



THE FORTRESS RESORTS PLC

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER

	As.At 31.12.2018 Rs '000'	As.At 31.03.2018 Audited Rs '000'	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,354,977	1,371,563	(1)
Intangible Assets	3,383	4,011	(16)
	<u>1,358,360</u>	<u>1,375,574</u>	(1)
Current Assets			
Inventories	26,450	21,755	22
Trade and Other Receivables	32,472	41,453	(23)
Advances and Prepayments	37,825	40,940	(8)
Short Term Deposits	488,321	463,800	5
Cash and Bank Balances	10,310	15,122	(32)
	<u>595,378</u>	<u>583,070</u>	2
Total Assets	<u>1,953,738</u>	<u>1,958,644</u>	-
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	614,861	646,211	5
Equity attributable to Equity Holders of the Parent	<u>1,723,728</u>	<u>1,755,078</u>	2
Non Controlling Interest	1	1	-
Total Equity	<u>1,723,729</u>	<u>1,755,079</u>	2
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	14,818	17,169	14
Retirement Benefit Obligation	15,424	14,505	(6)
Deferred Tax Liability	41,394	41,394	-
	<u>71,636</u>	<u>73,068</u>	2
Current Liabilities			
Trade and Other Payables	148,357	111,998	(32)
Income Tax Payables	6,274	13,658	54
Interest Bearing Loans and Borrowings	3,742	4,841	23
	<u>158,373</u>	<u>130,497</u>	(21)
Total Equity and Liabilities	<u>1,953,738</u>	<u>1,958,644</u>	-
Net Asset Value per Share (Rs.)	15.54	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
12 th February 2019

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

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

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.12.2018	31.12.2017	%	31.12.2018	31.12.2017	%
	Rs '000'	Rs '000'		Rs '000'	Rs '000'	
Revenue	220,881	172,829	28	465,447	359,187	30
Cost of Sales	(64,268)	(58,947)	(9)	(169,428)	(150,661)	(12)
Gross Profit	156,613	113,882	38	296,019	208,526	42
Other Income and Gains	13,576	11,163	22	26,111	25,350	3
Selling and Marketing Expenses	(8,895)	(8,167)	(9)	(21,484)	(17,252)	(25)
Administrative Expenses	(79,643)	(80,057)	1	(224,421)	(216,341)	(4)
Finance Cost	(558)	(691)	19	(1,783)	(2,468)	28
Finance Income	13,236	10,935	21	38,797	31,337	24
Profit/(Loss) before Tax	94,329	47,065	100	113,239	29,152	288
Income Tax Expenses	(9,748)	(7,502)	(30)	(33,702)	(9,609)	(251)
Profit / (Loss) for the period	84,581	39,563	114	79,537	19,543	307
Other Comprehensive Income	-	-		-	-	
Actuarial Loss on Defined Benefit Plan	-	-		-	-	
Income tax effect	-	-		-	-	
Other comprehensive Loss for the year, net of tax	-	-		-	-	
Total Comprehensive Income/(Loss) for the period net of Tax	84,581	39,563	114	79,537	19,543	307
Attributable to:						
Equity holders of the parent	84,581	39,563	114	79,537	19,543	307
Basic Earnings/(Loss) Per Share	0.76	0.36	114	0.72	0.18	307
Dividend per share				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 31 ST DECEMBER 2018

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER

	As.At 31.12.2018 Rs '000'	As.At 31.03.2018 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	108,388	100,914	7
Cash & Cash Equivalents	17	468	(96)
	<u>108,405</u>	<u>101,382</u>	7
Total Assets	<u>1,108,415</u>	<u>1,101,392</u>	1
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumilated Profits/(loss)	(985)	(8,224)	88
Total Equity	<u>1,107,882</u>	<u>1,100,643</u>	(1)
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	-	-
Retirement Benefit Obligation	-	-	-
	<u>-</u>	<u>-</u>	-
Current Liabilities			
Trade & Other Payables	405	749	46
Bank Overdraft	128	-	-
	<u>533</u>	<u>749</u>	29
Total Equity and Liabilities	<u>1,108,415</u>	<u>1,101,392</u>	(1)
Net Asset value per share (Rs.)	9.99	9.93	

