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## **THE FORTRESS RESORTS PLC**

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**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
30 TH JUNE 2013**

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH JUNE 2013**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE**

	As.At 30.06.2013  Rs. '000	As.At 31.03.2013 Audited Rs. '000	Change %
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1,160,601	1,180,139	(2)
Working Progress	1,148	-	-
Intangible Assets	6,007	6,007	-
	<u>1,167,756</u>	<u>1,186,146</u>	(2)
<b>Current Assets</b>			
Inventories	14,201	15,233	(7)
Trade and Other Receivables	20,892	59,352	(65)
Advances and Prepayments	19,385	17,571	10
Income Tax Receivable	138	163	(15)
Short Term Deposits	230,000	200,000	15
Cash and Bank Balances	3,541	12,249	(71)
	<u>288,157</u>	<u>304,568</u>	(5)
<b>Total Assets</b>	<u><b>1,455,913</b></u>	<u><b>1,490,714</b></u>	(2)
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated losses	(74,192)	(70,785)	5
<b>Total Equity</b>	<u>1,034,675</u>	<u>1,038,082</u>	(0)
<b>Non-Current Liabilities</b>			
Interest Bearing Borrowings	283,243	296,710	5
Retirement Benefit Obligations	5,211	5,219	0
Deferred Tax Liability	24,283	24,283	-
	<u>312,737</u>	<u>326,212</u>	4
<b>Current Liabilities</b>			
Trade and Other Payables	39,782	48,322	18
Interest Bearing Loans & Borrowings	68,719	78,098	12
	<u>108,501</u>	<u>126,420</u>	14
<b>Total Equity and Liabilities</b>	<u><b>1,455,913</b></u>	<u><b>1,490,714</b></u>	2
<b>Net Asset Value per Share (Rs.)</b>	9.33	9.36	

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**  
**13 th August 2013**

Note :The above figures for the interim period are subject to audit.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED**  
**30 TH JUNE 2013**

	<b>FOR 3 MONTHS ENDED</b>		<b>Change</b>
	<b>30.06.2013</b>	<b>30.06.2012</b>	<b>%</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	
<b>Revenue</b>	92,137	85,851	7
Cost of Sales	(31,937)	(24,187)	(32)
Gross Profit	<u><b>60,200</b></u>	<u><b>61,664</b></u>	(2)
Other Income	6,103	11,820	(48)
Selling & Marketing Expenses	(4,755)	(5,358)	11
Administrative Expenses	(59,369)	(52,793)	(12)
Finance Cost	(12,786)	(12,115)	(6)
Finance Income	8,613	1,725	399
<b>Profit/(Loss) before Tax</b>	<u><b>(1,994)</b></u>	<u>4,943</u>	(140)
Income Tax Expense	(1,413)	-	-
<b>Profit / (Loss) for the period</b>	<u><u><b>(3,407)</b></u></u>	<u><u><b>4,943</b></u></u>	(169)
<b>Other Comprehensive Income</b>	-	-	
<b>Total Comprehensive Income for the period net of Tax</b>	<u><u><b>(3,407)</b></u></u>	<u><u><b>4,943</b></u></u>	(169)
<b>Attributable to:</b>			
Equity holders of the parent	<u><u><b>(3,407)</b></u></u>	<u><u><b>4,943</b></u></u>	(169)
Earnings / (Loss) per share - Basic / Diluted (Rs.)	(0.03)	0.04	(169)

Note :The above figures for the interim period are subject to audit.

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**COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE**

	As.At 30.06.2013	As.At 31.03.2013	Change %
	Rs. '000	Audited Rs. '000	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment In Subsidiary	1,000,010	1,000,010	-
	<u>1,000,010</u>	<u>1,000,010</u>	-
<b>Current Assets</b>			
Income Tax Receivables	138	138	-
Cash & Cash Equivalents	36	36	-
	<u>174</u>	<u>174</u>	-
<b>Total Assets</b>	<b><u>1,000,184</u></b>	<b><u>1,000,184</u></b>	-
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share Capital	1,108,867	1,108,867	-
Accumulated losses	(137,616)	(136,728)	1
<b>Total Equity</b>	<u>971,251</u>	<u>972,139</u>	(0)
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	-	-	
Retirement Benefit Obligation	-	-	
	<u>-</u>	<u>-</u>	
<b>Current Liabilities</b>			
Trade Creditors & Other Payables	28,932	28,044	3
Interest Bearing Loans and Borrowings	1	1	-
	<u>28,933</u>	<u>28,045</u>	3
<b>Total Equity and Liabilities</b>	<b><u>1,000,184</u></b>	<b><u>1,000,184</u></b>	-
Net Assets value per share	8.76	8.77	

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**  
**13 th August 2013**

Note :The above figures for the interim period are subject to audit.

