

# **THE FORTRESS RESORTS PLC**

**INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED**

**31 ST MARCH 2012**

**THE FORTRESS RESORTS PLC****INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 ST MARCH 2012****CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH**

	<b>2012</b>	<b>2011</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipment	1,078,074	1,100,504
Intangible Assets	6,189	-
	<b>1,084,263</b>	<b>1,100,504</b>
<b>CURRENT ASSETS</b>		
Inventories	13,891	11,340
Trade & Other Receivables	80,890	52,190
Income Tax Receivables	2,404	758
Investments	40,000	-
Cash & Cash Equivalents	11,338	21,958
	<b>148,523</b>	<b>86,246</b>
<b>TOTAL ASSETS</b>	<b>1,232,786</b>	<b>1,186,750</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Share Capital	1,108,867	1,108,867
Other Reserves	124,373	124,373
Accumulated Losses	(484,993)	(604,010)
Total Equity	<b>748,247</b>	<b>629,230</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest Bearing Loans and Borrowings	359,832	492,963
Retirement Benefit Obligations	3,881	3776
	<b>363,713</b>	<b>496,739</b>
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	55,495	40,070
Interest Bearing Loans and Borrowings	65,330	20,711
	<b>120,825</b>	<b>60,781</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,232,786</b>	<b>1,186,750</b>
Net Assets Value per Share Basic/Diluted	Rs. 6.75	5.67

These financial statements are in compliance with the requirements of the companies Act No. 7 of 2007.

.....  
**Shyamalie Weerasooriya**  
**Chief Financial Officer**

Approved and signed on behalf of the Board of Directors.

.....  
**K.D.D.Perera**  
**Chairman**

.....  
**J.A.S.S.Adihetty**  
**Managing Director**

**Colombo**  
21 May 2012

**THE FORTRESS RESORTS PLC****INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 ST MARCH 2012****CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED  
31 ST MARCH**

	Six Months Ended 31 March	Six Months Ended 31 March	Year Ended 31 st March	Year Ended 31 st March	
	2012	2011	2012	2011	Change
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	%
REVENUE	300,821	265,866	464,306	416,345	12
Cost of Sales	(58,488)	(56,295)	(109,612)	(111,346)	(2)
<b>GROSS PROFIT</b>	<b>242,333</b>	<b>209,571</b>	<b>354,694</b>	<b>304,999</b>	<b>16</b>
Other Income	18,242	38,789	28,078	47,915	(41)
Sales & Marketing Expenses	(10,735)	(8,774)	(17,762)	(14,087)	26
Administrative Expenses	(106,057)	(94,982)	(197,083)	(180,466)	9
Finance Cost	(23,534)	(35,483)	(49,521)	(75,027)	(34)
Finance Income	848	199	848	2,698	(69)
<b>Profit / (Loss) Before Tax</b>	<b>121,097</b>	<b>109,320</b>	<b>119,254</b>	<b>86,032</b>	<b>39</b>
Income Tax	(237)	(628)	(237)	(1,634)	(85)
<b>Profit / (Loss) for the period</b>	<b>120,860</b>	<b>108,692</b>	<b>119,017</b>	<b>84,398</b>	<b>41</b>
<b>Attributable to:</b>					
Equity holders of the parent	120,860	108,692	119,017	84,398	41
	<b>120,860</b>	<b>108,692</b>	<b>119,017</b>	<b>84,398</b>	<b>41</b>
Earnings per Share for the period Basic / Diluted	1.09	0.98	1.07	0.76	

**THE FORTRESS RESORTS LTD**  
**INTERIM FINANCIAL STATEMENT FOR THE**  
**PERIOD ENDED 31 ST MARCH 2012**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED**  
**31 ST MARCH**

<b>Consolidated</b>	<b>Stated Capital</b>	<b>Revaluation Reserve</b>	<b>Accumulated Loss</b>	<b>Total</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Balance as at 01 st April 2010</b>	1,108,867	124,373	(688,408)	544,832
Net Profit/ (Loss) for the Period	-	-	84,398	84,398
<b>Balance as at 31 st March 2011</b>	<u>1,108,867</u>	<u>124,373</u>	<u>(604,010)</u>	<u>629,230</u>
<b>Balance as at 1 st April 2011</b>	1,108,867	124,373	(604,010)	629,230
Net Profit/ (Loss) for the Period	-	-	119,017	119,017
<b>Balance as at 31st March 2012</b>	<u>1,108,867</u>	<u>124,373</u>	<u>(484,993)</u>	<u>748,247</u>

