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**THE FORTRESS RESORTS PLC**

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**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
30 TH SEPTEMBER 2018**

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH SEPTEMBER 2018**

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

	As.At 30.09.2018	As.At 31.03.2018 Audited	Change %
	Rs. '000'	Rs. '000'	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1,369,786	1,371,563	-
Intangible Assets	<u>3,676</u>	<u>4,011</u>	(8)
	<u>1,373,462</u>	<u>1,375,574</u>	-
<b>Current Assets</b>			
Inventories	21,636	21,755	(1)
Trade and Other Receivables	20,483	41,453	(51)
Advances and Prepayments	43,773	40,940	7
Short Term Deposits	380,154	463,800	(18)
Cash and Bank Balances	<u>8,090</u>	<u>15,122</u>	(47)
	<u>474,136</u>	<u>583,070</u>	(19)
<b>Total Assets</b>	<b><u>1,847,598</u></b>	<b><u>1,958,644</u></b>	(6)
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	<u>530,280</u>	<u>646,211</u>	(18)
Equity attributable to Equity Holders of the Parent	1,639,147	1,755,078	(7)
Non Controlling Interest	<u>1</u>	<u>1</u>	-
<b>Total Equity</b>	<b><u>1,639,148</u></b>	<b><u>1,755,079</u></b>	(7)
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	14,818	17,169	14
Retirement Benefit Obligation	14,651	14,505	(1)
Deferred Tax Liability	<u>41,394</u>	<u>41,394</u>	-
	<u>70,863</u>	<u>73,068</u>	3
<b>Current Liabilities</b>			
Trade and Other Payables	121,301	111,998	(8)
Income Tax Payables	1,992	13,658	85
Interest Bearing Loans and Borrowings	<u>14,294</u>	<u>4,841</u>	(195)
	<u>137,587</u>	<u>130,497</u>	(5)
<b>Total Equity and Liabilities</b>	<b><u>1,847,598</u></b>	<b><u>1,958,644</u></b>	6
Net Asset Value per Share (Rs.)	14.78	15.83	

I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007

Sgd  
**Chief Financial Officer**

The Board of Directors is responsible for the preparation of these financial statements

Sgd  
**Director**

Sgd  
**Director**

**Colombo**  
**13 th November 2018**

Note :The above figures for the interim period are not audited

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH SEPTEMBER 2018**

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

	FOR 3 MONTHS ENDED		Change %	YEAR TO DATE		Change %
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
<b>Revenue</b>	132,372	89,096	49	244,566	186,359	31
Cost of Sales	(55,137)	(45,673)	(21)	(105,159)	(91,714)	(15)
<b>Gross Profit</b>	<b>77,235</b>	<b>43,423</b>	<b>78</b>	<b>139,407</b>	<b>94,645</b>	<b>47</b>
Other Income and Gains	6,850	4,475	53	12,534	14,187	(12)
Selling and Marketing Expenses	(6,733)	(4,831)	(39)	(12,590)	(9,086)	(39)
Administrative Expenses	(75,417)	(69,324)	(9)	(144,779)	(136,284)	(6)
Finance Cost	(596)	(1,013)	41	(1,225)	(1,776)	31
Finance Income	10,868	9,705	12	25,563	20,402	25
<b>Profit/(Loss) before Tax</b>	<b>12,207</b>	<b>(17,565)</b>	<b>169</b>	<b>18,910</b>	<b>(17,912)</b>	<b>206</b>
Income Tax Expenses	(3,429)	429	(899)	(23,954)	(1,707)	(1,303)
<b>Profit / (Loss) for the period</b>	<b>8,778</b>	<b>(17,136)</b>	<b>151</b>	<b>(5,044)</b>	<b>(19,619)</b>	<b>74</b>
<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>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
<b>Total Comprehensive Income/(Loss) for the period net of Tax</b>	<b>8,778</b>	<b>(17,136)</b>	<b>151</b>	<b>(5,044)</b>	<b>(19,619)</b>	<b>74</b>
<b>Attributable to:</b>						
Equity holders of the parent	<b>8,778</b>	<b>(17,136)</b>	<b>151</b>	<b>(5,044)</b>	<b>(19,619)</b>	<b>74</b>
Basic Earnings/(Loss) Per Share (Rs)	0.08	(0.15)	151	(0.05)	(0.18)	74
Dividend per share (Rs)				1.00	-	

Note :The above figures for the interim period are not audited  
: Figures in brackets indicate deductions