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**COMPANY, STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED**  
**30 TH JUNE**

	<b>FOR 3 MONTHS ENDED</b>		<b>Change</b>
	<b>30.06.2013</b>	<b>30.06.2012</b>	<b>%</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	
<b>Revenue</b>	-	-	
Cost of Sales	-	-	
<b>Gross Profit</b>	-	-	
Other Income	-	-	
Selling & Marketing Expenses	-	-	
Administrative Expenses	(888)	(87)	921
Finance Cost	-	-	
Finance Income	-	-	
<b>Profit/(Loss) before Tax</b>	(888)	(87)	921
Income Tax Expenses	-	-	-
<b>Profit /(Loss) for the period</b>	<u>(888)</u>	<u>(87)</u>	921
<b>Other Comprehensive Income</b>	-	-	
<b>Total Comprehensive Income for the period , net of Tax</b>	<u>(888)</u>	<u>(87)</u>	
Earnings / (Loss) per share for the period	(0.01)	(0.00)	<b>921</b>

Note :The above figures for the interim period are subject to audit.

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
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**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED**  
**30 TH JUNE 2013**

<b>Consolidated</b>	<b>Stated Capital</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Balance as at 01st April 2012</b>	1,108,867	(224,420)	884,447
Net Profit / ( Loss) for the year	-	153,635	153,635
<b>Balance as at 31 st March 2013</b>	<u>1,108,867</u>	<u>(70,785)</u>	<u>1,038,082</u>
Net Profit / ( Loss) for the period	-	(3,407)	(3,407)
<b>Balance as at 30 th June 2013</b>	<u><u>1,108,867</u></u>	<u><u>(74,192)</u></u>	<u><u>1,034,675</u></u>
<b>Company</b>	<b>Stated Capital</b>	<b>Accumulated Loss</b>	<b>Total</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Balance as at 01st April 2012</b>	1,108,867	(131,089)	977,778
Net Profit / ( Loss) for the year	-	(5,639)	(5,639)
<b>Balance as at 31 st March 2013</b>	<u>1,108,867</u>	<u>(136,728)</u>	<u>972,139</u>
Net Profit / ( Loss) for the period	-	(888)	(888)
<b>Balance as at 30 th June 2013</b>	<u><u>1,108,867</u></u>	<u><u>(137,616)</u></u>	<u><u>971,251</u></u>

Note :The above figures for the interim period are subject to audit.

**INTERIM FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 TH JUNE 2013****CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 TH JUNE**

	<b>FOR THE PERIOD ENDED</b>		<b>FOR THE PERIOD ENDED</b>	
	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</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 tax	(1,994)	4,943	(888)	(87)
Adjustments for				
Depreciation	24,633	18,643	-	-
Amortisation	-	-	-	-
Finance Cost	12,786	12,115	-	-
Finance Income	(8,613)	(1,725)	-	-
Exchange Gain	(442)	(3,523)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	-	-	-	-
Provision for Defined Benefit Obligation	414	248	-	-
Operating Profit/(Loss) before Working Capital Changes	26,784	30,701	(888)	(87)
(Increase)/ Decrease in Inventories	1,032	1,239	-	-
(Increase)/ Decrease in Trade and Other Receivables	36,596	35,348	-	-
Increase / (Decrease) in Trade and Other Payables	(6,675)	(19,817)	888	87
Cash Generated from / (Used in) Operations	57,737	47,471	-	-
Finance Cost Paid	(12,999)	(12,115)	-	-
Income Tax Paid	(838)	-	-	-
Defined Benefit Obligation paid	(424)	-	-	-
Net Cash From / (used in) Operating Activities	43,476	35,356	-	-
<b>Cash Flows from / (Used in) Investing Activities</b>				
Proceeds from Disposal of Property, Plant & Equipment	15	-	-	-
Acquisition of Property, Plant & Equipment	(6,243)	(5,242)	-	-
Acquisition of Intangible Assets	-	-	-	-
Finance Income Received	6,449	1,725	-	-
Investment In Short term Deposits	(30,000)	(15,000)	-	-
Net Cash from/(Used in) Investing Activities	(29,779)	(18,517)	-	-
<b>Cash Flows from (Used in) Financing Activities</b>				
Re-payment of Bank Loans	(11,076)	(12,778)	-	-
Principal Payment under Finance Lease Liabilities	(2,391)	(1,540)	-	-
Net Cash from/(Used in) Financing Activities	(13,467)	(14,318)	-	-
Effect of Exchange rates changes on Cash & Cash Equivalent	442	3,523	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	672	6,044	-	-
<b>Cash and Cash Equivalents at the beginning of the year</b>	(4,497)	1,478	36	36
<b>Cash and Cash Equivalents at the end of the period</b>	<b>(3,825)</b>	<b>7,522</b>	<b>36</b>	<b>36</b>
<b>For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following:</b>				
Cash at Bank & In Hand	3,541	9,224	37	36
Bank Overdraft	(7,366)	(1,702)	(1)	-
	<b>(3,825)</b>	<b>7,522</b>	<b>36</b>	<b>36</b>

