



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 TH SEPTEMBER 2016**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 TH SEPTEMBER 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2016	As.At 31.03.2016 Audited	Change %
	Rs. '000'	Rs. '000'	
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	966,233	968,650	
Intangible Assets	3,235	3,626	(11)
	<u>969,468</u>	<u>972,276</u>	
Current Assets			
Inventories	19,479	18,978	3
Trade and Other Receivables	28,155	37,369	(25)
Advances and Prepayments	44,530	30,374	47
Income Tax Receivables	137	137	-
Short Term Deposit	350,000	475,769	(26)
Cash and Bank Balances	228,197	103,967	119
	<u>670,498</u>	<u>666,594</u>	1
Total Assets	<u>1,639,966</u>	<u>1,638,870</u>	1
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	390,174	371,832	5
Total Equity	<u>1,499,041</u>	<u>1,480,699</u>	1
Non-Current Liabilities			
Retirement Benefit Obligation	11,582	10,404	(11)
Deferred Tax Liability	37,014	37,014	-
	<u>48,596</u>	<u>47,418</u>	(2)
Current Liabilities			
Trade and Other Payables	86,231	82,140	(5)
Income Tax Payables	1,206	22,166	95
Interest Bearing Loans and Borrowings	4,892	6,447	24
	<u>92,329</u>	<u>110,753</u>	17
Total Equity and Liabilities	<u>1,639,966</u>	<u>1,638,870</u>	(1)
Net Asset Value per Share (Rs.)	13.52	13.35	

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
03 November 2016

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 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH SEPTEMBER

	FOR 3 MONTHS ENDED		Change %	YEAR TO DATE		Change %
	30.09.2016	30.09.2015		30.09.2016	30.09.2015	
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	136,998	127,438	8	233,197	223,014	5
Cost of Sales	(44,953)	(36,669)	(23)	(83,281)	(71,154)	(17)
Gross Profit	<u>92,045</u>	<u>90,769</u>	1	<u>149,916</u>	<u>151,860</u>	(1)
Other Income and Gains	7,593	7,771	(2)	13,892	14,027	(1)
Selling and Marketing Expenses	(5,157)	(5,451)	5	(9,298)	(9,487)	2
Administrative Expenses	(79,768)	(71,852)	(11)	(155,954)	(143,775)	(8)
Finance Cost	(26)	(316)	92	(141)	(740)	81
Finance Income	14,174	10,097	40	28,034	17,898	57
Profit before Tax	<u>28,861</u>	<u>31,018</u>	(7)	<u>26,449</u>	<u>29,783</u>	(11)
Income Tax Expenses	(5,865)	(7,337)	20	(8,107)	(8,898)	9
Profit for the period	<u>22,996</u>	<u>23,681</u>	(3)	<u>18,342</u>	<u>20,885</u>	(12)
Other Comprehensive Income	-	-	-	-	-	-
Actuarial Loss on Defined Benefit Plan	-	-	-	-	-	-
Income tax effect	-	-	-	-	-	-
Other comprehensive Loss for the year, net of tax	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
Total Comprehensive Income for the period net of Tax	<u>22,996</u>	<u>23,681</u>	(3)	<u>18,342</u>	<u>20,885</u>	(12)
Attributable to:						
Equity holders of the parent	<u>22,996</u>	<u>23,681</u>	(3)	<u>18,342</u>	<u>20,885</u>	(12)
Basic Earnings Per Share (Rs.)	0.20	0.21	(3)	0.17	0.19	(12)

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 2016

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2016	As.At 31.03.2016 Audited	Change %
	Rs. '000'	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			
Other Receivables	106,316	110,255	(4)
Income Tax Receivables	137	137	-
Cash & Cash Equivalents	469	17	2,659
	<u>106,922</u>	<u>110,409</u>	(3)
Total Assets	<u>1,106,932</u>	<u>1,110,419</u>	-
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profit/(Loss)	(2,479)	1,251	298
Total Equity	<u>1,106,388</u>	<u>1,110,118</u>	-
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	-	-
Retirement Benefit Obligation	-	-	-
	<u>-</u>	<u>-</u>	-
Current Liabilities			
Trade & Other Payables	544	253	(115)
Bank Overdraft	-	48	100
	<u>544</u>	<u>301</u>	(81)
Total Equity and Liabilities	<u>1,106,932</u>	<u>1,110,419</u>	-
Net Asset value per share (Rs.)	9.98	10.01	

