>	32,000,000
Earning per share	<u><b>0.26</b></u>	<u>0.21</u>

## 24. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2006		2005	
	Rupees	No. of person	Rupees	No. of person
Chief Executive	<b>594,000</b>	<b>1</b>	504,000	1
Directors	<b>3,564,000</b>	<b>6</b>	3,024,000	6
Total	<b>4,158,000</b>	<b>7</b>	3,528,000	7

Directors have waived their meeting fees for the year.

## 25. DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these financial statements for issue on September 27, 2006.

## 26. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Particulars	2006						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	
<b>Financial Assets</b>							
Long Term Deposits	-	-	-	-	-	726	726
Sundry Debtors	-	-	-	5,054	-	-	5,054
Advances and Deposits	-	-	-	13,059	-	-	13,059
Cash, and Bank Balances	-	-	-	11,687	-	-	11,687
	-	-	-	<b>29,800</b>	-	726	<b>30,526</b>
<b>Financial Liabilities</b>							
Long Term Liabilities	-	-	-	-	21,600	-	21,600
Long Term Loans	-	-	-	-	26,500	-	26,500
Creditors, Accrued and Other Liabilities	-	-	-	37,858	-	-	37,858
	-	-	-	<b>37,858</b>	<b>48,100</b>	-	<b>85,958</b>
Net Financial Assets over (Liabilities)	-	-	-	<b>(8,058)</b>	<b>(48,100)</b>	726	<b>(55,432)</b>



# DREAMWORLD LIMITED - ANNUAL REPORT 2006

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	
<b>Financial Assets</b>							
Long Term Deposits	-	-	-	-	-	1,545	1,545
Sundry Debtors	-	-	-	5,265	-	-	5,265
Advances and Deposits	-	-	-	13,707	-	-	13,707
Cash, Prize Bonds & Bank Balances	-	-	-	5,339	-	-	5,339
	-	-	-	24,311	-	1,545	25,856
<b>Financial Liabilities</b>							
Long Term Liabilities	-	-	-	-	21,600	-	21,600
Creditors, Accrued and Other Liabilities	-	-	-	18,400	-	-	18,400
	-	-	-	18,400	21,600	-	40,000
Net Financial Assets over (Liabilities)	-	-	-	5,911	(21,600)	1,545	(14,144)

## 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**

- (i) Figures have been rounded off to the nearest rupee.
- (ii) Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison significant re-arrangement is as follows:-
  - a) The above figures have been re-arranged as the re-classification made is considered more appropriate for the purposes of presentation.

**Nawab Ahmed**  
**Chairman & Chief Executive**

**Tariq Hilal**  
**Director**

Karachi, September 27, 2006



**PATTERN OF SHARE HOLDING AS AT JUNE 30, 2006**

NO. OF SHAREHOLDERS	SHARE HOLDINGS		TOTAL SHARES HELD
	FROM	TO	
28	1	100	2,800
12	101	500	6,400
1	501	1,000	1,000
6	1,001	5,000	11,600
2	5,001	10,000	13,000
1	15,001	20,000	20,000
1	25,001	30,000	30,000
1	55,001	60,000	226,500
1	150,001	155,000	210,000
1	170,001	175,000	372,500
1	200,001	205,000	201,000
1	905,001	910,000	909,700
1	4,365,001	4,370,000	4,368,300
1	4,825,001	4,830,000	4,826,500
1	4,845,001	4,850,000	4,848,900
1	15,950,001	15,955,000	15,951,800

60

32,000,000

Categories	Number	Shares Held	Percentage
INDIVIDUALS	50	84,300	0.27%
<b><u>DIRECTORS, CEO &amp; THEIR SPOUSE AND MINOR CHILDREN</u></b>			
MR. NAWAB AHMED	1	4,848,900	15.15%
MRS. QAMAR HILAL	1	226,500	0.71%
MR. TARIQ HILAL	1	210,000	0.66%
MR. IRFAN HILAL AHMED	1	372,500	1.16%
MRS. SADIA IMRAN	1	909,700	2.84%
MRS. SARA AMIR	1	201,000	0.63%
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%

60

32,000,000

100.00%



# PROXY FORM

## 13th 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 13<sup>th</sup> Annual General Meeting of the Company to be held on 28<sup>th</sup> October 2006 and / or any adjournment thereof.

As witness my / our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_ 2006.

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.