Note :The above figures for the interim period are subject to audit.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 ST MARCH**

1. Market Price of Ordinary Shares

	30.06.2013	30.06.2012
Highest Price Per Share for the Quarter	17.90	17.40
Lowest Price Per Share for the Quarter	14.10	10.50
Last Traded	16.30	14.90

2. Financial year of the company / group ends on 31st March . Interim figures are for three months ended 30th June 2013.

3. The Statement of Financial Position of the company and group as at 30 th June 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 Standards 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.

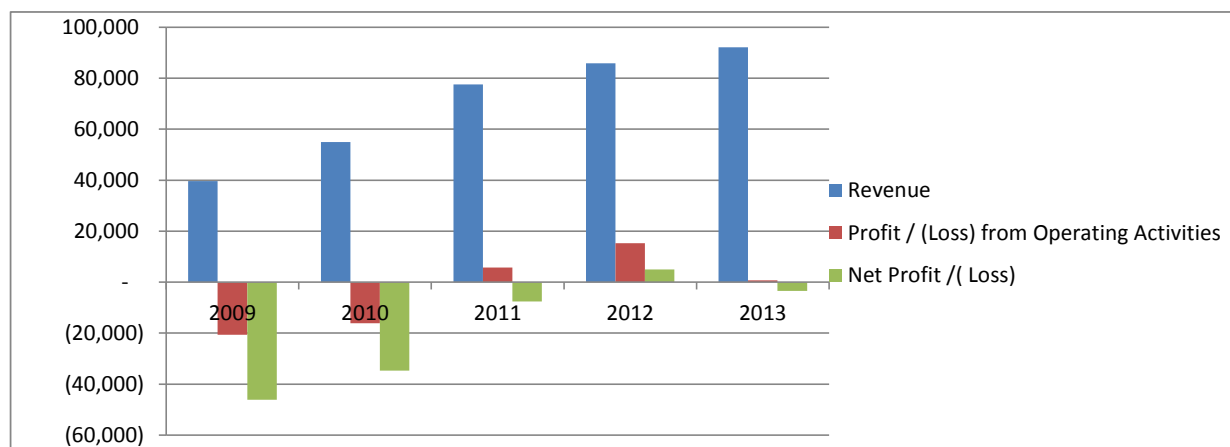
5. All values included in these Financial Statements are in Rs.'000 unless otherwise stated.

6. There have been no other material events that took place since 30 th June 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 30 th June 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 Seasonality performance - For the three Months ended 30 th June



10. The percentage of the shares held by public as at 30 th June 2013 was 27.82% (30 th June 2012 27.82 %)



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED**  
**30 TH JUNE 2013**

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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 2013 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 30 th June 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	0.752
Mr. Merril .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	-
Mr.P.B.Perera	500	0.000
Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama)	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	Dee Investments (Pvt) Ltd	394,375	0.356
18	Royal Ceramics Lanka PLC	336,100	0.303
19	Mr.Y.K.B.Dissanayake	303,540	0.274
20	Mr. R. Manoharan	291,000	0.262

**CORPORATE INFORMATION**

<b>STATUTORY STATUS</b>	Public Company with Limited Liability, Quoted on the Secondary Board of the Colombo Stock Exchange
<b>COMPANY REGISTRATION NO</b>	<i>PQ 207</i>
<b>BOARD OF DIRECTORS</b>	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 (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
<b>HOTEL</b>	The Fortress , Koggala.
<b>REGISTERED OFFICE</b>	Level 27, East Tower World Trade Center Echelon Square Colombo 01
<b>SECRETARIES</b>	P W Corporate Secretarial (Pvt) Ltd. 3/17, Kynsey Road Colombo 08
<b>AUDITORS</b>	Ernst & Young Chartered Accountants 201, De Seram Place Colombo 10
<b>BANKERS</b>	Bank of Ceylon Hatton National Bank PLC Sampath Bank PLC Pan Asia Banking Corporation PLC