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## **THE FORTRESS RESORTS PLC**

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**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 ST MARCH 2021**

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 ST MARCH 2021**

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

	As.At 31.03.2021	As.At 31.03.2020 Audited	Change %
	Rs. '000'	Rs. '000'	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1,268,099	1,321,931	(4)
Right to use of Assets	47,997	53,070	(10)
Intangible Assets	2,893	4,314	(33)
	<u>1,318,989</u>	<u>1,379,315</u>	(4)
<b>Current Assets</b>			
Inventories	18,330	22,340	(18)
Trade and Other Receivables	16,396	33,996	(52)
Advances and Prepayments	28,152	39,484	(29)
Short Term Deposits	639,756	662,430	(3)
Cash and Cash equivalents	9,235	23,429	(61)
	<u>711,869</u>	<u>781,680</u>	(9)
<b>Total Assets</b>	<u><b>2,030,858</b></u>	<u><b>2,160,995</b></u>	(6)
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	487,909	662,810	26
Equity attributable to Equity Holders of the Parent	<u>1,596,776</u>	<u>1,771,677</u>	10
Non Controlling Interest	1	1	-
<b>Total Equity</b>	<u>1,596,777</u>	<u>1,771,678</u>	10
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	149,927	139,449	(8)
Retirement Benefit Obligation	17,592	17,091	(3)
Deferred Tax Liability	22,394	47,658	53
Government grants	3,290	4,343	24
	<u>193,203</u>	<u>208,540</u>	7
<b>Current Liabilities</b>			
Trade and Other Payables	44,234	62,326	29
Contract Liabilities	25,914	23,492	(10)
Interest Bearing Loans and Borrowings	145,677	80,643	(81)
Government grants	15,056	14,315	(5)
Income Tax Payables	9,997	-	-
	<u>240,878</u>	<u>180,777</u>	(33)
<b>Total Equity and Liabilities</b>	<u><b>2,030,858</b></u>	<u><b>2,160,995</b></u>	6
Net Asset Value per Share (Rs.)	14.40	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**  
**20 th May 2021**

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**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2021	31.03.2020	%	31.03.2021	31.03.2020	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
<b>Revenue</b>	30,931	198,380	(84)	74,666	489,320	(85)
Cost of Sales	(17,976)	(44,613)	60	(66,032)	(155,351)	57
Gross Profit/(Loss)	<u>12,955</u>	<u>153,767</u>	(92)	<u>8,634</u>	<u>333,969</u>	(97)
Other Income and Gains	697	(182)	483	697	845	(18)
Selling and Marketing Expenses	(1,982)	(10,869)	82	(9,520)	(27,403)	65
Administrative Expenses	(57,074)	(77,061)	26	(235,264)	(302,891)	22
Finance Cost	(4,795)	(2,865)	(67)	(15,711)	(10,554)	(49)
Finance Income	14,792	14,763	-	68,553	58,367	17
<b>Profit/(Loss) before Tax</b>	<u>(35,407)</u>	<u>77,553</u>	(146)	<u>(182,611)</u>	<u>52,333</u>	(449)
Income (Tax Expenses)/ Reversal	5,213	(11,771)	144	7,005	(24,952)	128
<b>Profit/(Loss) for the period</b>	<u>(30,194)</u>	<u>65,782</u>	(146)	<u>(175,606)</u>	<u>27,381</u>	(741)
<b>Other Comprehensive Income</b>	-	-		-	-	
Actuarial gain/(loss) on Defined Benefit Plan	820	2,222	(63)	820	2,222	(63)
Income tax effect	(115)	(311)	(63)	(115)	(311)	(63)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<u>705</u>	<u>1,911</u>	(63)	<u>705</u>	<u>1,911</u>	(63)
<b>Other comprehensive income for the year ,net of tax</b>	<u>705</u>	<u>1,911</u>	(63)	<u>705</u>	<u>1,911</u>	(63)
<b>Total Comprehensive Income/(loss) for the period net of Tax</b>	<u>(29,489)</u>	<u>67,693</u>	(144)	<u>(174,901)</u>	<u>29,292</u>	(697)
<b>Profit and total comprehensive income attributable to</b>						
Entire profit and total comprehensive income is attributable to the equity holders of the parent						
Basic Earnings/(Loss) Per Share	(0.27)	0.59	(146)	(1.58)	0.25	(741)
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 2021**