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Colombo
12 th February 2019

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

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.12.2018	31.12.2017	%	31.12.2018	31.12.2017	%
	Rs '000'	Rs '000'		Rs '000'	Rs '000'	
Revenue	-				-	
Cost of Sales	-	-		-	-	
Gross Profit	-	-			-	
Other Income and Gains	-	-	-	122,808	1,818	6,655
Selling and Marketing Expenses	-	-		-	-	
Administrative Expenses	(861)	(871)	1	(4,678)	(4,288)	(9)
Finance Cost	(2)	-	-	(4)	-	-
Finance Income	-	-		-	-	
Profit/(Loss) before Tax	(863)	(871)	1	118,126	(2,470)	4,882
Income Tax Expenses	-		-		-	-
Profit /(Loss) for the period	<u>(863)</u>	<u>(871)</u>	1	<u>118,126</u>	<u>(2,470)</u>	4,882
Other Comprehensive Income	-				-	
Total Comprehensive Income/(Loss) for the period	<u>(863)</u>	<u>(871)</u>	1	<u>118,126</u>	<u>(2,470)</u>	4,882
Basic Earnings / (Loss) per share for the period	(0.01)	(0.01)	1	1.07	(0.02)	4,882
Dividend per share	-	-	-	1.00		

Note :The above figures for the interim period are not audited
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THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2018

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

Group	Attributable to the equity holders the parent		of	
	Stated Capital	Accumulated Profit/(Losses)	Non Controlling Interest	Total
	Rs '000'	Rs '000'	Rs '000'	Rs '000'
Balance as at 01st April 2018	1,108,867	646,211	1	1,755,079
Profit for the Period	-	79,537	-	79,537
Dividend		(110,887)		(110,887)
Balance as at 31 st December 2018	<u>1,108,867</u>	<u>614,861</u>	<u>1</u>	<u>1,723,729</u>
Balance as at 01st April 2017	1,108,867	505,655	1	1,614,523
Profit for the Period	-	19,543	-	19,543
Other Comprehensive Income	-	-	-	-
Balance as at 31 st December 2017	<u>1,108,867</u>	<u>525,198</u>	<u>1</u>	<u>1,634,066</u>
Company	Stated Capital	Accumulated Profit/(Losses)	Total	
	Rs '000'	Rs '000'	Rs '000'	
Balance as at 01st April 2018	1,108,867	(8,224)	1,100,643	
Profit for the Period	-	118,126	118,126	
Dividend	-	(110,887)	(110,887)	
Balance as at 31 st December 2018	<u>1,108,867</u>	<u>(985)</u>	<u>1,107,881</u>	
Balance as at 01st April 2017	1,108,867	(4,713)	1,104,154	
Loss for the Period	-	(2,470)	(2,470)	
Balance as at 31 st December 2017	<u>1,108,867</u>	<u>(7,183)</u>	<u>1,101,684</u>	

Note :The above figures for the interim period are not audited
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THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2018

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 ST DECEMBER

	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	113,239	29,152	118,126	(2,470)
Adjustments for				-
Depreciation	55,524	55,070	-	-
Amortisation	909	821	-	-
Finance Cost	1,783	2,467	-	-
Finance Income	(38,798)	(31,337)	-	-
Dividend Income	-	-	(122,808)	1,818
(Profit)/Loss on Disposal of Property, Plant & Equipment	(5,884)	(7,777)	-	-
Provision for Defined Benefit Obligation	2,857	3,075	-	-
Operating Profit/(Loss) before Working Capital Changes	129,630	51,471	(4,682)	(652)
(Increase)/ Decrease in Inventories	(4,695)	(3,579)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	12,091	(3,753)	(7,475)	2,684
Increase /(Decrease) in Trade and Other Payables	36,363	59,902	(343)	(215)
Cash Generated from / (Used in) Operations	173,389	104,041	(12,500)	1,817
Finance Cost Paid	(1,783)	(2,467)	-	-
Defined Benefit Obligation paid	(1,937)	(1,548)	-	-
Income Tax paid	(41,087)	(17,659)	-	-
Net Cash From / (used in) Operating Activities	128,582	82,367	(12,500)	1,817
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property Plant and Equipment	6,433	9,676	-	-
Acquisition of Property, Plant and Equipment	(39,486)	(80,374)	-	-
Acquisition of Intangible Assets	(281)	(1,100)	-	-
Investment in Fixed deposits	(166,342)	(75,587)	-	-
Withdrawal of Fixed Deposits	141,821	27,884	-	-
Dividend Received	-	-	122,808	(1,818)
Finance Income Received	38,798	28,995	-	-
Net Cash from/(Used in) Investing Activities	(19,057)	(90,506)	122,808	(1,818)
Cash Flows from (Used in) Financing Activities				
Dividend	(110,887)		(110,887)	-
Re-payment of Bank Loans	-	-	-	-
Principal Payments under Finance Lease Liabilities	(3,578)	(2,932)	-	-
Net Cash from/(Used in) Financing Activities	(114,465)	(2,932)	(110,887)	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,940)	(11,071)	(579)	(1)
Cash and Cash Equivalents at the beginning of the Period	15,122	14,482	468	469
Cash and Cash Equivalents at the end of the period	10,182	3,411	(111)	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	10,310	4,417	17	468
Bank Overdraft	(128)	(1,006)	(128)	-
	10,182	3,411	(111)	468

