



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 TH SEPTEMBER 2022**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 TH SEPTEMBER 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2022	As.At 31.03.2022	Change %
	Rs. '000'	Audited Rs. '000'	
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	1,180,737	1,206,227	(2)
Right to use of Assets	42,312	43,268	(2)
Intangible Assets	1,858	1,695	10
	<u>1,224,907</u>	<u>1,251,190</u>	(2)
Current Assets			
Inventories	23,646	19,806	19
Trade and Other Receivables	21,552	47,470	(55)
Advances and Prepayments	33,867	30,163	12
Short Term Deposits	472,859	525,768	(10)
Cash and Cash equivalents	4,983	44,869	(89)
	<u>556,907</u>	<u>668,076</u>	(17)
Total Assets	<u>1,781,814</u>	<u>1,919,266</u>	(7)
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumulated Profits	502,140	519,796	3
Equity attributable to Equity Holders of the Parent	1,611,007	1,628,663	1
Non Controlling Interest	1	1	-
Total Equity	<u>1,611,008</u>	<u>1,628,664</u>	1
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	55,709	93,164	40
Retirement Benefit Obligation	19,850	19,108	(4)
Deferred Tax Liability	8,821	8,821	-
	<u>84,380</u>	<u>121,093</u>	30
Current Liabilities			
Trade and Other Payables	51,129	58,755	13
Contract Liabilities	21,423	59,508	64
Interest Bearing Loans and Borrowings	10,737	47,797	78
Income Tax Payables	3,137	3,449	9
	<u>86,426</u>	<u>169,509</u>	49
Total Equity and Liabilities	<u>1,781,814</u>	<u>1,919,266</u>	7
Net Asset Value per Share (Rs.)	14.53	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 preparation and presentation of these Financial statements. Signed for and on behalf of the Board by,

Sgd
Director

Sgd
Director

Colombo
10 th November 2022

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH SEPTEMBER

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2022	30.09.2021	%	30.09.2022	30.09.2021	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	28,735	7,734	272	154,749	34,341	351
Cost of Sales	(24,577)	(11,925)	(106)	(61,931)	(27,346)	(126)
Gross Profit	<u>4,158</u>	<u>(4,191)</u>	199	<u>92,818</u>	<u>6,995</u>	1,227
Other Income and Gains	-	-		16,202	292	5,449
Selling and Marketing Expenses	(4,325)	(3,002)	(44)	(8,889)	(5,611)	(58)
Administrative Expenses	(74,496)	(55,721)	(34)	(141,042)	(113,436)	(24)
Finance Cost	(1,741)	(3,330)	48	(4,276)	(6,967)	39
Finance Income	20,418	7,207	183	35,234	16,958	108
Profit/(Loss) before Tax	<u>(55,986)</u>	<u>(59,037)</u>	5	<u>(9,953)</u>	<u>(101,769)</u>	90
Income (Tax Expenses)/ Reversal	(2,291)	3,871	(159)	(7,705)	7,135	(208)
Profit/(Loss) for the period	<u>(58,277)</u>	<u>(55,166)</u>	(6)	<u>(17,658)</u>	<u>(94,634)</u>	81
Other Comprehensive Income	-	-		-	-	
Actuarial gain/(loss) on Defined Benefit Plan	-	-		-	-	
Income tax effect	-	-		-	-	
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
Other comprehensive income for the year ,net of tax	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
Total Comprehensive Income/(loss) for the period net of Tax	<u>(58,277)</u>	<u>(55,166)</u>	(6)	<u>(17,658)</u>	<u>(94,634)</u>	81
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	(0.53)	(0.50)	(6)	(0.16)	(0.85)	81
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 SEPTEMBER 2022

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 30 TH SEPTEMBER

	As.At 30.09.2022 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	94,290	97,019	(3)
Cash and Cash Equivalents	44	44	-
	<u>94,334</u>	<u>97,063</u>	(3)
Total Assets	<u>1,094,344</u>	<u>1,097,073</u>	-
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,108,867	1,108,867	-
Accumilated Profits/(losses)	(16,307)	(13,677)	19
Total Equity	<u>1,092,560</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	1,784	1,883	5
Bank Overdraft	-	-	-
	<u>1,784</u>	<u>1,883</u>	-
Total Equity and Liabilities	<u>1,094,344</u>	<u>1,097,073</u>	-
Net Asset value per share (Rs.)	9.85	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
10 th November 2022

