



THE FORTRESS RESORTS PLC

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2020 Rs. '000'	As.At 31.03.2020 Audited Rs. '000'	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,292,010	1,321,930	(2)
Right to use of Assets	49,210	53,070	(7)
Intangible Assets	3,540	4,314	(18)
	<u>1,344,760</u>	<u>1,379,314</u>	(3)
Current Assets			
Inventories	20,001	22,340	(10)
Trade and Other Receivables	6,714	33,995	(80)
Advances and Prepayments	38,317	39,484	(3)
Short Term Deposits	691,540	662,430	4
Cash and Cash equivalents	4,885	23,430	(79)
	<u>761,457</u>	<u>781,680</u>	(3)
Total Assets	<u>2,106,217</u>	<u>2,160,994</u>	(3)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	562,213	662,810	15
Equity attributable to Equity Holders of the Parent	1,671,080	1,771,677	6
Non Controlling Interest	1	1	-
Total Equity	<u>1,671,081</u>	<u>1,771,678</u>	6
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	189,481	139,450	(36)
Retirement Benefit Obligation	17,263	17,091	(1)
Deferred Tax Liability	40,394	47,657	15
Government grants	8,098	4,342	(86)
	<u>255,236</u>	<u>208,540</u>	(22)
Current Liabilities			
Trade and Other Payables	55,014	62,326	12
Contract Liabilities	35,982	23,492	(53)
Interest Bearing Loans and Borrowings	80,403	80,643	-
Government grants	8,501	14,315	41
	<u>179,900</u>	<u>180,776</u>	-
Total Equity and Liabilities	<u>2,106,217</u>	<u>2,160,994</u>	3
Net Asset Value per Share (Rs.)	15.07	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 preperation and presentaion of these Financial statements. Signed for and on behalf of the Board by,

Sgd
Director

Sgd
Director

Colombo
10 th November 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 SEPTEMBER 2020

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2020	30.09.2019	%	30.09.2020	30.09.2019	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	25,790	68,034	(62)	26,364	158,451	(83)
Cost of Sales	(18,968)	(40,003)	53	(31,540)	(81,138)	61
Gross Profit/(Loss)	<u>6,822</u>	<u>28,031</u>	(76)	<u>(5,176)</u>	<u>77,313</u>	(107)
Other Income and Gains	-	267	(100)	-	638	(100)
Selling and Marketing Expenses	(2,993)	(4,587)	35	(5,284)	(9,621)	45
Administrative Expenses	(64,570)	(64,837)	-	(122,879)	(133,013)	8
Finance Cost	(3,563)	(3,699)	4	(6,826)	(5,653)	(21)
Finance Income	18,279	14,215	29	36,163	32,329	12
Profit/(Loss) before Tax	<u>(46,025)</u>	<u>(30,610)</u>	(50)	<u>(104,002)</u>	<u>(38,007)</u>	(174)
Income (Tax Expenses)/ Reversal	(3,859)	2,165	278	3,404	(15,665)	122
Profit/(Loss) for the period	<u>(49,884)</u>	<u>(28,445)</u>	(75)	<u>(100,598)</u>	<u>(53,672)</u>	(87)
Other Comprehensive Income	-	-		-	-	
Actuarial gain/(loss) on Defined Benefit Plan	-	-		-	-	
Income tax effect	-	-		-	-	
Other comprehensive gain/(loss) for the year, net of tax	-	-		-	-	
Total Comprehensive gain/(loss) for the period net of Tax	<u>(49,884)</u>	<u>(28,445)</u>	(75)	<u>(100,598)</u>	<u>(53,672)</u>	(87)
Attributable to:						
Equity holders of the parent	<u>(49,884)</u>	<u>(28,445)</u>	(75)	<u>(100,598)</u>	<u>(53,672)</u>	(87)
Basic Earnings/(Loss) Per Share	(0.45)	(0.26)	(75)	(0.91)	(0.48)	(87)
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 30 TH SEPTEMBER 2020

