



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 ST MARCH 2023**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST MARCH 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

	As.At 31.03.2023	As.At 31.03.2022 Audited	Change %
	Rs.'000'	Rs.'000'	
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,157,963	1,206,227	(4)
Right to use of Assets	41,355	43,268	(4)
Intangible Assets	1,393	1,695	(18)
	<u>1,200,711</u>	<u>1,251,190</u>	(4)
Current Assets			
Inventories	25,926	19,807	31
Trade and Other Receivables	24,169	47,470	(49)
Advances and Prepayments	37,537	30,163	24
Short Term Deposits	523,580	525,768	-
Cash and Cash equivalents	14,709	44,869	(67)
	<u>625,921</u>	<u>668,077</u>	(6)
Total Assets	<u>1,826,632</u>	<u>1,919,267</u>	(5)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	500,278	519,797	4
Equity attributable to Equity Holders of the Parent	1,609,145	1,628,664	1
Non Controlling Interest	1	1	-
Total Equity	<u>1,609,146</u>	<u>1,628,665</u>	1
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	57,255	93,164	39
Retirement Benefit Obligation	19,675	19,108	(3)
Deferred Tax Liability	7,783	8,821	12
	<u>84,713</u>	<u>121,093</u>	30
Current Liabilities			
Trade and Other Payables	74,576	58,755	(27)
Contract Liabilities	39,056	59,508	34
Interest Bearing Loans and Borrowings	12,193	47,797	74
Income Tax Payables	6,948	3,449	(101)
	<u>132,773</u>	<u>169,509</u>	22
Total Equity and Liabilities	<u>1,826,632</u>	<u>1,919,267</u>	5
Net Asset Value per Share (Rs.)	14.51	14.69	

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
16 th May 2023

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 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 ST MARCH

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2023	31.03.2022	%	31.03.2023	31.03.2022	%
	Rs.'000'	Rs.'000'		Rs.'000'	Rs.'000'	
Revenue	183,760	217,172	(15)	434,696	349,167	24
Cost of Sales	(62,268)	(50,578)	(23)	(170,082)	(109,416)	(55)
Gross Profit	<u>121,492</u>	<u>166,594</u>	(27)	<u>264,614</u>	<u>239,751</u>	10
Other Income and Gains	(10,334)	24,703	(142)	6,777	23,827	(72)
Selling and Marketing Expenses	(10,307)	(5,838)	(77)	(26,440)	(12,920)	(105)
Administrative Expenses	(91,313)	(63,409)	(44)	(319,792)	(243,822)	(31)
Finance Cost	(1,792)	(1,768)	(1)	(7,823)	(11,735)	33
Finance Income	24,862	8,535	191	81,984	32,183	155
Profit/(Loss) before Tax	<u>32,608</u>	<u>128,817</u>	(75)	<u>(680)</u>	<u>27,284</u>	(102)
Income (Tax Expenses)/ Reversal	(5,455)	(3,514)	(55)	(19,162)	5,765	(432)
Profit/(Loss) for the period	<u>27,153</u>	<u>125,303</u>	(78)	<u>(19,842)</u>	<u>33,049</u>	(160)
Other Comprehensive Income						
Actuarial gain/(loss) on Defined Benefit Plan	461	(1,350)	134	461	(1,350)	134
Income tax effect	(138)	189	(173)	(138)	189	(173)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>323</u>	<u>(1,161)</u>	128	<u>323</u>	<u>(1,161)</u>	128
Other comprehensive income for the year ,net of tax	<u>323</u>	<u>(1,161)</u>	128	<u>323</u>	<u>(1,161)</u>	128
Total Comprehensive Income/(loss) for the period net of Tax	<u>27,476</u>	<u>124,142</u>	(78)	<u>(19,519)</u>	<u>31,888</u>	(161)
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	0.24	1.13	(78)	(0.18)	0.30	(160)
Dividend per share	-	-	-	-	-	-

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 2023

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH

	As.At 31.03.2023 Rs.'000'	As.At 31.03.2022 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	92,777	97,019	(4)
Cash and Cash Equivalents	44	44	-
	<u>92,821</u>	<u>97,063</u>	(4)
Total Assets	<u>1,092,831</u>	<u>1,097,073</u>	-
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumilated Profits/(losses)	(18,044)	(13,677)	32
Total Equity	<u>1,090,823</u>	<u>1,095,190</u>	-
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	-	
Retirement Benefit Obligation	-	-	
	<u>-</u>	<u>-</u>	-
Current Liabilities			
Trade & Other Payables	2,008	1,883	(7)
Bank Overdraft	-	-	-
	<u>2,008</u>	<u>1,883</u>	(7)
Total Equity and Liabilities	<u>1,092,831</u>	<u>1,097,073</u>	-
Net Asset value per share (Rs.)	9.84	9.88	

