

Financial reports

Directors' responsibility for financial reporting

The responsibility of the Directors, in relation to the Financial Statements of People's Leasing & Finance PLC (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) in accordance with the provisions of the Companies Act No. 07 of 2007 is set out in this statement.

The Directors confirm that the Financial Statements of the Company and the Group give a true and fair view of the financial position as at 31 March 2019 and the financial performance for the financial year then ended and place the same before the Annual General Meeting. These Financial Statements comprise:

- Statement of Financial Position
- Statement of Profit or Loss
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash flows
- Notes to the Financial Statements

The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report. The Directors confirm that in preparing these Financial Statements:

- The appropriate accounting policies have been selected and applied in a consistent manner, material departures if any, have been disclosed and explained;
- All applicable accounting standards as relevant have been followed; and
- Reasonable and prudent Judgments and estimates have been made.

The Directors of the Company and the Group have responsibility for ensuring that the Company and the Group keeps proper books of accounts of all the transactions as per Sections 150 (1), 151, 152 and 153 (1) and (2) of the Companies Act No. 07 of 2007.

The Directors also ensured that the Company has adequate resources to continue in operation to justify applying the going concern basis in preparing these Financial Statements. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company.

The Financial Statements of the Company and the Group have been certified by the Company's Chief Financial Officer, the officer responsible for their preparation as required by Sections 150 (1) (b) and of 152 (1) (b) of the Companies Act No. 07 of 2007. In addition, the

Financial Statements of the Company and the Group have been signed by two Directors on Date 13 June 2019 as required by Sections 150 (1) (c) and 152 (1) (c) of the Companies Act No. 07 of 2007 and other regulatory requirements.

In compliance with Section 148 (1) of the Companies Act No. 07 of 2007, the Directors are also responsible for ensuring that proper accounting records which explain the Company's transactions and assist in determining the Company's financial position with reasonable accuracy at any time, are maintained by the Company enabling the preparation of Financial Statements and further enabling the Financial Statements to be readily and properly audited. The Financial Statements for the year 2018/19 prepared and presented in this Annual Report are consistent with the underlying books of accounts and are in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, Finance Business Act No. 42 of 2011 and Directions issued thereto, Listing Rules of Colombo Stock Exchange, the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Board of Directors review financial reporting system directly at their regular meetings and through Board Audit Committee (BAC), the report of which is given on pages 202 to 203 to ensure that the Company and Group maintain proper books of accounts. Interim Financial Statements published by the Company are also approved by the Board following a review by Board Audit Committee (BAC).

The Directors are also responsible for taking reasonable steps to safeguard assets of the Company and the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems in managing significant risks in the Company and the Group. The "Directors' Statement on Internal Control over Financial Reporting" is given on page 215.

As required under Section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors wish to confirm that they have authorised the distribution of the interim dividend paid on 11 January 2019 as well as the proposed final dividend after being satisfied the solvency test immediately after such distributions are made in accordance with Section 57 of the Companies Act No. 07 of 2007 and have obtained in respect of dividends paid and proposed and for which

the approval is now sought, certificates of solvency from External Auditor.

The Board of Directors also wish to confirm that as required under Sections 166 (1) and 167 (1) of the Companies Act No. 07 of 2007, they have prepared this Annual Report in time and ensured that a copy thereof is sent to the shareholders within the stipulated period of time as required by Rule No. 7.5 (a) and (b) of the Listing Rules of the Colombo Stock Exchange. The Directors also wish to confirm that all shareholders have been treated in an equitable manner in accordance with the original terms of issue.

The Directors are required to prepare the Financial Statements and to provide the Auditor with every opportunity to take whatever steps and undertake whatever inspections they may consider appropriate to enable them to give their audit opinion. The Directors are of the view that they have discharged their responsibilities as set out in this statement. The Company's External Auditors, Messrs Ernst & Young were appointed in terms of the Section 158 of the Companies Act and in accordance with a resolution passed at the last Annual General Meeting and their responsibilities in relation to the Financial Statements are set out in the "Independent Auditors' Report" given on pages 217 to 219.

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and the Group, all contributions, levies and taxes payable relating to employees of the Company and the Group, and the Government and other statutory bodies that were due in respect of the Company and the Group as at the reporting date have been paid or, where relevant provided for.

Accordingly the Board of Directors are of the view that they have discharged their responsibilities as set out in this statement.

By order of the Board,



Lakmini Kottegoda
Secretary to the Board

13 June 2019