



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 ST MARCH 2018**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

	As.At 31.03.2018 Rs. '000'	As.At 31.03.2017 Audited Rs. '000'	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,371,563	1,358,191	1
Intangible Assets	4,011	2,498	61
	<u>1,375,574</u>	<u>1,360,689</u>	1
Current Assets			
Inventories	21,755	23,384	(7)
Trade and Other Receivables	41,453	34,642	20
Advances and Prepayments	40,940	32,680	25
Short Term Deposits	463,800	318,761	46
Cash and Bank Balances	15,122	21,722	(30)
	<u>583,070</u>	<u>431,189</u>	35
Total Assets	<u>1,958,644</u>	<u>1,791,878</u>	9
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	646,211	505,656	28
Equity attributable to Equity Holders of the Parent	1,755,078	1,614,523	9
Non Controlling Interest	1	1	-
Total Equity	<u>1,755,079</u>	<u>1,614,524</u>	9
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	17,169	22,010	22
Retirement Benefit Obligation	14,505	12,332	(18)
Deferred Tax Liability	41,394	35,257	(17)
	<u>73,068</u>	<u>69,599</u>	(5)
Current Liabilities			
Trade and Other Payables	111,998	86,342	(30)
Income Tax Payables	13,658	10,115	(35)
Interest Bearing Loans and Borrowings	4,841	11,298	57
	<u>130,497</u>	<u>107,755</u>	(21)
Total Equity and Liabilities	<u>1,958,644</u>	<u>1,791,878</u>	(9)
Net Asset Value per Share (Rs.)	15.83	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
17 th May 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 MARCH 2018

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2018	31.03.2017	%	31.03.2018	31.03.2017	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	279,519	228,252	22	638,706	625,422	2
Cost of Sales	(66,214)	(58,355)	(13)	(199,914)	(191,738)	(4)
Gross Profit	213,305	169,897	26	438,792	433,684	1
Other Income and Gains	10,272	9,135	12	35,622	33,505	6
Selling and Marketing Expenses	(12,526)	(12,348)	(1)	(29,778)	(28,774)	(3)
Administrative Expenses	(79,507)	(82,326)	3	(312,809)	(327,155)	4
Finance Cost	(659)	(260)	(153)	(3,125)	(405)	(672)
Finance Income	12,974	9,238	40	44,311	52,096	(15)
Profit/(Loss) before Tax	143,859	93,336	54	173,013	162,951	6
Income Tax Expenses	(23,004)	(10,160)	(126)	(32,214)	(28,086)	(15)
Profit / (Loss) for the period	120,855	83,176	45	140,799	134,865	4
Other Comprehensive Income	-	-		-	-	
Actuarial Loss on Defined Benefit Plan	(282)	(1,184)	76	(282)	(1,184)	76
Income tax effect	39	142	73	39	142	73
Other comprehensive Loss for the year, net of tax	(243)	(1,042)		(243)	(1,042)	
Total Comprehensive Income/(Loss) for the period net of Tax	120,612	82,134	47	140,556	133,823	5
Attributable to:						
Equity holders of the parent	120,612	82,134	47	140,556	133,823	5
Basic Earnings/(Loss) Per Share	1.09	0.73	49	1.27	1.22	4

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 2018

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	As.At 31.03.2018 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	100,914	104,429	(3)
Cash & Cash Equivalents	469	469	-
	<u>101,383</u>	<u>104,898</u>	(3)
Total Assets	<u>1,101,393</u>	<u>1,104,908</u>	(0)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits/(loss)	(8,223)	(4,713)	(74)
Total Equity	<u>1,100,644</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	749	754	1
Bank Overdraft	-	-	-
	<u>749</u>	<u>754</u>	1
Total Equity and Liabilities	<u>1,101,393</u>	<u>1,104,908</u>	-
Net Asset value per share (Rs.)	9.93	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
17 th May 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 MARCH 2018

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2018	31.03.2017	%	31.03.2018	31.03.2017	%
	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	(1,041)	(1,357)	23	(5,328)	(5,964)	11
Finance Cost	-	-	-	-	-	-
Finance Income	-	-		-	-	
Profit/(Loss) before Tax	(1,041)	(1,357)	23	(3,510)	(5,964)	41
Income Tax Expenses	-		-		-	-
Profit /(Loss) for the period	<u>(1,041)</u>	<u>(1,357)</u>	23	<u>(3,510)</u>	<u>(5,964)</u>	41
Other Comprehensive Income	-				-	
Total Comprehensive Income/(Loss) for the period	<u>(1,041)</u>	<u>(1,357)</u>	23	<u>(3,510)</u>	<u>(5,964)</u>	41
Basic Earnings / (Loss) per share for the period	(0.01)	(0.01)	23	(0.03)	(0.05)	41

