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## **THE FORTRESS RESORTS PLC**

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

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

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

	As.At 31.12.2015  Rs.'000'	As.At 31.03.2015 Audited Rs.'000'	Change %
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	985,378	1,043,695	(6)
Intangible Assets	4,115	3,572	15
	<u>989,493</u>	<u>1,047,267</u>	(6)
<b>Current Assets</b>			
Inventories	19,525	18,201	7
Trade and Other Receivables	38,496	44,177	(13)
Advances and Prepayments	22,850	16,230	41
Income Tax Receivables	137	137	-
Short Term Investment	365,000	105,000	248
Cash and Bank Balances	93,878	303,305	(69)
	<u>539,886</u>	<u>487,050</u>	11
<b>Total Assets</b>	<u><b>1,529,379</b></u>	<u><b>1,534,317</b></u>	-
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	251,747	295,300	(15)
<b>Total Equity</b>	<u>1,360,614</u>	<u>1,404,167</u>	(3)
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	2,481	2,501	1
Retirement Benefit Obligation	9,185	8,833	(4)
Deferred Tax Liability	29,861	29,861	-
	<u>41,527</u>	<u>41,195</u>	(1)
<b>Current Liabilities</b>			
Trade and Other Payables	117,110	68,166	(72)
Income Tax Payables	7,186	7,180	
Interest Bearing Loans and Borrowings	2,942	13,609	78
	<u>127,238</u>	<u>88,955</u>	(43)
<b>Total Equity and Liabilities</b>	<u><b>1,529,379</b></u>	<u><b>1,534,317</b></u>	-
Net Asset Value per Share (Rs.)	12.27	12.66	

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**  
**9 February 2016**

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 2015**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.12.2015	31.12.2014	%	31.12.2015	31.12.2014	%
	Rs.'000'	Rs.'000'		Rs.'000'	Rs.'000'	
<b>Revenue</b>	179,687	189,900	(5)	402,701	446,876	(10)
Cost of Sales	(45,803)	(49,454)	7	(116,957)	(127,822)	9
Gross Profit	<u>133,884</u>	<u>140,446</u>	(5)	<u>285,744</u>	<u>319,054</u>	(10)
Other Income and Gains	7,636	7,573	1	21,663	20,128	8
Selling and Marketing Expenses	(7,286)	(9,038)	19	(16,773)	(20,622)	19
Administrative Expenses	(75,943)	(73,942)	(3)	(219,718)	(215,146)	(2)
Finance Cost	(232)	(605)	62	(971)	(2,280)	57
Finance Income	11,766	5,800	103	29,664	14,864	100
<b>Profit/(Loss) before Tax</b>	<u>69,825</u>	<u>70,234</u>	(1)	<u>99,609</u>	<u>115,998</u>	(14)
Income Tax Expenses	(23,377)	(8,171)	(186)	(32,275)	(27,755)	(16)
<b>Profit / (Loss) for the period</b>	<u>46,448</u>	<u>62,063</u>	(25)	<u>67,334</u>	<u>88,243</u>	(24)
<b>Other Comprehensive Income</b>	-	-		-	-	
Actuarial Loss on Defined Benefit Plan	-	-		-	-	
Income tax effect	-	-		-	-	
<b>Other comprehensive Loss for the year, net of tax</b>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
<b>Total Comprehensive Income for the period net of Tax</b>	<u>46,448</u>	<u>62,063</u>	(25)	<u>67,334</u>	<u>88,243</u>	(24)
<b>Attributable to:</b>						
Equity holders of the parent	<u>46,448</u>	<u>62,063</u>	(25)	<u>67,334</u>	<u>88,243</u>	(24)
Basic Earnings Per Share	0.42	0.56	(25)	0.61	0.80	(24)

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 2015**

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

	As.At 31.12.2015 Rs.'000'	As.At 31.03.2015 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>			
Other Receivables	112,886	92,823	22
Income Tax Receivables	137	137	-
Cash & Cash Equivalents	17	35	(51)
	<u>113,040</u>	<u>92,995</u>	22
<b>Total Assets</b>	<b><u>1,113,050</u></b>	<b><u>1,093,005</u></b>	2
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profit/(Loss)	3,208	(16,114)	120
<b>Total Equity</b>	<b><u>1,112,075</u></b>	<b><u>1,092,753</u></b>	2
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	-	-	-
Retirement Benefit Obligation	-	-	-
	<u>-</u>	<u>-</u>	-
<b>Current Liabilities</b>			
Other Payables	43	252	83
Bank Overdraft	932	-	-
	<u>975</u>	<u>252</u>	(287)
<b>Total Equity and Liabilities</b>	<b><u>1,113,050</u></b>	<b><u>1,093,005</u></b>	2
Net Asset value per share	10.03	9.85	

