



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 ST MARCH 2013**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

| | As.At 31.03.2013 Audited Rs. '000 | As.At 31.03.2012 Audited Rs. '000 | Change % |
|--|--|--|---------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 1,183,769 | 1,238,801 | (4) |
| Intangible Assets | 6,007 | 6,189 | (3) |
| | <u>1,189,776</u> | <u>1,244,990</u> | (4) |
| Current Assets | | | |
| Inventories | 15,233 | 13,891 | 10 |
| Trade and Other Receivables | 58,320 | 70,727 | (18) |
| Advances and Prepayments | 17,571 | 10,182 | 73 |
| Income Tax Receivable | 163 | 2,404 | (93) |
| Short Term Deposits | 200,000 | 40,000 | 400 |
| Cash and Bank Balances | 12,249 | 11,338 | 8 |
| | <u>303,536</u> | <u>148,542</u> | 104 |
| Total Assets | <u>1,493,312</u> | <u>1,393,532</u> | 7 |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Stated Capital | 1,108,867 | 1,108,867 | - |
| Accumilated losses | (42,333) | (199,874) | (79) |
| Total Equity | <u>1,066,534</u> | <u>908,993</u> | 17 |
| Non-Current Liabilities | | | |
| Interest Bearing Borrowings | 296,710 | 359,832 | (18) |
| Retirement Benefit Obligations | 5,219 | 3,881 | 34 |
| | <u>301,929</u> | <u>363,713</u> | (17) |
| Current Liabilities | | | |
| Trade and Other Payables | 46,751 | 55,495 | (16) |
| Interest Bearing Loans & Borrowings | 78,098 | 65,331 | 20 |
| | <u>124,849</u> | <u>120,826</u> | 3 |
| Total Equity and Liabilities | <u>1,493,312</u> | <u>1,393,532</u> | 7 |
| Net Asset Value per Share (Rs.) | 9.62 | 8.20 | |

I certify that these financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

(sgd)

Shyamalie Weerasooriya
Chief Financial Officer

Approved and signed for and on behalf of the Board of Directors.

(sgd)

K.D.D.Perera
Chairman

(sgd)

J.A.S.S.Adihetty
Managing Director

Colombo
28 th May 2013

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 ST MARCH 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 ST MARCH 2013

| | FOR 3 MONTHS ENDED | | Change | FOR YEAR ENDED | | Change |
|---|--------------------|----------------|---------|----------------|----------------|---------|
| | 31.03.2013 | 31.03.2012 | % | 31.03.2013 | 31.03.2012 | % |
| | Audited | Audited | | Audited | Audited | |
| | Rs. '000 | Rs. '000 | | Rs. '000 | Rs. '000 | |
| Revenue | 211,245 | 179,693 | 18 | 577,724 | 464,305 | 24 |
| Cost of Sales | (54,732) | (42,819) | (28) | (145,094) | (118,889) | (22) |
| Gross Profit | 156,513 | 136,874 | 14 | 432,630 | 345,416 | 25 |
| Other Income | 8,231 | 10,996 | (25) | 40,040 | 28,078 | 43 |
| Selling & Marketing Expenses | (4,225) | (4,326) | 2 | (24,115) | (17,762) | (36) |
| Administrative Expenses | (83,517) | (72,494) | (15) | (251,277) | (216,141) | (16) |
| Finance Cost | (13,157) | (11,438) | (15) | (51,907) | (49,521) | (5) |
| Finance Income | 7,336 | 848 | 765 | 16,902 | 848.00 | 1,893 |
| Profit/(Loss) before Tax | 71,181 | 60,460 | 18 | 162,273 | 90,918 | 78 |
| Income Tax Expense | (4,732) | (237) | (1,897) | (4,732) | (237) | (1,897) |
| Profit / (Loss) for the period | 66,449 | 60,223 | 10 | 157,541 | 90,681 | 74 |
| Other Comprehensive Income | - | - | | - | - | |
| Total Comprehensive Income for the period net of Tax | 66,449 | 60,223 | 10 | 157,541 | 90,681 | 74 |
| Attributable to: | | | | | | |
| Equity holders of the parent | 66,449 | 60,223 | 10 | 157,541 | 90,681 | 74 |
| Earnings / (Loss) per share - Basic / Diluted (Rs.) | 0.60 | 0.54 | 10 | 1.42 | 0.82 | 74 |