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
16 th May 2023

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 2023

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 ST MARCH

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	31.03.2023	31.03.2022	%	31.03.2023	31.03.2022	%
	Rs.'000'	Rs.'000'		Rs.'000'	Rs.'000'	
Revenue	-	-		-	-	-
Cost of Sales	-	-		-	-	-
Gross Profit	-	-		-	-	-
Other Income and Gains	-	-	-	-	-	-
Selling and Marketing Expenses	-	-		-	-	
Administrative Expenses	(923)	(880)	(5)	(4,367)	(3,944)	(11)
Finance Cost	-	-	-	-	-	-
Finance Income	-	-		-	-	-
Profit/(Loss) before Tax	(923)	(880)	(5)	(4,367)	(3,944)	(11)
Income Tax Expenses	-	-	-	-	-	-
Profit /(Loss) for the period	<u>(923)</u>	<u>(880)</u>	(5)	<u>(4,367)</u>	<u>(3,944)</u>	(11)
Other Comprehensive Income/(Loss)	-	-		-	-	
Total Comprehensive Income/(Loss) for the period	<u>(923)</u>	<u>(880)</u>	(5)	<u>(4,367)</u>	<u>(3,944)</u>	(11)
Basic Earnings / (Loss) per share for the period	(0.01)	(0.01)	(5)	(0.04)	(0.04)	(11)
Dividend per share	-	-	-	-	-	-

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 2023

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

Group	Attributable to the equity holders of the parent			
	Stated Capital	Accumulated Profit	Non Controlling Interest	Total
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
Balance as at 01st April 2022	1,108,867	519,797	1	1,628,665
Loss for the Period	-	(19,842)	-	(19,842)
Other Comprehensive income for the year, net of tax	-	323	-	323
Balance as at 31 st March 2023	1,108,867	500,278	1	1,609,146
Balance as at 01st April 2021	1,108,867	487,909	1	1,596,777
Profit for the year	-	33,049	-	33,049
Other Comprehensive Losses for the year, net of tax	-	(1,161)	-	(1,161)
Balance as at 31 st March 2022	1,108,867	519,798	1	1,628,665
Company				
	Stated Capital	Accumulated Profit/(Losses)	Total	
	Rs.'000'	Rs.'000'	Rs.'000'	
Balance as at 01st April 2022	1,108,867	(13,677)	1,095,190	
Loss for the Period	-	(4,367)	(4,367)	
Balance as at 31 st March 2023	1,108,867	(18,044)	1,090,823	
Balance as at 01st April 2021	1,108,867	(9,733)	1,099,134	
Loss for the Period	-	(3,944)	(3,944)	
Balance as at 31 st March 2022	1,108,867	(13,677)	1,095,190	

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 2023

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 ST MARCH

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2023	2022	2023	2022
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
Cash Flows From / (Used in) Operating Activities				
Profit/(Loss) before tax	(680)	27,284	(4,367)	(3,944)
Adjustments for				-
Depreciation	63,490	71,596	-	-
Amortisation of intangible assets	1,086	1,198	-	-
Depreciation of Right of Use assets	1,913	4,676	-	-
Finance Cost	7,824	11,736	-	-
Finance Income	(81,984)	(32,183)	-	-
Remeasuerement of ROU Assets and Lease Liabilities	-	191	-	-
Exchange Gain	-	(9,037)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	1,462	(83)	-	-
Provision for Defined Benefit Obligation	3,695	3,277	-	-
Operating Profit/(Loss) before Working Capital Changes	(3,194)	78,655	(4,367)	(3,944)
(Increase)/ Decrease in Inventories	(6,120)	(1,476)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	15,927	(33,085)	4,242	4,073
Increase/(Decrease) in Trade and Other Payables and Contract Liabilities	(4,632)	48,115	125	(111)
Cash Generated from / (Used in) Operations	1,981	92,209	-	18
Finance Cost Paid	(4,472)	(8,066)	-	-
Defined Benefit Obligation paid	(2,666)	(3,111)	-	-
Income Tax paid	(16,840)	(14,166)	-	-
Net Cash From / (used in) Operating Activities	(21,997)	66,866	-	18
Cash Flows from / (Used in) Investing Activities				
Proceeds from Disposal of Property Pant and Equipment	179	1,791	-	-
Acquisition of Property, Plant and Equipment	(16,867)	(11,432)	-	-
Acquisition of Intangible Assets	(783)	-	-	-
Investment in treasury bills	(204,830)	-	-	-
Investment in Fixed deposits	(334,254)	(132,177)	-	-
Withdrawal of Fixed Deposits	579,113	231,000	-	-
Finance Income Received	44,144	56,385	-	-
Net Cash from/(Used in) Investing Activities	66,702	145,567	-	-
Cash Flows from (Used in) Financing Activities				
Repayments of interest bearing loans and borrowings	(82,705)	(162,614)	-	-
Principal Payments under Finance Lease Liabilities	-	(5,643)	-	-
Net Cash from/(Used in) Financing Activities	(82,705)	(168,257)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(38,000)	44,176	-	18
Cash and Cash Equivalents at the beginning of the Period	44,868	693	44	26
Cash and Cash Equivalents at the end of the period	6,868	44,869	44	44
For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following:				
Cash at Bank & In Hand	14,709	44,869	44	44
Bank Overdraft	(7,841)	-	-	-
	6,868	44,869	44	44