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 2022

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH SEPTEMBER

	FOR 3 MONTHS ENDED		Change	YEAR TO DATE		Change
	30.09.2022	30.09.2021	%	30.09.2022	30.09.2021	%
	Rs. '000'	Rs. '000'		Rs. '000'	Rs. '000'	
Revenue	-	-		-	-	-
Cost of Sales	-	-		-	-	-
Gross Profit	-	-		-	-	-
Other Income and Gains	-	-	-	-	-	-
Selling and Marketing Expenses	-	-		-	-	
Administrative Expenses	(766)	(1,677)	54	(2,630)	(2,298)	(14)
Finance Cost	-	-	-	-	-	-
Finance Income	-	-		-	-	-
Profit/(Loss) before Tax	(766)	(1,677)	54	(2,630)	(2,298)	14
Income Tax Expenses	-	-	-	-	-	-
Profit /(Loss) for the period	<u>(766)</u>	<u>(1,677)</u>	54	<u>(2,630)</u>	<u>(2,298)</u>	14
Other Comprehensive Income/(Loss)	-	-		-	-	
Total Comprehensive Income/(Loss) for the period	<u>(766)</u>	<u>(1,677)</u>	54	<u>(2,630)</u>	<u>(2,298)</u>	14
Basic Earnings / (Loss) per share for the period	(0.01)	(0.02)	54	(0.02)	(0.02)	14
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 SEPTEMBER 2022

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

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	519,798	1	1,628,666
Loss for the Period	-	(17,658)	-	(17,658)
				-
Balance as at 30 th September 2022	<u>1,108,867</u>	<u>502,140</u>	<u>1</u>	<u>1,611,008</u>
Balance as at 01st April 2021	1,108,867	487,909	1	1,596,777
Loss for the Period	-	(94,634)	-	(94,634)
Balance as at 30 th September 2021	<u>1,108,867</u>	<u>393,275</u>	<u>1</u>	<u>1,502,143</u>
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	-	(2,630)	(2,630)	
Balance as at 30 th September 2022	<u>1,108,867</u>	<u>(16,307)</u>	<u>1,092,560</u>	
Balance as at 01st April 2021	1,108,867	(9,733)	1,099,134	
Loss for the Period	-	(2,298)	(2,298)	
Balance as at 30 th September 2021	<u>1,108,867</u>	<u>(12,031)</u>	<u>1,096,836</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 2022

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 TH SEPTEMBER

	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	(9,952)	(101,769)	(2,630)	(2,298)
Adjustments for				-
Depreciation	31,978	33,955	-	-
Amortisation of intangible assets	567	628	-	-
Depreciation of Right of Use assets	956	4,880	-	-
Finance Cost	4,276	6,967	-	-
Finance Income	(35,234)	(16,958)	-	-
Exchange Gain	(15,215)	-	-	-
Provision for Defined Benefit Obligation	1,638	1,967	-	-
Operating Profit/(Loss) before Working Capital Changes	(20,986)	(70,330)	(2,630)	(2,298)
(Increase)/ Decrease in Inventories	(3,840)	1,333	-	-
(Increase)/ Decrease in Trade and Other Receivables and prepayments	22,214	6,096	2,730	2,508
Increase/(Decrease) in Trade and Other Payables and Contract Liabilities	(45,711)	(9,486)	(100)	(210)
Cash Generated from / (Used in) Operations	(48,323)	(72,387)	-	-
Finance Cost Paid	(832)	(7,234)	-	-
Defined Benefit Obligation paid	(896)	(348)	-	-
Income Tax paid	(8,018)	(11,286)	-	-
Net Cash From / (used in) Operating Activities	(58,069)	(91,255)	-	-
Cash Flows from / (Used in) Investing Activities				
Acquisition of Property, Plant and Equipment	(3,495)	(5,074)	-	-
Acquisition of Intangible Assets	(730)	-	-	-
Investment in Fixed deposits/Treasury Bills	(335,032)	(30,342)	-	-
Withdrawal of Fixed Deposits	410,666	246,341	-	-
Finance Income Received	23,094	32,061	-	-
Net Cash from/(Used in) Investing Activities	94,503	242,986	-	-
Cash Flows from (Used in) Financing Activities				
Repayments of interest bearing loans and borrowings	(82,705)	(140,775)	-	-
Principal Payments under Finance Lease Liabilities	-	(3,320)	-	-
Net Cash from/(Used in) Financing Activities	(82,705)	(144,095)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(46,271)	7,636	-	-
Cash and Cash Equivalents at the beginning of the Period	44,869	693	44	26
Cash and Cash Equivalents at the end of the period	(1,402)	8,329	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	4,983	8,329	44	26
Bank Overdraft	(6,385)	-	-	-
	(1,402)	8,329	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 30 TH SEPTEMBER 2022