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**  
**9 February 2016**

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 2015**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.12.2015	31.12.2014	%	31.12.2015	31.12.2014	%
	Rs.'000'	Rs.'000'		Rs.'000'	Rs.'000'	
<b>Revenue</b>	-	-		-	-	-
Cost of Sales	-	-		-	-	-
<b>Gross Profit</b>	-	-		-	-	-
Other Income and Gains	117,001	-	-	135,001	117,000	15
Selling and Marketing Expenses	-	-		-	-	-
Administrative Expenses	(956)	(1,036)	8	(4,793)	(4,800)	-
Finance Cost	-	-	-	-	(1)	100
Finance Income	-	-		-	-	-
<b>Profit/(Loss) before Tax</b>	116,045	(1,036)	11,301	130,208	112,199	16
Income Tax Expenses	-	-	-	-	-	
<b>Profit /(Loss) for the period</b>	<u>116,045</u>	<u>(1,036)</u>	11,301	<u>130,208</u>	<u>112,199</u>	16
<b>Other Comprehensive Income</b>	-	-		-	-	
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>116,045</u>	<u>(1,036)</u>	11,301	<u>130,208</u>	<u>112,199</u>	16
Basic Earnings / (Loss) per share for the period	1.05	-	-	1.17	1.01	16

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 2015**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED**  
**31 ST DECEMBER 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 01st April 2015</b>	1,108,867	295,300	1,404,167
Profit for the Period	-	67,334	67,334
Dividends Paid	-	(110,887)	(110,887)
<b>Balance as at 31 st December 2015</b>	<u>1,108,867</u>	<u>251,747</u>	<u>1,360,614</u>
<b>Balance as at 01st April 2014</b>	1,108,867	105,893	1,214,760
Profit for the Period	-	88,243	88,243
<b>Balance as at 31 st December 2014</b>	<u>1,108,867</u>	<u>194,136</u>	<u>1,303,003</u>
<b>Company</b>	<b>Stated Capital</b>	<b>Accumulated</b>	<b>Total</b>
	<b>Rs.</b>	<b>Profit/(Losses)</b>	
		<b>Rs.</b>	<b>Rs.</b>
<b>Balance as at 01st April 2015</b>	1,108,867	(16,113)	1,092,754
Profit for the Period	-	130,208	130,208
Dividends Paid	-	(110,887)	(110,887)
<b>Balance as at 31 st December 2015</b>	<u>1,108,867</u>	<u>3,208</u>	<u>1,112,075</u>
<b>Balance as at 01st April 2014</b>	1,108,867	(127,156)	981,711
Profit for the Period	-	112,199	112,199
<b>Balance as at 31 st December 2014</b>	<u>1,108,867</u>	<u>(14,957)</u>	<u>1,093,910</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 2015****CASH FLOW STATEMENT FOR THE PERIOD ENDED****31 ST DECEMBER**

	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	99,610	115,998	130,208	112,199
<b>Adjustments for</b>				
Depreciation	74,121	78,892	-	-
Amortisation	1,340	1,184	-	-
Finance Cost	970	2,280	-	1
Finance Income	(29,664)	(14,864)	-	-
Dividend Income	-	-	(135,001)	-
Exchange Gain	(821)	(111)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	646	171	-	-
Provision for Defined Benefit Obligation	1,836	1,549	-	-
Operating Profit/(Loss) before Working Capital Changes	148,038	185,099	(4,793)	112,200
(Increase)/ Decrease in Inventories	(1,324)	(2,190)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	(21,002)	19,817	(20,063)	(93,769)
Increase /(Decrease) in Trade and Other Payables	69,007	52,361	(209)	(18,430)
Cash Generated from / (Used in) Operations	194,719	255,087	(25,065)	1
Finance Cost Paid	(970)	(2,280)	-	(1)
Income Tax Paid	(32,344)	(36,593)	-	-
Gratuity Paid	(1,485)	(453)	-	-
Net Cash From / (used in) Operating Activities	159,920	215,761	(25,065)	-
<b>Cash Flows from / (Used in) Investing Activities</b>				
Proceeds from Disposal of Property, Plant & Equipment	331	1,782	-	-
Acquisition of Property, Plant & Equipment	(16,705)	(41,826)	-	-
Acquisition of Intangible Assets	(1,884)	-	-	-
Finance Income Received	29,664	14,864	-	-
Dividend Received	-	-	135,001	-
Net Investment in Short term Deposits	(260,000)	(155,000)	-	-
Net Cash from/(Used in) Investing Activities	(248,594)	(180,180)	135,001	-
<b>Cash Flows from (Used in) Financing Activities</b>				
Re-payment of Bank Loans	-	(45,000)	-	-
Principal Payments under Finance Lease Liabilities	(7,962)	(8,996)	-	-
Dividend Payment	(110,887)	-	(110,887)	-
Net Cash from/(Used in) Financing Activities	(118,849)	(53,996)	(110,887)	-
Effect of Exchange rates changes on Cash and Cash Equivalent	821	111	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(206,702)	(18,304)	(951)	-
<b>Cash and Cash Equivalents at the beginning of the Period</b>	299,648	19,037	36	36
<b>Cash and Cash Equivalents at the end of the period</b>	<b>92,946</b>	<b>733</b>	<b>(915)</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	93,878	9,186	17	36
Bank Overdraft	(932)	(8,453)	(932)	-
	<b>92,946</b>	<b>733</b>	<b>(915)</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 DECEMBER 2015**

