



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 ST MARCH 2014**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	As.At 31.03.2014 Rs. '000	As.At 31.03.2013 Audited Rs. '000	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,104,287	1,180,139	(6)
Intangible Assets	5,150	6,007	(14)
	<u>1,109,437</u>	<u>1,186,146</u>	(6)
Current Assets			
Inventories	16,610	15,233	9
Trade and Other Receivables	55,473	59,352	(7)
Advances and Prepayments	19,624	17,571	12
Income Tax Receivable	137	163	(16)
Short Term Deposits	175,000	200,000	(13)
Cash and Bank Balances	20,914	12,249	71
	<u>287,758</u>	<u>304,568</u>	(6)
Total Assets	<u>1,397,195</u>	<u>1,490,714</u>	(6)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profit/(Losses)	105,893	(70,785)	(250)
Total Equity	<u>1,214,760</u>	<u>1,038,082</u>	17
Non-Current Liabilities			
Interest Bearing Borrowings	12,452	296,710	96
Retirement Benefit Obligations	6,692	5,219	(28)
Deferred Tax Liability	25,997	24,283	7
	<u>45,141</u>	<u>326,212</u>	86
Current Liabilities			
Trade and Other Payables	68,379	48,322	(42)
Income Tax Payables	10,670	-	
Interest Bearing Loans & Borrowings	58,245	78,098	25
	<u>137,294</u>	<u>126,420</u>	(9)
Total Equity and Liabilities	<u>1,397,195</u>	<u>1,490,714</u>	6
Net Asset Value per Share (Rs.)	10.95	9.36	

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

Sgd
Chief Financial Officer

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

Sgd
Director

Sgd
Director

Colombo
16 May 2014

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
31 ST MARCH 2014

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2014	31.03.2013	%	31.03.2014	31.03.2013	%
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
Revenue	238,965	211,245	13	650,526	577,724	13
Cost of Sales	(48,502)	(54,732)	11	(165,912)	(145,094)	(14)
Gross Profit	190,463	156,513	22	484,614	432,630	12
Other Income	(4,655)	8,231	(157)	30,020	40,041	(25)
Selling & Marketing Expenses	(10,642)	(4,225)	(152)	(27,543)	(24,115)	(14)
Administrative Expenses	(74,000)	(83,517)	11	(275,029)	(251,277)	(9)
Finance Cost	(5,830)	(13,695)	57	(39,244)	(52,445)	25
Finance Income	7,951	7,336	8	34,177	16,902	102
Profit/(Loss) before Tax	103,287	70,643	46	206,995	161,736	28
Income Tax Expense	(16,112)	(8,101)	-	(30,107)	(8,101)	-
Profit / (Loss) for the period	87,175	62,542	39	176,888	153,635	15
Other Comprehensive Income	-	-		-	-	
Actuarial Loss on Defined Benefit Plan	(234)	-		(234)	-	
Income tax effect	24	-		24	-	
Other comprehensive Loss for the year, net of tax	(210)	-		(210)	-	
Total Comprehensive Income for the period net of Tax	86,965	62,542	39	176,678	153,635	15
Attributable to:						
Equity holders of the parent	86,965	62,542	39	176,678	153,635	15
Earnings / (Loss) per share - Basic / Diluted (Rs.)	0.78	0.56	39	1.60	1.39	16

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2014

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

	As.At 31.03.2014	As.At 31.03.2013	Change %
	Rs. '000	Audited Rs. '000	
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	137	138	(1)
Cash & Cash Equivalents	36	36	-
	<u>173</u>	<u>174</u>	(1)
Total Assets	<u>1,000,183</u>	<u>1,000,184</u>	(0.0)
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	1,108,867	1,108,867	-
Accumilated losses	(127,156)	(136,728)	(7)
Total Equity	<u>981,711</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	18,473	28,044	(34)
Interest Bearing Loans and Borrowings	-	1	(100)
	<u>18,473</u>	<u>28,045</u>	(34)
Total Equity and Liabilities	<u>1,000,184</u>	<u>1,000,184</u>	-
Net Assets value per share	8.85	8.77	

