



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 TH JUNE 2020**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 TH JUNE 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE

	As.At 30.06.2020 Rs.'000'	As.At 31.03.2020 Audited Rs.'000'	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,307,558	1,321,930	(1)
Right to use of Assets	50,630	53,070	(5)
Intangible Assets	3,896	4,314	(10)
	<u>1,362,084</u>	<u>1,379,314</u>	(1)
Current Assets			
Inventories	21,610	22,340	(3)
Trade and Other Receivables	8,939	33,995	(74)
Advances and Prepayments	36,419	39,484	(8)
Short Term Deposits	694,036	662,430	5
Cash and Cash equivalents	12,644	23,430	(46)
	<u>773,648</u>	<u>781,680</u>	(1)
Total Assets	<u>2,135,732</u>	<u>2,160,994</u>	(1)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	612,097	662,810	8
Equity attributable to Equity Holders of the Parent	1,720,964	1,771,677	3
Non Controlling Interest	1	1	-
Total Equity	<u>1,720,965</u>	<u>1,771,678</u>	3
Minority Interest			
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	174,686	139,450	(25)
Retirement Benefit Obligation	16,675	17,091	2
Deferred Tax Liability	40,394	47,657	15
Government grants	8,098	4,342	(87)
	<u>239,853</u>	<u>208,540</u>	(15)
Current Liabilities			
Trade and Other Payables	47,377	62,326	24
Contract Liabilities	23,164	23,492	1
Interest Bearing Loans and Borrowings	90,873	80,643	(13)
Government grants	13,500	14,315	6
	<u>174,914</u>	<u>180,776</u>	3
Total Equity and Liabilities	<u>2,135,732</u>	<u>2,160,994</u>	1
Net Asset Value per Share (Rs.)	15.52	15.98	

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 preparation and presentation of these Financial statements. Signed for and on behalf of the Board by,

Sgd
Director

Sgd
Director

Colombo
10 th August 2020

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 TH JUNE 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH JUNE

	FOR 3 MONTHS ENDED		Change
	30.06.2020	30.06.2019	%
	Rs.'000'	Rs.'000'	
Revenue	573	90,417	(99)
Cost of Sales	(12,571)	(46,679)	73
Gross Profit/(Loss)	<u>(11,998)</u>	<u>43,738</u>	(127)
Other Income and Gains	-	371	(100)
Selling and Marketing Expenses	(2,291)	(5,034)	54
Administrative Expenses	(58,308)	(62,632)	7
Finance Cost	(3,263)	(1,955)	(67)
Finance Income	17,884	18,114	(1)
Profit/(Loss) before Tax	<u>(57,976)</u>	<u>(7,398)</u>	(684)
Income Reversal/(Tax Expenses)	7,263	(17,830)	141
Loss for the period	<u><u>(50,713)</u></u>	<u><u>(25,228)</u></u>	(101)
Other Comprehensive Income	-	-	
Actuarial gain/(loss) on Defined Benefit Plan	-	-	
Income tax effect	-	-	
Other comprehensive gain/(loss) for the year, net of tax	<u>-</u>	<u>-</u>	
Total Comprehensive gain/(loss) for the period net of Tax	<u><u>(50,713)</u></u>	<u><u>(25,228)</u></u>	(101)
Attributable to:			
Equity holders of the parent	<u><u>(50,713)</u></u>	<u><u>(25,228)</u></u>	(101)
Basic Earnings/(Loss) Per Share	(0.46)	(0.23)	(101)
Dividend per share	-	1.00	(100)

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 JUNE 2020

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE

	As.At 30.06.2020 Rs.'000'	As.At 31.03.2020 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	104,595	104,500	-
Cash & Cash Equivalents	29	1,030	(97)
	<u>104,624</u>	<u>105,530</u>	(1)
Total Assets	<u>1,104,634</u>	<u>1,105,540</u>	-
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumilated Profits/(losses)	(6,021)	(5,324)	(13)
Total Equity	<u>1,102,846</u>	<u>1,103,543</u>	-
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	-	-
Retirement Benefit Obligation	-	-	-
	<u>-</u>	<u>-</u>	-
Current Liabilities			
Trade & Other Payables	1,788	1,997	10
Bank Overdraft	-	-	-
	<u>1,788</u>	<u>1,997</u>	10
Total Equity and Liabilities	<u>1,104,634</u>	<u>1,105,540</u>	-
Net Asset value per share (Rs.)	9.94	9.95	-