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

1. Market Price of Ordinary Shares

	30.09.2022	30.09.2021
	Rs.	Rs.
Highest Price Per Share for the Quarter	21.40	12.60
Lowest Price Per Share for the Quarter	9.60	9.80
Last Traded	17.70	12.10

2. Financial year of the Company / Group ends on 31st March . Interim figures are for three months ended 30 th September 2022

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

6. Subsidiaries.

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

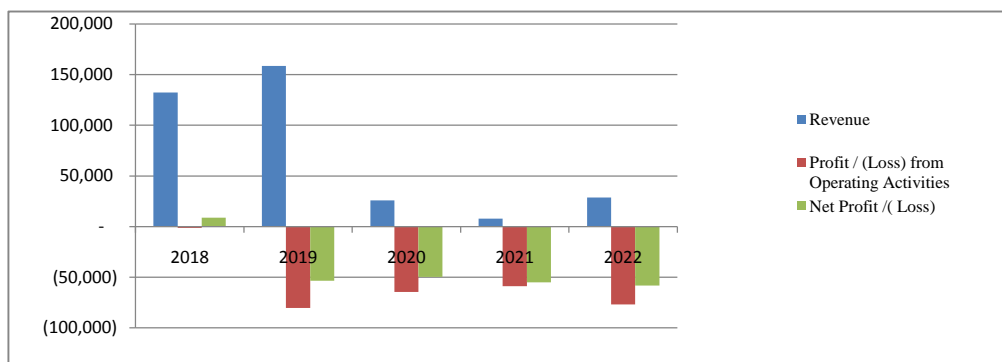
Subsidiaries	2022	2021	Nature of the Operations
Direct holding			
La Forteresse (Private) Limited	100%	100%	Operations of Small Luxury Hotel
Indirect holding			
Summer Season Mirissa (Private) Limited	99.99%	99.99%	Operation not yet commenced

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 30 th September 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 2022.

9. Graphical Analysis of Seasonality performance - For the Quarter



10. The percentage of the shares held by public as at 30 th September 2022 was 26.93% Comprising of 1,949 Shareholders. (30 th September 2021 - 14.899% Comprising 2,052shareholders)

11. The float adjusted market capitalization as at 30 th September 2022 - Rs.528,546,585.30

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
30 TH SEPTEMBER 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 30 th September 2022 are as follows:

	Name of the Director	No of Shares	%
1	Mr. Malik Joseph Fernando	833,333	0.075
2	Mr. Merril Joseph Fernando	2,124,400	1.916
3	Mr.L.N.De Silva Wijeyeratne	Nil	-
4	Mr.J.A.S.Sumith Adhihetty	13,741	0.010
5	Mr.C.Vishvajit Cabraal	Nil	
6	Mr.K.D.Harindra Perera	Nil	-
7	Mr.R.E.Uvindra De Silva	Nil	
8	Mr.C.Umagiliya Weerawardena	Nil	-
9	Mr.R.N.Malinga (Alternate Director to Malik J Fernando)	Nil	-
10	Mr.Jan Peter Vant Twest	Nil	-

15. Twenty largest shareholders of the company as of 30 th September 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.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
20	MOTOR SERVICE STATION (PRIVATE) LTD	1,084,881	0.978
10	MRS N U D ARIYARATNA	843,483	0.761
11	MR. M. J. FERNANDO	833,333	0.752
12	MR D C FERNANDO	833,333	0.752
13	DR.D.JAYANNTHA	621,000	0.560
15	SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA	550,000	0.496
16	MERCHANT BANK OF SRI LANKA & FINANCE PLC/S.A.A HASITHA	462,735	0.417
17	MR.M.P.D COORAY	459,204	0.414
18	LITTLE SMILE ORGANIC (PVT) LTD	404,581	0.365
19	MR.S.R.S. DE SARAM & MRS.S.T.T JAYASUNDERA	342,887	0.309
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. R.E.Uvindra De Silva
Mr.Jan Peter Vant Twest

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