



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 ST MARCH 2022**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

	As.At 31.03.2022 Rs '000'	As.At 31.03.2021 Audited Rs '000'	Change %
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,206,227	1,268,099	(5)
Right to use of Assets	43,268	47,997	(10)
Intangible Assets	1,695	2,893	(41)
	<u>1,251,190</u>	<u>1,318,989</u>	(5)
Current Assets			
Inventories	19,806	18,330	8
Trade and Other Receivables	47,470	16,396	190
Advances and Prepayments	30,163	28,151	7
Short Term Deposits	525,768	639,757	(18)
Cash and Cash equivalents	44,869	9,235	386
	<u>668,076</u>	<u>711,869</u>	(6)
Total Assets	<u>1,919,266</u>	<u>2,030,858</u>	(5)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	519,796	487,909	(7)
Equity attributable to Equity Holders of the Parent	1,628,663	1,596,776	(2)
Non Controlling Interest	1	1	-
Total Equity	<u>1,628,664</u>	<u>1,596,777</u>	(2)
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	93,164	149,927	38
Retirement Benefit Obligation	19,108	17,592	(9)
Deferred Tax Liability	8,821	22,394	61
Government grants	-	3,290	100
	<u>121,093</u>	<u>193,203</u>	37
Current Liabilities			
Trade and Other Payables	58,755	44,234	(33)
Contract Liabilities	59,508	25,914	(130)
Interest Bearing Loans and Borrowings	47,797	145,677	67
Government grants	-	15,056	100
Income Tax Payables	3,449	9,997	65
	<u>169,509</u>	<u>240,878</u>	30
Total Equity and Liabilities	<u>1,919,266</u>	<u>2,030,858</u>	5
Net Asset Value per Share (Rs.)	14.69	14.40	

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
23rd May 2022

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
	31.03.2022	31.03.2021	%	31.03.2022	31.03.2021	%
	Rs '000'	Rs '000'		Rs '000'	Rs '000'	
Revenue	217,172	30,931	602	349,167	74,666	368
Cost of Sales	(50,578)	(17,976)	(181)	(109,416)	(66,032)	(66)
Gross Profit/(Loss)	166,594	12,955	1,186	239,751	8,634	2,677
Other Income and Gains	24,703	697	3,444	23,827	697	3,319
Advertising and Marketing Expenses	(5,838)	(1,982)	(195)	(12,920)	(9,520)	(36)
Administrative Expenses	(63,409)	(57,074)	(11)	(243,822)	(235,264)	(4)
Finance Cost	(1,768)	(4,795)	63	(11,736)	(15,711)	25
Finance Income	8,535	14,792	(42)	32,183	68,553	(53)
Profit/(Loss) before Tax	128,817	(35,407)	464	27,283	(182,611)	115
Income (Tax Expenses)/ Reversal	(3,514)	5,213	(167)	5,765	7,005	(18)
Profit/(Loss) for the period	125,303	(30,194)	515	33,048	(175,606)	119
Other Comprehensive Income /(Loss)	-			-		
Actuarial gain/(loss) on Defined Benefit Plan	(1,350)	820	(265)	(1,350)	820	(265)
Income tax effect	189	(115)	(264)	189	(115)	(264)
Net other comprehensive income/(Loss) not to be reclassified to profit or loss in subsequent periods	(1,161)	705	(265)	(1,161)	705	(265)
Other comprehensive income/(Loss) for the year ,net of tax	(1,161)	705	(265)	(1,161)	705	(265)
Total Comprehensive Income/(loss) for the period net of Tax	124,142	(29,489)	521	31,887	(174,901)	118
Profit and total comprehensive income attributable to						
Entire profit and total comprehensive income is attributable to the equity holders of the parent						
Basic Earnings/(Loss) Per Share	1.13	(0.27)	515	0.30	(1.58)	118

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 2022

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

	As.At 31.03.2022 Rs '000'	As.At 31.03.2021 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	97,019	101,092	(4)
Cash and Cash Equivalents	44	26	69
	<u>97,063</u>	<u>101,118</u>	(4)
Total Assets	<u>1,097,073</u>	<u>1,101,128</u>	-
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits/(losses)	(13,677)	(9,733)	(41)
Total Equity	<u>1,095,190</u>	<u>1,099,134</u>	-
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	-	-
Retirement Benefit Obligation	-	-	-
	<u>-</u>	<u>-</u>	-
Current Liabilities			
Trade & Other Payables	1,883	1,994	6
Bank Overdraft	-	-	-
	<u>1,883</u>	<u>1,994</u>	6
Total Equity and Liabilities	<u>1,097,073</u>	<u>1,101,128</u>	-
Net Asset value per share (Rs.)	9.88	9.91	-

