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## **THE FORTRESS RESORTS PLC**

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**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
30 TH SEPTEMBER 2017**

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH SEPTEMBER 2017**

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

	As.At 30.09.2017  Rs. '000'	As.At 31.03.2017 Audited Rs. '000'	Change %
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1,376,270	1,358,191	1
Intangible Assets	3,024	2,498	21
	<u>1,379,294</u>	<u>1,360,689</u>	1
<b>Current Assets</b>			
Inventories	26,874	23,384	15
Trade and Other Receivables	30,601	34,642	(12)
Advances and Prepayments	54,815	32,680	68
Short Term Deposits	295,877	318,761	(7)
Cash and Bank Balances	14,709	21,722	(32)
	<u>422,876</u>	<u>431,189</u>	(2)
<b>Total Assets</b>	<u><b>1,802,170</b></u>	<u><b>1,791,878</b></u>	1
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	486,035	505,655	(4)
Equity attributable to Equity Holders of the Parent	1,594,902	1,614,522	(1)
Non Controlling Interest	1	1	-
<b>Total Equity</b>	<u>1,594,903</u>	<u>1,614,523</u>	(1)
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	19,577	22,010	11
Retirement Benefit Obligation	13,754	12,332	(12)
Deferred Tax Liability	35,256	35,256	-
	<u>68,587</u>	<u>69,598</u>	1
<b>Current Liabilities</b>			
Trade and Other Payables	123,046	86,344	(43)
Income Tax Payables	709	10,115	93
Interest Bearing Loans and Borrowings	14,925	11,298	(32)
	<u>138,680</u>	<u>107,757</u>	(29)
<b>Total Equity and Liabilities</b>	<u><b>1,802,170</b></u>	<u><b>1,791,878</b></u>	(1)
Net Asset Value per Share (Rs.)	14.38	14.56	

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 by

Sgd

**Director**

Sgd

**Director**

Colombo

25 th October 2017

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 2017**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2017	30.09.2016	%	30.09.2017	30.09.2016	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
<b>Revenue</b>	89,096	136,997	(35)	186,358	233,197	(20)
Cost of Sales	(45,673)	(51,796)	12	(91,714)	(97,042)	5
Gross Profit	<u>43,423</u>	<u>85,201</u>	(49)	<u>94,644</u>	<u>136,155</u>	(30)
Other Income and Gains	4,475	7,593	(41)	14,187	13,892	2
Selling and Marketing Expenses	(4,831)	(5,157)	6	(9,085)	(9,298)	2
Administrative Expenses	(69,325)	(72,924)	5	(136,284)	(142,193)	4
Finance Cost	(1,013)	(26)	(3,796)	(1,776)	(141)	(1,160)
Finance Income	9,705	14,174	(32)	20,402	28,033	(27)
<b>Profit/(Loss) before Tax</b>	<u>(17,566)</u>	<u>28,861</u>	161	<u>(17,912)</u>	<u>26,448</u>	(168)
Income Tax Expenses	429	(5,865)	107	(1,708)	(8,107)	79
<b>Profit / (Loss) for the period</b>	<u>(17,137)</u>	<u>22,996</u>	175	<u>(19,620)</u>	<u>18,341</u>	(207)
<b>Other Comprehensive Income</b>	-	-		-	-	
<b>Total Comprehensive Income/(Loss) for the period net of Tax</b>	<u>(17,137)</u>	<u>22,996</u>	175	<u>(19,620)</u>	<u>18,341</u>	(207)
<b>Attributable to:</b>						
Equity holders of the parent	<u>(17,137)</u>	<u>22,996</u>	175	<u>(19,620)</u>	<u>18,341</u>	(207)
Basic Earnings/(Loss) Per Share	(0.15)	0.21	175	(0.18)	0.17	(207)

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 2017**

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

	As.At 30.09.2017 Rs. '000'	As.At 31.03.2017 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	102,616	104,429	(2)
Cash & Cash Equivalents	468	468	-
	<u>103,084</u>	<u>104,897</u>	(2)
<b>Total Assets</b>	<u><b>1,103,094</b></u>	<u><b>1,104,907</b></u>	
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumilated Profits/(losses)	(6,312)	(4,713)	(34)
<b>Total Equity</b>	<u>1,102,555</u>	<u>1,104,154</u>	-
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	-	-	
Retirement Benefit Obligation	-	-	
	<u>-</u>	<u>-</u>	
<b>Current Liabilities</b>			
Trade & Other Payables	539	753	28
Bank Overdraft	-	-	
	<u>539</u>	<u>753</u>	28
<b>Total Equity and Liabilities</b>	<u><b>1,103,094</b></u>	<u><b>1,104,907</b></u>	-
Net Asset value per share (Rs.)	9.94	9.96	