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH SEPTEMBER 2018**

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

	As.At 30.09.2018	As.At 31.03.2018 Audited	Change %
	Rs. '000'	Rs. '000'	
<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	109,252	100,914	8
Cash & Cash Equivalents	17	468	(96)
	<u>109,269</u>	<u>101,382</u>	8
<b>Total Assets</b>	<b><u>1,109,279</u></b>	<b><u>1,101,392</u></b>	1
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumilated Profits/(loss)	(123)	(8,224)	99
<b>Total Equity</b>	<b><u>1,108,744</u></b>	<b><u>1,100,643</u></b>	(1)
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	-	-	
Retirement Benefit Obligation	-	-	
	<u>-</u>	<u>-</u>	
<b>Current Liabilities</b>			
Trade & Other Payables	510	749	32
Bank Overdraft	25	-	-
	<u>535</u>	<u>749</u>	29
<b>Total Equity and Liabilities</b>	<b><u>1,109,279</u></b>	<b><u>1,101,392</u></b>	(1)
Net Asset value per share (Rs.)	10.00	9.93	

I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007

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**Chief Financial Officer**

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Sgd  
**Director**

Sgd  
**Director**

**Colombo**  
**13 th November 2018**

Note :The above figures for the interim period are not audited

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH SEPTEMBER 2018**

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

	FOR 3 MONTHS ENDED		Change %	YEAR TO DATE		Change %
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
<b>Revenue</b>	-	-		-	-	
Cost of Sales	-	-		-	-	
<b>Gross Profit</b>	-	-		-	-	
Other Income and Gains		1,818	-	122,808	1,818	6,655
Selling and Marketing Expenses	-	-		-	-	
Administrative Expenses	(1,418)	(1,044)	(36)	(3,818)	(3,417)	(12)
Finance Cost	(1)	-	-	(2)	-	-
Finance Income	-	-		-	-	
<b>Profit/(Loss) before Tax</b>	(1,419)	774	283	118,988	(1,599)	7,541
Income Tax Expenses	-	-		-	-	
<b>Profit/(Loss) for the period</b>	<u>(1,419)</u>	<u>774</u>	283	<u>118,988</u>	<u>(1,599)</u>	7,541
<b>Other Comprehensive Income</b>	-	-		-	-	
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>(1,419)</u>	<u>774</u>	283	<u>118,988</u>	<u>(1,599)</u>	7,541
Basic Earnings / (Loss) per share for the period	(0.01)	0.01	283	1.07	(0.01)	7,541
Dividend per share (Rs)	-	-	-	1.00		

Note :The above figures for the interim period are not audited  
: Figures in brackets indicate deductions

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH SEPTEMBER 2018**

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

Group	Attributable to the equity holders of the parent			Total Rs. '000'
	Stated Capital	Accumulated Profit/(Losses)	Non Controlling Interest	
	Rs. '000'	Rs. '000'	Rs. '000'	
<b>Balance as at 01st April 2018</b>	1,108,867	646,211	1	1,755,079
Loss for the Period	-	(5,044)	-	(5,044)
Dividend		(110,887)		(110,887)
<b>Balance as at 30 th September 2018</b>	<u>1,108,867</u>	<u>530,280</u>	<u>1</u>	<u>1,639,148</u>
<b>Balance as at 01st April 2017</b>	1,108,867	505,655	1	1,614,523
Loss for the Period	-	(19,619)	-	(19,619)
Other Comprehensive Income	-	-	-	-
<b>Balance as at 30 th September 2017</b>	<u>1,108,867</u>	<u>486,036</u>	<u>1</u>	<u>1,594,904</u>
<b>Company</b>		<b>Stated Capital</b>	<b>Accumulated Profit/(Losses)</b>	<b>Total</b>
		<b>Rs. '000'</b>	<b>Rs. '000'</b>	<b>Rs. '000'</b>
<b>Balance as at 01st April 2018</b>		1,108,867	(8,224)	1,100,643
Profit for the Period		-	118,988	118,988
Dividend		-	(110,887)	(110,887)
<b>Balance as at 30 th September 2018</b>		<u>1,108,867</u>	<u>(123)</u>	<u>1,108,744</u>
<b>Balance as at 01st April 2017</b>		1,108,867	(4,713)	1,104,154
Loss for the Period		-	(1,599)	(1,599)
<b>Balance as at 30 th September 2017</b>		<u>1,108,867</u>	<u>(6,312)</u>	<u>1,102,555</u>

Note :The above figures for the interim period are not audited  
:Figures in brackets indicate deductions