<b>Company</b>	<b>Stated Capital</b>	<b>Accumulated Profit</b>	<b>Total</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Balance as at 01 st April 2010</b>	1,108,867	(126,105)	982,762
Net Profit/ (Loss) for the Period	-	(2,002)	(2,002)
<b>Balance as at 31 st March 2011</b>	<u>1,108,867</u>	<u>(128,107)</u>	<u>980,760</u>
<b>Balance as at 01 st April 2011</b>	1,108,867	(128,107)	980,760
Net Profit/ (Loss) for the Period	-	(2,982)	(2,982)
<b>Balance as at 31 st March 2012</b>	<u>1,108,867</u>	<u>(131,089)</u>	<u>977,778</u>

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENT FOR THE**  
**PERIOD ENDED 31ST MARCH 2012**

**CASH FLOW STATEMENT FOR THE YEAR ENDED**  
**31 ST MARCH**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit/(Loss) before income Tax Expense	119,254	86,032	(2,982)	(1,308)
Adjustments for				
Depreciation	73,529	86,950	-	-
Finance Cost	49,521	75,027	-	-
Finance Income	(848)	(2,698)	-	-
Exchange Gain	(5,492)	(2,202)	-	-
Profit on disposal of property, Plant & Equipment	813	(891)	-	-
Provision for Define Benefit Obligation	204	1,151	-	-
Creditors Written Back	-	(23,795)	-	(266)
Other Debtors written off	-	1,323	-	-
Operating Profit/(Loss) before Working Capital Changes	236,981	220,897	(2,982)	(1,574)
(Increase)/ Decrease in Inventories	(2,551)	(1,100)	-	-
(Increase)/ Decrease in Trade and Other Receivables	(28,701)	(12,213)	-	-
Increase /(Decrease) in Trade and Other Payables	15,426	3,536	3,111	2,501
Cash Generated from / (Used in ) Operations	221,155	211,120	129	927
Finance Cost paid	(49,521)	(77,969)	-	(934)
Defined Benefit obligation paid	(100)	-	-	-
Tax paid	(1,883)	(3,457)	(137)	-
Net Cash From / (Used in) Operating Activities	169,651	129,694	(8)	(7)
<b>Cash Flows from / (Used in) Investing Activities</b>				
Proceeds from Disposal of Property, Plant & Equipment	8,763	40	-	-
Acquisition of Property, Plant & Equipment	(40,929)	(41,507)	-	-
Acquisition of Itangible Assets	(6,189)	-	-	-
Proceeds from Disposal of Other Investments	-	58,145	-	-
Finance Income received	848	2,698	-	-
Net Cash Flows from/(Used in) Investing Activities	(37,507)	19,376	-	-
<b>Cash Flows from / (Used in) Financing Activities</b>				
Repayment of Bank Loans	(112,487)	(139,605)	-	-
Principal Payments under Finance Lease Liabilities	(2,215)	(5,854)	-	-
Net Cash Flows from/(Used in) Financing Activities	(114,702)	(145,459)	-	-
Effect of Exchange Rate chnges on Cash and Cash Equivalent	5,492	2,201	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	22,934	5,812	(8)	(7)
Cash and Cash Equivalents at the beginning of the period	18,543	12,731	44	51
Cash and Cash Equivalents at the end of the period	41,477	18,543	36	44

**For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following:**

Cash at Bank & In Hand	11,338	21,958	36	44
Fixed Deposits	40,000	-	-	-
Bank Overdraft	(9,861)	(3,415)	-	-
	<b>41,477</b>	<b>18,543</b>	<b>36</b>	<b>44</b>

**THE FORTRESS RESORTS PLC****INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 ST MARCH 2012****COMPANY BALANCE SHEET AS AT 31 ST MARCH**

	<b>2012</b>	<b>2011</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment In Subsidiaries	1,000,010	1,000,010
	<u>1,000,010</u>	<u>1,000,010</u>
<b>CURRENT ASSETS</b>		
Income Tax Receivables	137	-
Cash & Cash Equivalents	37	44
	<u>174</u>	<u>44</u>
<b>TOTAL ASSETS</b>	<u><u>1,000,184</u></u>	<u><u>1,000,054</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Share Capital	1,108,867	1,108,867
Revenue Reserves	(131,089)	(128,107)
	<u>977,778</u>	<u>980,760</u>
<b>NON-CURRENT LIABILITIES</b>		
Non Interest Bearing Borrowings	-	-
Interest Bearing Borrowings	-	-
	<u>-</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	22,406	19,294
Income Tax Payable	-	-
Non Interest Bearing Borrowings	-	-
	<u>22,406</u>	<u>19,294</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,000,184</u></u>	<u><u>1,000,054</u></u>
Net Assets Value per Share Basic/Diluted	8.82	8.84

These financial statements are in compliance with the requirements of the companies Act No. 7 of 2007.