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 by

Sgd  
**Director**

Sgd  
**Director**

**Colombo**  
**25 th October 2017**

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 2017**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2017	30.09.2016	%	30.09.2017	30.09.2016	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
<b>Revenue</b>	-				-	
Cost of Sales	-	-		-	-	
<b>Gross Profit</b>	-	-			-	
Other Income and Gains	1,818	-	-	1,818	-	-
Selling and Marketing Expenses	-				-	
Administrative Expenses	(1,044)	(1,118)	7	(3,417)	(3,729)	8
Finance Cost	-	-	-	-	(1)	100
Finance Income	-	-		-	-	
<b>Profit/(Loss) before Tax</b>	774	(1,118)	169	(1,599)	(3,730)	57
Income Tax Expenses	-		-		-	-
<b>Profit /(Loss) for the period</b>	<u>774</u>	<u>(1,118)</u>	169	<u>(1,599)</u>	<u>(3,730)</u>	57
<b>Other Comprehensive Income</b>	-				-	
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>774</u>	<u>(1,118)</u>	169	<u>(1,599)</u>	<u>(3,730)</u>	57
Basic Earnings / (Loss) per share for the period	0.01	(0.01)	169	(0.01)	(0.03)	57

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 2017**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED**  
**30 TH SEPTEMBER 2017**

Group	Attributable to the equity holders of the parent			
	Stated Capital	Accumulated	Non	Total
	Rs. '000'	Profit/(Losses) Rs. '000'	Controlling Interest Rs. '000'	Rs. '000'
Balance as at 01st April 2017	1,108,867	505,655	1	1,614,523
Loss for the Period	-	(19,620)	-	(19,620)
Balance as at 30 th September 2017	<u>1,108,867</u>	<u>486,035</u>	<u>1</u>	<u>1,594,903</u>
Balance as at 01st April 2016	1,108,867	371,833	-	1,480,700
Investment in subsidiary	-	-	1	1
Profit for the Period	-	18,341	-	18,341
Balance as at 30 September 2016	<u>1,108,867</u>	<u>390,174</u>	<u>1</u>	<u>1,499,042</u>
Company	Stated	Accumulated	Total	
	Capital Rs. '000'	Profit/(Losses) Rs. '000'	Rs. '000'	
Balance as at 01st April 2017	1,108,867	(4,713)	1,104,154	
Loss for the Period	-	(1,599)	(1,599)	
Balance as at 30 th September 2017	<u>1,108,867</u>	<u>(6,312)</u>	<u>1,102,555</u>	
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 September 2016	<u>1,108,867</u>	<u>(2,479)</u>	<u>1,106,388</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 2017**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED**  
**30 TH SEPTEMBER**

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2017	2016	2017	2016
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit/(Loss) before tax	(17,912)	162,951	(1,599)	(5,964)
<b>Adjustments for</b>				-
Depreciation	37,228	100,871	-	-
Amortisation	575	2,053	-	-
Finance Cost	1,776	405	-	-
Finance Income	(20,402)	(52,096)	-	-
Dividend Income	-	-	1,818	-
Income Tax receivable writeoff	-	137	-	137
(Profit)/Loss on Disposal of Property, Plant & Equipment	(4,039)	(4,953)	-	-
Provision for Defined Benefit Obligation	2,080	2,797	-	-
Operating Profit/(Loss) before Working Capital Changes	(694)	212,165	219	(5,827)
 (Increase)/ Decrease in Inventories	(3,490)	(4,405)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	(18,094)	283	1,813	5,826
Increase /(Decrease) in Trade and Other Payables	36,702	191	(214)	501
Cash Generated from / (Used in) Operations	14,424	208,234	1,818	500
 Finance Cost Paid	(1,776)	(405)	-	-
Defined Benefit Obligation paid	(657)	(2,054)	-	-
Income Tax paid	(11,114)	(41,752)	-	-
Net Cash From / (used in) Operating Activities	877	164,023	1,818	500
<b>Cash Flows from / (Used in) Investing Activities</b>				
Investment in Subsidiary	-	5,460	-	-
Proceeds from Disposal of Property Plant and Equipment	5,377	6,335	-	-
Acquisition of Property, Plant and Equipment	(55,946)	(466,106)	-	-
Acquisition of Intangible Assets	(1,100)	(925)	-	-
Investment in Fixed deposits	(5,000)	(199,231)	-	-
Withdrawal of Fixed Deposits	27,885	365,000	-	-
Dividend Received			(1,818)	
Finance Income Received	19,702	43,336	-	-
Net Cash from/(Used in) Investing Activities	(9,082)	(246,131)	(1,818)	-
<b>Cash Flows from (Used in) Financing Activities</b>				
Principal Payments under Finance Lease Liabilities	(1,839)	(3,406)	-	-
Net Cash from/(Used in) Financing Activities	(1,839)	(3,406)	-	-
 <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(10,044)	(85,514)	-	500
 <b>Cash and Cash Equivalents at the beginning of the Period</b>	14,481	99,996	468	(31)
<b>Cash and Cash Equivalents at the end of the period</b>	<b>4,437</b>	<b>14,482</b>	<b>468</b>	<b>469</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	14,709	21,722	468	468
Bank Overdraft	(10,272)	(7,240)	-	-
	<b>4,437</b>	<b>14,482</b>	<b>468</b>	<b>468</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 2017**

