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**THE FORTRESS RESORTS PLC**

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**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 ST MARCH 2015**

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 ST MARCH 2015**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH**

	As.At 31.03.2015 Rs. '000	As.At 31.03.2014 Audited Rs. '000	Change %
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1,043,695	1,104,287	(5)
Intangible Assets	3,571	5,150	(31)
	<u>1,047,266</u>	<u>1,109,437</u>	(6)
<b>Current Assets</b>			
Inventories	18,201	16,610	10
Trade and Other Receivables	44,177	55,473	(20)
Advances and Prepayments	16,231	19,624	(17)
Income Tax Receivables	137	137	-
Short Term Investments	105,000	175,000	(40)
Cash and Bank Balances	303,305	20,914	1,350
	<u>487,051</u>	<u>287,758</u>	69
<b>Total Assets</b>	<u><b>1,534,317</b></u>	<u><b>1,397,195</b></u>	10
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	295,300	105,893	179
<b>Total Equity</b>	<u>1,404,167</u>	<u>1,214,760</u>	16
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	2,500	12,452	80
Retirement Benefit Obligations	8,833	6,692	(32)
Deferred Tax Liability	29,862	25,997	(15)
	<u>41,195</u>	<u>45,141</u>	
<b>Current Liabilities</b>			
Trade and Other Payables	68,166	68,379	-
Income Tax Payables	7,180	10,670	33
Interest Bearing Loans and Borrowings	13,609	58,245	77
	<u>88,955</u>	<u>137,294</u>	35
<b>Total Equity and Liabilities</b>	<u><b>1,534,317</b></u>	<u><b>1,397,195</b></u>	(10)
<b>Net Asset Value per Share (Rs.)</b>	12.66	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**  
**18 May 2015**

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 MARCH 2015**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2015	31.03.2014	%	31.03.2015	31.03.2014	%
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
<b>Revenue</b>	<b>240,101</b>	<b>238,965</b>	-	<b>686,976</b>	<b>650,526</b>	<b>6</b>
Cost of Sales	(49,822)	(48,502)	(3)	(177,644)	(165,912)	(7)
Gross Profit	<u>190,279</u>	<u>190,463</u>	-	<u>509,332</u>	<u>484,614</u>	5
Other Income	9,367	(4,655)	301	29,495	30,020	(2)
Selling and Marketing Expenses	(11,636)	(10,642)	(9)	(32,258)	(27,543)	(17)
Administrative Expenses	(75,606)	(74,000)	(2)	(290,752)	(275,029)	(6)
Finance Cost	(515)	(5,830)	91	(2,795)	(39,244)	93
Finance Income	6,174	7,951	(22)	21,038	34,177	(38)
<b>Profit/(Loss) before Tax</b>	<u><b>118,063</b></u>	<u><b>103,287</b></u>	14	<u><b>234,060</b></u>	<u><b>206,995</b></u>	13
Income Tax Expenses	(16,480)	(16,112)	(2)	(44,235)	(30,107)	(47)
<b>Profit / (Loss) for the period</b>	<u><b>101,583</b></u>	<u><b>87,175</b></u>	17	<u><b>189,825</b></u>	<u><b>176,888</b></u>	7
<b>Other Comprehensive Income</b>	-	-		-	-	
Actuarial Loss on Defined Benefit Plan	(464)	(234)	(98)	(464)	(234)	(98)
Income tax effect	46	24	92	46	24	92
<b>Other comprehensive Loss for the year, net of tax</b>	<u><b>(418)</b></u>	<u><b>(210)</b></u>	(99)	<u><b>(418)</b></u>	<u><b>(210)</b></u>	(99)
<b>Total Comprehensive Income for the period net of Tax</b>	<u><u>101,165</u></u>	<u><u>86,965</u></u>	16	<u><u>189,407</u></u>	<u><u>176,678</u></u>	7
<b>Attributable to:</b>						
Equity holders of the parent	<u><u><b>101,165</b></u></u>	<u><u><b>86,965</b></u></u>	16	<u><u><b>189,407</b></u></u>	<u><u><b>176,678</b></u></u>	7
Earnings / (Loss) per share - Basic / Diluted (Rs.)	0.91	0.78	16	1.71	1.59	7

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 MARCH 2015**

**COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH**

	As.At 31.03.2015	As.At 31.03.2014	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>			
Trade and Other Receivables	92,823	-	-
Income Tax Receivables	137	137	
Cash and Bank Balances	36	36	-
	<u>92,996</u>	<u>173</u>	53,655
<b>Total Assets</b>	<b><u>1,093,006</u></b>	<b><u>1,000,183</u></b>	9
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated losses	(16,113)	(127,156)	87
<b>Total Equity</b>	<u>1,092,754</u>	<u>981,711</u>	11
<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	252	18,472	99
Interest Bearing Loans and Borrowings	-	-	
	<u>252</u>	<u>18,472</u>	99
<b>Total Equity and Liabilities</b>	<b><u>1,093,006</u></b>	<b><u>1,000,183</u></b>	(9)
Net Asset value per share (Rs.)	9.85	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**  
**18 May 2015**