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

	As.At 31.03.2021	As.At 31.03.2020 Audited	Change %
	Rs. '000'	Rs. '000'	
<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	101,092	104,500	(3)
Cash and Cash Equivalents	26	1,030	(97)
	<u>101,118</u>	<u>105,530</u>	(4)
<b>Total Assets</b>	<b><u>1,101,128</u></b>	<b><u>1,105,540</u></b>	-
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumilated Profits/(losses)	(9,733)	(5,325)	83
<b>Total Equity</b>	<u>1,099,134</u>	<u>1,103,542</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	1,994	1,998	-
Bank Overdraft	-	-	-
	<u>1,994</u>	<u>1,998</u>	-
<b>Total Equity and Liabilities</b>	<b><u>1,101,128</u></b>	<b><u>1,105,540</u></b>	-
Net Asset value per share (Rs.)	9.91	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**

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Sgd  
**Director**

Sgd  
**Director**

**Colombo**  
**20 th May 2021**

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 2021**

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2021	31.03.2020	%	31.03.2021	31.03.2020	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
<b>Revenue</b>	-	-		-	114,036	(100)
Cost of Sales	-	-		-	-	-
<b>Gross Profit</b>	-	-		-	114,036	(100)
Other Income and Gains	-	-	-	-	-	-
Selling and Marketing Expenses	-	-		-	-	
Administrative Expenses	(991)	(944)	(5)	(4,408)	(6,226)	29
Finance Cost	-	-	-	-	-	-
Finance Income	-	-		-	-	-
<b>Profit/(Loss) before Tax</b>	(991)	(944)	(5)	(4,408)	107,810	(104)
Income Tax Expenses	-	-	-	-	-	-
<b>Profit /(Loss) for the period</b>	(991)	(944)	(5)	(4,408)	107,810	(104)
<b>Other Comprehensive Income/(Loss)</b>	-	-		-	-	
<b>Total Comprehensive Income/(Loss) for the period</b>	(991)	(944)	(5)	(4,408)	107,810	(104)
Basic Earnings / (Loss) per share for the period	(0.01)	(0.01)	(5)	(0.04)	0.97	(104)
Dividend per share	-	-	-	-	1.00	(100)

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**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 ST MARCH 2021**

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

Group	Attributable to the equity holders the parent		of	
	Stated Capital	Accumulated	Non	Total
	Rs. '000'	Profit Rs. '000'	Controlling Interest Rs. '000'	Rs. '000'
Balance as at 01st April 2020	1,108,867	662,810	1	1,771,678
Loss for the year	-	(175,606)	-	(175,606)
Other Comprehensive income for the year, net of tax	-	705	-	705
<b>Balance as at 31 st March 2021</b>	<b>1,108,867</b>	<b>487,909</b>	<b>1</b>	<b>1,596,777</b>
Balance as at 01st April 2019	1,108,867	744,405	1	1,853,273
Profit for the year	-	27,381	-	27,381
Dividend	-	(110,887)	-	(110,887)
Other Comprehensive income for the year, net of tax	-	1,911	-	1,911
<b>Balance as at 31 st March 2020</b>	<b>1,108,867</b>	<b>662,810</b>	<b>1</b>	<b>1,771,678</b>
<b>Company</b>				
	<b>Stated Capital Rs. '000'</b>	<b>Accumulated Profit/(Losses) Rs. '000'</b>	<b>Total Rs. '000'</b>	
Balance as at 01st April 2020	1,108,867	(5,325)	1,103,542	
Loss for the year	-	(4,408)	(4,408)	
<b>Balance as at 31 st March 2021</b>	<b>1,108,867</b>	<b>(9,733)</b>	<b>1,099,134</b>	
Balance as at 01st April 2019	1,108,867	(2,248)	1,106,619	
Dividend	-	(110,887)	(110,887)	
Profit for the year	-	107,810	107,810	
<b>Balance as at 31 st March 2020</b>	<b>1,108,867</b>	<b>(5,325)</b>	<b>1,103,542</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 2021**

