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## **THE FORTRESS RESORTS PLC**

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**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
30 TH JUNE 2023**

**THE FORTRESS RESORTS PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 TH JUNE 2023**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE**

	As.At 30.06.2023  Rs.'000'	As.At 31.03.2023 Audited Rs.'000'	Change %
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1,147,286	1,157,963	(1)
Right to use of Assets	40,877	41,355	(1)
Intangible Assets	1,203	1,392	(14)
	<u>1,189,366</u>	<u>1,200,710</u>	(1)
<b>Current Assets</b>			
Inventories	23,867	25,926	(8)
Trade and Other Receivables	15,821	24,169	(35)
Advances and Prepayments	46,296	37,537	23
Short Term Deposits	535,526	523,579	2
Cash and Cash equivalents	5,965	14,709	(59)
	<u>627,475</u>	<u>625,920</u>	0
<b>Total Assets</b>	<b><u>1,816,841</u></b>	<b><u>1,826,630</u></b>	(1)
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	496,784	500,278	1
Equity attributable to Equity Holders of the Parent	1,605,651	1,609,145	0
Non Controlling Interest	1	1	-
<b>Total Equity</b>	<b><u>1,605,652</u></b>	<b><u>1,609,146</u></b>	0
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	58,328	57,255	(2)
Retirement Benefit Obligation	19,804	19,675	(1)
Deferred Tax Liability	7,782	7,782	
	<u>85,914</u>	<u>84,712</u>	(1)
<b>Current Liabilities</b>			
Trade and Other Payables	71,550	74,575	4
Contract Liabilities	44,375	39,056	(14)
Interest Bearing Loans and Borrowings	4,464	12,193	63
Income Tax Payables	4,886	6,948	30
	<u>125,275</u>	<u>132,772</u>	6
<b>Total Equity and Liabilities</b>	<b><u>1,816,841</u></b>	<b><u>1,826,630</u></b>	1
Net Asset Value per Share (Rs.)	14.48	14.51	

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**  
**7 th August 2023**

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**

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

	FOR 3 MONTHS ENDED		Change
	30.06.2023	30.06.2022	%
	Rs. '000'	Rs. '000'	
<b>Revenue</b>	133,164	126,013	6
Cost of Sales	(54,327)	(37,353)	(45)
Gross Profit	<b>78,837</b>	<b>88,660</b>	(11)
Other Income and Gains	-	17,105	(100)
Selling and Marketing Expenses	(8,077)	(4,564)	(77)
Administrative Expenses	(98,688)	(67,449)	(46)
Finance Cost	(1,815)	(2,535)	28
Finance Income	26,250	14,816	77
<b>Profit/(Loss) before Tax</b>	<b>(3,493)</b>	<b>46,033</b>	(108)
Income (Tax Expenses)/ Reversal	-	(5,414)	100
<b>Profit/(Loss) for the period</b>	<b>(3,493)</b>	<b>40,619</b>	(109)
<b>Other Comprehensive Income</b>	-	-	
Actuarial gain/(loss) on Defined Benefit Plan	-	-	
Income tax effect	-	-	
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	-	-	
<b>Other comprehensive income for the year ,net of tax</b>	-	-	
<b>Total Comprehensive Income/(loss) for the period net of Tax</b>	<b>(3,493)</b>	<b>40,619</b>	(109)
<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	(0.03)	0.37	109
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 30 TH JUNE 2023**

**COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE**

	As.At 30.06.2023 Rs.'000'	As.At 31.03.2023 Audited Rs.'000'	Change %
<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	89,986	92,777	(3)
Cash and Cash Equivalents	44	44	-
	<u>90,030</u>	<u>92,821</u>	(3)
<b>Total Assets</b>	<b><u>1,090,040</u></b>	<b><u>1,092,831</u></b>	-
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,108,867	1,108,867	-
Accumilated Profits/(losses)	(20,611)	(18,044)	14
<b>Total Equity</b>	<b><u>1,088,256</u></b>	<b><u>1,090,823</u></b>	-
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	-	-	-
Retirement Benefit Obligation	-	-	-
	<u>-</u>	<u>-</u>	-
<b>Current Liabilities</b>			
Trade & Other Payables	1,784	2,008	11
Bank Overdraft	-	-	-
	<u>1,784</u>	<u>2,008</u>	-
<b>Total Equity and Liabilities</b>	<b><u>1,090,040</u></b>	<b><u>1,092,831</u></b>	-
Net Asset value per share (Rs.)	9.81	9.84	-