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 MARCH 2015**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2015	31.03.2014	%	31.03.2015	31.03.2014	%
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
<b>Revenue</b>	-	-		-	-	-
Cost of Sales	-	-		-	-	-
<b>Gross Profit</b>	-	-		-	-	-
Other Income	-	-	-	117,000	14,850	688
Selling and Marketing Expenses	-	-		-	-	-
Administrative Expenses	(1,157)	(1,138)	(2)	(5,957)	(5,278)	(13)
Finance Cost	-	-		-	-	-
Finance Income	-	-		-	-	-
<b>Profit/(Loss) before Tax</b>	(1,157)	(1,138)	(2)	111,043	9,572	1,060
Income Tax Expenses	-	-		-	-	-
<b>Profit /(Loss) for the period</b>	<u>(1,157)</u>	<u>(1,138)</u>	(2)	<u>111,043</u>	<u>9,572</u>	1,060
<b>Other Comprehensive Income</b>	-	-		-	-	-
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>(1,157)</u>	<u>(1,138)</u>	(2)	<u>111,043</u>	<u>9,572</u>	1,060
Earnings / (Loss) per share for the period	(0.01)	(0.01)	(2)	1.00	0.09	1,060

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 MARCH 2015**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED**  
**31 ST MARCH 2015**

<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 01 st April 2014</b>	1,108,867	105,893	1,214,760
Net Profit for the Period	-	189,825	189,825
Other Comprehensive Income	-	(418)	(418)
<b>Balance as at 31 st March 2015</b>	<u>1,108,867</u>	<u>295,300</u>	<u>1,404,167</u>
<b>Balance as at 01st April 2013</b>	1,108,867	(70,785)	1,038,082
Net Profit for the period	-	176,888	176,888
Other Comprehensive Income	-	(210)	(210)
<b>Balance as at 31 st March 20114</b>	<u>1,108,867</u>	<u>105,893</u>	<u>1,214,760</u>
<b>Company</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 01 st April 2014</b>	1,108,867	(127,156)	981,711
Net Profit for the Period	-	111,043	111,043
<b>Balance as at 31 st March 2015</b>	<u>1,108,867</u>	<u>(16,113)</u>	<u>1,092,754</u>
<b>Balance as at 01st April 2013</b>	1,108,867	(136,728)	972,139
Net Profit for the period	-	9,572	9,572
<b>Balance as at 31 st March 20114</b>	<u>1,108,867</u>	<u>(127,156)</u>	<u>981,711</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 MARCH 2015**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED**  
**31 ST MARCH**

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit/(Loss) before tax	234,060	206,995	111,043	9,572
<b>Adjustments for</b>				
Depreciation	106,006	104,898	-	-
Amortisation	1,578	1,503	-	-
Finance Cost	2,795	39,244	-	-
Finance Income	(21,038)	(34,177)	-	-
Dividend Income	-	-	(117,000)	(14,850)
Exchange Gain	-	(2,450)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(539)	99	-	-
Provision for Defined Benefit Obligation	2,449	1,925	-	-
Operating Profit/(Loss) before Working Capital Changes	325,311	318,037	(5,957)	(5,278)
(Increase)/ Decrease in Inventories	(1,591)	(1,377)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	13,026	1,827	(92,823)	-
Increase /(Decrease) in Trade and Other Payables	(213)	19,382	(18,221)	(9,571)
Cash Generated from / (Used in) Operations	336,533	337,869	(117,001)	(14,849)
Finance Cost Paid	(2,795)	(39,244)	-	-
Gratuity Paid	(772)	(686)	-	-
Income Tax Paid	(43,814)	(16,225)	-	-
Net Cash From / (used in) Operating Activities	289,152	281,714	(117,001)	(14,849)
<b>Cash Flows from / (Used in) Investing Activities</b>				
Proceeds from Disposal of Property, Plant & Equipment	2,492	(99)	-	-
Acquisition of Property, Plant & Equipment	(47,366)	(29,822)	-	-
Finance Income Received	22,701	34,177	-	-
Acquisition of Intangible Assets	-	(645)	-	-
Investment In Short term Investment	70,000	25,000	-	-
Dividend Received	-	-	117,000	14,850
Net Cash from/(Used in) Investing Activities	47,827	28,611	117,000	14,850
<b>Cash Flows from (Used in) Financing Activities</b>				
Re-payment of Bank Loans	(45,000)	(279,000)	-	-
Principal Payment under Finance Lease Liabilities	(11,369)	(10,242)	-	-
Net Cash from/(Used in) Financing Activities	(56,369)	(289,242)	-	-
Effect of Exchange rates changes on Cash and Cash Equivalent	-	2,450	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	280,610	21,083	(1)	1
<b>Cash and Cash Equivalents at the beginning of the year</b>	19,037	(4,497)	36	35
<b>Cash and Cash Equivalents at the end of the period</b>	<b>299,647</b>	<b>19,036</b>	<b>35</b>	<b>36</b>