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

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Director

Colombo
23rd May 2022

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 2022

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

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2022	31.03.2021	%	31.03.2022	31.03.2021	%
	Rs '000'	Rs '000'		Rs '000'	Rs '000'	
Revenue	-	-		-	-	-
Cost of Sales	-	-		-	-	-
Gross Profit	-	-		-	-	-
Other Income and Gains	-	-	-	-	-	-
Advertising and Marketing Expenses	-	-		-	-	
Administrative Expenses	(880)	(991)	11	(3,944)	(4,408)	11
Finance Cost	-	-	-	-	-	
Finance Income	-	-		-	-	-
Profit/(Loss) before Tax	(880)	(991)	11	(3,944)	(4,408)	11
Income Tax Expenses	-	-	-	-	-	-
Profit /(Loss) for the period	<u>(880)</u>	<u>(991)</u>	11	<u>(3,944)</u>	<u>(4,408)</u>	11
Other Comprehensive Income/(Loss)	-	-		-	-	
Total Comprehensive Income/(Loss) for the period	<u>(880)</u>	<u>(991)</u>	11	<u>(3,944)</u>	<u>(4,408)</u>	11
Basic Earnings / (Loss) per share for the period	(0.01)	(0.01)	11	(0.04)	(0.04)	11

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 2022

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

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 2021	1,108,867	487,909	1	1,596,777
Profit for the Year	-	33,048	-	33,048
Other Comprehensive income for /(Loss) the year, net of tax	-	(1,161)	-	(1,161)
Balance as at 31 st March 2022	1,108,867	519,796	1	1,628,664
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 /(Loss) the year, net of tax	-	705	-	705
Balance as at 31 st March 2021	1,108,867	487,909	1	1,596,777
Company				
	Stated Capital Rs '000'	Accumulated Profit/(Losses) Rs '000'		Total Rs '000'
Balance as at 01st April 2021	1,108,867	(9,733)		1,099,134
Loss for the Year	-	(3,944)		(3,944)
Balance as at 31 st March 2022	1,108,867	(13,677)		1,095,190
Balance as at 01st April 2020	1,108,867	(5,325)		1,103,542
Loss for the Year	-	(4,408)		(4,408)
Balance as at 31 st March 2021	1,108,867	(9,733)		1,099,134

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 2022

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 ST MARCH

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2022	2021	2022	2021
	Rs '000'	Rs '000'	Rs '000'	Rs '000'
Cash Flows From / (Used in) Operating Activities				
Profit/(Loss) before tax	27,283	(182,611)	(3,944)	(4,409)
Adjustments for				-
Depreciation	71,597	72,141	-	-
Amortisation of intangible assets	1,197	1,422	-	-
Depreciation of Right of Use assets	4,676	7,521	-	-
Finance Cost	11,736	15,711	-	-
Finance Income	(32,183)	(68,554)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(83)	(168)	-	-
Remeasurement of ROU Assets and Lease liabilities	191	-	-	-
Exchange Gain	(9,037)	-	-	-
Provision for Defined Benefit Obligation	3,277	3,935	-	-
Operating Profit/(Loss) before Working Capital Changes	78,654	(150,603)	(3,944)	(4,409)
(Increase)/ Decrease in Inventories	(1,476)	4,010	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	(33,085)	28,933	4,073	3,408
Increase/(Decrease) in Trade and Other Payables and Contract Liabilities	48,116	(15,671)	(111)	(3)
Cash Generated from / (Used in) Operations	92,209	(133,331)	18	(1,004)
Finance Cost Paid	(8,066)	(7,295)	-	-
Defined Benefit Obligation paid	(3,111)	(2,613)	-	-
Income Tax paid	(14,166)	(8,376)	-	-
Net Cash From / (used in) Operating Activities	66,866	(151,615)	18	(1,004)
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property Plant and Equipment	1,791	430	-	-
Acquisition of Property, Plant and Equipment	(11,432)	(21,021)	-	-
Investment in Fixed deposits	(132,178)	(41,000)	-	-
Withdrawal of Fixed Deposits	231,000	78,500	-	-
Finance Income Received	56,386	53,727	-	-
Net Cash from/(Used in) Investing Activities	145,567	70,636	-	-
Cash Flows from (Used in) Financing Activities				
Proceeds from Bank loans	-	72,000	-	-
Repayment of Bank Loan	(162,614)	-	-	-
Principal Payments under Lease Liabilities	(5,643)	(6,094)	-	-
Net Cash from/(Used in) Financing Activities	(168,257)	65,906	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	44,176	(15,073)	18	(1,004)
Cash and Cash Equivalents at the beginning of the Period	693	15,766	26	1,030
Cash and Cash Equivalents at the end of the period	44,869	693	44	26