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

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2021	2020	2021	2020
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit/(Loss) before tax	(182,611)	52,332	(4,409)	107,810
<b>Adjustments for</b>				-
Depreciation	72,141	69,904	-	-
Amortisation of intangible assets	1,422	1,489	-	-
Depreciation of Right of Use assets	7,521	9,976	-	-
Finance Cost	15,711	10,554	-	-
Finance Income	(68,554)	(58,367)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(168)	(845)	-	-
Provision for Defined Benefit Obligation	3,935	3,942	-	-
Operating Profit/(Loss) before Working Capital Changes	(150,603)	88,985	(4,409)	107,810
 (Increase)/ Decrease in Inventories	4,010	(1,221)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	28,933	23,824	3,408	2,839
Increase/(Decrease) in Trade and Other Payables and Contract Liabilities	(15,671)	(30,713)	(3)	970
Cash Generated from / (Used in) Operations	(133,331)	80,875	(1,004)	111,619
 Finance Cost Paid	(7,295)	(7,763)	-	-
Defined Benefit Obligation paid	(2,613)	(1,722)	-	-
Income Tax paid	(8,376)	(35,846)	-	-
Net Cash From / (used in) Operating Activities	(151,615)	35,544	(1,004)	111,619
<b>Cash Flows from / (Used in) Investing Activities</b>				
Proceeds from Disposal of Property Plant and Equipment	430	1,552	-	-
Acquisition of Property, Plant and Equipment	(21,021)	(62,328)	-	-
Acquisition of Intangible Assets	-	(2,387)	-	-
Investment in Fixed deposits	(41,000)	(364,467)	-	-
Withdrawal of Fixed Deposits	78,500	281,967	-	-
Finance Income Received	53,727	57,016	-	-
Net Cash from/(Used in) Investing Activities	70,636	(88,647)	-	-
<b>Cash Flows from (Used in) Financing Activities</b>				
Proceeds from Bank loans	72,000	178,000	-	-
Dividend	-	(110,887)	-	(110,887)
Re-payment of Bank Loans	-	(10,927)	-	-
Principal Payments under Finance Lease Liabilities	(6,094)	(5,432)	-	-
Net Cash from/(Used in) Financing Activities	65,906	50,754	-	(110,887)
 <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(15,073)	(2,349)	(1,004)	732
 <b>Cash and Cash Equivalents at the beginning of the Period</b>	15,766	18,115	1,030	298
<b>Cash and Cash Equivalents at the end of the period</b>	<b>693</b>	<b>15,766</b>	<b>26</b>	<b>1,030</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	9,235	23,430	26	1,030
Bank Overdraft	(8,542)	(7,664)	-	-
	<b>693</b>	<b>15,766</b>	<b>26</b>	<b>1,030</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 2021**

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

**1. Market Price of Ordinary Shares**

	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Highest Price Per Share for the Quarter	12.90	11.50
Lowest Price Per Share for the Quarter	10.00	7.80
Last Traded	11.20	7.80

**2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 31 st March 2021**

**3. The Statement of Financial Position of the Company and Group as at 31 st March 2021 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. 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

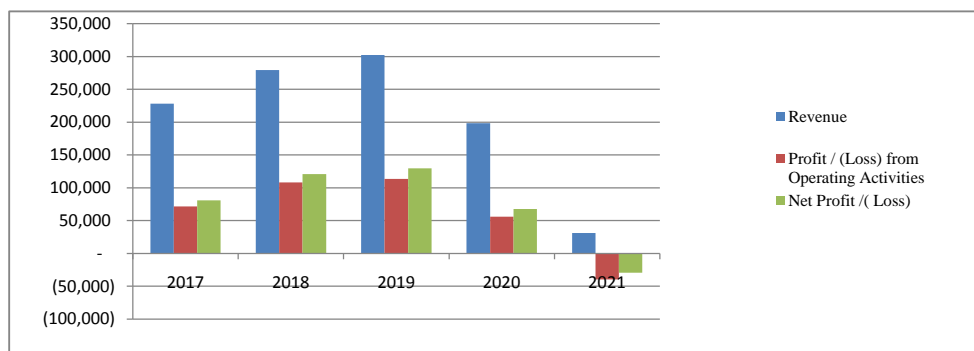
<b>Subsidiaries</b>	<b>2021</b>	<b>2020</b>	<b>Nature of the Operations</b>
<b>Direct holding</b>			
La Forteresse (Private) Limited	100%	100%	Operations of Small Luxury Hotel
<b>Indirect holding</b>			
Summer Season Mirissa (Private ) Limited	99.99%	99.99%	Operations not yet commenced

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 31 st March 2021, 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 31 st March 2021 was 17.615% Comprising of 2,017 Shareholders. (31 st March 2020 -18.192% Comprising 2,068 shareholders)**

**12. The float adjusted market capitalization as at 31 st March 2021 - Rs.218,759,206.40**

**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 2021**

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 2021 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 2021 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.R.N.Malinga (Alternate Director to Malik J Fernando)	Nil	-

17. Twenty largest shareholders of the company as of 31 st March 2021 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	25.807
2	VALLIBEL LEISURE (PRIVATE) LIMITED	24,417,932	22.021
3	VALLIBEL ONE PLC	20,618,257	18.594
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	MR. A P L FERNANDO	1,124,961	1.015
10	MRS N U D ARIYARATNA	843,483	0.761
11	MR. MALIK J FERNANDO	833,333	0.752
12	MR D C FERNANDO	833,333	0.752
13	DR.D.JAYANNTHA	621,000	0.560
14	FREUDENBERG SHIPPING AGENCIES LIMITED	601,766	0.543
15	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
16	MR.M.P.D COORAY	443,335	0.400
17	MR.D J DE SILVA WIJERATHNE	425,000	0.383
18	ANVERALLY AND SONS (PVT) LTD A/C NO 1	373,810	0.337
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. 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