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 ST MARCH 2013

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

| | As.At 31.03.2013 Audited Rs. '000 | As.At 31.03.2012 Audited Rs. '000 | Change % |
|---------------------------------------|--|--|-------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Investment In Subsidiary | 1,000,010 | 1,000,010 | - |
| | <u>1,000,010</u> | <u>1,000,010</u> | - |
| Current Assets | | | |
| Income Tax Receivables | 138 | 137 | 0.73 |
| Cash & Cash Equivalents | 36 | 36 | - |
| | <u>174</u> | <u>173</u> | 0.58 |
| Total Assets | <u>1,000,184</u> | <u>1,000,183</u> | 0.00 |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Share Capital | 1,108,867 | 1,108,867 | - |
| Accumulated losses | (136,729) | (131,090) | 4 |
| Total Equity | <u>972,138</u> | <u>977,777</u> | (1) |
| Non-Current Liabilities | | | |
| Interest Bearing Loans and Borrowings | - | - | |
| Retirement Benefit Obligation | - | - | |
| | <u>-</u> | <u>-</u> | |
| Current Liabilities | | | |
| Trade Creditors & Other Payables | 28,045 | 22,406 | 25 |
| Interest Bearing Loans and Borrowings | 1 | - | |
| | <u>28,046</u> | <u>22,406</u> | 25 |
| Total Equity and Liabilities | <u>1,000,184</u> | <u>1,000,183</u> | 0 |
| Net Assets value per share | 8.77 | 8.82 | |

I certify that these financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

(sgd)

Shyamalie Weerasooriya
Chief Financial Officer

Approved and signed for and on behalf of the Board of Directors.

(sgd)

K.D.D.Perera
Chairman

Colombo
28 th May 2013

(sgd)

J.A.S.S.Adihetty
Managing Director

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

COMPANY, STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH

| | FOR 3 MONTHS ENDED | | | FOR YEAR ENDED | | |
|---|--------------------|--------------|-------------|-----------------------|-----------------------|--------|
| | 31.03.2013 | 31.03.2012 | Change | 31.03.2013 | 31.03.2012 | Change |
| | Audited | Audited | % | Audited | Audited | % |
| | Rs. '000 | Rs. '000 | | Rs. '000 | Rs. '000 | |
| Revenue | - | - | | - | - | - |
| Cost of Sales | - | - | | - | - | - |
| Gross Profit | - | - | | - | - | - |
| Other Income | - | - | | - | - | - |
| Selling & Marketing Expenses | - | - | | - | - | - |
| Administrative Expenses | (1,138) | (921) | (24) | (5,639) | (2,982) | (89) |
| Finance Cost | - | - | | - | - | |
| Finance Income | - | - | | - | - | - |
| Profit/(Loss) before Tax | (1,138) | (921) | (24) | (5,639) | (2,982) | (89) |
| Income Tax Expenses | - | - | - | - | - | |
| Profit /(Loss) for the period | <u>(1,138)</u> | <u>(921)</u> | (24) | <u>(5,639)</u> | <u>(2,982)</u> | (89) |
| Other Comprehensive Income | - | - | | - | - | |
| Total Comprehensive Income for the period , net of Tax | <u>(1,138)</u> | <u>(921)</u> | | <u>(5,639)</u> | <u>(2,982)</u> | |
| Earnings / (Loss) per share for the period | (0.01) | (0.01) | (24) | (0.05) | (0.03) | (89) |

