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## **THE FORTRESS RESORTS PLC**

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**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
30 TH SEPTEMBER 2014**

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH SEPTEMBER 2014**

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

	As.At 30.09.2014	As.At 31.03.2014 Audited	Change %
	Rs. '000	Rs. '000	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1,073,054	1,104,287	(3)
Intangible Assets	4,361	5,150	(15)
	<u>1,077,415</u>	<u>1,109,437</u>	(3)
<b>Current Assets</b>			
Inventories	18,691	16,610	13
Trade and Other Receivables	27,602	55,473	(50)
Advances and Prepayments	27,968	19,624	43
Income Tax Receivables	137	137	-
Short Term Investments	235,000	175,000	34
Cash and Bank Balances	4,360	20,914	(79)
	<u>313,758</u>	<u>287,758</u>	9
<b>Total Assets</b>	<u><b>1,391,173</b></u>	<u><b>1,397,195</b></u>	(0.4)
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	145,073	105,893	37
<b>Total Equity</b>	<u>1,253,940</u>	<u>1,214,760</u>	3
<b>Non-Current Liabilities</b>			
Interest Bearing Loan and Borrowings	11,550	12,452	7
Retirement Benefit Obligations	7,493	6,692	(12)
Deferred Tax Liability	25,997	25,997	-
	<u>45,040</u>	<u>45,141</u>	
<b>Current Liabilities</b>			
Trade and Other Payables	84,004	68,379	(23)
Income Tax Payables	993	10,670	91
Interest Bearing Loans and Borrowings	7,196	58,245	88
	<u>92,193</u>	<u>137,294</u>	33
<b>Total Equity and Liabilities</b>	<u><b>1,391,173</b></u>	<u><b>1,397,195</b></u>	0.4
<b>Net Asset Value per Share (Rs.)</b>	11.31	10.95	

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**  
**10 November 2014**

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 2014**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2014	30.09.2013	%	30.09.2014	30.09.2013	%
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
<b>Revenue</b>	136,281	130,416	4	256,976	222,553	15
Cost of Sales	(39,895)	(37,460)	(7)	(78,368)	(69,397)	(13)
Gross Profit	<u>96,386</u>	<u>92,956</u>	4	<u>178,608</u>	<u>153,156</u>	17
Other Income	6,180	4,943	25	12,555	11,046	14
Selling and Marketing Expenses	(7,089)	(5,576)	(27)	(11,584)	(10,331)	(12)
Administrative Expenses	(72,395)	(63,801)	(13)	(141,204)	(123,170)	(15)
Finance Cost	(696)	(11,687)	94	(1,674)	(24,473)	93
Finance Income	4,600	8,567	(46)	9,063	17,180	(47)
<b>Profit/(Loss) before Tax</b>	<u>26,986</u>	<u>25,402</u>	6	<u>45,764</u>	<u>23,408</u>	96
Income Tax Expenses	(3,654)	(4,317)	15	(6,584)	(5,749)	(15)
<b>Profit / (Loss) for the period</b>	<u>23,332</u>	<u>21,086</u>	11	<u>39,180</u>	<u>17,659</u>	122
<b>Other Comprehensive Income</b>	-	-		-	-	
<b>Total Comprehensive Income for the period net of Tax</b>	<u>23,332</u>	<u>21,086</u>	11	<u>39,180</u>	<u>17,659</u>	122
<b>Attributable to:</b>						
Equity holders of the parent	<u>23,332</u>	<u>21,086</u>	11	<u>39,180</u>	<u>17,659</u>	122
Earnings / (Loss) per share - Basic / Diluted (Rs.)	0.21	0.19	11	0.35	0.16	122

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 2014**

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

	As.At 30.09.2014  Rs. '000	As.At 31.03.2014 Audited Rs. '000	Change %
<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>			
Trade and Other Receivables	107,805	0	-
Income Tax Receivables	137	137	
Cash & Cash Equivalents	36	36	-
	<u>107,978</u>	<u>173</u>	62,315
<b>Total Assets</b>	<b><u>1,107,988</u></b>	<b><u>1,000,183</u></b>	11
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated losses	(922)	(127,156)	99
<b>Total Equity</b>	<b><u>1,107,945</u></b>	<b><u>981,711</u></b>	13
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	-	-	
Retirement Benefit Obligations	-	-	
	<u>-</u>	<u>-</u>	
<b>Current Liabilities</b>			
Trade Creditors & Other Payables	43	18,472	100
Interest Bearing Loans and Borrowings	-	-	
	<u>43</u>	<u>18,472</u>	100
<b>Total Equity and Liabilities</b>	<b><u>1,107,988</u></b>	<b><u>1,000,183</u></b>	(11)
Net Asset value per share (Rs.)	9.99	8.85	