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2020 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	102,492	104,500	(2)
Cash and Cash Equivalents	26	1,030	(97)
	<u>102,518</u>	<u>105,530</u>	(3)
Total Assets	<u>1,102,528</u>	<u>1,105,540</u>	-
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits/(losses)	(8,123)	(5,324)	(53)
Total Equity	<u>1,100,744</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	1,784	1,997	11
Bank Overdraft	-	-	-
	<u>1,784</u>	<u>1,997</u>	11
Total Equity and Liabilities	<u>1,102,528</u>	<u>1,105,540</u>	-
Net Asset value per share (Rs.)	9.93	9.95	-

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 November 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 SEPTEMBER 2020

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2020	30.09.2019	%	30.09.2020	30.09.2019	%
	Rs. '000'	Rs. '000'		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	(2,102)	(740)	(184)	(2,798)	(3,345)	16
Finance Cost	-	(32)	100	(1)	(33)	98
Finance Income	-	-		-	-	-
Profit/(Loss) before Tax	(2,102)	(772)	(172)	(2,799)	110,658	(103)
Income Tax Expenses	-	-	-	-	-	-
Profit /(Loss) for the period	<u>(2,102)</u>	<u>(772)</u>	(172)	<u>(2,799)</u>	<u>110,658</u>	(103)
Other Comprehensive Income/(Loss)	-					
Total Comprehensive Income/(Loss) for the period	<u>(2,102)</u>	<u>(772)</u>	(172)	<u>(2,799)</u>	<u>110,658</u>	(103)
Basic Earnings / (Loss) per share for the period	(0.02)	(0.01)	(172)	(0.03)	1.00	(103)
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 SEPTEMBER 2020

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

Group	Attributable to the equity holders of the parent			Total Rs. '000'
	Stated Capital	Accumulated Profit	Non Controlling Interest	
	Rs. '000'	Rs. '000'	Rs. '000'	
Balance as at 01st April 2020	1,108,867	662,811	1	1,771,679
Loss for the period	-	(100,598)	-	(100,598)
Balance as at 30 th September 2020	<u>1,108,867</u>	<u>562,213</u>	<u>1</u>	<u>1,671,081</u>
Balance as at 01st April 2019	1,108,867	744,405	1	1,853,273
Loss for the Period	-	(28,445)	-	(28,445)
Dividend	-	(110,887)	-	(110,887)
Balance as at 30 th September 2019	<u>1,108,867</u>	<u>605,073</u>	<u>1</u>	<u>1,713,941</u>

Company	Stated Capital	Accumulated Profit/(Losses)	Total
	Rs. '000'	Rs. '000'	Rs. '000'
Balance as at 01st April 2020	1,108,867	(5,324)	1,103,543
Loss for the Period	-	(2,799)	(2,799)
Balance as at 30 th September 2020	<u>1,108,867</u>	<u>(8,123)</u>	<u>1,100,744</u>
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>

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 2020

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 TH SEPTEMBER

	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	(104,002)	(38,007)	(2,799)	110,658
Adjustments for				-
Depreciation	36,177	38,317	-	-
Amortisation of intangible assets	774	1,554	-	-
Depreciation of Right of Use assets	3,860	-	-	-
Finance Cost	6,826	5,621	-	-
Finance Income	(36,163)	(32,329)	-	-
Dividend Income	-	-	-	(114,036)
(Profit)/Loss on Disposal of Property, Plant & Equipment	-	(637)	-	-
Provision for Defined Benefit Obligation	2,096	2,594	-	-
Operating Profit/(Loss) before Working Capital Changes	(90,432)	(22,889)	(2,799)	(3,378)
(Increase)/ Decrease in Inventories	2,339	(3,256)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	30,340	38,253	2,008	185
Increase/(Decrease) in Trade and Other Payables and Contract Liabilities	3,004	(60,263)	(213)	(220)
Cash Generated from / (Used in) Operations	(54,749)	(48,155)	(1,004)	(3,413)
Finance Cost Paid	(6,751)	(2,673)	-	-
Defined Benefit Obligation paid	(1,926)	(386)	-	-
Income Tax paid	(3,245)	(15,729)	-	-
Net Cash From / (used in) Operating Activities	(66,671)	(66,943)	(1,004)	(3,413)
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property Plant and Equipment	253	815	-	-
Acquisition of Property, Plant and Equipment	(4,931)	(47,496)	-	-
Acquisition of Intangible Assets	-	(1,888)	-	-
Investment in Fixed deposits	(41,000)	(22,188)	-	-
Withdrawal of Fixed Deposits	35,000	190,000	-	-
Dividend Received	-	-	-	114,036
Finance Income Received	12,958	39,087	-	-
Net Cash from/(Used in) Investing Activities	2,280	158,330	-	114,036
Cash Flows from (Used in) Financing Activities				
Proceeds from Bank loan	52,000	100,000	-	-
Re-payment of Short Term Loan	-	(100,000)	-	-
Dividend	-	(110,887)	-	(110,887)
Re-payment of Bank Loans	-	-	-	-
Principal Payments under Finance Lease Liabilities	(2,959)	(2,638)	-	-
Principal Payments under Right to use of Assets	-	(1,540)	-	-
Net Cash from/(Used in) Financing Activities	49,041	(115,065)	-	(110,887)
Net Increase/(Decrease) in Cash and Cash Equivalents	(15,350)	(23,675)	(1,004)	(264)
Cash and Cash Equivalents at the beginning of the Period	15,766	18,114	1,030	298
Cash and Cash Equivalents at the end of the period	416	(5,561)	26	34