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Chief Financial Officer

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Sgd
Director

Sgd
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Colombo
10 th August 2020

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

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 TH JUNE 2020

COMPANY, STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH JUNE

	FOR 3 MONTHS ENDED		Change
	30.06.2020	30.06.2019	%
	Rs.'000'	Rs.'000'	
Revenue	-	114,036	(100)
Cost of Sales	-	-	
Gross Profit	-	114,036	(100)
Other Income and Gains	-	-	-
Selling and Marketing Expenses	-	-	
Administrative Expenses	(696)	(2,605)	73
Finance Cost	(1)	(1)	-
Finance Income	-	-	
Profit/(Loss) before Tax	(697)	111,430	(101)
Income Tax Expenses	-	-	-
Profit /(Loss) for the period	<u>(697)</u>	<u>111,430</u>	(101)
Other Comprehensive Income	-	-	
Total Comprehensive Income/(Loss) for the period	<u>(697)</u>	<u>111,430</u>	(101)
Basic Earnings / (Loss) per share for the period	(0.01)	1.00	(101)
Dividend per share	-	1.00	(100)

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 JUNE 2020

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

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 2020	1,108,867	662,810	1	1,771,678
Loss for the period	-	(50,713)	-	(50,713)
				-
Balance as at 30 th June 2020	<u>1,108,867</u>	<u>612,097</u>	<u>1</u>	<u>1,720,965</u>
Balance as at 01st April 2019	1,108,867	744,405	1	1,853,273
Loss for the Period	-	(25,228)	-	(25,228)
Dividend	-	(110,887)	-	(110,887)
Balance as at 30 th June 2019	<u>1,108,867</u>	<u>608,290</u>	<u>1</u>	<u>1,717,158</u>
Company	Stated Capital Rs.'000'	Accumulated Profit/(Losses) Rs.'000'	Total Rs.'000'	
Balance as at 01st April 2020	1,108,867	(5,324)	1,103,543	
Dividend	-	-	-	
Loss for the Period	-	(697)	(697)	
Balance as at 30 th June 2020	<u>1,108,867</u>	<u>(6,021)</u>	<u>1,102,846</u>	
Balance as at 01st April 2019	1,108,867	(2,247)	1,106,620	
Dividend	-	(110,887)	(110,887)	
Profit for the Period	-	111,430	111,430	
Balance as at 30 th June 2019	<u>1,108,867</u>	<u>(1,704)</u>	<u>1,107,163</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 30 TH JUNE 2020

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 TH JUNE

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2020	2019	2020	2019
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
Cash Flows From / (Used in) Operating Activities				
Profit/(Loss) before tax	(57,976)	(7,397)	(697)	111,430
Adjustments for				-
Depreciation	17,719	18,921	-	-
Amortisation of intangible assets	418	755	-	-
Depreciation of Right of Use assets	2,440	-	-	-
Finance Cost	3,262	1,954	-	-
Finance Income	(17,884)	(18,114)	-	-
Dividend Income	-	-	-	(114,036)
(Profit)/Loss on Disposal of Property, Plant & Equipment	-	(371)	-	-
Provision for Defined Benefit Obligation	1,047	1,297	-	-
Operating Profit/(Loss) before Working Capital Changes	(50,974)	(2,955)	(697)	(2,606)
(Increase)/ Decrease in Inventories	730	(5,944)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	27,954	45,047	(94)	2,818
Increase/(Decrease) in Trade and Other Payables and Contract Liabilities	(14,584)	(48,942)	(209)	(217)
Increase /(Decrease) in Amount Payable to Directors	-	-	-	-
Cash Generated from / (Used in) Operations	(36,874)	(12,794)	(1,000)	(5)
Finance Cost Paid	(1,695)	(491)	-	-
Defined Benefit Obligation paid	(1,464)	-	-	-
Income Tax paid	-	(8,832)	-	-
Net Cash From / (used in) Operating Activities	(40,033)	(22,117)	(1,000)	(5)
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property Plant and Equipment	(25)	484	-	-
Acquisition of Property, Plant and Equipment	(3,536)	(21,956)	-	-
Investment in Fixed deposits	(41,000)	(25,000)	-	-
Withdrawal of Fixed Deposits	15,000	40,000	-	-
Finance Income Received	11,944	18,557	-	-
Net Cash from/(Used in) Investing Activities	(17,617)	12,085	-	-
Cash Flows from (Used in) Financing Activities				
Proceeds from Bank loan	52,000	-	-	-
Principal Payments under Finance Lease Liabilities	(1,458)	(3,032)	-	-
Net Cash from/(Used in) Financing Activities	50,542	(3,032)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(7,108)	(13,064)	(1,000)	(5)
Cash and Cash Equivalents at the beginning of the Period	15,765	18,115	1,029	298
Cash and Cash Equivalents at the end of the period	8,657	5,051	29	293