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 ST MARCH 2013

| | (Audited) | Stated Capital | Accumulated Losses | Total |
|-----------------------------------|-----------|----------------|--------------------|-----------|
| Consolidated | | Rs. '000 | Rs. '000 | Rs. '000 |
| Balance as at 01st April 2011 | | 1,108,867 | (290,555) | 818,312 |
| Net Profit / (Loss) for the year | | - | 90,681 | 90,681 |
| Balance as at 31 st March 2012 | | 1,108,867 | (199,874) | 908,993 |
| Net Profit / (Loss) for the year | | - | 157,541 | 157,541 |
| Balance as at 31 st March 2013 | | 1,108,867 | (42,333) | 1,066,534 |
| Company | (Audited) | Stated Capital | Accumulated Loss | Total |
| | | Rs. '000 | Rs. '000 | Rs. '000 |
| Balance as at 01st April 2011 | | 1,108,867 | (128,108) | 980,759 |
| Net Profit / (Loss) for the year | | - | (2,982) | (2,982) |
| Balance as at 31 st March 2012 | | 1,108,867 | (131,090) | 977,777 |
| Net Profit / (Loss) for the year | | - | (5,639) | (5,639) |
| Balance as at 31st March 2013 | | 1,108,867 | (136,729) | 972,138 |

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED
31 ST MARCH

| | FOR THE YEAR ENDED | | FOR THE YEAR ENDED | |
|--|--------------------|--------------|--------------------|-----------|
| | Group | | Company | |
| | 2013 | 2012 | 2013 | 2012 |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Cash Flows From / (Used in) Operating Activities | | | | |
| Profit/(Loss) before tax | 162,273 | 90,918 | (5,639) | (2,061) |
| Adjustments for | | | | |
| Depreciation | 106,363 | 101,862 | - | - |
| Amortisation | 1,238 | - | - | - |
| Finance Cost | 51,907 | 49,521 | - | - |
| Finance Income | (16,902) | (848) | - | - |
| Exchange Gain | (4,321) | (5,492) | - | - |
| (Profit)/Loss on Disposal of Property, Plant & Equipment | (7,481) | 813 | - | - |
| Provision for Defined Benefit Obligation | - | 204 | - | - |
| Operating Profit/(Loss) before Working Capital Changes | 293,077 | 236,978 | (5,639) | (2,061) |
| (Increase)/ Decrease in Inventories | (1,342) | (2,550) | - | - |
| (Increase)/ Decrease in Trade and Other Receivables | 5,018 | (28,700) | - | - |
| Increase /(Decrease) in Trade and Other Payables | (8,744) | 16,551 | 5,639 | 2,191 |
| Cash Generated from / (Used in) Operations | 288,009 | 222,279 | - | 130 |
| Finance Cost Paid | (51,907) | (49,521) | - | (137) |
| Income Tax Paid | (2,491) | (1,883) | - | - |
| Defined Benefit Obligation paid | 1,338 | (100) | - | - |
| Net Cash From / (used in) Operating Activities | 234,949 | 170,775 | - | (7) |
| Cash Flows from / (Used in) Investing Activities | | | | |
| Proceeds from Disposal of Property, Plant & Equipment | 7,481 | 7,637 | - | - |
| Acquisition of Property, Plant & Equipment | (27,660) | (40,927) | - | - |
| Acquisition of Intangible Assets | (1,056) | (6,189) | - | - |
| Finance Income Received | 16,902 | 848 | - | - |
| Investment In Short term Deposits | (160,000) | (40,000) | - | - |
| Net Cash from/(Used in) Investing Activities | (164,333) | (78,631) | - | - |
| Cash Flows from (Used in) Financing Activities | | | | |
| Re-payment of Bank Loans | (73,513) | (112,487) | - | - |
| Principal Payment under Finance Lease Liabilities | (7,398) | (2,215) | - | - |
| Net Cash from/(Used in) Financing Activities | (80,911) | (114,702) | - | - |
| Effect of Exchange rates changes on Cash & Cash Equivalent | 4,321 | 5,492 | - | - |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (5,974) | (17,066) | - | (7) |
| Cash and Cash Equivalents at the beginning of the year | 1,477 | 18,543 | 36 | 44 |
| Cash and Cash Equivalents at the end of the period | (4,497) | 1,477 | 36 | 37 |
| For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following: | | | | |
| Cash at Bank & In Hand | 12,249 | 11,338 | 37 | 37 |
| Bank Overdraft | (16,746) | (9,861) | (1) | - |
| | (4,497) | 1,477 | 36 | 37 |