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
03 November 2016

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 2016

COMPANY, STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH SEPTEMBER

	FOR 3 MONTHS ENDED		Change %	YEAR TO DATE		Change %
	30.09.2016	30.09.2015		30.09.2016	30.09.2015	
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	-	-		-	-	-
Cost of Sales	-	-		-	-	-
Gross Profit	-	-		-	-	-
Other Income and Gains	-	18,000	(100)	-	18,000	(100)
Selling and Marketing Expenses	-	-		-	-	-
Administrative Expenses	(1,118)	(918)	(22)	(3,729)	(3,838)	3
Finance Cost	-	-	-	(1)	-	
Finance Income	-	-		-	-	-
Profit/(Loss) before Tax	(1,118)	17,082	(107)	(3,730)	14,162	(126)
Income Tax Expenses	-	-	-	-	-	
Profit /(Loss) for the period	<u>(1,118)</u>	<u>17,082</u>	(107)	<u>(3,730)</u>	<u>14,162</u>	(126)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income/(Loss) for the period	<u>(1,118)</u>	<u>17,082</u>	(107)	<u>(3,730)</u>	<u>14,162</u>	(126)
Basic Earnings / (Loss) per share for the period (Rs.)	(0.01)	0.15	(107)	(0.03)	0.13	(126)

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 2016

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
30 TH SEPTEMBER 2016

Group	Stated Capital	Accumulated	Total
	Rs. '000'	Profit/(Losses) Rs. '000'	Rs. '000'
Balance as at 01st April 2016	1,108,867	371,832	1,480,699
Profit for the Period	-	18,342	18,342
Balance as at 30 th September 2016	<u>1,108,867</u>	<u>390,174</u>	<u>1,499,041</u>
Balance as at 01st April 2015	1,108,867	295,300	1,404,167
Profit for the Period	-	20,885	20,885
Balance as at 30 th September 2015	<u>1,108,867</u>	<u>316,185</u>	<u>1,425,052</u>
Company	Stated Capital	Accumulated	Total
	Rs. '000'	Profit/(Losses) Rs. '000'	Rs. '000'
Balance as at 01st April 2016	1,108,867	1,251	1,110,118
Loss for the Period	-	(3,730)	(3,730)
Balance as at 30 th September 2016	<u>1,108,867</u>	<u>(2,479)</u>	<u>1,106,388</u>
Balance as at 01st April 2015	1,108,867	(16,113)	1,092,754
Profit for the Period	-	14,162	14,162
Balance as at 30 th September 2015	<u>1,108,867</u>	<u>(1,951)</u>	<u>1,106,916</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 2016

CASH FLOW STATEMENT FOR THE PERIOD ENDED
30 TH SEPTEMBER

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2016	2015	2016	2015
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Cash Flows From / (Used in) Operating Activities				
Profit/(Loss) before tax	26,449	29,783	(3,730)	14,162
Adjustments for				
Depreciation	50,097	49,523	-	-
Amortisation	998	852	-	-
Finance Cost	141	740	1	-
Finance Income	(28,032)	(17,898)	-	-
Dividend Income	-	-	-	(18,000)
Exchange Gain	(558)	(1,174)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(545)	273	-	-
Provision for Defined Benefit Obligation	1,609	1,224	-	-
Operating Profit/(Loss) before Working Capital Changes	50,159	63,323	(3,729)	(3,838)
(Increase)/ Decrease in Inventories	(501)	1,997	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	(1,003)	13,085	3,939	(13,953)
Increase /(Decrease) in Trade and Other Payables	152	26,090	291	(209)
Cash Generated from / (Used in) Operations	48,807	104,495	501	(18,000)
Finance Cost Paid	(141)	(740)	(1)	-
Income Tax Paid	(29,066)	(12,925)	-	-
Defined Benefit Obligations Paid	(431)	(610)	-	-
Net Cash From / (used in) Operating Activities	19,169	90,220	500	(18,000)
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property, Plant & Equipment	1,323	331	-	-
Acquisition of Property, Plant & Equipment	(48,460)	(8,625)	-	-
Acquisition of Intangible Assets	(606)	(1,884)	-	-
Finance Income Received	28,033	17,898	-	-
Dividend Received	-	-	-	18,000
Net Investment in Short term Deposits	125,769	(185,000)	-	-
Net Cash from/(Used in) Investing Activities	106,059	(177,280)	-	18,000
Cash Flows from (Used in) Financing Activities				
Principal Payments under Finance Lease Liabilities	(2,477)	(5,912)	-	-
Net Cash from/(Used in) Financing Activities	(2,477)	(5,912)	-	-
Effect of Exchange rates changes on Cash and Cash Equivalent	558	1,174	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	123,309	(91,798)	500	-
Cash and Cash Equivalents at the beginning of the Period	99,997	299,648	(31)	36
Cash and Cash Equivalents at the end of the period	223,306	207,850	469	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	228,197	207,850	469	36
Bank Overdraft	(4,891)	-	-	-
	223,306	207,850	469	36