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

Sgd
Chief Financial Officer

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

Sgd
Director

Sgd
Director

Colombo
16 May 2014

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2014

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

	FOR 3 MONTHS ENDED			YEAR TO DATE		
	31.03.2014	31.03.2013	Change	31.03.2014	31.03.2013	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	-	-		-	-	-
Cost of Sales	-	-		-	-	-
Gross Profit	-	-		-	-	-
Other Income	-	-		16,500	-	-
Selling & Marketing Expenses	-	-		-	-	-
Administrative Expenses	(1,070)	(1,138)	(6)	(5,428)	(5,639)	(4)
Finance Cost	-	-		-	-	
Finance Income	-	-		-	-	-
Profit/(Loss) before Tax	(1,070)	(1,138)	6	11,072	(5,639)	(296)
Income Tax Expenses	-	-	-	(1,500)	-	
Profit /(Loss) for the period	<u>(1,070)</u>	<u>(1,138)</u>	6	<u>9,572</u>	<u>(5,639)</u>	(270)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income/(Loss) for the period	<u>(1,070)</u>	<u>(1,138)</u>		<u>9,572</u>	<u>(5,639)</u>	
Earnings / (Loss) per share for the period	(0.01)	(0.01)	6	0.09	(0.05)	(270)

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2014

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
31 ST MARCH 2014

Group	Stated Capital	Accumulated	Total
	Rs. '000	Profit/(Losses)	Rs. '000
		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	-	176,888	176,888
Other Comprehensive Income		(210)	-
			(210)
Balance as at 31 st March 2014	<u><u>1,108,867</u></u>	<u><u>105,893</u></u>	<u><u>1,214,760</u></u>
Company	Stated	Accumulated	Total
	Capital	Profit/(Losses)	
	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	-	9,572	9,572
Balance as at 31 st March 2014	<u><u>1,108,867</u></u>	<u><u>(127,156)</u></u>	<u><u>981,711</u></u>

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2014

CASH FLOW STATEMENT FOR THE PERIOD ENDED
31 ST MARCH

	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
	Group		Company	
	2014	2013	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows From / (Used in) Operating Activities				
Profit/(Loss) before tax	206,995	161,736	11,072	(5,639)
Adjustments for				
Depreciation	104,898	106,363	-	-
Amortisation	1,503	1,238	-	-
Finance Cost	39,244	52,445	-	-
Finance Income	(34,177)	(16,902)	-	-
Dividend Income	-	-	(16,500)	-
Exchange Gain	(2,450)	(4,321)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	99	(7,481)	-	-
Provision for Defined Benefit Obligation	1,925	2,087	-	-
Operating Profit/(Loss) before Working Capital Changes	318,037	295,165	(5,428)	(5,639)
(Increase)/ Decrease in Inventories	(1,377)	(1,342)	-	-
(Increase)/ Decrease in Trade and Other Receivables	1,827	3,986	-	-
Increase /(Decrease) in Trade and Other Payables	19,382	(7,174)	(9,571)	5,639
Cash Generated from / (Used in) Operations	337,869	290,635	(14,999)	-
Finance Cost Paid	(39,244)	(52,445)	-	-
Income Tax Paid	(16,225)	(2,491)	-	-
Defined Benefit Obligation paid	(686)	(749)	-	-
Net Cash From / (used in) Operating Activities	281,714	234,950	(14,999)	-
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property,Plant & Equipment	(99)	7,481	-	-
Acquisition of Property, Plant & Equipment	(29,821)	(27,660)	-	-
Acquisition of Intangible Assets	(645)	(1,056)	-	-
Finance Income Received	34,177	16,902	-	-
Dividend Received	-	-	16,500	-
Investment In Short term Deposits	25,000	(160,000)	-	-
Net Cash from/(Used in) Investing Activities	28,612	(164,333)	16,500	-
Cash Flows from (Used in) Financing Activities				
Re-payment of Bank Loans	(279,000)	(73,513)	-	-
Principal Payment under Finance Lease Liabilities	(10,242)	(7,398)	-	-
Net Cash from/(Used in) Financing Activities	(289,242)	(80,911)	-	-
Effect of Exchange rates changes on Cash & Cash Equivalent	2,450	4,321	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	21,084	(10,295)	-	-
Cash and Cash Equivalents at the beginning of the year	(4,497)	1,477	36	36
Cash and Cash Equivalents at the end of the period	19,037	(4,497)	36	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	20,913	12,249	36	37
Bank Overdraft	(1,876)	(16,746)	-	(1)
	19,037	(4,497)	36	36