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**  
**7 th August 2023**

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 2023**

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

	<b>FOR 3 MONTHS ENDED</b>		<b>Change</b>
	<b>30.06.2023</b>	<b>30.06.2022</b>	<b>%</b>
	<b>Rs.'000'</b>	<b>Rs.'000'</b>	
<b>Revenue</b>	-	-	
Cost of Sales	-	-	
<b>Gross Profit</b>	-	-	
Other Income and Gains	-	-	-
Selling and Marketing Expenses	-	-	
Administrative Expenses	(2,567)	(1,864)	(38)
Finance Cost	-	-	-
Finance Income	-	-	
<b>Profit/(Loss) before Tax</b>	(2,567)	(1,864)	(38)
Income Tax Expenses	-	-	-
<b>Profit /(Loss) for the period</b>	(2,567)	(1,864)	(38)
<b>Other Comprehensive Income/(Loss)</b>	-	-	
<b>Total Comprehensive Income/(Loss) for the period</b>	(2,567)	(1,864)	(38)
Basic Earnings / (Loss) per share for the period	(0.02)	(0.02)	(38)
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 30 TH JUNE 2023**

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

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 2023	1,108,867	500,277	1	1,609,145
Profits for the Period	-	(3,493)	-	(3,493)
				-
Balance as at 30 th June 2023	<u>1,108,867</u>	<u>496,784</u>	<u>1</u>	<u>1,605,652</u>
Balance as at 01st April 2022	1,108,867	519,797	1	1,628,665
Profit for the Period	-	40,619	-	40,619
Balance as at 30 th June 2022	<u>1,108,867</u>	<u>560,416</u>	<u>1</u>	<u>1,669,284</u>
Company	Stated Capital	Accumulated Profit/(Losses)	Total	
	Rs.'000'	Rs.'000'	Rs.'000'	
Balance as at 01st April 2023	1,108,867	(18,044)	1,090,823	
Loss for the Period	-	(2,567)	(2,567)	
Balance as at 30 th June 2023	<u>1,108,867</u>	<u>(20,611)</u>	<u>1,088,256</u>	
Balance as at 01st April 2022	1,108,867	(13,677)	1,095,190	
Loss for the Period	-	(1,864)	(1,864)	
Balance as at 30 th June 2022	<u>1,108,867</u>	<u>(15,541)</u>	<u>1,093,326</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 JUNE 2023**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED**  
**30 TH JUNE**

	FOR THE PERIOD ENDED		FOR THE PERIOD ENDED	
	Group		Company	
	2023	2022	2023	2022
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit/(Loss) before tax	(3,493)	46,034	(2,567)	(1,864)
<b>Adjustments for</b>				-
Depreciation	15,740	16,120	-	-
Amortisation of intangible assets	189	287		
Depreciation of Right of Use assets	478	478	-	-
Finance Cost	1,815	2,535	-	-
Finance Income	(26,250)	(14,816)	-	-
Exchange Gain	-	(807)	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	20	-	-	-
Provision for Defined Benefit Obligation	924	819	-	-
Operating Profit/(Loss) before Working Capital Changes	(10,577)	50,650	(2,567)	(1,864)
(Increase)/ Decrease in Inventories	2,059	(685)	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	(411)	23,884	2,791	1,964
Increase/(Decrease) in Trade and Other Payables and Contract Liabilities	2,293	(46,091)	(224)	(100)
Cash Generated from / (Used in) Operations	(6,636)	27,758	-	-
Finance Cost Paid	(23)	(98)	-	-
Defined Benefit Obligation paid	(795)	(289)	-	-
Income Tax paid	(2,061)	(4,417)	-	-
Net Cash From / (used in) Operating Activities	(9,515)	22,954	-	-
<b>Cash Flows from / (Used in) Investing Activities</b>				
Acquisition of Property, Plant and Equipment	(3,558)	(1,787)	-	-
Acquisition of Intangible Assets	-	(730)	-	-
Investment in Fixed deposits/Treasury Bills	(242,947)	(268,543)	-	-
Withdrawal of Fixed Deposits	231,000	300,000	-	-
Finance Income Received	24,007	15,761	-	-
Net Cash from/(Used in) Investing Activities	8,502	44,701	-	-
<b>Cash Flows from (Used in) Financing Activities</b>				
Repayments of interest bearing loans and borrowings	-	(82,257)	-	-
Net Cash from/(Used in) Financing Activities	-	(82,257)	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(1,013)	(14,603)	-	-
<b>Cash and Cash Equivalents at the beginning of the Period</b>	6,868	44,869	44	44
<b>Cash and Cash Equivalents at the end of the period</b>	<b>5,854</b>	<b>30,266</b>	<b>44</b>	<b>44</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	5,964	34,810	44	44
Bank Overdraft	(110)	(4,544)	-	-
	<b>5,854</b>	<b>30,266</b>	<b>44</b>	<b>44</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 30 TH JUNE 2022**