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

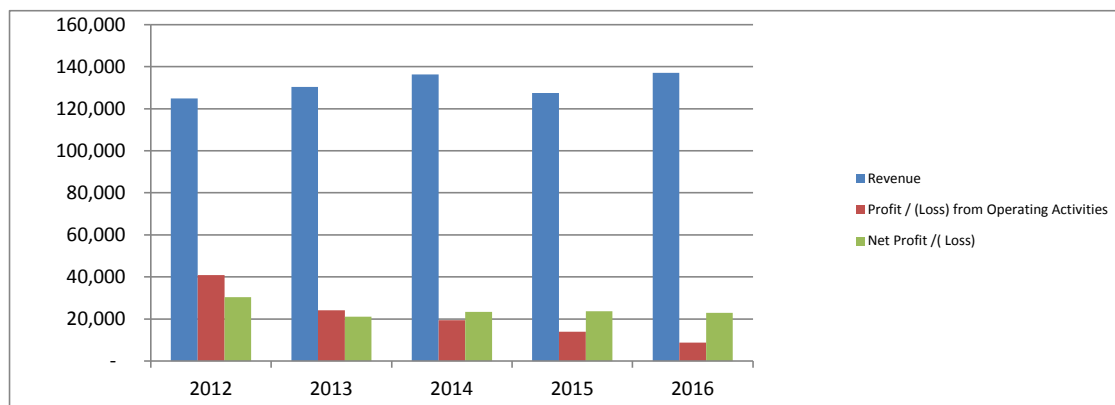
THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 TH SEPTEMBER 2016

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

1. Market Price of Ordinary Shares

	30.09.2016	30.09.2015
Highest Price Per Share for the Quarter	16.00	18.00
Lowest Price Per Share for the Quarter	14.40	15.00
Last Traded	16.00	15.10

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three the months ended 30 th September 2016
3. The Statement of Financial Position of the company and group as at 30 th September 2016 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 30 th September 2016, 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 2016, 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 2016.
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 2016 was 18.172% comprising of 2,104 Shareholders. (30 th September 2015 - 18.172 % comprising of 2,156 shareholders)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 TH SEPTEMBER 2016**

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 2016 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 30th September 2016 are as follows:

	Name of the Director	No of Shares	%
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	
	Mr.H.Somashantha (Alternate Director to	Nil	
13	Mr.L.T.Samarawickrama)		-
14	Mr.W.D.N.H.Perera (Alternate Director to Mr.P.B. Perera)	89	0.000
	Ms.A.A.K Amarasinghe (Alternate Director to Mr.Dhammika	Nil	
15	Perera)		-

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	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
	PAN ASIA BANKING CORPORATION PLC/ALMAR		
9	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	693,488	0.625
15	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
16	DEE INVESTMENTS (PVT) LTD	394,375	0.356
17	MOTOR SERVICE STATION (PRIVATE) LTD	340,932	0.307
18	ROYAL CEREMICS LANKA PLC	336,100	0.303
	SEYLAN BANK PLC/ A.M NIMESHA ANURUDDA		
19	ABEYKOON	294,451	0.266
	NATIONAL DEVELOPMENT BANK PLC /SAKUVI		
20	INVESTMENT	284,166	0.256

Corporate Information

Name of Company

The Fortress Resorts PLC

Company Registration No
PQ 207

Legal Form

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

Registered Office

Level 27, East Tower
World Trade Center, Echelon Square
Colombo 01.

Board Of Directors

Mr. Dhammika Perera (Chairman)
(Alternate Director Ms.A A K Amarasinghe)
Mr. J A S S Adihetty (Managing Director)
Mr. Malik J Fernando
Mr. Merrill J Fernando
Mr. W A C J Wickramasinghe
Mr. S Senaratne
Mr.L T Samarawickrama
(Alternate Director Mr.H Somashantha)
Mr.D E Silva
Mr. L.N.De Silva Wijeyeratne
Mr.P B Perera
(Alternate Director Mr.W D N H Perera)
Mr.Jan Peter Van Twest
Mr.C V Cabraal

Subsidiary Company

La Forteresse (Private) Limited

Hotel

The Fortress Resorts & Spa, Koggala
Telephone : 091 4389400
Fax : 091 4389458
Email: info@thefortress.lk

Secretaries

P W Corporate Secretarial (Pvt) Ltd.
No.3/17, Kynsey Road.
Colombo 08.
Telephone : 011 4640360-3
Fax : 011 4740588
Email: pwcs@pwcs.lk

External Auditors

Ernst & Young
Chartered Accountants
201,De Seram Place,
Colombo 10.

Internal Auditors

BDO Partners
Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02.

Bankers

Bank of Ceylon
Sampath Bank PLC
Pan Asia Banking Corporation PLC