



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 TH SEPTEMBER 2019**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 TH SEPTEMBER 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2019 Rs. '000'	As.At 31.03.2019 Audited Rs. '000'	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,348,046	1,343,775	-
Intangible Assets	4,650	3,415	36
Right to use of Assets /Lease assets	45,864	-	-
	<u>1,398,560</u>	<u>1,347,190</u>	4
Current Assets			
Inventories	24,376	21,119	15
Trade and Other Receivables	15,607	58,031	(73)
Advances and Prepayments	43,445	39,273	11
Short Term Deposits	410,768	578,579	(29)
Cash and Bank Balances	4,905	19,948	(75)
	<u>499,101</u>	<u>716,950</u>	(30)
Total Assets	<u>1,897,661</u>	<u>2,064,140</u>	(8)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	579,846	744,405	22
Equity attributable to Equity Holders of the Parent	<u>1,688,713</u>	<u>1,853,272</u>	9
Non Controlling Interest	1	1	-
Total Equity	<u>1,688,714</u>	<u>1,853,273</u>	9
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	8,437	11,737	28
Retirement Benefit Obligation	19,301	17,093	(13)
Deferred Tax Liability	44,213	44,213	-
LeaseLiability	44,896	-	-
	<u>116,847</u>	<u>73,043</u>	(60)
Current Liabilities			
Trade and Other Payables	45,237	71,054	36
Contract Liabilities	26,998	45,478	41
Income Tax Payables	-	14,027	100
Interest Bearing Loans and Borrowings	19,865	7,265	(173)
	<u>92,100</u>	<u>137,824</u>	33
Total Equity and Liabilities	<u>1,897,661</u>	<u>2,064,140</u>	8
Net Asset Value per Share (Rs.)	15.23	16.71	

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
13 th November 2019

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 2019

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2019	30.09.2018	%	30.09.2019	30.09.2018	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	68,034	138,607	(51)	158,451	256,154	(38)
Cost of Sales	(45,548)	(55,136)	17	(92,227)	(105,159)	12
Gross Profit	<u>22,486</u>	<u>83,471</u>	(73)	<u>66,224</u>	<u>150,995</u>	(56)
Other Income and Gains	267	614	(57)	638	946	(33)
Selling and Marketing Expenses	(4,587)	(6,733)	32	(9,621)	(12,590)	24
Administrative Expenses	(59,293)	(75,417)	21	(121,924)	(144,779)	16
Finance Cost	(3,699)	(596)	(521)	(5,653)	(1,225)	(361)
Finance Income	14,215	10,868	31	32,329	25,563	26
Profit/(Loss) before Tax	<u>(30,611)</u>	<u>12,207</u>	(351)	<u>(38,007)</u>	<u>18,910</u>	(301)
Income Tax (Expenses)/Reversal	2,166	(3,429)	163	(15,665)	(23,954)	35
Profit / (Loss) for the period	<u>(28,445)</u>	<u>8,778</u>	(424)	<u>(53,672)</u>	<u>(5,044)</u>	964
Other Comprehensive Income	-	-	-	-	-	-
Actuarial Loss on Defined Benefit Plan	-	-	-	-	-	-
Income tax effect	-	-	-	-	-	-
Other comprehensive Loss for the year, net of tax	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
Total Comprehensive Income/(Loss) for the period net of Tax	<u>(28,445)</u>	<u>8,778</u>	(424)	<u>(53,672)</u>	<u>(5,044)</u>	964
Attributable to:						
Equity holders of the parent	<u>(28,445)</u>	<u>8,778</u>	(424)	<u>(53,672)</u>	<u>(5,044)</u>	964
Basic Earnings/(Loss) Per Share	(0.26)	0.08	7	(0.48)	(0.05)	964
Dividend per share				1.00	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 2019

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2019 Rs. '000'	As.At 31.03.2019 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	107,154	107,339	(0)
Cash & Cash Equivalents	34	298	(89)
	<u>107,188</u>	<u>107,637</u>	(0)
Total Assets	<u>1,107,198</u>	<u>1,107,647</u>	(0)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits/(loss)	(2,477)	(2,248)	(10)
Total Equity	<u>1,106,390</u>	<u>1,106,619</u>	0
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	-	
Retirement Benefit Obligation	-	-	
	<u>-</u>	<u>-</u>	-
Current Liabilities			
Trade & Other Payables	808	1,028	21
Bank Overdraft	-	-	-
	<u>808</u>	<u>1,028</u>	21
Total Equity and Liabilities	<u>1,107,198</u>	<u>1,107,647</u>	0
Net Asset value per share (Rs.)	9.98	9.98	