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

1. Market Price of Ordinary Shares

	31.12.2015	31.12.2014
Highest Price Per Share for the Quarter	17.10	19.90
Lowest Price Per Share for the Quarter	14.60	16.20
Last Traded	15.00	16.90

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

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

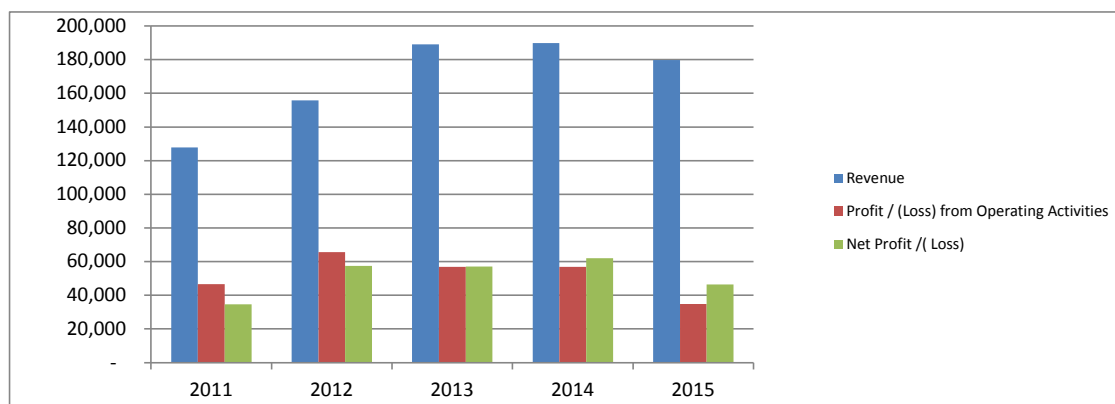
5. All values included in these Financial Statements are in Rupees '000' unless otherwise stated.

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

9. Graphical Analysis of Seasonality performance - For the three Months ended 31 st December



10. The percentage of the shares held by public as at 31 st December 2015 was 18.172% Comprising of 2,157 Shareholders. (31 December 2014 -18.154 % Comprising 2,231 shareholders)



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED**  
**31 ST DECEMBER 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 2015 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 2015 are as follows:

	<b>Name of the Director</b>	<b>No of Shares</b>	<b>%</b>
1	Mr. Dhammika Perera	10,329,317	9.315
2	Mr.J.A.S.S. Adhihetty	13,741	0.012
3	Mr. Malik J. Fernando	833,333	0.752
4	Mr. Merril J. Fernando	2,124,400	1.916
5	Mr.W.A.C. J. Wickramasinghe	19,291	0.017
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 Wijeyeratne	Nil	-
10	Mr.P.B.Perera	500	0.000
11	Mr.Jan P Van Twest	Nil	-
12	Mr.C.V.Cabraal	Nil	-
13	Ms.A.A.K. Amarasinghe (Alternate Director to Mr.Dhammika Perera)	Nil	-
14	Mr.W.D.N.H.Perera (Alternate Director to Mr.P.B. Perera)	89	0.000
15	Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama)	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 DHAMMIKA 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	PAN ASIA BANKING CORPORATION/ALMAR INTERNATIONAL (PVT) LTD	1,249,600	1.127
10	FREUDENBERG SHIPPING AGENCIES LIMITED	1,047,658	0.945
11	MRS N U D ARIYARATNA	843,483	0.761
12	MR D C FERNANDO	833,333	0.752
13	MR. MALIK J FERNANDO	833,333	0.752
14	MR. A P L FERNANDO	605,734	0.546
15	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
16	DEE INVESTMENTS (PVT) LTD	394,375	0.356
17	ROYAL CERAMICS LANKA PLC	336,100	0.303
18	MOTOR SERVICE STATION (PRIVATE) LTD	301,320	0.272
19	SEYLAN BANK PLC/A.M.N.A. ABEYKOON	294,451	0.266
20	MR. R MANOHARAN	291,000	0.262

## **CORPORATE INFORMATION**

### **STATUTORY STATUS**

Public Company with Limited Liability, Quoted on the Diri Savi  
Board of the Colombo Stock Exchange

### **COMPANY REGISTRATION NO**

*PQ 207*

### **BOARD OF DIRECTORS**

Mr. Dhammika Perera  
Mr. J.A.S.S.Adhihetty (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.D.E.Silva  
Mr. L.N.De Silva Wijeyeratne  
Mr.P.B. Perera  
Mr.Jan Peter Van Twest  
Mr.C.V.Cabraal  
Ms.A.A.K. Amarasinghe (Alternate Director to Mr.Dhammika Perera)  
Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama)  
Mr.W.D.N.H.Perera (Alternate Director to Mr.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 Saram Place  
Colombo 10

### **BANKERS**

Bank of Ceylon  
Sampath Bank PLC  
Pan Asia Banking Corporation PLC