



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 ST DECEMBER 2013**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	As.At 31.12.2013	As.At 31.03.2013	Change %
	Rs. '000	Audited Rs. '000	
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,124,114	1,180,139	(5)
Working Progress	377	-	-
Intangible Assets	5,034	6,007	(16)
	<u>1,129,525</u>	<u>1,186,146</u>	(5)
Current Assets			
Inventories	18,929	15,233	24
Trade and Other Receivables	49,985	59,352	(16)
Advances and Prepayments	15,513	17,571	(12)
Income Tax Receivable	-	163	(100)
Short Term Deposits	280,000	200,000	40
Cash and Bank Balances	3,569	12,249	(71)
	<u>367,996</u>	<u>304,568</u>	21
Total Assets	<u>1,497,521</u>	<u>1,490,714</u>	-
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profit/(Losses)	2,444	(70,785)	(103)
Total Equity	<u>1,111,311</u>	<u>1,038,082</u>	7
Non-Current Liabilities			
Interest Bearing Borrowings	185,093	296,710	38
Retirement Benefit Obligations	5,956	5,219	(14)
Deferred Tax Liability	24,284	24,283	-
	<u>215,333</u>	<u>326,212</u>	34
Current Liabilities			
Trade and Other Payables	104,181	48,322	(116)
Interest Bearing Loans & Borrowings	66,697	78,098	15
	<u>170,878</u>	<u>126,420</u>	(35)
Total Equity and Liabilities	<u>1,497,521</u>	<u>1,490,714</u>	-
Net Asset Value per Share (Rs.)	10.02	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
17 January 2014

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
31 ST DECEMBER 2013

	FOR 3 MONTHS ENDED		Change	YEAR TODATE		Change
	31.12.2013	31.12.2012	%	31.12.2013	31.12.2012	%
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
Revenue	189,008	155,816	21	411,561	366,479	12
Cost of Sales	(48,013)	(35,655)	(35)	(117,410)	(90,362)	(30)
Gross Profit	140,995	120,161	17	294,151	276,117	7
Other Income	8,629	8,797	(2)	34,675	31,809	9
Selling & Marketing Expenses	(6,570)	(7,056)	7	(16,901)	(19,890)	15
Administrative Expenses	(77,859)	(56,187)	(39)	(201,029)	(166,622)	(21)
Finance Cost	(8,941)	(13,581)	34	(33,414)	(38,750)	14
Finance Income	9,046	5,230	73	26,226	9,566	174
Profit/(Loss) before Tax	65,300	57,364	14	103,708	92,230	12
Income Tax Expense	(8,246)	-	-	(13,996)	-	-
Profit / (Loss) for the period	57,054	57,364	(1)	89,712	92,230	(3)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income for the period net of Tax	57,054	57,364	(1)	89,712	92,230	(3)
Attributable to:						
Equity holders of the parent	57,054	57,364	(1)	89,712	92,230	(3)
Earnings / (Loss) per share - Basic / Diluted (Rs.)	0.51	0.52	(1)	0.81	0.83	(3)

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2013

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER

	As.At 31.12.2013 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	89	138	(36)
Cash & Cash Equivalents	36	36	-
	<u>125</u>	<u>174</u>	(28)
Total Assets	<u>1,000,135</u>	<u>1,000,184</u>	
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	1,108,867	1,108,867	-
Accumulated losses	<u>(126,087)</u>	<u>(136,728)</u>	(8)
Total Equity	<u>982,780</u>	<u>972,139</u>	1
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	-	
Retirement Benefit Obligation	<u>-</u>	<u>-</u>	
	<u>-</u>	<u>-</u>	
Current Liabilities			
Trade Creditors & Other Payables	17,355	28,044	(38)
Interest Bearing Loans and Borrowings		1	(100)
	<u>17,355</u>	<u>28,045</u>	(38)
Total Equity and Liabilities	<u>1,000,135</u>	<u>1,000,184</u>	
Net Assets value per share	8.86	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
17 January 2014

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2013

COMPANY, STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
31 ST DECEMBER

	FOR 3 MONTHS ENDED			YEAR TO DATE		
	31.12.2013	31.12.2012	Change %	31.12.2013	31.12.2012	Change %
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
Revenue	-	-		-	-	-
Cost of Sales	-	-		-	-	-
Gross Profit	-	-		-	-	-
Other Income	-	-		15,000	-	-
Selling & Marketing Expenses	-	-		-	-	-
Administrative Expenses	(877)	(481)	82	(4,358)	(4,500)	(3)
Finance Cost		(1)		(1)	(1)	
Finance Income	-	-		-	-	-
Profit/(Loss) before Tax	(877)	(482)	(82)	10,641	(4,501)	(336)
Income Tax Expenses	-	-	-	-	-	-
Profit /(Loss) for the period	<u>(877)</u>	<u>(482)</u>	(82)	<u>10,641</u>	<u>(4,501)</u>	(336)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income for the period	<u>(877)</u>	<u>(482)</u>		<u>10,641</u>	<u>(4,501)</u>	
Earnings / (Loss) per share for the period	(0.01)	(0.00)	(82)	0.10	(0.04)	(336)

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2013

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
31 ST DECEMBER 2013

Consolidated	Stated Capital	Accumulated Losses	Total
	Rs. '000	Rs. '000	Rs. '000
Balance as at 01st April 2012	1,108,867	(224,403)	884,464
Net Profit / (Loss) for the year	-	153,635	153,635
Balance as at 31 st March 2013	<u>1,108,867</u>	<u>(70,768)</u>	<u>1,038,099</u>
Net Profit / (Loss) for the period	-	89,712	89,712
Dividend Payment		(16,500)	(16,500)
Balance as at 31 st December 2013	<u>1,108,867</u>	<u>2,444</u>	<u>1,111,311</u>
Company	Stated Capital	Accumulated Loss	Total
	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	-	10,641	10,641
Balance as at 31 st December 2013	<u>1,108,867</u>	<u>(126,087)</u>	<u>982,780</u>