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
13 th November 2019

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 2019

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2019	30.09.2018	%	30.09.2019	30.09.2018	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	-	-		114,036	122,808	(7)
Cost of Sales	-	-		-	-	-
Gross Profit	-	-		114,036	122,808	(7)
Other Income and Gains	-	-	-	-	-	-
Selling and Marketing Expenses	-	-		-	-	
Administrative Expenses	(740)	(1,418)	48	(3,345)	(3,818)	12
Finance Cost	(32)	(1)	(1,943)	(33)	(2)	(1,211)
Finance Income	-	-		-	-	-
Profit/(Loss) before Tax	(772)	(1,419)	46	110,658	118,988	7
Income Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the period	<u>(772)</u>	<u>(1,419)</u>	46	<u>110,658</u>	<u>118,988</u>	7
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income/(Loss) for the period	<u>(772)</u>	<u>(1,419)</u>	46	<u>110,658</u>	<u>118,988</u>	7
Basic Earnings / (Loss) per share for the period	(0.01)	(0.01)	46	1.00	1.07	7
Dividend per share	-	-	-	1.00	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 2019

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

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 2019	1,108,867	744,405	1	1,853,273
Dividend		(110,887)	-	(110,887)
Loss for the Period	-	(53,672)	-	(53,672)
Other Comprehensive Income	-	-	-	-
Balance as at 30 th September 2019	<u>1,108,867</u>	<u>579,846</u>	<u>1</u>	<u>1,688,714</u>
Balance as at 01st April 2018	1,108,867	646,211	1	1,755,079
Loss for the Period	-	(5,044)	-	(5,044)
Dividend	-	(110,887)	-	(110,887)
Balance as at 30 th September 2018	<u>1,108,867</u>	<u>530,280</u>	<u>1</u>	<u>1,639,148</u>

Company	Stated	Accumulated	Total
	Capital Rs. '000'	Profit/(Losses) Rs. '000'	Rs. '000'
Balance as at 01st April 2019	1,108,867	(2,248)	1,106,619
Dividend	-	(110,887)	(110,887)
Profit for the Period	-	110,658	110,658
Balance as at 30 th September 2019	<u>1,108,867</u>	<u>(2,477)</u>	<u>1,106,390</u>
Balance as at 01st April 2018	1,108,867	(8,224)	1,100,643
Dividend	-	(110,887)	(110,887)
Profit for the Period	-	118,988	118,988
Balance as at 30 th September 2018	<u>1,108,867</u>	<u>(123)</u>	<u>1,108,744</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 2019****STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED****30 TH SEPTEMBER**

	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	(38,007)	18,910	110,658	118,988
Adjustments for				-
Depreciation	38,317	36,455	-	-
Amortisation	1,554	616	-	-
Finance Cost	5,621	1,223	-	-
Finance Income	(32,329)	(25,562)	-	-
Dividend Income	-	-	(114,036)	(122,808)
(Profit)/Loss on Disposal of Property, Plant & Equipment	(637)	(947)	-	-
Provision for Defined Benefit Obligation	2,594	1,905	-	-
Operating Profit/(Loss) before Working Capital Changes	(22,887)	32,599	(3,378)	(3,820)
(Increase)/ Decrease in Inventories	(3,256)	119	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	38,253	18,137	185	(8,338)
Increase /(Decrease) in Trade and Other Payables	(60,264)	(7,890)	(220)	(239)
Cash Generated from / (Used in) Operations	(48,154)	42,965	(3,413)	(12,397)
Finance Cost Paid	(2,673)	(1,223)	-	-
Defined Benefit Obligation paid	(386)	(1,759)	-	-
Income Tax paid	(15,729)	(18,426)	-	-
Net Cash From / (used in) Operating Activities	(66,942)	21,557	(3,413)	(12,397)
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property Plant and Equipment	815	1,521	-	-
Acquisition of Property, Plant and Equipment	(47,496)	(35,084)	-	-
Acquisition of Intangible Assets	(1,888)	(281)	-	-
Investment in Fixed deposits	(25,581)	(60,539)	-	-
Withdrawal of Fixed Deposits	190,000	141,821	-	-
Dividend Received	-	-	114,036	122,808
Finance Income Received	42,480	27,757	-	-
Net Cash from/(Used in) Investing Activities	158,330	75,195	114,036	122,808
Cash Flows from (Used in) Financing Activities				
Proceeds From Short Term loan	100,000	-	-	-
Re-payment of Short Term Loans	(100,000)	-	-	-
Dividend	(110,887)	(110,887)	(110,887)	(110,887)
Principal Payments under Finance Lease Liabilities	(2,638)	(2,351)	-	-
Principal Payments under Right to use of Assets	(1,540)	-	-	-
Net Cash from/(Used in) Financing Activities	(115,065)	(113,238)	(110,887)	(110,887)
Net Increase/(Decrease) in Cash and Cash Equivalents	(23,676)	(16,484)	(264)	(476)
Cash and Cash Equivalents at the beginning of the Period	18,114	15,122	298	468
Cash and Cash Equivalents at the end of the period	(5,561)	(1,362)	34	(8)