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 2018

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

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	-	140,799	-	140,799
Other Comprehensive Income		(243)		(243)
Balance as at 31 st March 2018	<u>1,108,867</u>	<u>646,211</u>	<u>1</u>	<u>1,755,079</u>
Balance as at 01st April 2016	1,108,867	371,833	-	1,480,700
Investment in subsidiary	-	-	1	1
Profit for the Period	-	134,865	-	134,865
Other Comprehensive Income	-	(1,042)	-	(1,042)
Balance as at 31 st March 2017	<u>1,108,867</u>	<u>505,656</u>	<u>1</u>	<u>1,614,524</u>

Company	Stated Capital Rs. '000'	Accumulated Profit/(Losses) Rs. '000'	Total Rs. '000'
Balance as at 01st April 2017	1,108,867	(4,713)	1,104,154
Loss for the Period	-	(3,510)	(3,510)
Balance as at 31 st March 2018	<u>1,108,867</u>	<u>(8,223)</u>	<u>1,100,644</u>
Balance as at 01st April 2016	1,108,867	1,251	1,110,118
Loss for the Period	-	(5,964)	(5,964)
Balance as at 31 st March 2017	<u>1,108,867</u>	<u>(4,713)</u>	<u>1,104,154</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 2018

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 ST MARCH

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2018	2017	2018	2017
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Cash Flows From / (Used in) Operating Activities				
Profit/(Loss) before tax	173,013	162,951	(3,510)	(5,964)
Adjustments for				
Depreciation	73,172	100,872	-	-
Amortisation	1,049	2,053	-	-
Finance Cost	3,124	405	-	-
Finance Income	(44,311)	(52,096)	-	-
Dividend Income	-	-	(1,818)	-
Income Tax receivable writeoff	-	137	-	137
Exchange Gain	-	-	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(7,740)	(4,952)	-	-
Provision for Defined Benefit Obligation	3,616	2,797	-	-
Operating Profit/(Loss) before Working Capital Changes	201,923	212,167	(5,328)	(5,827)
(Increase)/ Decrease in Inventories	1,628	(4,405)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	(15,070)	283	5,334	5,826
Increase /(Decrease) in Trade and Other Payables	25,655	191	(5)	500
Cash Generated from / (Used in) Operations	214,136	208,236	1	499
Finance Cost Paid	(3,124)	(405)	-	-
Defined Benefit Obligation paid	(1,725)	(2,057)	-	-
Income Tax paid	(22,493)	(41,752)	-	-
Net Cash From / (used in) Operating Activities	186,794	164,022	1	499
Cash Flows from / (Used in) Investing Activities				
Investment in Subsidiary	-	5,460	-	-
Proceeds from Disposal of Property Plant and Equipment	10,853	6,335	-	-
Acquisition of Property, Plant and Equipment	(89,657)	(466,106)	-	-
Acquisition of Intangible Assets	(2,563)	(925)	-	-
Investment in Fixed deposits	(210,407)	(199,231)	-	-
Withdrawal of Fixed Deposits	70,000	365,000	-	-
Dividend Received	-	-	-	-
Finance Income Received	39,678	43,336	-	-
Net Cash from/(Used in) Investing Activities	(182,096)	(246,131)	-	-
Cash Flows from (Used in) Financing Activities				
Dividends Paid	-	-	-	-
Re-payment of Bank Loans	-	-	-	-
Principal Payments under Finance Lease Liabilities	(4,058)	(3,406)	-	-
Net Cash from/(Used in) Financing Activities	(4,058)	(3,406)	-	-
Effect of Exchange rates changes on Cash and Cash Equivalent	-	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	640	(85,515)	1	499
Cash and Cash Equivalents at the beginning of the Period	14,482	99,996	468	(31)
Cash and Cash Equivalents at the end of the period	15,122	14,482	469	468
For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following:				
Cash at Bank & In Hand	15,122	21,722	469	468
Bank Overdraft	-	(7,240)	-	-
	15,122	14,482	469	468
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 2018

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

1. Market Price of Ordinary Shares

	31.03.2018	31.03.2017
	Rs.	Rs.
Highest Price Per Share for the Quarter	12.30	14.80
Lowest Price Per Share for the Quarter	9.00	11.50
Last Traded	10.50	11.60

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 31 st March 2018

3. The Statement of Financial Position of the Company and Group as at 31 st March 2018 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. All values included in these Financial Statements are in rupees '000' unless otherwise stated.