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

THE FORTRESS RESORTS PLC**INTERIM FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 ST DECEMBER 2013****CASH FLOW STATEMENT FOR THE PERIOD ENDED
31 ST DECEMBER**

	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	103,708	92,230	10,641	(4,501)
Adjustments for				
Depreciation	76,916	56,813	-	-
Amortisation	973	-	-	-
Finance Cost	33,413	38,750	-	-
Finance Income	(26,226)	(4,768)	-	-
Exchange Gain	(1,541)	(9,566)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(15)	710	-	-
Provision for Defined Benefit Obligation	1,244	(6,250)	-	-
Operating Profit/(Loss) before Working Capital Changes	188,472	167,919	10,641	(4,501)
(Increase)/ Decrease in Inventories	(3,696)	(808)	-	-
(Increase)/ Decrease in Trade and Other Receivables	21,031	15,185	48	-
Increase /(Decrease) in Trade and Other Payables	46,378	31,557	(10,689)	4,501
Increase /(Decrease) in Amount Payable to Directors				
Cash Generated from / (Used in) Operations	252,185	213,853	-	-
Finance Cost Paid	(34,052)	(979)	-	-
Defined Benefit Plan Costs paid				-
Income Tax Paid				-
Income Tax Paid	(10,255)	(38,783)	-	-
Defined Benefit Obligation paid	(507)	(40)	-	-
Net Cash From / (used in) Operating Activities	207,371	174,051	-	-
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property, Plant & Equipment	15	(22,874)	-	-
Acquisition of Property, Plant & Equipment	(21,268)	8,017	-	-
Acquisition of Intangible Assets	-	(1,531)	-	-
Finance Income Received	23,181	9,566	-	-
Investment In Short term Deposits	(80,000)	-	-	-
Net Cash from/(Used in) Investing Activities	(78,072)	(6,822)	-	-
Cash Flows from (Used in) Financing Activities				
Issue of Shares				
Investment In Subsidiaries				
Proceeds From Issuance of Share Capital		-		-
Proceeds From Interest Bearing Loans & Borrowings				
Deferred Expenditure incurred				
Principal Payment under Finance Lease Liabilities				
Proceeds From Issuance of Share Capital				
Dividends Paid				
Re-payment of Bank Loans	(104,000)	(47,514)	-	-
Dividends Paid	(16,500)			
Principal Payment under Finance Lease Liabilities	(7,617)	(5,896)	-	-
Net Cash from/(Used in) Financing Activities	(128,117)	(53,410)	-	-
Effect of Exchange rates changes on Cash & Cash Equivalent	1,541	4,768	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	2,723	118,587	-	-
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	(1,774)	160,065	36	36
For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following:				
Bank Deposits	-			-
Cash at Bank & In Hand	3,571	166,316	36	36
Bank Overdraft	(5,345)	(6,251)		-
	(1,774)	160,065	36	36

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

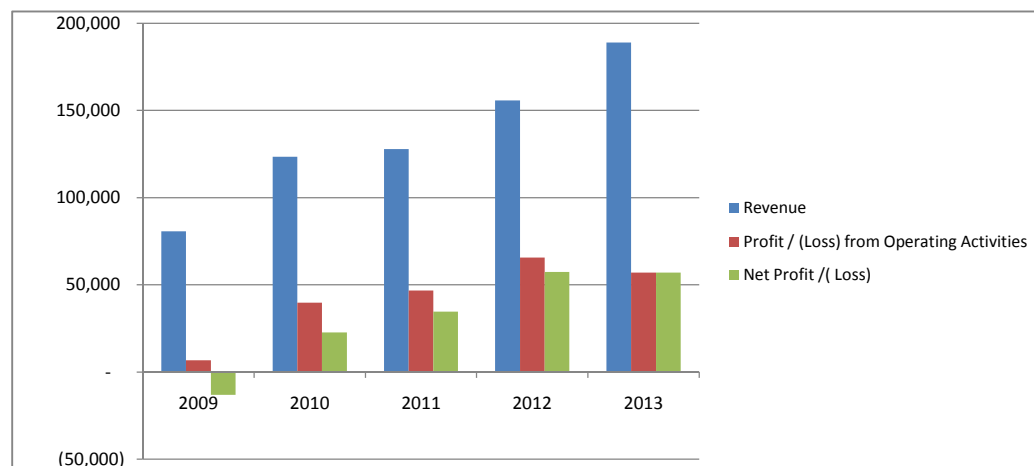
THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2013

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 ST DECEMBER

1. Market Price of Ordinary Shares

	31.12.2013	31.12.2012
Highest Price Per Share for the Quarter	15.50	20.30
Lowest Price Per Share for the Quarter	13.20	14.60
Last Traded	13.40	16.30

2. Financial year of the company / group ends on 31st March . Interim figures are for three months ended 31 st December 2013.
3. The Statement of Financial Position of the compnay and group as at 31 st December 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 December 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 December 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 December



10. The percentage of the shares held by public as at 31 st December 2013 was 27.82% (31 December 2012 - 27.834 %)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 ST DECEMBER 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 31 st December 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
Mr.Jan Peter Van Twest	Nil	-

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 R Manoharan	291,000	0.262
20	Sakuvi Investment Trust (Private) Limited	284,166	0.256

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. 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 Mr.Jan Peter Van Twest
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