



THE FORTRESS RESORTS PLC

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2013 Rs. '000	As.At 31.03.2013 Audited Rs. '000	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,141,175	1,180,139	(3)
Working Progress	2,929	-	
Intangible Assets	5,543	6,007	(8)
	<u>1,149,647</u>	<u>1,186,146</u>	(3)
Current Assets			
Inventories	14,888	15,233	(2)
Trade and Other Receivables	34,116	59,352	(43)
Advances and Prepayments	20,366	17,571	16
Income Tax Receivable	221	163	36
Short Term Deposits	241,535	200,000	21
Cash and Bank Balances	6,988	12,249	(43)
	<u>318,114</u>	<u>304,568</u>	4
Total Assets	<u>1,467,761</u>	<u>1,490,714</u>	(2)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	
Accumulated losses	(54,626)	(70,785)	(23)
Total Equity	<u>1,054,241</u>	<u>1,038,082</u>	2
Non-Current Liabilities			
Interest Bearing Borrowings	245,377	296,710	17
Retirement Benefit Obligations	5,542	5,219	(6)
Deferred Tax Liability	24,283	24,283	
	<u>275,202</u>	<u>326,212</u>	16
Current Liabilities			
Trade and Other Payables	71,353	48,322	(48)
Interest Bearing Loans & Borrowings	66,965	78,098	14
	<u>138,318</u>	<u>126,420</u>	(9)
Total Equity and Liabilities	<u>1,467,761</u>	<u>1,490,714</u>	2
Net Asset Value per Share (Rs.)	9.51	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
31 October 2013

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

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

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

	FOR 3 MONTHS ENDED		Change	YEAR TODATE		Change
	30.09.2013	30.09.2012	%	30.09.2013	30.09.2012	%
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
Revenue	130,416	124,812	4	222,553	210,663	6
Cost of Sales	(37,460)	(30,520)	(23)	(69,397)	(54,707)	(27)
Gross Profit	<u>92,956</u>	<u>94,292</u>	(1)	<u>153,156</u>	<u>155,956</u>	(2)
Other Income	19,943	11,192	78	26,046	23,012	13
Selling & Marketing Expenses	(5,576)	(11,408)	51	(10,331)	(16,853)	39
Administrative Expenses	(63,801)	(53,228)	(20)	(123,170)	(105,934)	(16)
Finance Cost	(11,687)	(13,054)	10	(24,473)	(25,169)	3
Finance Income	8,567	2,611	228	17,180	4,336	296
Profit/(Loss) before Tax	<u>40,402</u>	<u>30,405</u>	33	<u>38,408</u>	<u>35,348</u>	9
Income Tax Expense	(4,317)	-	-	(5,749)	-	-
Profit / (Loss) for the period	<u><u>36,086</u></u>	<u><u>30,405</u></u>	19	<u><u>32,659</u></u>	<u><u>35,348</u></u>	(8)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income for the period net of Tax	<u><u>36,086</u></u>	<u><u>30,405</u></u>	19	<u><u>32,659</u></u>	<u><u>35,348</u></u>	(8)
Attributable to:						
Equity holders of the parent	<u><u>36,086</u></u>	<u><u>30,405</u></u>	19	<u><u>32,659</u></u>	<u><u>35,348</u></u>	(8)
Earnings / (Loss) per share - Basic / Diluted (Rs.)	0.33	0.27	19	0.29	0.32	(8)

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

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

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2013 Rs. '000	As.At 31.03.2013 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	138	-
Cash & Cash Equivalents	36	36	-
	<u>174</u>	<u>174</u>	-
Total Assets	<u>1,000,184</u>	<u>1,000,184</u>	-
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	1,108,867	1,108,867	-
Accumulated losses	(125,209)	(136,728)	(8)
Total Equity	<u>983,658</u>	<u>972,139</u>	1
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	-	
Retirement Benefit Obligation	-	-	
	<u>-</u>	<u>-</u>	
Current Liabilities			
Trade Creditors & Other Payables	16,525	28,044	(41)
Interest Bearing Loans and Borrowings	1	1	-
	<u>16,526</u>	<u>28,045</u>	(41)
Total Equity and Liabilities	<u>1,000,184</u>	<u>1,000,184</u>	-
Net Assets value per share	8.87	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
31 October 2013

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 TH SEPTEMBER 2013

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2013	30.09.2012	%	30.09.2013	30.09.2012	%
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
Revenue	-	-		-	-	-
Cost of Sales	-	-		-	-	-
Gross Profit	-	-		-	-	-
Other Income	15,000	-		15,000	-	-
Selling & Marketing Expenses	-	-		-	-	-
Administrative Expenses	(2,593)	(3,932)	(34)	(3,480)	(4,019)	(13)
Finance Cost	-	-		(1)	-	
Finance Income	-	-		-	-	-
Profit/(Loss) before Tax	12,407	(3,932)	416	11,519	(4,019)	387
Income Tax Expenses	-	-	-	-	-	-
Profit /(Loss) for the period	12,407	(3,932)	416	11,519	(4,019)	387
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income for the period	12,407	(3,932)		11,519	(4,019)	
Earnings / (Loss) per share for the period	0.11	(0.04)	416	0.10	(0.04)	387