For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following:

Cash at Bank & In Hand	303,306	20,912	35	36
Bank Overdraft	(3,659)	(1,876)	-	-
	<b>299,647</b>	<b>19,036</b>	<b>35</b>	<b>36</b>

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 MARCH 2015**

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

1. Market Price of Ordinary Shares

	31.03.2015	31.03.2014
Highest Price Per Share for the Quarter	19.50	14.70
Lowest Price Per Share for the Quarter	15.00	12.70
Last Traded	15.20	13.30

2. Financial year of the company / group ends on 31st March . Interim figures are for three months ended 31 st March 2015

3. The Statement of Financial Position of the company and group as at 31 st March 2015 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.

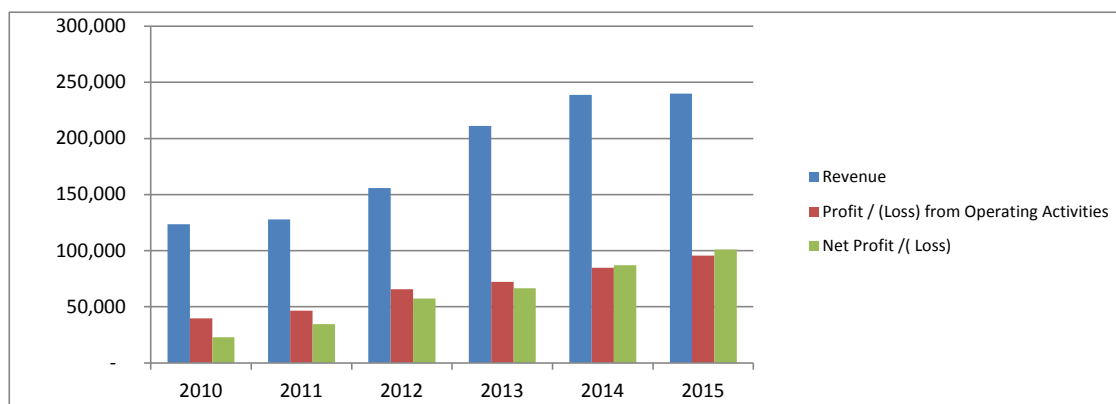
5. All values included in these Financial Statements are in Rs.'000 unless otherwise stated.

6. There have been no other material events that took place since 31 st March 2015, 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 2015, 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 31 st March



10. The percentage of the shares held by public as at 31 st March 2015 was 18.111% Comprising of 2,160 Shareholders. (31 st March 2014 -18.516 %)



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED**  
**31 ST MARCH 2015**

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 31 st March 2015 are as follows:

	<b>Name of the Director</b>	<b>No of Shares</b>	<b>%</b>
1	Mr. K.D.D.Perera	10,329,317	9.315
2	Mr.J.A.S.S. Adhihetty	13,741	0.012
3	Mr.W.A.C. J. Wickramasinghe	19,291	0.017
4	Mr. Malik J. Fernando	833,333	0.752
5	Mr. Merril J. Fernando	2,124,400	1.916
6	Mr. S. Senaratne	1,000	0.001
7	Mr. L.T.Samarawickrama	1,550	0.001
8	Mr. D.E.Silva	500	0.000
9	Mr.L.N.De Silva Wijeyerathne	Nil	-
10	Mr.P.B.Perera	500	0.000
11	Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama)	Nil	-
12	Mr.W.D.N.H.Perera (Alternate Director to Mr.P.B. Perera)	89	0.000
13	Mr.Jan Peter Van Twest	Nil	-
14	Mr.C.V.Cabraal	Nil	-
15	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
5	L B Finance Plc	4,051,100	3.653
6	Mr. Merril J Fernando	2,124,400	1.916
7	Bank Of Ceylon No. 1 Account	1,461,100	1.318
8	Seylan Bank Plc/Jayantha Dewage	1,441,400	1.300
9	Almar International (Pvt) Ltd	1,249,600	1.127
10	Freudenberg Shipping Agencies Limited	935,539	0.844
11	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	Seylan Bank Plc/Bertram Manson Amarasekara	550,000	0.496
15	Mr. A P L Fernando	520,758	0.470
16	Polychrome Inks Limited	480,650	0.433
17	Dee Investments (Pvt) Ltd	394,375	0.356
18	Mr.N.P.D.E Samaranayake	385,000	0.347
19	Royal Ceramics Lanka Plc	336,100	0.303
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. 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 Sampath Bank PLC Pan Asia Banking Corporation PLC