



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 ST DECEMBER 2017**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER

	As.At 31.12.2017 Rs. '000'	As.At 31.03.2017 Audited Rs. '000'	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,381,597	1,358,191	2
Intangible Assets	2,777	2,498	11
	<u>1,384,374</u>	<u>1,360,689</u>	2
Current Assets			
Inventories	26,963	23,384	15
Trade and Other Receivables	34,442	34,642	-
Advances and Prepayments	36,647	32,680	12
Short Term Deposits	366,464	318,761	15
Cash and Bank Balances	4,373	21,722	(80)
	<u>468,889</u>	<u>431,189</u>	9
Total Assets	<u>1,853,263</u>	<u>1,791,878</u>	3
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	525,198	505,655	4
Equity attributable to Equity Holders of the Parent	1,634,065	1,614,522	1
Non Controlling Interest	1	1	-
Total Equity	<u>1,634,066</u>	<u>1,614,523</u>	1
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	19,577	22,010	11
Retirement Benefit Obligation	13,858	12,332	(12)
Deferred Tax Liability	35,656	35,256	(1)
	<u>69,091</u>	<u>69,598</u>	1
Current Liabilities			
Trade and Other Payables	144,215	86,344	(67)
Income Tax Payables	1,325	10,115	87
Interest Bearing Loans and Borrowings	4,566	11,298	60
	<u>150,106</u>	<u>107,757</u>	(39)
Total Equity and Liabilities	<u>1,853,263</u>	<u>1,791,878</u>	(3)
Net Asset Value per Share (Rs.)	14.74	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
09 th February 2018

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 2017

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.12.2017	31.12.2016	%	31.12.2017	31.12.2016	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	172,828	163,974	5	359,187	397,171	(10)
Cost of Sales	(58,947)	(56,078)	(5)	(150,661)	(151,386)	0
Gross Profit	<u>113,881</u>	<u>107,896</u>	6	<u>208,526</u>	<u>245,785</u>	(15)
Other Income and Gains	11,163	10,477	7	25,350	24,369	4
Selling and Marketing Expenses	(8,167)	(7,129)	(15)	(17,252)	(16,427)	(5)
Administrative Expenses	(80,058)	(81,544)	2	(216,341)	(225,470)	4
Finance Cost	(691)	(5)	(13,720)	(2,467)	(145)	(1,601)
Finance Income	10,935	14,826	(26)	31,337	42,860	(27)
Profit/(Loss) before Tax	<u>47,063</u>	<u>44,521</u>	6	<u>29,153</u>	<u>70,972</u>	(59)
Income Tax Expenses	(7,902)	(9,820)	20	(9,610)	(17,927)	46
Profit / (Loss) for the period	<u>39,161</u>	<u>34,701</u>	13	<u>19,543</u>	<u>53,045</u>	(63)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income/(Loss) for the period net of Tax	<u>39,161</u>	<u>34,701</u>	13	<u>19,543</u>	<u>53,045</u>	(63)
Attributable to:						
Equity holders of the parent	<u>39,161</u>	<u>34,701</u>	13	<u>19,543</u>	<u>53,045</u>	(63)
Basic Earnings/(Loss) Per Share	0.35	0.31	13	0.18	0.48	(63)

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 2017

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	As.At 31.12.2017 Rs. '000'	As.At 31.03.2017 Audited Rs. '000'	Change %
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	101,745	104,429	(3)
Cash & Cash Equivalents	469	469	-
	<u>102,214</u>	<u>104,898</u>	(3)
Total Assets	<u>1,102,224</u>	<u>1,104,908</u>	(0)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits/(loss)	(7,182)	(4,713)	(52)
Total Equity	<u>1,101,685</u>	<u>1,104,154</u>	-
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	-	-
Retirement Benefit Obligation	-	-	-
	<u>-</u>	<u>-</u>	-
Current Liabilities			
Trade & Other Payables	539	754	29
Bank Overdraft	-	-	-
	<u>539</u>	<u>754</u>	29
Total Equity and Liabilities	<u>1,102,224</u>	<u>1,104,908</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
09 th February 2018