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

1. Market Price of Ordinary Shares

	30.09.2017	30.09.2016
Highest Price Per Share for the Quarter	12.80	16.00
Lowest Price Per Share for the Quarter	10.30	14.40
Last Traded	10.50	16.00

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 30 th September 2017

3. The Statement of Financial Position of the Company and Group as at 30 th September 2017 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 were no other material events took place since 31 st march 2017, that require disclosures in the Financial Statements.

7. **Subsidiaries.**

The Subsidiaries and its controlling percentages of the Group, which have been consolidated are as:

Subsidiaries.	2017	2016
La Forteresse (Private) Limited	100%	100%
Summer Season Mirrissa (Private ) Limited .(Previously Known as Alila Hotel & Resorts )	99.99%	-

The Alila Hotels and Resorts (Privet) Ltd having changed its name to Summer Season Mirrissa (Pvt) Ltd with effect from 25 th of July 2017.

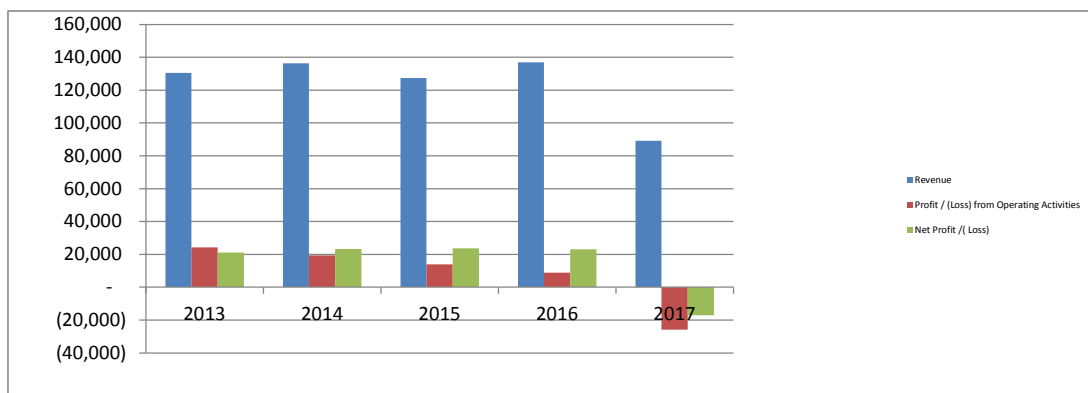
The Principal activities of the La Forteresse (Pvt) Ltd are provision of lodging , food, beverage and other hospitality industry related activities. Construction of Summer Season Mirrissa(Pvt) Ltd still not been commenced.

The Financial Statement of the subsidiaries are prepared in compliance with the Group's accounting policies unless stated otherwise.

8. Net Assets per Share has been calculated, for all periods, based on the number of shares in issue as at 30 th September 2017, amounting to 110,886,684.

9. 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 2017.

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



11. The percentage of the shares held by public as at 30 th September 2017 was 18.172% Comprising of 2,080 Shareholders. (30 th September 2016 - 18.172 % Comprising 2,104shareholders)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED**  
**30 TH SEPTEMBER 2017**

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 2017 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 2017 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. Merrill 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.Jan P Van Twest	Nil	-
11	Mr.C.V.Cabraal	Nil	
	Mr.H.Somashantha (Alternate Director to	Nil	
12	Mr.L.T.Samarawickrama)		-
	Ms.A.A.K Amarasinghe (Alternate Director to Mr.Dhammika	Nil	
13	Perera)		-

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
	PAN ASIA BANKING CORPORATION PLC/ALMAR		
9	INTERNATIONAL (PVT) LTD	1,236,646	1.115
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	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
15	MR. A P L FERNANDO	519,861	0.469
16	DEE INVESTMENTS (PVT) LTD	394,375	0.356
17	MOTOR SERVICE STATION (PRIVATE) LTD	350,978	0.317
18	ROYAL CEREMICS LANKA PLC	336,100	0.303
19	ANVERALLY AND SON (PVT) LTD A/C NO 1	323,884	0.292
	ACCUITY PARTNERS(PVT)LIMITED/MR.ARUMAPURAE		
20	PETER LASANTHA FERNANDO	297,760	0.269

# Corporate Information

## **Name of the 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 Adhihetty (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.Jan Peter Van Twest  
Mr.C V Cabraal

## **Subsidiary Companies**

La Forteresse (Private) Limited  
Summer Season Mirrissa (Pvt) Ltd (Previously Known as Alila Hotels and Resorts (Pvt) Ltd.

## **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