5. There were no other material events took place since 31 st march 2017, that require disclosures in the Financial Statements.

6. **Subsidiaries.**

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

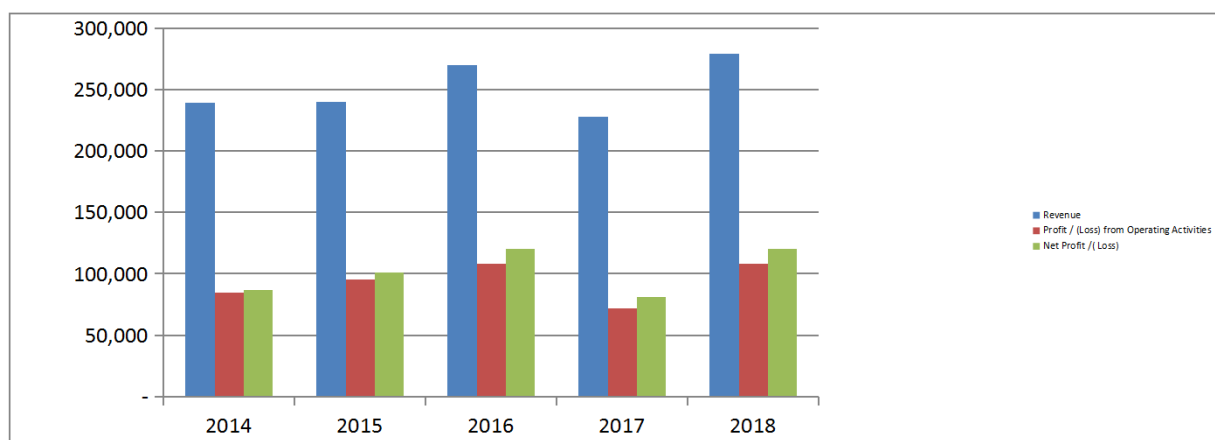
Subsidiaries.	2018	2017
La Forteresse (Private) Limited	100%	100%
Summer Season Mirissa (Private) Limited .(Previously Known as Alila Hotel & Resorts)	99.99%	-

The Principal activities of the subsidiaries are provision of lodging , food, beverage and other hospitality industry related services. The financial statement of the subsidiaries are prepared in compliance with the group's accounting policies unless stated otherwise.

7. Net Assets per Share has been calculated, for all periods, based on the number of shares in issue as at 31 st March 2018, 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 2017.

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 2018 was 18.172% Comprising of 2,118 Shareholders. (31 st March 2017 -18.172 % Comprising 2,080 shareholders)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 ST MARCH 2018

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 March 2018 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 (Resigned as Managing Director w.e.f 02.03.2018 but will remain as a Director)	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.Jan P Van Twest	Nil	-
11	Mr.C.V.Cabraal	Nil	
12	Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama)	Nil	-
13	Ms.A.A.K Amarasinghe (Alternate Director to Mr.Dhammika Perera)	Nil	-
14	Mr.K.D.H Perera (Appointed as Managing Director w.e.f 02.03.2018)	Nil	

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	FREUDENBERG SHIPPING AGENCIES LIMITED	1,579,401	1.424
8	BANK OF CEYLON NO. 1 ACCOUNT	1,461,100	1.318
9	SEYLAN BANK PLC/JAYANTHA DEWAGE	1,441,400	1.300
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
14	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
15	ANVERALLY AND SON (PVT) LTD A/C NO 1	373,810	0.337
16	MOTOR SERVICE STATION (PRIVATE) LTD	350,978	0.317
17	ROYAL CEREMICS LANKA PLC	336,100	0.303
18	ACCUITY PARTNERS (PVT) LIMITED/MR.ARUMAPURAE PETER LASANTHA FERNANDO	297,760	0.269
19	SEYLAN BANK PLC/A.M.NIHA ANURUDDHA ABEYKOON	294,451	0.266
20	NATIONAL DEVELOPMENT BANK PLC/ SAKUVI INVESTMENT TRUST (PVT) LTD	284,166	0.256

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
(Resigned as Managing Director w.e.f 02.03.2018 but will remain as a Director)
Mr. Malik J Fernando
Mr. Merril 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
Mr.K D H Perera
(Appointed as Managing Director w.e.f 02.03.2018)

Subsidiary Companies

La Forteresse (Private) Limited
Summer Season Mirissa (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