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**  
**10 November 2014**

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 2014**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2014	30.09.2013	%	30.09.2014	30.09.2013	%
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
<b>Revenue</b>	-	-		-	-	-
Cost of Sales	-	-		-	-	-
<b>Gross Profit</b>	-	-		-	-	-
Other Income	130,000	16,500	688	130,000	16,500	688
Selling and Marketing Expenses	-	-		-	-	-
Administrative Expenses	(1,276)	(2,593)	51	(3,765)	(3,480)	(8)
Finance Cost	-	-		(1)	(1)	
Finance Income	-	-		-	-	-
<b>Profit/(Loss) before Tax</b>	128,724	13,907	826	126,234	13,019	870
Income Tax Expenses						
<b>Profit /(Loss) for the period</b>	<u>128,724</u>	<u>13,907</u>	826	<u>126,234</u>	<u>13,019</u>	870
<b>Other Comprehensive Income</b>						
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>128,724</u>	<u>13,907</u>	826	<u>126,234</u>	<u>13,019</u>	870
Earnings / (Loss) per share for the period	1.16	0.13	826	1.14	0.12	870

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 2014**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED**  
**30 TH SEPTEMBER 2014**

<b>Group</b>	<b>Stated Capital</b>	<b>Accumulated</b>	<b>Total</b>
	<b>Rs. '000</b>	<b>Profit/(Losses)</b>	
		<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Balance as at 01st April 2014</b>	1,108,867	105,893	1,214,760
Net Profit / ( Loss) for the Period	-	39,180	39,180
<b>Balance as at 30 th September 2014</b>	<u>1,108,867</u>	<u>145,073</u>	<u>1,253,940</u>
<b>Balance as at 01st April 2013</b>	1,108,867	(70,785)	1,038,082
Net Profit / ( Loss) for the period	-	17,659	17,659
<b>Balance as at 30 September 2013</b>	<u>1,108,867</u>	<u>(53,126)</u>	<u>1,055,741</u>
<b>Company</b>	<b>Stated</b>	<b>Accumulated</b>	<b>Total</b>
	<b>Capital</b>	<b>Profit/(Losses)</b>	
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Balance as at 01st April 2014</b>	1,108,867	(127,156)	981,711
Net Profit / ( Loss) for the Period	-	126,234	126,234
<b>Balance as at 30 th September 2014</b>	<u>1,108,867</u>	<u>(922)</u>	<u>1,107,945</u>
<b>Balance as at 01st April 2013</b>	1,108,867	(136,728)	972,139
Net Profit / ( Loss) for the period	-	13,019	13,019
<b>Balance as at 30 September 2013</b>	<u>1,108,867</u>	<u>(123,709)</u>	<u>985,158</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 2014****CASH FLOW STATEMENT FOR THE PERIOD ENDED  
30 TH SEPTEMBER**

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2014	2013	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit/(Loss) before tax	45,764	23,408	126,234	11,519
<b>Adjustments for</b>				
Depreciation	52,178	49,589	-	-
Amortisation	789	464		
Finance Cost	1,673	24,473	1	-
Finance Income	(9,063)	(17,180)	-	-
Exchange Gain	(328)	(681)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	100	(15)	-	-
Provision for Defined Benefit Obligation	1,033	829	-	-
Operating Profit/(Loss) before Working Capital Changes	92,146	80,887	126,235	11,519
(Increase)/ Decrease in Inventories	(2,081)	346	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	19,528	32,817	(107,805)	-
Increase /(Decrease) in Trade and Other Payables	15,625	11,079	(18,429)	(11,520)
Cash Generated from / (Used in) Operations	125,218	125,129	1	(1)
Finance Cost Paid	(1,673)	(24,933)	(1)	-
Income Tax Paid	(16,262)	(5,165)		-
Gratuity Paid	(231)	(507)		
Net Cash From / (used in) Operating Activities	107,052	94,524	-	(1)
<b>Cash Flows from / (Used in) Investing Activities</b>				
Proceeds from Disposal of Property, Plant & Equipment	-	15	-	-
Acquisition of Property, Plant & Equipment	(20,650)	(13,554)	-	-
Finance Income Received	8,667	17,074	-	-
Investment In Short term Investment	(60,000)	(41,535)	-	-
Net Cash from/(Used in) Investing Activities	(71,983)	(38,000)	-	-
<b>Cash Flows from (Used in) Financing Activities</b>				
Re-payment of Bank Loans	(45,000)	(46,259)	-	-
Principal Payment under Finance Lease Liabilities	(5,287)	(5,073)	-	-
Net Cash from/(Used in) Financing Activities	(50,287)	(51,332)	-	-
Effect of Exchange rates changes on Cash and Cash Equivalent	328	681	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(14,890)	5,873	-	(1)
<b>Cash and Cash Equivalents at the beginning of the year</b>	19,037	(4,497)	36	36
<b>Cash and Cash Equivalents at the end of the period</b>	<b>4,147</b>	<b>1,376</b>	<b>36</b>	<b>35</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	4,360	6,988	36	36
Bank Overdraft	(213)	(5,612)	-	(1)
	<b>4,147</b>	<b>1,376</b>	<b>36</b>	<b>35</b>