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

Cash at Bank & In Hand	4,885	4,906	26	34
Bank Overdraft	(4,469)	(10,467)	-	-
	416	(5,561)	26	34

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 2020

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

1. Market Price of Ordinary Shares

	30.09.2020	30.09.2019
	Rs.	Rs.
Highest Price Per Share for the Quarter	11.50	13.20
Lowest Price Per Share for the Quarter	9.30	9.40
Last Traded	10.20	9.70

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

3. The Statement of Financial Position of the Company and Group as at 30 th September 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 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 "000" in rupees unless otherwise stated.

6. 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 Judgment , estimate and assumptions the impact of the COVID 19 pandemic has been considered as of reporting date.

7. Subsidiaries.

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

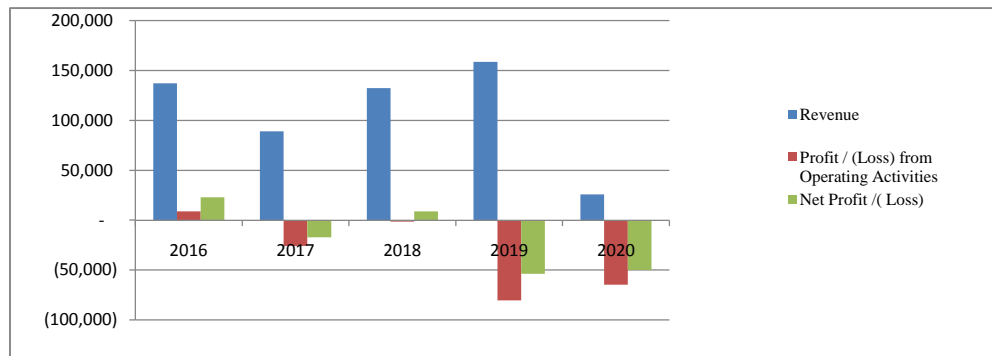
Subsidiaries	2020	2019	Nature of the Operations
Direct holding			
La Forteresse (Private) Limited	100%	100%	Operating of Small Luxury Hotel
Indirect holding			
Summer Season Mirissa (Private) Limited	99.99%	99.99%	Operations not yet commenced

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

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

10. Graphical Analysis of Seasonality performance - For the Quarter



11. The percentage of the shares held by public as at 30 th September 2020 was 18.192% comprising of 2,052 Shareholders. (30 th September 2019 - 18.19 1% Comprising 2,090 shareholders)

12. The float adjusted market capitalization as at 30 th September 2020 - Rs.205,764,436.80

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
30 TH SEPTEMBER 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 September 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. Merril .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.Cabral	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.R.N.Malinga (Alternate Director to Malik J Fernando)	Nil	-
13	Mr.A.H.N Rodrigo (Alternate Director to Malik J Fernando, Ceased to be a Director w.e.f 11/08/2020)	Nil	-

17. Twenty largest shareholders of the company as of 30 th September 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	MR.M.P.D COORAY	349,905	0.316
19	ROYAL CEREMICS LANKA PLC	336,100	0.303
20	MOTOR SERVICE STATION (PRIVATE) LTD	333,678	0.301

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.R N Malinga)
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