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INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2018

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

1. Market Price of Ordinary Shares

	31.12.2018	31.12.2017
	Rs.	Rs.
Highest Price Per Share for the Quarter	10.00	10.80
Lowest Price Per Share for the Quarter	8.60	9.00
Last Traded	9.10	9.30

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

3. The Statement of Financial Position of the Company and Group as at 31 st December 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 rupees '000'unless otherwise stated.

6. There were no other material events took place since 31 December 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%

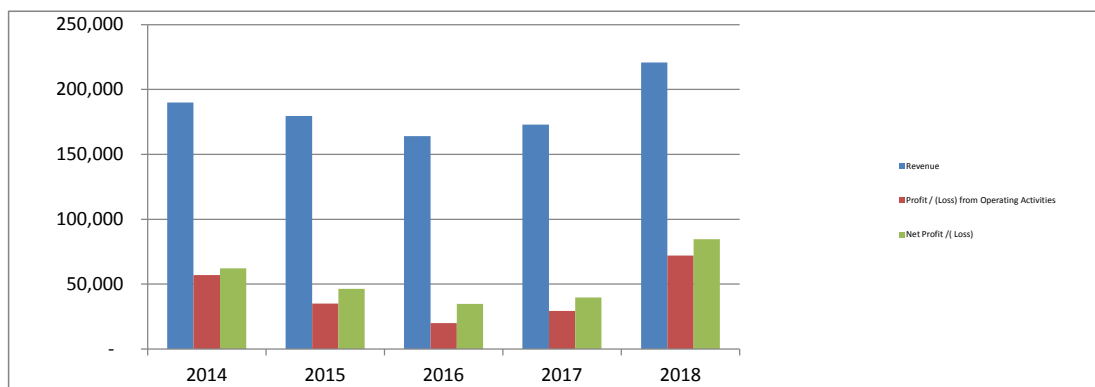
The Principal activities of the subsidiaries are provision of lodging , food, beverage and other hospitality industry related services.

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 31 st December 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 31 st December 2018 was 18.19% Comprising of 2,085 Shareholders. (31 st December 2017 -18.172 % Comprising 2,092shareholders)

12. The float adjusted market capitalization as at 31 st December 2018 - 183,546,399.40.00

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
31 ST DECEMBER 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 31 st December 2018 are as follows:

	Name of the Director	No of Shares	%
1	Mr. Dhammika Perera	10,329,317	9.315
2	Mr.K.D.H Perera -Managing Director	Nil	-
3	Mr.J.A.S.S. Adhihetty	13,741	0.012
4	Mr. Malik J. Fernando	833,333	0.752
5	Mr. Merrill J. Fernando	2,124,400	1.916
6	Mr. S. Senaratne (Resigned w.e.f.10 th December 2018)	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.C.U Weerawardena	Nil	-
13	Mr.R.E.U.De Silva (Appointed w.e.f. 10 th December 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 31 st December 2018 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	1,496,000	1.349
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	MR.D.J.DE SILVA WIJERATHNAMR.D.J.DE SILVA WIJERATHNA	374,921	0.338
16	ANVERALLY AND SON (PVT) LTD A/C NO 1	373,810	0.337
17	MOTOR SERVICE STATION (PRIVATE) LTD	353,678	0.319
18	ROYAL CEREMICS LANKA PLC	336,100	0.303
19	ACCUITY PARTNERS (PVT) LIMITED/MR.ARUMAPURAE PETER LASANTHA FERNANDO	332,210	0.300
20	MR D F G DALPETHADO AND MRS.H F A K D FORNSEKA	294,498	0.266

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 Adhihetty
Mr. Malik J Fernando
Mr. Merril J Fernando
Mr. S Senaratne (Resigned w.e.f.10 th December 2018)
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
Mr. R.E.U.De Silva (Appointed w.e.f. 10 th December 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