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

**1. Market Price of Ordinary Shares**

	<b>30.06.2023</b>	<b>30.06.2022</b>
	<b>Rs.</b>	<b>Rs.</b>
Highest Price Per Share for the Quarter	22.40	12.90
Lowest Price Per Share for the Quarter	17.70	9.50
Last Traded	21.00	11.50

**2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 30 June 2023**

**3. The Statement of Financial Position of the Company and Group as at 30 th June 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 rupees '000'unless otherwise stated.**

**6. Subsidiaries.**

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

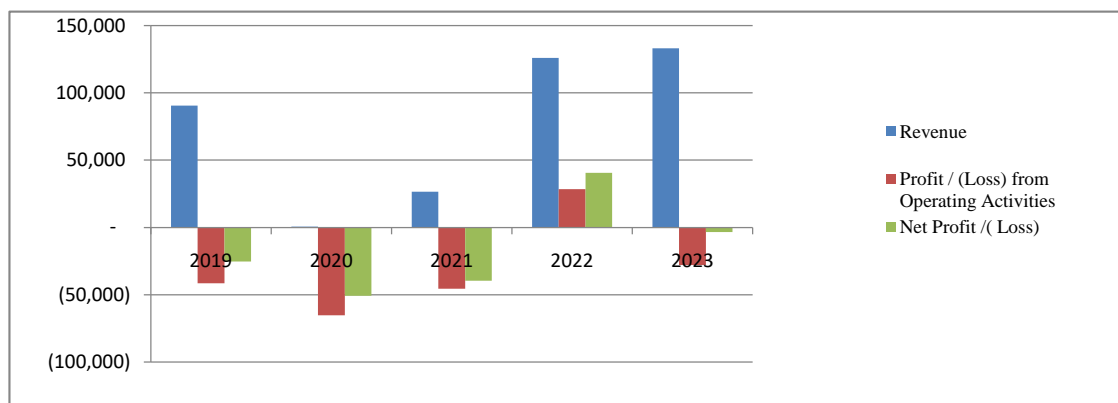
<b>Subsidiaries</b>	<b>2023</b>	<b>2022</b>	<b>Nature of the Operations</b>
<b>Direct holding</b>			
La Forteresse (Private) Limited	100%	100%	Operations of Small Luxury Hotel
<b>Indirect holding</b>			
Summer Season Mirissa (Private ) Limited	99.99%	99.99%	Operation not yet commenced

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 30 th June 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 2023.**

**9. Graphical Analysis of Seasonality performance - For the Quarter**



**10. The percentage of the shares held by public as at 30 th June 2023 was 26.93% Comprising of 1,837 Shareholders. (30 th June 2022 - 26.93% Comprising 1,949 shareholders)**

**11. The float adjusted market capitalization as at 30 th June 2023 - Rs.627,089,169.00**

**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**  
**30 TH JUNE 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 2023 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 30 th June 2023 are as follows:

	<b>Name of the Director</b>	<b>No of Shares</b>	<b>%</b>
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	-
7	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.Jitenra Romesh Gunarathne	Nil	

15. Twenty largest shareholders of the company as of 30 th June 2023 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.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	MSS INVESTMENTS(PRIVATE) LIMITED	895,893	0.808
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	ACCESS ENGINEERING PLC	792,300	0.715
15	SANDWAVE LIMITED	697,411	0.629
16	MERCHANT BANK OF SRI LANKA & FINANCE PLC/S.A.A HASITHA	652,600	0.589
17	DR.D JAYANTHA	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 CEREMICS 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 Gunaratne

### **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