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**Shyamalie Weerosooriya**  
**Chief Financial Officer**

Approved and signed on behalf of the Board of Directors.

.....  
**K.D.D.Perera**  
**Chairman**

.....  
**J.A.S.S.Adihetty**  
**Managing Director**

Colombo  
21 May 2012

# **THE FORTRESS RESORTS PLC**

## **INTERIM FINANCIAL STATEMENTS FOR THE PERIOD 31 ST MARCH 2012**

### **COMPANY INCOME STATEMENT FOR THE PERIOD ENDED 31 ST MARCH**

	Six month Ended 31 st March	Six month Ended 31 st March	Year Ended 31 st March	Year Ended 31 st March	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000	Change %
<b>REVENUE</b>	-	-	-	-	-
Cost of Sales	-	-	-	-	-
<b>GROSS PROFIT</b>	-	-	-	-	-
Other Income	-	266	-	266	(100)
Sales & Marketing expenses	-	-	-	-	-
Administrative expenses	(2,261)	(1,282)	(2,982)	(1,574)	89
Finance Cost	-	-	-	-	-
Finance Income	-	-	-	-	-
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(2,261)</b>	<b>(1,016)</b>	<b>(2,982)</b>	<b>(1,308)</b>	128
Income Tax	-	-	-	(694)	100
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(2,261)</b>	<b>(1,016)</b>	<b>(2,982)</b>	<b>(2,002)</b>	49
Earnings per Share the for period Basic/Diluted	Rs. (0.20)	(0.09)	(0.27)	(0.18)	

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS FOR THE**  
**PERIOD ENDED 31 ST MARCH 2012**

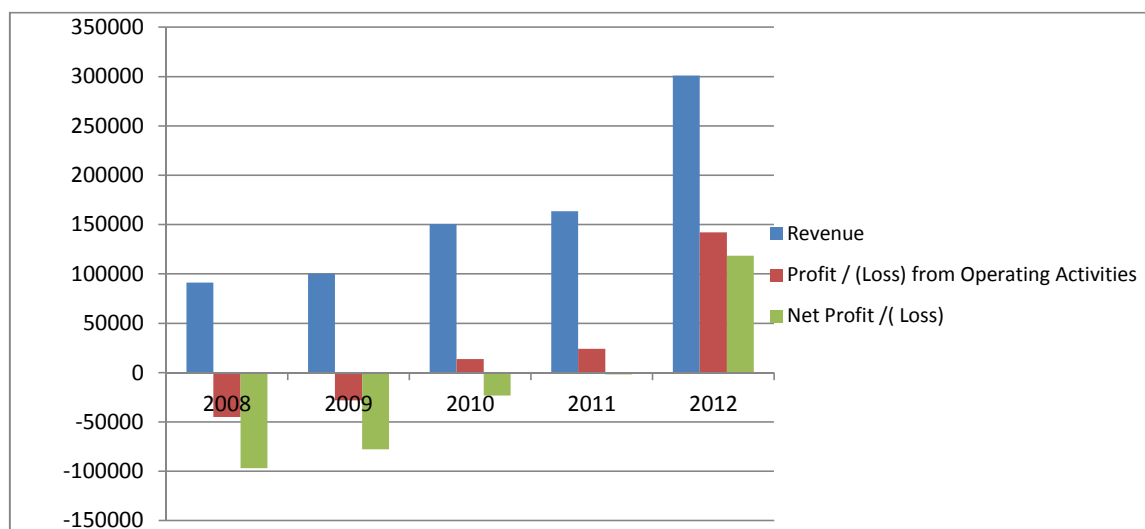
**NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 ST MARCH 2012.**

1. Financial year of the company ends on 31 st March.  
Six monthly figures are for six months ended 31st March.

2. Market price per share for the period

	31.03.2012	31.03.2011
Highest	28.30	33.00
Lowest	14.10	19.00
Last Traded	17.20	25.10

3. The interim financial statements of the Company and the Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2012 and are in compliance with Sri Lanka Accounting Standards 35, Interim Financial Reporting.
4. The presentation and clasification of figures for the corresponding period of the previous year have been amended where relevant , to be comparable with those for the current year.
5. All values in these Financial Statements are in Rs'000 unless otherwise stated
6. There have been no other material events that took place since 31st March 2012 , that require disclosure in the Financial Statements.
7. Net asset per Share has been calculated , for all periods , based on the number of shares in issue as at 31 st March 2012, amouting to 110,886,684.
8. Graphical Analysis of Sesonality performance - For the Six Months ended 31st March



9. There has not been a significant change in the nature of the contingent liabilities , which were disclosed in the Annual report for the year ended 31st March 2012.