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 2023

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

1. Market Price of Ordinary Shares

	31.03.2023	31.03.2022
	Rs.	Rs.
Highest Price Per Share for the Quarter	23.50	15.50
Lowest Price Per Share for the Quarter	14.00	11.50
Last Traded	22.00	12.50

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 31 st March 2023

3. The Statement of Financial Position of the Company and Group as at 31 st March 2023 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

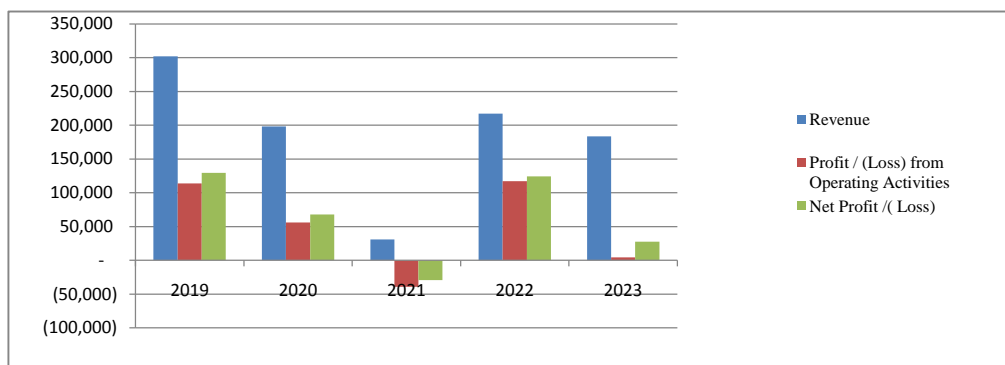
Subsidiaries	2023	2022	Nature of the Operations
Direct holding			
La Forteresse (Private) Limited	100%	100%	Operation of Small Luxury Hotel
Indirect holding			
Summer Season Mirissa (Private) Limited	99.99%	99.99%	Operations not yet commenced

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

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 2023, 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 2022.

9. Graphical Analysis of Seasonality performance - For the Quarter



10. The percentage of the shares held by public as at 31 st March 2023 was 26.93% Comprising of 1,842 Shareholders. (31 st March 2022 -17.61% Comprising 1,963 shareholders)

11. The float adjusted market capitalization as at 31 st March 2023 - Rs.656,950,577.99

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 requirment applicable under the said option.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 ST MARCH 2023

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 2023 are as follows:

	Name of the Director	No of Shares	%
1	Mr. Malik Joseph Fernando	833,333	0.75
2	Mr. Merril Joseph Fernando	2,124,400	1.92
3	Mr.L.N.De Silva Wijeyeratne	Nil	-
4	Mr.J.A.S.Sumith Adhihetty	13,741	0.01
5	Mr.C.Vishvajit Cabraal	Nil	
6	Mr.K.D.Harindra Perera	Nil	-
	Mr.C.Umagiliya Weerawardena	Nil	
8	Mr.R.N.Malinga (Alternate Director to Malik J Fernando)	Nil	-
9	Mr.Jan Peter Vant Twest	Nil	-
10	Mr.Jitendra Romesh Gunarathna	Nil	-

15. Twenty largest shareholders of the company as of 31 st March 2023 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.K.D.D. 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	944,090	0.851
11	MRS N U D ARIYARATNA	843,483	0.761
12	MR. M. J. FERNANDO	833,333	0.752
13	MR D C FERNANDO	833,333	0.752
14	SANDWAVE LIMITED	746,855	0.674
15	ACCESS ENGINEERING PLC	726,256	0.655
16	MERCHANT BANK OF SRI LANKA & FINANCE PLC/S.A.A HASITHA	652,600	0.589
17	DR.D.JAYANNTHA	621,000	0.560
18	MR.M.P.D COORAY	459,204	0.414
19	LITTLE SMILE ORGANIC (PVT) LTD	372,995	0.336
20	ROYAL CERAMICS LANKA PLC	336,100	0.303

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.K D Harindra Perera (Managing Director)
Mr. J A S Sumith Adhihetty
Mr. Malik Joseph Fernando
(Alternate Director Mr.R N Malinga)
Mr. Merrill Joseph Fernando
Mr. L N De Silva Wijeyeratne
Mr.Chathura Vishvajit Cabraal
Mr.C Umagiliya Weerawardena
Mr.Jan Peter Vant Twest
Mr.Jitendra Romesh Gunaratna

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