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 2014**

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

**1. Market Price of Ordinary Shares**

	<b>30.09.2014</b>	<b>30.09.2013</b>
Highest Price Per Share for the Quarter	21.00	16.20
Lowest Price Per Share for the Quarter	16.00	13.00
Last Traded	19.00	13.70

**2. Financial year of the company / group ends on 31st March . Interim figures are for three months ended 30 th September 2014**

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

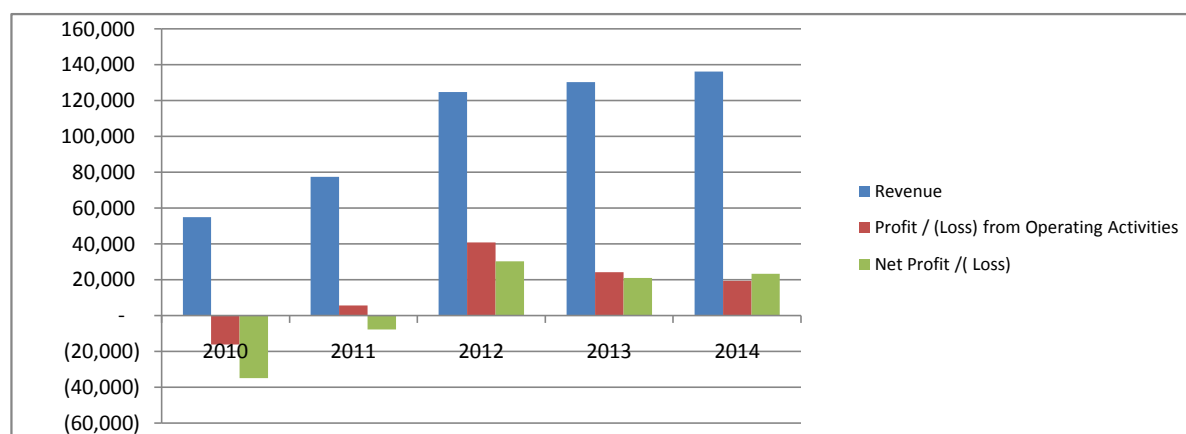
**5. All values included in these Financial Statements are in Rs.'000 unless otherwise stated.**

**6. There have been no other material events that took place since 30 th September 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 30 th September 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 2014.**

**9. Graphical Analysis of Seasonality performance - For the three Months ended 30 th September**



**10. The percentage of the shares held by public as at 30 th September 2014 was 18.157% Comprising of 2,279 Shareholders (30 th September 2013 - 27.82 %)**



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
30 TH SEPTEMBER 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 2014 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 2014 are as follows:

<b>Name of the Director</b>	<b>No of Shares</b>	<b>%</b>
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.P.B. Perera)	89	0.000
Mr.Jan Peter Van Twest	Nil	-
Mr.C.V.Cabraal	Nil	-
Ms.M. Tissera (Alternate Director to Mr.K.D.D.Perera)	Nil	-

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

	<b>Name of the Share Holder</b>	<b>No of Shares</b>	<b>%</b>
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	19,977,345	18.016
4	MR K D D PERERA	10,329,317	9.315
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
11	ALMAR INTERNATIONAL (PVT) LTD	1,249,600	1.127
10	MRS N U D ARIYARATNA	843,678	0.761
12	MR D C FERNANDO	833,333	0.752
13	MR. MALIK J FERNANDO	833,333	0.752
14	FREUDENBERG SHIPPING AGENCIES LIMITED	684,005	0.617
15	POLYCHROME INKS LIMITED	566,666	0.511
16	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
20	MR. A P L FERNANDO	500,000	0.451
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
	SAKUVI INVESTMENT (PRIVATE) LIMITED	284,166	0.256

## 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.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 Ms.M. Tissera (Alternate Director to Mr.K.D.D.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