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2014

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

1. Market Price of Ordinary Shares

	31.03.2014	31.03.2013
Highest Price Per Share for the Quarter	14.70	18.20
Lowest Price Per Share for the Quarter	12.70	13.90
Last Traded	13.30	15.00

2. Financial year of the company / group ends on 31st March . Interim figures are for three months ended 31 March 2014

3. The Statement of Financial Position of the company and group as at 31 st March 2014 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.

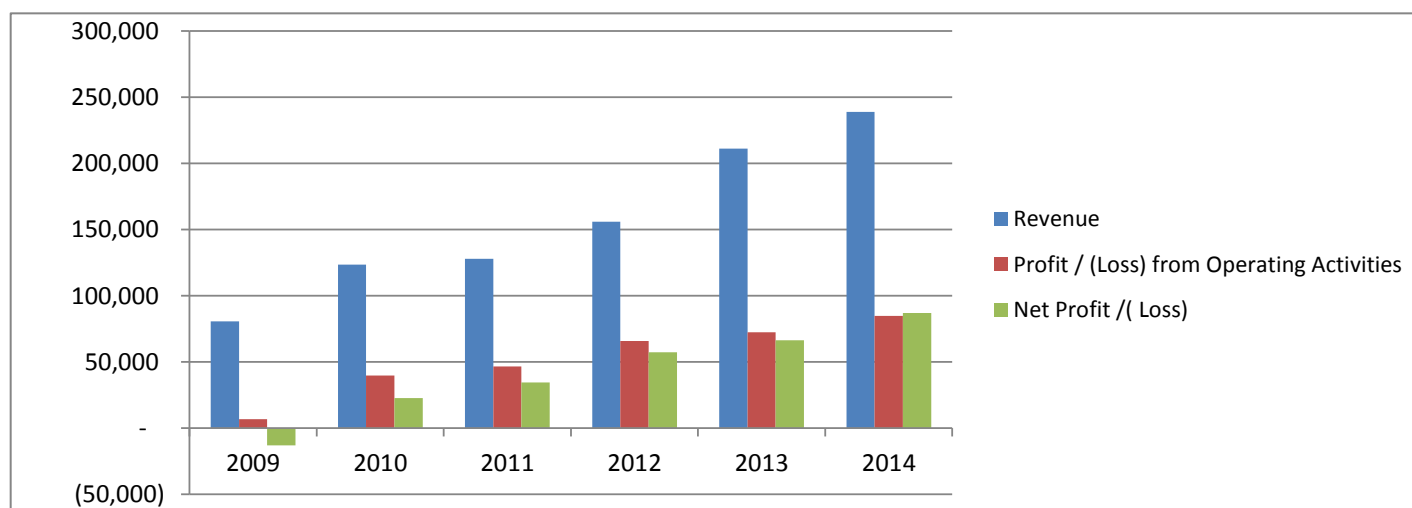
5. All values included in these Financial Statements are in Rs.'000 unless otherwise stated.

6. There have been no other material events that took place since 31 March 2014, 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 2014, 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 31 st March



10. The percentage of the shares held by public as at 31 st March 2014 was 18.516% (31 March 2013 - 27.82 %)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 ST MARCH 2014

11. The interim financial statements are unaudited 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 March 2014 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.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.P.B. Perera)	89	0.000
Mr.Jan Peter Van Twest	Nil	-
Mr.C.V.Cabraal	Nil	-

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

	Name of the Share Holder	No of Shares	%
1	M J F HOLDINGS LTD	28,616,411	25.807
2	VALLIBEL LEISURE (PRIVATE) LIMITED	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 ARIYARATNA	1,404,500	1.267
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 AMARASEK	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	MR. A P L FERNANDO	285,876	0.258

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.P.B.Perera) Mr.D.E.Silva Mr. L.N.De Silva Wijeyeratne Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama) Mr.P.B. Perera Mr.Jan Peter Van Twest Mr.C.V.Cabraal
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