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

Cash at Bank & In Hand	44,869	9,235	44	26
Bank Overdraft	-	(8,542)	-	-
	44,869	693	44	26

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 2022

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

1. Market Price of Ordinary Shares

	31.03.2022	31.03.2021
	Rs.	Rs.
Highest Price Per Share for the Quarter	15.50	12.90
Lowest Price Per Share for the Quarter	11.50	10.00
Last Traded	12.50	11.20

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 31 st March 2022

3. The Statement of Financial Position of the Company and Group as at 31 st March 2022 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 '000' rupees unless otherwise stated.

6. Subsidiaries.

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

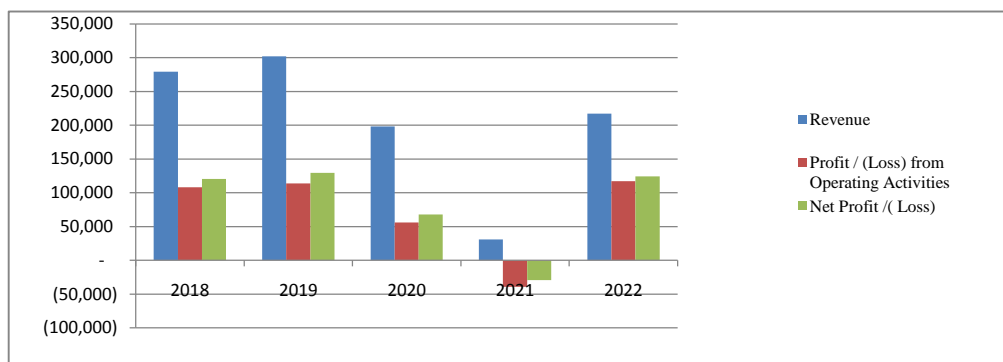
Subsidiaries	2022	2022	Nature of the Operations
Direct holding			
La Forteresse (Private) Limited	100%	100%	Operations of Small Luxury Hotel
Indirect holding			
Summer Season Mirissa (Private) Limited	99.99%	99.99%	Operation not yet commenced

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

7. Net Assets value per Share has been calculated, for all periods, based on the number of shares in issue as at 31 st March 2022, amounting to 110,886,684.

8. 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 st March 2021.

9. Graphical Analysis of Seasonality performance - For the Quarter



10. The percentage of the shares held by public as at 31 st March 2022 was 17.61% Comprising of 1,963 Shareholders. (31 st March 2021 -17.615% Comprising 2,017 shareholders)

11. The float adjusted market capitalization as at 31 st March 2022 - Rs.244,150,900.00

12. 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 2022**

13. 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 2022 and are in compliance with the Sri Lanka Accounting Standard 34 - Interim Financial Reporting.

14. The number of shares held by the Board of Directors as of 31 st March 2022 are as follows:

	Name of the Director	No of Shares	%
1	Mr. Dhammika Perera	10,329,317	9.32
2	Mr.K.D.H Perera -Managing Director	Nil	-
3	Mr.J.A.S.S. Adhihetty	13,741	0.01
4	Mr. Malik J. Fernando	833,333	0.75
5	Mr. Merril .J. Fernando	2,124,400	1.92
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	-

15. Twenty largest shareholders of the company as of 31 st March 2022 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	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	1,141,400	1.029
10	MOTOR SERVICE STATION (PRIVATE) LTD	1,026,853	0.926
11	MRS N U D ARIYARATNA	843,483	0.761
12	MR. MALIK J FERNANDO	833,333	0.752
13	MR D C FERNANDO	833,333	0.752
14	DR.D.JAYANNTHA	621,000	0.560
15	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
16	MR.M.P.D COORAY	459,204	0.414
17	ANVERALLY AND SON (PVT) LTD A/C NO 1	373,810	0.337
18	ROYAL CEREMICS LANKA PLC	336,100	0.303
19	MERCHANT BANK OF SRI LANKA & FINANCE PLC/S.A.A. HASITHA	300,200	0.271
20	SEYLAN BANK PLC/A.M.NIMESHA ANURUDDA ABHEYKON	295,161	0.266

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.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