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 2017

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.12.2017	31.12.2016	%	31.12.2017	31.12.2016	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	-				-	
Cost of Sales	-	-		-	-	
Gross Profit	-	-			-	
Other Income and Gains	-	-	-	1,818	-	-
Selling and Marketing Expenses	-	-		-	-	
Administrative Expenses	(871)	(877)	1	(4,287)	(4,606)	7
Finance Cost	-	-	-	-	-	
Finance Income	-	-		-	-	
Profit/(Loss) before Tax	(871)	(877)	1	(2,469)	(4,606)	46
Income Tax Expenses	-		-		-	-
Profit /(Loss) for the period	<u>(871)</u>	<u>(877)</u>	1	<u>(2,469)</u>	<u>(4,606)</u>	46
Other Comprehensive Income	-				-	
Total Comprehensive Income/(Loss) for the period	<u>(871)</u>	<u>(877)</u>	1	<u>(2,469)</u>	<u>(4,606)</u>	46
Basic Earnings / (Loss) per share for the period	(0.01)	(0.01)	1	(0.02)	(0.04)	46

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

THE FORTRESS RESORTS PLC
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FOR THE PERIOD ENDED 31 ST DECEMBER 2017

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
31 ST DECEMBER

Group	Attributable to the equity holders the parent		of	Total Rs. '000'
	Stated Capital	Accumulated Profit/(Losses)	Non Controlling Interest	
	Rs. '000'	Rs. '000'	Rs. '000'	
Balance as at 01st April 2017	1,108,867	505,655	1	1,614,523
Profit for the Period	-	19,543	-	19,543
Balance as at 31 st December 2017	1,108,867	525,198	1	1,634,066
Balance as at 01st April 2016	1,108,867	371,833	-	1,480,700
Investment in subsidiary	-	-	1	1
Profit for the Period	-	53,045	-	53,045
Balance as at 31 st December 2016	1,108,867	424,878	1	1,533,746
Company				
	Stated Capital Rs.	Accumulated Profit/(Losses) Rs.		Total Rs.
Balance as at 01st April 2017	1,108,867	(4,713)		1,104,154
Loss for the Period	-	(2,469)		(2,469)
Balance as at 31 st December 2017	1,108,867	(7,182)		1,101,685
Balance as at 01st April 2016	1,108,867	1,251		1,110,118
Loss for the Period	-	(4,606)		(4,606)
Balance as at 31 st December 2016	1,108,867	(3,355)		1,105,512

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 2017

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 ST DECEMBER

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2017	2016	2017	2016
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Cash Flows From / (Used in) Operating Activities				
Profit/(Loss) before tax	29,153	70,971	(2,469)	(4,607)
Adjustments for				
Depreciation	55,070	75,348	-	-
Amortisation	821	1,518	-	-
Finance Cost	2,467	145	-	-
Finance Income	(31,337)	(42,859)	-	-
Dividend Income	-	-	1,818	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(7,777)	(4,747)	-	-
Provision for Defined Benefit Obligation	3,075	2,366	-	-
Operating Profit/(Loss) before Working Capital Changes	51,472	102,742	(651)	(4,607)
(Increase)/ Decrease in Inventories	(3,579)	(10,220)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	(1,767)	19,070	2,684	4,816
Increase /(Decrease) in Trade and Other Payables	57,871	26,747	(215)	291
Cash Generated from / (Used in) Operations	103,997	138,339	1,818	500
Finance Cost Paid	(2,467)	(145)	-	-
Defined Benefit Obligation paid	(1,548)	(1,315)	-	-
Income Tax paid	(18,000)	(33,800)	-	-
Net Cash From / (used in) Operating Activities	81,982	103,079	1,818	500
Cash Flows from / (Used in) Investing Activities				
Investment in Subsidiary	-	(364,000)	-	-
Proceeds from Disposal of Property Plant and Equipment	9,676	6,095	-	-
Acquisition of Property, Plant and Equipment	(80,374)	(85,982)	-	-
Acquisition of Intangible Assets	(1,100)	(696)	-	-
Investment in Fixed deposits	(75,587)	225,769	-	-
Withdrawal of Fixed Deposits	27,884	-	-	-
Dividend Received	-	-	(1,818)	-
Finance Income Received	29,337	46,281	-	-
Net Cash from/(Used in) Investing Activities	(90,164)	(172,533)	(1,818)	-
Cash Flows from (Used in) Financing Activities				
Dividends Paid				-
Principal Payments under Finance Lease Liabilities	(2,932)	(2,477)	-	-
Net Cash from/(Used in) Financing Activities	(2,932)	(2,477)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(11,114)	(71,931)	-	500
Cash and Cash Equivalents at the beginning of the Period	14,481	99,996	469	(31)
Cash and Cash Equivalents at the end of the period	3,367	28,066	469	469