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 ST MARCH

1. Market Price of Ordinary Shares

| | 31.03.2013 | 31.03.2012 |
|---|------------|------------|
| Highest Price Per Share for the Quarter | 18.20 | 24.00 |
| Lowest Price Per Share for the Quarter | 13.90 | 14.10 |
| Last Traded | 15.00 | 17.20 |

2. Financial year of the company / group ends on 31st March . Interim figures are for three months ended 31 st March 2013.

3. The Statement of Financial Position of the compnay and group as at 31 st March 2013 and Statements of Income, Changes in Equity and Cash Flow for the period then ended have been prepared in accordance with Sri Lanka Accounting Standars 34 interim financial statements and are in agreement with the books of accounts maintained by the group and have provided the information required by the Colombo Stock Exchange.

4. The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, to be comparable with those for the current year.

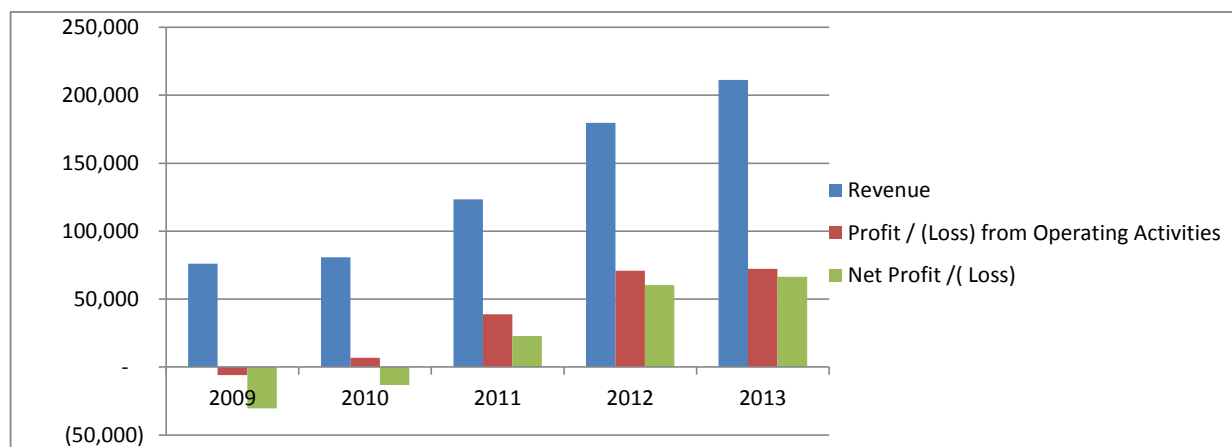
5. All values included in these Financial Statements are in Rs.'000 unless otherwise stated.

6. There have been no other material events that took place since 31 st March 2013, that require disclosure in the Financial Statements.

7. Net Assets per Share has been calculated, for all periods, based on the number of shares in issue as at 31 st March 2013, amounting to 110,886,684.

8. 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 31 March 2013.