**THE FORTRESS RESORTS PLC****INTERIM FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 TH SEPTEMBER 2018****STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED****30 TH SEPTEMBER**

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2018	2017	2018	2017
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit/(Loss) before tax	18,910	(17,912)	118,988	(1,599)
<b>Adjustments for</b>				
Depreciation	36,455	37,228	-	-
Amortisation	616	575	-	-
Finance Cost	1,223	1,776	-	-
Finance Income	(25,562)	(20,402)	-	-
Dividend Income	-	-	(122,808)	1,818
(Profit)/Loss on Disposal of Property, Plant & Equipment	(947)	(4,039)	-	-
Provision for Defined Benefit Obligation	1,905	2,080	-	-
Operating Profit/(Loss) before Working Capital Changes	32,600	(694)	(3,820)	219
(Increase)/ Decrease in Inventories	119	(3,490)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	18,138	(18,094)	(8,338)	1,813
Increase /(Decrease) in Trade and Other Payables	(7,890)	36,702	(239)	(214)
Cash Generated from / (Used in) Operations	42,967	14,424	(12,397)	1,818
Finance Cost Paid	(1,223)	(1,776)	-	-
Defined Benefit Obligation paid	(1,759)	(657)	-	-
Income Tax paid	(18,426)	(11,114)	-	-
Net Cash From / (used in) Operating Activities	21,559	877	(12,397)	1,818
<b>Cash Flows from / (Used in) Investing Activities</b>				
Proceeds from Disposal of Property Plant and Equipment	1,521	5,377	-	-
Acquisition of Property, Plant and Equipment	(35,084)	(55,946)	-	-
Acquisition of Intangible Assets	(281)	(1,100)	-	-
Investment in Fixed deposits	(60,539)	(5,000)	-	-
Withdrawal of Fixed Deposits	141,821	27,885	-	-
Dividend Received	-	-	122,808	(1,818)
Finance Income Received	27,757	19,702	-	-
Net Cash from/(Used in) Investing Activities	75,195	(9,082)	122,808	(1,818)
<b>Cash Flows from (Used in) Financing Activities</b>				
Dividend	(110,887)	-	(110,887)	-
Re-payment of Bank Loans	-	-	-	-
Principal Payments under Finance Lease Liabilities	(2,351)	(1,839)	-	-
Net Cash from/(Used in) Financing Activities	(113,238)	(1,839)	(110,887)	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(16,484)	(10,044)	(476)	-
<b>Cash and Cash Equivalents at the beginning of the Period</b>	15,122	14,481	468	468
<b>Cash and Cash Equivalents at the end of the period</b>	<b>(1,362)</b>	<b>4,437</b>	<b>(8)</b>	<b>468</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	8,090	14,709	17	468
Bank Overdraft	(9,452)	(10,272)	(25)	-
	<b>(1,362)</b>	<b>4,437</b>	<b>(8)</b>	<b>468</b>

Note :The above figures for the interim period are not audited

:Figures in brackets indicate deductions

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH SEPTEMBER 2018**

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

1. Market Price of Ordinary Shares

	30.09.2018	30.09.2017
	Rs.	Rs.
Highest Price Per Share for the Quarter	10.60	12.80
Lowest Price Per Share for the Quarter	8.80	10.30
Last Traded	9.00	10.50

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 30 th September 2018

3. The Statement of Financial Position of the Company and Group as at 30 th September 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. 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 "000" unless otherwise stated.

6. There were no other material events took place since 30 th September 2018, 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.	2018	2017
La Forteresse (Private) Limited	100%	100%
Summer Season Mirissa (Private ) Limited	99.99%	99.99%

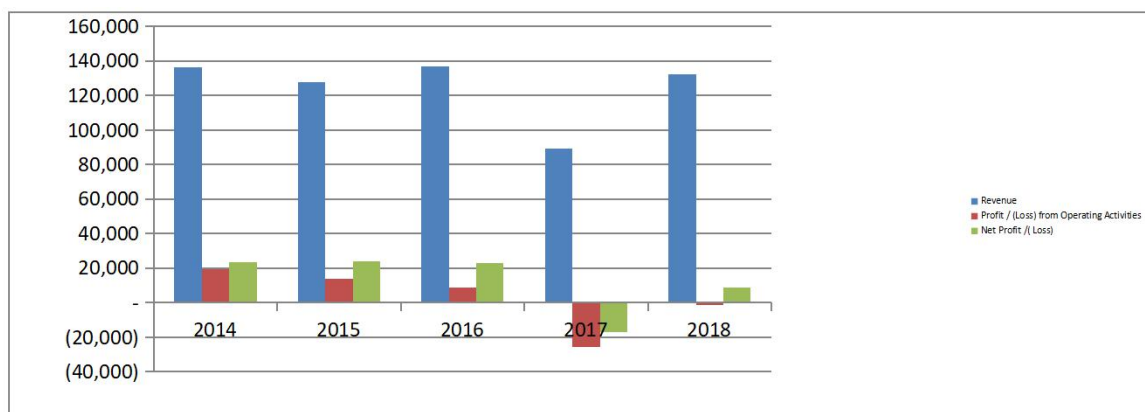
The Principal activities of the subsidiaries are provision of lodging , food, beverage and other hospitality industry related services.