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

Cash at Bank & In Hand	4,373	28,066	469	469
Bank Overdraft	(1,006)	-	-	-
	3,367	28,066	469	469

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 2017

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

1. Market Price of Ordinary Shares

	31.12.2017	31.12.2016
	Rs.	Rs.
Highest Price Per Share for the Quarter	10.80	16.20
Lowest Price Per Share for the Quarter	9.00	13.10
Last Traded	9.30	13.60

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

3. The Statement of Financial Position of the Company and Group as at 31 st December 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 follows

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

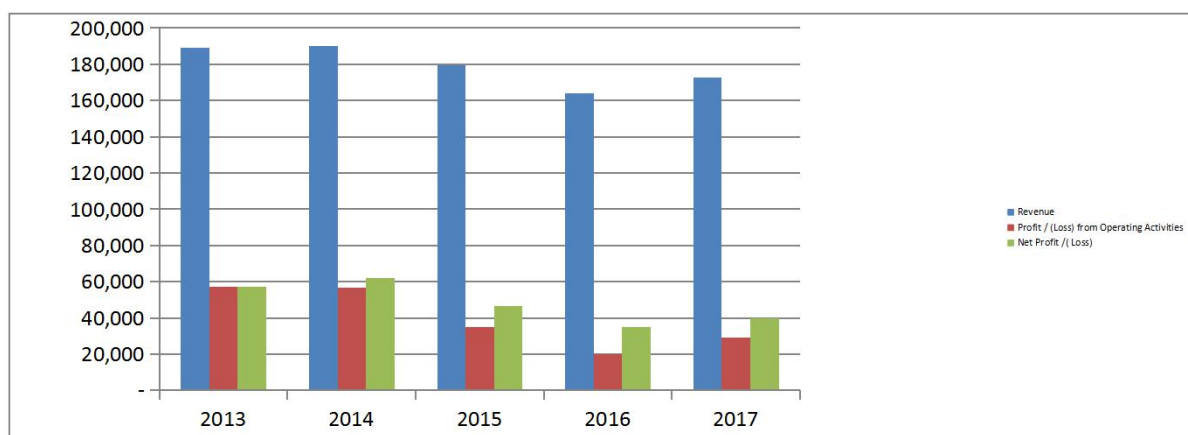
The Principal activities of the La Forteresse (Pvt) Ltd are provision of lodging , food, beverage and other hospitality industry related services. Construction of Summer Season Mirrissa (Pvt) Ltd still not been commenced.

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 31 st December 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 31 st December



11. The percentage of the shares held by public as at 31 st December 2017 was 18.172% Comprising of 2,092 Shareholders. (31 st December 2016 - 18.172 % Comprising 2,088 shareholders)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 ST DECEMBER 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 31 st December 2017 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. 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,

	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
9	FREUDENBERG SHIPPING AGENCIES LIMITED	1,047,658	0.945
10	MRS N U D ARIYARATNA	843,483	0.761
11	MR D C FERNANDO	833,333	0.752
12	MR. MALIK J FERNANDO	833,333	0.752
13	MR. A P L FERNANDO	775,861	0.700
	PAN ASIA BANKING CORPORATION PLC/ALMAR		
14	INTERNATIONAL (PVT) LTD	775,785	0.700
15	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
16	DEE INVESTMENTS (PVT) LTD	379,601	0.342
17	ANVERALLY AND SON (PVT) LTD A/C NO 1	373,810	0.337
18	MOTOR SERVICE STATION (PRIVATE) LTD	350,978	0.317
19	ROYAL CEREMICS LANKA PLC	336,100	0.303
	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