9. Graphical Analysis of Sesonality performance - For the three Months ended 31 st March



10. The percentage of the shares held by public as at 31 st March 2013 was 27.82% (31st March 2012 27.82 %)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED
31 ST MARCH 2013

11. The interim financial statements are audited and have been prepared in accordance with the same accounting policies and methods set out in the Annual Financial Statements for the year ended 31 March 2012 and are in compliance with the Sri Lanka Accounting Standard 34 - Interim Financial Reporting.
12. The number of shares held by the Board of directors as of 31st March 2013 are as follows:

| Name of the Director | No of Shares | % |
|--|--------------|-------|
| Mr. K.D.D.Perera | 10,329,317 | 9.315 |
| Mr.J.A.S.S. Adhihetty | 13,741 | 0.012 |
| Mr.W.A.D. C. J. Wickramasinghe | 19,291 | 0.017 |
| Mr. Malik J. Fernando | 833,333 | 0.751 |
| Mr. Merrill J. Fernando | 2,124,400 | 1.916 |
| Mr. S. Senaratne | 1,000 | 0.001 |
| Mr. L.T.Samarawickrama | 1,550 | 0.001 |
| Mr. D.E.Silva | 500 | 0.000 |
| Mr.L.N.De Silva Wijeyerathne | Nil | Nil |
| Mr.W.D.P.B.Perera | 500 | - |
| Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama) | Nil | Nil |
| Mr.W.D.N.H.Perera (Alternate Director to Mr.W.D.P.B. Perera) | 89 | 0.000 |

13. Twenty largest shareholders of the company are as follows,

| | Name of the Share Holder | No of Shares | % |
|----|--|--------------|--------|
| 1 | M J F Holdings Limited | 28,616,411 | 25.807 |
| 2 | Vallibel Leisure (Pvt) Ltd | 24,417,932 | 22.021 |
| 3 | Vallibel one PLC | 13,676,350 | 12.334 |
| 4 | Mr.K.D.D Perera | 10,329,317 | 9.315 |
| 5 | Vallibel Power Erathna Plc | 5,933,400 | 5.351 |
| 6 | L B Finance Plc | 4,051,100 | 3.653 |
| 7 | Mr.Merril J Fernando | 2,124,400 | 1.916 |
| 8 | Bank of Ceylon No 1. Account | 1,461,100 | 1.318 |
| 9 | Seylan Bank PLC- Jayantha Dewage | 1,441,400 | 1.300 |
| 10 | Mrs.N.U.D Ariyaratne | 1,414,500 | 1.276 |
| 11 | Almar International (Pvt) Ltd. | 1,249,600 | 1.127 |
| 12 | Mr.D.C Fernando | 833,333 | 0.752 |
| 13 | Mr. Malik J Fernando | 833,333 | 0.752 |
| 14 | Freudenberg Shipping Agencies Limited | 830,019 | 0.749 |
| 15 | Polychrome Inks Limited | 566,666 | 0.511 |
| 16 | Seylan Bank PLC/Bertram Manson Amarasekara | 550,000 | 0.496 |
| 17 | Royal Ceramics Lanka PLC | 336,100 | 0.303 |
| 18 | Merchant Bank of Sri Lanka PLC / J.A.S Piyawardana | 315,196 | 0.284 |
| 19 | Mr.Y.K.B.Dissanayake | 303,540 | 0.274 |
| 20 | Mr. R. Manoharan | 291,000 | 0.262 |

CORPORATE INFORMATION

| | |
|--------------------------------|--|
| STATUTORY STATUS | Public Company with Limited Liability, Quoted on the Secondary Board of the Colombo Stock Exchange |
| COMPANY REGISTRATION NO | <i>PQ 207</i> |
| 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. Merril J. Fernando Mr. S. Senaratne Mr.L.T.Samarawickrama Mr.W.D.N.H.Perera (Alternate Director to Mr.W.D.P.B.Perera) Mr.D.E.Silva Mr. L.N.De Silva Wijeyeratne Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama Mr.W.D.P.B. Perera |
| 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 |