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## **THE FORTRESS RESORTS PLC**

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**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 ST MARCH 2020**

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 ST MARCH 2020**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH**

	As.At 31.03.2020	As.At 31.03.2019 Audited	Change %
	Rs. '000'	Rs. '000'	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1,321,930	1,343,775	(2)
Right to use of Assets	53,070	-	
Intangible Assets	4,314	3,415	26
	<u>1,379,314</u>	<u>1,347,190</u>	2
<b>Current Assets</b>			
Inventories	22,340	21,119	6
Trade and Other Receivables	33,996	58,031	(41)
Advances and Prepayments	39,484	39,273	1
Short Term Deposits	662,430	578,579	14
Cash and Cash equivalents	23,430	19,948	17
	<u>781,680</u>	<u>716,950</u>	9
<b>Total Assets</b>	<b><u>2,160,994</u></b>	<b><u>2,064,140</u></b>	5
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	662,810	744,405	11
Equity attributable to Equity Holders of the Parent	1,771,677	1,853,272	4
Non Controlling Interest	1	1	-
<b>Total Equity</b>	<u>1,771,678</u>	<u>1,853,273</u>	4
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	139,450	11,737	(1,088)
Retirement Benefit Obligation	17,091	17,093	-
Deferred Tax Liability	47,657	44,213	(8)
Government grants	4,343	-	-
	<u>208,540</u>	<u>73,043</u>	(186)
<b>Current Liabilities</b>			
Trade and Other Payables	62,326	71,054	12
Contract Liabilities	23,492	45,478	48
Interest Bearing Loans and Borrowings	80,643	7,265	(1,010)
Government grants	14,315	-	-
Income Tax Payables	-	14,027	100
	<u>180,776</u>	<u>137,824</u>	(31)
<b>Total Equity and Liabilities</b>	<b><u>2,160,994</u></b>	<b><u>2,064,140</u></b>	(5)

Net Asset Value per Share (Rs.)

15.98

16.71

I certify that these financial statements are in compliance 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**

**28th May 2020**

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 2020**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2020	31.03.2019	%	31.03.2020	31.03.2019	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
<b>Revenue</b>	198,380	302,114	(34)	489,320	787,787	(38)
Cost of Sales	(44,614)	(65,195)	32	(155,351)	(217,206)	28
Gross Profit	<b>153,766</b>	<b>236,919</b>	(35)	<b>333,969</b>	<b>570,581</b>	(41)
Other Income and Gains	(182)	46	(496)	845	5,930	(86)
Selling and Marketing Expenses	(10,869)	(12,365)	12	(27,403)	(33,849)	19
Administrative Expenses	(77,060)	(94,557)	19	(302,891)	(336,398)	10
Finance Cost	(2,864)	(521)	(450)	(10,554)	(2,300)	(359)
Finance Income	14,763	16,319	(10)	58,367	55,117	6
<b>Profit/(Loss) before Tax</b>	<b>77,553</b>	<b>145,841</b>	<b>(47)</b>	<b>52,333</b>	<b>259,081</b>	<b>(80)</b>
Income Tax Expenses	(11,771)	(15,858)	26	(24,952)	(49,560)	50
<b>Profit for the period</b>	<b>65,782</b>	<b>129,983</b>	<b>(49)</b>	<b>27,381 #</b>	<b>209,521</b>	<b>(87)</b>
<b>Other Comprehensive Income</b>	-	-				
Actuarial gain/(loss) on Defined Benefit Plan	2,222	(512)	534	2,222	(512)	534
Income tax effect	(311)	72	532	(311)	72	532
<b>Other comprehensive gain/(loss) for the year, net of tax</b>	<b>1,911</b>	<b>(440)</b>	<b>534</b>	<b>1,911 #</b>	<b>(440)</b>	<b>534</b>
<b>Total Comprehensive gain/(loss) for the period net of Tax</b>	<b>67,693</b>	<b>129,543</b>	<b>(48)</b>	<b>29,292 #</b>	<b>209,081</b>	<b>(86)</b>
<b>Attributable to:</b>						
Equity holders of the parent	<b>67,693</b>	<b>129,543</b>	<b>(48)</b>	<b>29,292 #</b>	<b>209,081</b>	<b>(86)</b>
Basic Earnings/(Loss) Per Share	0.59	1.17	(48)	0.25	1.89	(86)
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 31 ST MARCH 2020**

**COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH**

	As.At 31.03.2020  Rs. '000'	As.At 31.03.2019 Audited Rs. '000'	Change %
<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	104,500	107,339	(3)
Cash & Cash Equivalents	1,030	298	246
	<u>105,530</u>	<u>107,637</u>	(2)
<b>Total Assets</b>	<b><u>1,105,540</u></b>	<b><u>1,107,647</u></b>	-
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumilated Profits/(losses)	(5,324)	(2,247)	(137)
<b>Total Equity</b>	<u>1,103,543</u>	<u>1,106,620</u>	-
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	-	-	-
Retirement Benefit Obligation	-	-	-
	<u>-</u>	<u>-</u>	-
<b>Current Liabilities</b>			
Trade & Other Payables	1,997	1,027	(94)
Bank Overdraft	-	-	-
	<u>1,997</u>	<u>1,027</u>	(94)
<b>Total Equity and Liabilities</b>	<b><u>1,105,540</u></b>	<b><u>1,107,647</u></b>	-
Net Asset value per share (Rs.)	9.95	9.98	

I certify that these financial statements are in compliance 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**  
**28th May 2020**

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 2020**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2020	31.03.2019	%	31.03.2020	31.03.2019	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
<b>Revenue</b>	-	-		114,036	122,808	(7)
Cost of Sales	-	-		-	-	-
<b>Gross Profit</b>	-	-		114,036	122,808	(7)
Other Income and Gains	-	-	-	-	-	-
Selling and Marketing Expenses	-	-		-	-	
Administrative Expenses	(944)	(1,263)	25	(6,226)	(5,945)	(5)
Finance Cost	-	-	-	-	-	-
Finance Income	-	-		-	-	-
<b>Profit/(Loss) before Tax</b>	(944)	(1,263)	25	107,810	116,863	(8)
Income Tax Expenses	-	-	-	-	-	-
<b>Profit /(Loss) for the period</b>	<u>(944)</u>	<u>(1,263)</u>	25	<u>107,810</u>	<u>116,863</u>	(8)
<b>Other Comprehensive Income</b>	-					
<b>Total Comprehensive Income/(Loss) for the period</b>	<u>(944)</u>	<u>(1,263)</u>	25	<u>107,810</u>	<u>116,863</u>	(8)
Basic Earnings / (Loss) per share for the period	(0.01)	(0.01)	25	0.97	1.05	(8)
Dividend per share	-	-	-	1.00	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 MARCH 2020**

**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	Non	
	Rs. '000'	Profit Rs. '000'	Controlling Interest Rs. '000'	
Balance as at 01st April 2019	1,108,867	744,405	1	1,853,273
Dividend		(110,887)	-	(110,887)
Profit for the year	-	27,381	-	27,381
Other Comprehensive Gain	-	1,911	-	1,911
Balance as at 31 st March 2020	<u>1,108,867</u>	<u>662,810</u>	<u>1</u>	<u>1,771,678</u>
Balance as at 01st April 2018	1,108,867	646,211	1	1,755,079
Profit for the Period	-	209,521	-	209,521
Dividend	-	(110,887)	-	(110,887)
Other Comprehensive Loss	-	(440)	-	(440)
Balance as at 31st March 2019	<u>1,108,867</u>	<u>744,405</u>	<u>1</u>	<u>1,853,273</u>
Company	Stated Capital Rs. '000'	Accumulated Profit/(Losses) Rs. '000'	Total Rs. '000'	
Balance as at 01st April 2019	1,108,867	(2,247)	1,106,620	
Dividend	-	(110,887)	(110,887)	
Profit for the Period	-	107,810	107,810	
Balance as at 31 st March 2020	<u>1,108,867</u>	<u>(5,324)</u>	<u>1,103,543</u>	
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 31st March 2019	<u>1,108,867</u>	<u>(2,248)</u>	<u>1,106,619</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 31 ST MARCH 2020**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED**  
**31 ST MARCH**