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

8. Net Assets value per Share has been calculated, for all periods, based on the number of shares in issue as at 30 th September 2018, 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 2018.

10. Graphical Analysis of Seasonality performance - For the Quarter



11. The percentage of the shares held by public as at 30 th September 2018 was 18.190% Comprising of 2,089 Shareholders. (30 th September 2017 - 18.172 % Comprising 2,080 shareholders)

12. The float adjusted market capitalization as at 30 th September 2018 - 181,529,406.00

13. The Float adjusted market capitalization of the company falls under Option 2 of Rule 7.13.1(b) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
30 TH SEPTEMBER 2018**

14. 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 2018 and are in compliance with the Sri Lanka Accounting Standard 34 - Interim Financial Reporting.
15. The number of shares held by the Board of Directors as of 30 th September 2018 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.K.D.H Perera -Managing Director	Nil	-
3	Mr.J.A.S.S. Adhietty	13,741	0.012
4	Mr. Malik J. Fernando	833,333	0.752
5	Mr. Merril .J. Fernando	2,124,400	1.916
6	Mr.W.A.C. J. Wickramasinghe (Resigned w.e.f 17.09.2018)	19,291	0.017
7	Mr. S. Senaratne	1,000	0.001
8	Mr. L.T.Samarawickrama	1,550	0.001
9	Mr. D.E.Silva	500	0.000
10	Mr.L.N.De Silva Wijeyeratne	Nil	-
11	Mr.Jan P Van Twest	Nil	-
12	Mr.C.V.Cabraal	Nil	-
13	Mr.C.U Weerawardena (Appointed w.e.f 19.09.2018)	Nil	-
14	Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama)	Nil	-
15	Ms.A.A.K Amarasinghe (Alternate Director to Mr.Dhammika Perera)	Nil	-

16. Twenty largest shareholders of the company as of 30 th September 2018 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	25.81
2	VALLIBEL LEISURE (PRIVATE) LIMITED	24,417,932	22.02
3	VALLIBEL ONE PLC	19,977,345	18.02
4	MR DHAMMIKA PERERA	10,329,317	9.32
5	L B FINANCE PLC	4,051,100	3.65
6	MR. MERRIL J FERNANDO	2,124,400	1.92
7	FREUDENBERG SHIPPING AGENCIES LIMITED	1,496,000	1.35
8	BANK OF CEYLON NO. 1 ACCOUNT	1,461,100	1.32
9	SEYLAN BANK PLC/JAYANTHA DEWAGE	1,441,400	1.30
10	MRS N U D ARIYARATNA	843,483	0.76
11	MR D C FERNANDO	833,333	0.75
12	MR. MALIK J FERNANDO	833,333	0.75
13	MR. A P L FERNANDO	775,861	0.70
14	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.50
15	ANVERALLY AND SON (PVT) LTD A/C NO 1	373,810	0.34
16	MOTOR SERVICE STATION (PRIVATE) LTD	353,678	0.32
17	ROYAL CEREMICS LANKA PLC	336,100	0.30
18	ACCUITY PARTNERS (PVT) LIMITED/MR.ARUMAPURAE PETER LASANTHA FERNANDO	332,210	0.30
19	SEYLAN BANK PLC/A.M.NIHA ANURUDDHA ABEYKOON	294,451	0.27
20	MR D F G DALPETHADO AND MRS.H F A K D FORNSEKA	294,256	0.27

# 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.K D H Perera ( Managing Director )  
Mr. J A S S Adhietty  
Mr. Malik J Fernando  
Mr. Merrill J Fernando  
Mr. W A C J Wickramasinghe (Resigned w.e.f 17.09.2018)  
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.C U Weerawardena (Appointed w.e.f 19.09.2018)

## **Subsidiary Companies**

La Forteresse (Private) Limited  
Summer Season Mirissa (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