



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 ST MARCH 2019**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

	As.At 31.03.2019 Rs. '000'	As.At 31.03.2018 Audited Rs. '000'	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,343,775	1,371,563	(2)
Intangible Assets	3,415	4,011	(15)
	<u>1,347,190</u>	<u>1,375,574</u>	(2)
Current Assets			
Inventories	21,119	21,755	(3)
Trade and Other Receivables	58,031	41,453	40
Advances and Prepayments	39,273	40,939	(4)
Short Term Deposits	578,579	463,800	25
Cash and Cash Equivalents	19,948	15,122	32
	<u>716,950</u>	<u>583,069</u>	23
Total Assets	<u>2,064,140</u>	<u>1,958,644</u>	5
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	744,405	646,211	(15)
Equity attributable to Equity Holders of the Parent	1,853,272	1,755,078	(6)
Non Controlling Interest	1	1	-
Total Equity	<u>1,853,273</u>	<u>1,755,079</u>	(6)
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	11,737	16,578	29
Retirement Benefit Obligation	17,093	14,505	(18)
Deferred Tax Liability	44,213	41,394	(7)
	<u>73,043</u>	<u>72,477</u>	(1)
Current Liabilities			
Trade and Other Payables	71,054	71,046	-
Contract Liabilities	45,478	40,952	(11)
Income Tax Payables	14,027	13,658	(3)
Interest Bearing Loans and Borrowings	7,265	5,432	(34)
	<u>137,824</u>	<u>131,088</u>	(5)
Total Equity and Liabilities	<u>2,064,140</u>	<u>1,958,644</u>	(5)
 Net Asset Value per Share (Rs.)	 16.71	 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 and presentation of these Financial statements. Signed for and on behalf of the Board by,

Sgd
Director

Sgd
Director

Colombo
15 th May 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 MARCH 2019

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2019	31.03.2018	%	31.03.2019	31.03.2018	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	302,114	289,001	5	787,787	663,749	19
Cost of Sales	(65,195)	(66,214)	2	(217,206)	(199,913)	(9)
Gross Profit	236,919	222,787	6	570,581	463,836	23
Other Income and Gains	46	790	(94)	5,930	10,578	(44)
Selling and Marketing Expenses	(12,365)	(12,526)	1	(33,849)	(29,778)	(14)
Administrative Expenses	(94,557)	(79,507)	(19)	(336,398)	(312,810)	(8)
Finance Cost	(521)	(658)	21	(2,300)	(3,124)	26
Finance Income	16,319	12,974	26	55,117	44,310	24
Profit/(Loss) before Tax	145,841	143,860	1	259,081	173,012	50
Income Tax Expenses	(15,858)	(23,004)	31	(49,560)	(32,213)	(54)
Profit / (Loss) for the period	129,983	120,856	8	209,521	140,799	49
Other Comprehensive Income/(Loss)	-	-		-	-	
Actuarial Loss on Defined Benefit Plan	(512)	(282)	(82)	(512)	(282)	(82)
Income tax effect	72	39	85	72	39	85
Other comprehensive Loss for the year, net of tax	(440)	(243)	(81)	(440)	(243)	(81)
Total Comprehensive Income/(Loss) for the period net of Tax	129,543	120,613	7	209,081	140,556	49
Attributable to:						
Equity holders of the parent	129,543	120,613	7	209,081	140,556	49
Basic Earnings/(Loss) Per Share	1.17	1.09	7	1.89	1.27	49
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 MARCH 2019

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

	As.At 31.03.2019 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	107,339	100,914	6
Cash & Cash Equivalents	298	468	(36)
	<u>107,637</u>	<u>101,382</u>	6
Total Assets	<u>1,107,647</u>	<u>1,101,392</u>	1
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits/(loss)	(2,248)	(8,224)	73
Total Equity	<u>1,106,619</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	1,028	749	(37)
Bank Overdraft	-	-	-
	<u>1,028</u>	<u>749</u>	(37)
Total Equity and Liabilities	<u>1,107,647</u>	<u>1,101,392</u>	(1)
Net Asset value per share (Rs.)	9.98	9.93	