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

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

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
30 TH SEPTEMBER 2013

Consolidated	Stated Capital	Accumulated	Total
	Rs. '000	Losses	
		Rs. '000	Rs. '000
Balance as at 01st April 2012	1,108,867	(224,420)	884,447
Net Profit / (Loss) for the year	-	153,635	153,635
Balance as at 31 st March 2013	<u>1,108,867</u>	<u>(70,785)</u>	<u>1,038,082</u>
Net Profit / (Loss) for the period	-	32,659	32,659
Dividend Payment		(16,500)	(16,500)
Balance as at 30 th September 2013	<u><u>1,108,867</u></u>	<u><u>(54,626)</u></u>	<u><u>1,054,241</u></u>
Company	Stated	Accumulated	Total
	Capital	Loss	
	Rs. '000	Rs. '000	Rs. '000
Balance as at 01st April 2012	1,108,867	(131,089)	977,778
Net Profit / (Loss) for the year	-	(5,639)	(5,639)
Balance as at 31 st March 2013	<u>1,108,867</u>	<u>(136,728)</u>	<u>972,139</u>
Net Profit / (Loss) for the period	-	11,519	11,519
Balance as at 30 th September 2013	<u><u>1,108,867</u></u>	<u><u>(125,209)</u></u>	<u><u>983,658</u></u>

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

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

CASH FLOW STATEMENT FOR THE PERIOD ENDED
30 TH SEPTEMBER

	FOR THE PERIOD ENDED		FOR THE PERIOD 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	38,408	35,348	11,519	(4,019)
Adjustments for				
Depreciation	49,589	36,897	-	-
Amortisation	464	-	-	-
Finance Cost	24,473	25,169	-	-
Finance Income	(17,180)	(4,251)	-	-
Exchange Gain	(681)	(4,335)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(15)	462	-	-
Provision for Defined Benefit Obligation	829	(6,250)	-	-
Operating Profit/(Loss) before Working Capital Changes	95,887	83,040	11,519	(4,019)
(Increase)/ Decrease in Inventories	346	(749)	-	-
(Increase)/ Decrease in Trade and Other Receivables	32,817	20,871	-	-
Increase /(Decrease) in Trade and Other Payables	12,579	(2,427)	(11,520)	4,019
Cash Generated from / (Used in) Operations	141,629	100,735	(1)	-
Finance Cost Paid	(24,933)	(24,908)	-	-
Income Tax Paid	(5,165)	(766)	-	-
Defined Benefit Obligation paid	(507)	-	-	-
Net Cash From / (used in) Operating Activities	111,024	75,061	(1)	-
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property, Plant & Equipment	15	8,017	-	-
Acquisition of Property, Plant & Equipment	(13,554)	(14,969)	-	-
Acquisition of Intangible Assets	-	(947)	-	-
Finance Income Received	17,074	4,335	-	-
Investment In Short term Deposits	(41,535)	-	-	-
Net Cash from/(Used in) Investing Activities	(38,000)	(3,564)	-	-
Cash Flows from (Used in) Financing Activities				
Re-payment of Bank Loans	(46,259)	(25,557)	-	-
Dividends Paid	(16,500)	-	-	-
Principal Payment under Finance Lease Liabilities	(5,073)	(5,496)	-	-
Net Cash from/(Used in) Financing Activities	(67,832)	(31,053)	-	-
Effect of Exchange rates changes on Cash & Cash Equivalent	681	4,251	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	5,873	44,695	(1)	-
Cash and Cash Equivalents at the beginning of the year	(4,497)	41,478	36	36
Cash and Cash Equivalents at the end of the period	1,376	86,173	35	36
For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following:				
Cash at Bank & In Hand	6,988	96,450	36	36
Bank Overdraft	(5,612)	(10,277)	(1)	-
	1,376	86,173	35	36
Note :The above figures for the interim period are subject to audit.				

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 TH SEPTEMBER

1. Market Price of Ordinary Shares

	30.09.2013	30.09.2012
Highest Price Per Share for the Quarter	16.20	22.10
Lowest Price Per Share for the Quarter	13.00	12.90
Last Traded	13.70	20.20

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

3. The Statement of Financial Position of the compnay and group as at 30 th September 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 30 th September 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 September 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 30 th September



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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 TH SEPTEMBER 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 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 September 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. 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	
Mr.W.D.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	300,000	0.271
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.Adhietty(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