**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS FOR THE**  
**PERIOD ENDED 31 ST MARCH 2012**

**NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS FOR PERIOD ENDED 31 ST MARCH 2012.**

10. The number of shares held by the Board of directors are as follows.

ME OF THE DIRECTOR	SHARES HELD	SHARES HELD
	As At 31 st March 2012	As At 31 st March 2011
MR.K.D.D.Perera	10,329,317	10,329,317
MR.J.A.S.S.Adhihtty	Nil	Nil
MR.W.D.N.H.Perera	89	42
MR.W.A.D.C.J.Wickramasinghe	19,291	19,291
MR.Malik J Fernando	833,333	833,333
MR.Meril J Fernando	2,124,400	2,124,400
MR.S.Senaratne	1,000	1,000
MR.L.T.Samarawickrama	1,550	1,550
MR.D.E.Silva	500	500
MR.L.N.De Silva Wijeyeratne	Nil	Nil
MR.H.Somashantha	Nil	Nil

11. Twenty largest shareholders of the company are as follows

	NAME OF SHAREHOLDER	SHARES	% HOLDING	SHARES	% HOLDING
1	M J F Holdings Limited.	28,616,411	25.81	28,616,411	25.81
2	Vallibel Leisure (Private) Limited.	24,417,932	22.02	24,417,932	22.02
3	Royal Ceramics Lanka PLC	14,012,450	12.63	13,676,350	12.33
4	Mr. K. D. D. Perera	10,329,317	9.32	10,329,317	9.32
5	Vallibel Power Erathna PLC	5,933,400	5.35	5,933,400	5.35
6	LB Finance PLC	4,051,100	3.65	4,051,100	3.65
7	Mr. Merril J Fernando	2,124,400	1.92	2,124,400	1.92
8	Bank of Ceylon No. 1 Account	1,461,100	1.32	-	-
9	Seylan Bank PLC / Jayantha Dewage	1,441,400	1.30	1,125,000	1.01
10	Mrs. N.U.D Ariyaratne	1,414,500	1.27	1,440,000	1.30
11	Almar International (Pvt) Limited	1,290,600	1.16	-	-
12	Merchant Bank of Sri Lanka PLC / J.A.S.Piyawardana	980,500	0.88	1,040,600	0.94
13	MR.D.C Fernando	833,333	0.75	833,333	0.75
14	MR. Malik J Fernando	833,333	0.75	833,333	0.75
15	Polychrome Inks Limited	566,666	0.51	566,666	0.51
16	Seylan Bank PLC / MR.B.M Amarasekara	550,000	0.49	1,231,300	1.11
17	Almar Trading company (Private) Limited	361,200	0.33	-	-
18	MR.Y.K.B.Dissanayake	303,540	0.27	303,540	0.27
19	Seylan Bank PLC / A.M.Nimesha Anuruddha Abeykoon	291,200	0.26	-	-
20	Mr.R.Manoharan	291,000	0.26	366,600	0.33

The percentage of issued shares held by the public as at 31st March 2012 was 27.53%.(2011, 27.83%)

Market price per share for the period

	31.03.2012	31.03.2011
Highest	28.30	33.00
Lowest	14.10	19.00
Last Traded	17.20	25.10

## **CORPORATE INFORMATION**

### **STATUTORY STATUS**

Public Company with Limited Liability, Quoted on the Secondary Board of the Colombo Stock Exchange.

### **COMPANY REGISTRATION NO**

***PQ 207***

### **BOARD OF DIRECTORS**

Mr.K.D.D.Perera (Chairman)  
Mr. J.A.S.S.Adhihetty (Managing Director)  
Mr. W. A. D. C.J. Wickramasinghe  
Mr. Malik .J.Fernando  
Mr. Merrill J. Fernando  
Mr. S. Senaratne  
Mr.L.T.Samarawickrama  
Mr.W.D.N.H.Perera  
Mr.L.N.De Silva Wijeyeratne  
Mr.D.E.Silva  
Mr. H.Somashantha

### **HOTEL**

The Fortress , Koggala.

### **REGISTERED OFFICE**

Level 27, East Tower  
World Trade Center  
Echelon Square  
Colombo 01

### **SECRETARIES**

P & W Corporate Secretarial (Pvt) Ltd.  
3 / 17 Kynsey Road  
Colombo 08

### **AUDITORS**

Ernst & Young  
Chartered Accountants  
201, De Seram Place  
Colombo 10

### **BANKERS**

Bank of Ceylon  
Hatton National Bank PLC  
Sampath Bank PLC  
Pan Asia Banking Corporation PLC