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2020	2019	2020	2019
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit/(Loss) before tax	52,333	259,081	107,810	116,863
<b>Adjustments for</b>				-
Depreciation	69,904	74,291	-	-
Amortisation of intangible assets	1,488	1,202		
Depreciation of Right of Use assets	9,976	-	-	-
Finance Cost	10,554	2,300	-	-
Finance Income	(58,367)	(55,117)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(845)	(5,930)	-	-
Provision for Defined Benefit Obligation	3,941	4,014	-	-
Operating Profit/(Loss) before Working Capital Changes	88,984	279,841	107,810	116,863
(Increase)/ Decrease in Inventories	(1,221)	637	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	23,824	(14,913)	2,839	(6,425)
Increase/(Decrease) in Trade and Other Payables and Contract Liabilities	(30,713)	4,534	970	279
Cash Generated from / (Used in) Operations	80,874	270,099	111,619	110,717
Finance Cost Paid	(7,763)	(2,300)	-	-
Defined Benefit Obligation paid	(1,722)	(1,937)	-	-
Income Tax paid	(35,845)	(46,300)	-	-
Net Cash From / (used in) Operating Activities	35,544	219,562	111,619	110,717
<b>Cash Flows from / (Used in) Investing Activities</b>				
Investment in Subsidiary	-	-	-	-
Proceeds from Disposal of Property Pant and Equipment	1,552	7,174	-	-
Acquisition of Property, Plant and Equipment	(62,328)	(47,747)	-	-
Acquisition of Intangible Assets	(2,387)	(606)	-	-
Investment in Fixed deposits	(364,467)	(252,102)	-	-
Withdrawal of Fixed Deposits	281,967	141,821	-	-
Finance Income Received	57,016	50,619	-	-
Net Cash from/(Used in) Investing Activities	(88,647)	(100,841)	-	-
<b>Cash Flows from (Used in) Financing Activities</b>				
Proceeds from Bank loan	178,000	-	-	-
Dividend	(110,887)	(110,887)	(110,887)	(110,887)
Re-payment of Bank Loans	(10,927)	-	-	-
Principal Payments under Finance Lease Liabilities	(5,432)	(4,842)	-	-
Net Cash from/(Used in) Financing Activities	50,754	(115,729)	(110,887)	(110,887)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(2,349)	2,992	732	(170)
<b>Cash and Cash Equivalents at the beginning of the Period</b>	18,114	15,122	298	468
<b>Cash and Cash Equivalents at the end of the period</b>	<b>15,766</b>	<b>18,114</b>	<b>1,030</b>	<b>298</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	23,430	19,948	1,030	298
Bank Overdraft	(7,664)	(1,834)	-	-
	<b>15,766</b>	<b>18,114</b>	<b>1,030</b>	<b>298</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 31 ST MARCH 2020**

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

**1. Market Price of Ordinary Shares**

	<b>31.03.2020</b>	<b>31.03.2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Highest Price Per Share for the Quarter	11.50	10.90
Lowest Price Per Share for the Quarter	7.80	9.00
Last Traded	7.80	10.00

**2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 31 st March 2020**

**3. The Statement of Financial Position of the Company and Group as at 31 st March 2020 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. 53,070,261/- and equivalent lease liability in the financial statements. Comparative figures are not restated.  
The Group Recognized Rs. 9,976,499/- of amortization charge on the right to use of asset and Rs. 7,791,764/- of interest expense on lease liability has recognized in the statement of profit or loss for the period ended 31 st March 2020**

**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. Impact to interim financial statement on COVID 19 - Having presented the outlook of the company in the group to the Board of "The Fortress Resorts PLC" and after due consideration of the range and likelihood of outcomes,the Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statement. In determining the above significant management Judgement , estimate and assumptions the impact of the COVID 19 panemic has been considered as of reporting date.**

**8. Subsidiaries.**

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

<b>Subsidiaries.</b>	<b>2020</b>	<b>2019</b>
La Forteresse (Private) Limited	100%	100%
Summer Season Mirissa (Private ) Limited	99.99%	99.99%