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

Cash at Bank & In Hand	12,655	12,228	29	293
Bank Overdraft	(3,998)	(7,177)	-	-
	8,657	5,051	29	293

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 30 TH JUNE 2020

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

1. Market Price of Ordinary Shares

	30.06.2020	30.06.2019
	Rs.	Rs.
Highest Price Per Share for the Quarter	11.60	13.20
Lowest Price Per Share for the Quarter	6.50	8.50
Last Traded	9.90	9.50

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 30 th June 2020

3. The Statement of Financial Position of the Company and Group as at 30 th June 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. 50,630,335/- and equivalent lease liability in the financial statements. Comparative figures are not restated.
The Group Recognized Rs. 2,439,926/- of amortization charge on the right to use of asset and Rs. 1,893,024/- of interest expense on lease liability has recognized in the statement of profit or loss for the period ended 30 th June 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 statements 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 Judgment , estimate and assumptions the impact of the COVID 19 pandemic 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

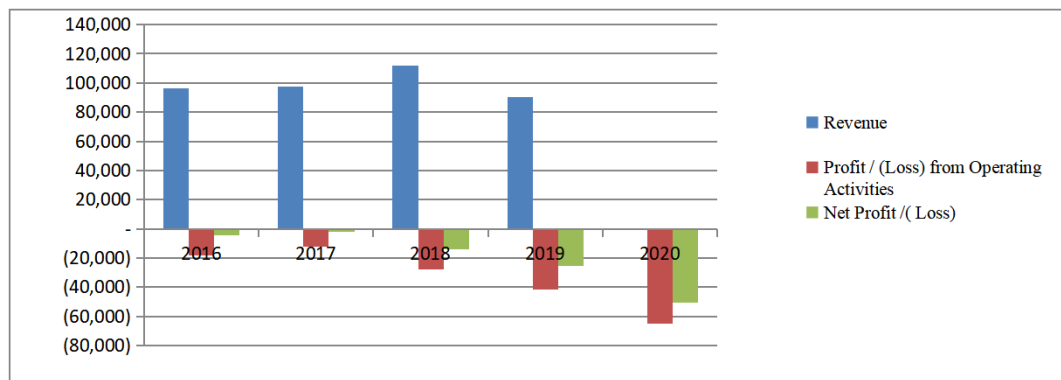
Subsidiaries	2020	2019	Nature of the Operations
Direct holding			
La Forteresse (Private) Limited	100%	100%	Operations of Small Luxury Hotel
Indirect holding			
Summer Season Mirissa (Private) Limited	99.99%	99.99%	Operation not yet commenced

Investment subsidiaries are carried at cost less impairments (if any) in the separate financial statements

9. Net Assets value per Share has been calculated, for all periods, based on the number of shares in issue as at 30 th June 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 2020.

11. Graphical Analysis of Seasonality performance - For the Quarter



12. The percentage of the shares held by public as at 30 th June 2020 was 18.192% Comprising of 2,056 Shareholders. (30 th June 2019 -18.19 1% Comprising 2,096 shareholders)

13. The float adjusted market capitalization as at 30 th June 2020 - Rs.199,712,541.60

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 JUNE 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 2020 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 June 2020 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.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 30 th June 2020 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	BANK OF CEYLON NO. 1 ACCOUNT	1,461,100	1.318
8	SEYLAN BANK PLC/JAYANTHA DEWAGE	1,441,400	1.300
9	FREUDENBERG SHIPPING AGENCIES LIMITED	1,275,766	1.151
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	HATTON NATIONAL BANK PLC/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 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