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

Cash at Bank & In Hand	4,906	8,090	34	17
Bank Overdraft	(10,467)	(9,452)	-	(25)
	(5,561)	(1,362)	34	(8)

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 2019

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

1. Market Price of Ordinary Shares

	30.09.2019	30.09.2018
	Rs.	Rs.
Highest Price Per Share for the Quarter	10.70	10.60
Lowest Price Per Share for the Quarter	9.40	8.80
Last Traded	9.70	9.00

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 30 th September 2019

3. The Statement of Financial Position of the Company and Group as at 30 th September 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 Group applied SLFRS 16 using modified retrospective approach and at the date of initial application of SLFRS 16 (01 April 2019) the Group recognized the Right to use of assets of (on Lands occupied under operating lease) Rs. 46, 766, 426/- and equivalent lease liability in the financial statements. Comparative figures are not restated.
The Group Recognized Rs. 446,647/- of amortization charge on the right to use of asset and Rs. 1,485,971/- of interest expense on lease liability has recognized in the statement of profit or loss for the period ended 30 th September 2019.**

5. 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.

6. All values included in these Financial Statements are in rupees '000' unless otherwise stated.

7. There were no other material events took place since 30 th September 2019, that require disclosures in the Financial Statements.

8. 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%

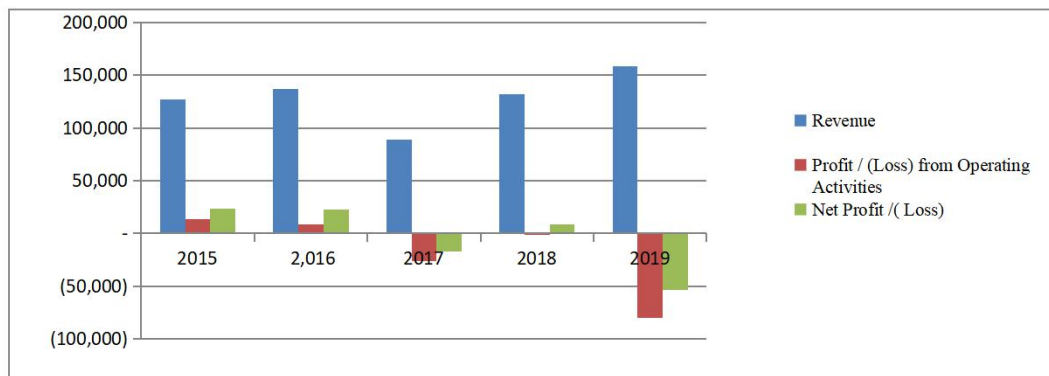
The Principal activities of the subsidiaries are provision of lodging , food, beverage and other hospitality industry related services.

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

9. Net Assets value per Share has been calculated, for all periods, based on the number of shares in issue as at 30 th September 2019, amounting to 110,886,684.

10. 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 2019.

11. Graphical Analysis of Seasonality performance - For the Quarter



12. The percentage of the shares held by public as at 30 th September 2019 was 18.191% Comprising of 2,090 Shareholders. (30 th September 2018 - 18.190 % Comprising 2,089 shareholders)

13. The float adjusted market capitalization as at 30 th September 2019 - 195,658,059.80

14. 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 2019

15. 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 2019 and are in compliance with the Sri Lanka Accounting Standard 34 - Interim Financial Reporting.
16. The number of shares held by the Board of Directors as of 30 th September 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. Merrill .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 Malik J Fernando)	Nil	-

17. Twenty largest shareholders of the company as of 30 th September 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	MR.D J DE SILVA WIJERATHNE	629,128	0.567
15	DR.D.JAYANNTHA	621,000	0.560
16	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
17	ANVERALLY AND SON (PVT) LTD A/C NO 1	373,810	0.337
18	ROYAL CEREMICS LANKA PLC	336,100	0.303
19	MOTOR SERVICE STATION (PRIVATE) LTD	333,678	0.301
20	ACCUITY PARTNERS (PVT) LIMITED/MR.ARUMAPURAE PETER LASANTHA FERNANDO	332,210	0.300

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 29, West 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. Merrill 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