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 preperation and presentaion of these Financial statements. Signed for and on behalf of the Board by,

Sgd
Director

Sgd
Director

Colombo
15 th May 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 MARCH 2019

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2019	31.03.2018	%	31.03.2019	31.03.2018	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	-			122,808	1,818	
Cost of Sales	-	-		-	-	
Gross Profit	-	-		122,808	1,818	6,655
Other Income and Gains	-	-	-	-	-	-
Selling and Marketing Expenses	-	-		-	-	
Administrative Expenses	(1,263)	(1,041)	(21)	(5,945)	(5,328)	(12)
Finance Cost	-	-	-	-	-	-
Finance Income	-	-		-	-	
Profit/(Loss) before Tax	(1,263)	(1,041)	(21)	116,863	(3,510)	3,429
Income Tax Expenses	-		-		-	-
Profit /(Loss) for the period	<u>(1,263)</u>	<u>(1,041)</u>	(21)	<u>116,863</u>	<u>(3,510)</u>	3,429
Other Comprehensive Income	-					
Total Comprehensive Income/(Loss) for the period	<u>(1,263)</u>	<u>(1,041)</u>	(21)	<u>116,863</u>	<u>(3,510)</u>	3,429
Basic Earnings / (Loss) per share for the period	(0.01)	(0.01)	(21)	1.05	(0.03)	3,429
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 MARCH 2019

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

Group	Attributable to the equity holders of the parent			
	Stated Capital	Accumulated	Non	Total
	Rs. '000'	Profit Rs. '000'	Controlling Interest Rs. '000'	Rs. '000'
Balance as at 01st April 2018	1,108,867	646,211	1	1,755,079
Dividend		(110,887)	-	(110,887)
Profit for the Period	-	209,521	-	209,521
Other Comprehensive Loss	-	(440)	-	(440)
Balance as at 31 st March 2019	<u>1,108,867</u>	<u>744,405</u>	<u>1</u>	<u>1,853,273</u>
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 Loss	-	(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>

Company	Stated	Accumulated	Total
	Capital Rs. '000'	Profit/(Losses) Rs. '000'	Rs. '000'
Balance as at 01st April 2018	1,108,867	(8,224)	1,100,643
Dividend		(110,887)	(110,887)
Profit for the Period	-	116,863	116,863
Balance as at 31 st March 2019	<u>1,108,867</u>	<u>(2,248)</u>	<u>1,106,619</u>
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>

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 MARCH 2019

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 ST MARCH

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2019	2018	2019	2018
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Cash Flows From / (Used in) Operating Activities				
Profit/(Loss) before tax	259,081	173,012	116,863	(3,510)
Adjustments for				-
Depreciation	74,291	73,173	-	-
Amortisation	1,202	1,049	-	-
Finance Cost	2,300	3,125	-	-
Finance Income	(55,117)	(44,311)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(5,930)	(7,740)	-	-
Provision for Defined Benefit Obligation	4,014	3,616	-	-
Operating Profit/(Loss) before Working Capital Changes	279,841	201,923	116,863	(3,510)
(Increase)/ Decrease in Inventories	637	1,628	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	(14,912)	(15,070)	(6,425)	3,515
Increase /(Decrease) in Trade and Other Payables	4,534	25,656	279	(5)
Cash Generated from / (Used in) Operations	270,099	214,137	110,717	(1)
Finance Cost Paid	(2,300)	(3,125)	-	-
Defined Benefit Obligation paid	(1,937)	(1,725)	-	-
Income Tax paid	(46,300)	(22,493)	-	-
Net Cash From / (used in) Operating Activities	219,562	186,794	110,717	(1)
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property Plant and Equipment	7,174	10,853	-	-
Acquisition of Property, Plant and Equipment	(47,747)	(89,657)	-	-
Acquisition of Intangible Assets	(606)	(2,562)	-	-
Investment in Fixed deposits	(252,102)	(210,407)	-	-
Withdrawal of Fixed Deposits	141,821	70,000	-	-
Finance Income Received	50,619	39,678	-	-
Net Cash from/(Used in) Investing Activities	(100,841)	(182,095)	-	-
Cash Flows from (Used in) Financing Activities				
Dividend Paid	(110,887)		(110,887)	-
Principal Payments under Finance Lease Liabilities	(4,841)	(4,058)	-	-
Net Cash from/(Used in) Financing Activities	(115,728)	(4,058)	(110,887)	-
Net Increase/(Decrease) in Cash and Cash Equivalents	2,992	640	(170)	(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	18,114	15,122	298	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	19,948	15,122	298	468
Bank Overdraft	(1,834)	-	-	-
	18,114	15,122	298	468