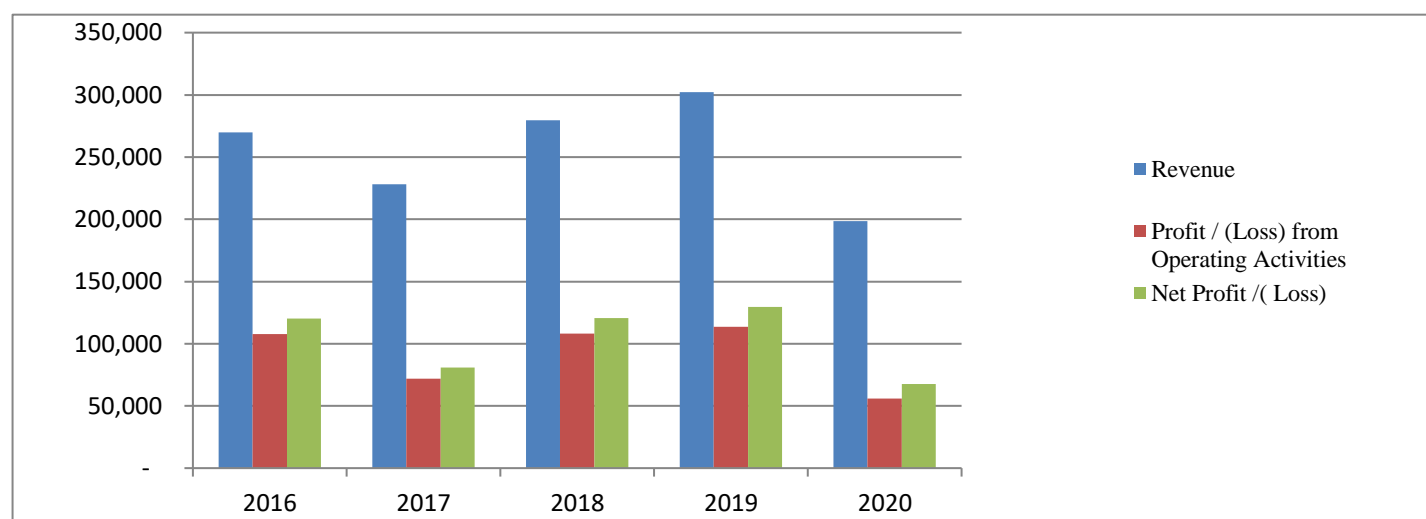
The Principal activities of the subsidiaries are provision of lodging , food, beverage and other hospitality industry related services.

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 31 st March 2020, 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 31 st March 2020 was 18.192% Comprising of 2,068 Shareholders. (31 st March 2019 -18.19 % Comprising 2,086 shareholders)**

**13. The float adjusted market capitalization as at 31 st March 2020 - Rs.157,349,275.20**

**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 requirment applicable under the said option.**



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED**  
**31 ST MARCH 2020**

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 31 st March 2020 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. 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.N.De Silva Wijeyeratne	Nil	-
7	Mr.Jan P Van Twest	Nil	-
8	Mr.C.V.Cabraal	Nil	
9	Mr.C.U Weerawardena	Nil	-
10	Mr.R.E.U.De Silva	Nil	
11	Ms.A.A.K Amarasinghe (Alternate Director to Mr.Dhammika Perera)	Nil	
12	Mr.A.H.N Rodrigo (Alternate Director to Malik J Fernando)	Nil	-

17. Twenty largest shareholders of the company as of 31 st March 2020 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	BANK OF CEYLON NO. 1 ACCOUNT	1,461,100	1.32
8	SEYLAN BANK PLC/JAYANTHA DEWAGE	1,441,400	1.30
9	FREUDENBERG SHIPPING AGENCIES LIMITED	1,275,766	1.15
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	MR.D J DE SILVA WIJERATHNE	629,128	0.57
15	DR.D.JAYANNTHA	621,000	0.56
16	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.50
17	ANVERALLY AND SON (PVT) LTD A/C NO 1	373,810	0.34
18	ROYAL CEREMICS LANKA PLC	336,100	0.30
19	MOTOR SERVICE STATION (PRIVATE) LTD	333,678	0.30
20	ACCUITY PARTNERS (PVT) LIMITED/MR.ARUMAPURAE PETER LASANTHA FERNANDO	332,210	0.30

# 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 Dirige 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. Merril J Fernando  
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