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 MARCH 2019

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

1. Market Price of Ordinary Shares

	31.03.2019	31.03.2018
	Rs.	Rs.
Highest Price Per Share for the Quarter	10.90	12.30
Lowest Price Per Share for the Quarter	9.00	9.00
Last Traded	10.00	10.50

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 31 st March 2019

3. The Statement of Financial Position of the Company and Group as at 31 st March 2019 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 March 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.	2019	2018
La Forteresse (Private) Limited	100%	100%
Summer Season Mirissa (Private) Limited	99.99%	99.99%

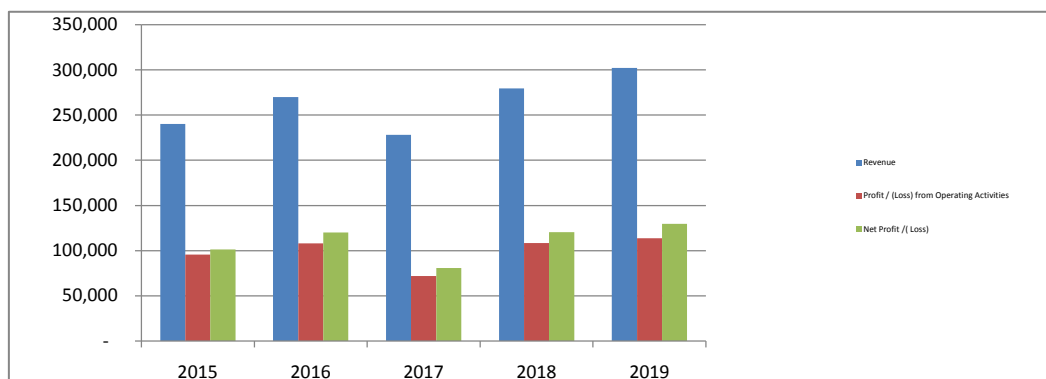
The Principal activities of the subsidiaries are provision of lodging , food, beverage and other hospitality industry related services.

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 March 2019, 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 March 2019 was 18.19% Comprising of 2,087 Shareholders. (31 st March 2018 -18.172 % Comprising 2,118 shareholders)

12. The float adjusted market capitalization as at 31 st March 2019 - 201,709,340.00

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 MARCH 2019

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 March 2019 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. Merril .J. Fernando	2,124,400	1.916
6	Mr. L.T.Samarawickrama	1,550	0.001
7	Mr. D.E.Silva	500	0.000
8	Mr.L.N.De Silva Wijeyeratne	Nil	-
9	Mr.Jan P Van Twest	Nil	-
10	Mr.C.V.Cabraal	Nil	-
11	Mr.C.U Weerawardena	Nil	-
12	Mr.R.E.U.De Silva	Nil	-
13	Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama)	Nil	-
14	Ms.A.A.K Amarasinghe (Alternate Director to Mr.Dhammika Perera)	Nil	-
15	Mr.A.H.N Rodrigo (Alternate Director to Mr.Malik J Fernando)	Nil	-

16. Twenty largest shareholders of the company as of 31 st March 2019 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 D SILVA WIJERATHNE	471,628	0.425
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	SEYLAN BANK PLC/A.M NIMESHA ANURUDDHA ABYKOON	294,451	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
(Alternate Director Mr.A.H.N Rodrigo)
Mr. Merril J Fernando
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

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