

The responsibilities of the Directors, in relation to the financial statements, are detailed in the following paragraphs, while the responsibilities of the Auditors are set out in the Report of the Auditors.

According to the Companies Act, No. 17 of 1982 and the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, Directors are required to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the profit or loss for the said period.

In preparing these financial statements the Directors are required to ensure that:

- 1 Appropriate Accounting Policies have been selected and applied consistently, while material departures, if any, have been disclosed and explained,
- 1 All applicable Accounting Standards have been complied with and,
- 1 Reasonable and prudent judgements and estimates have been made.

The Directors are responsible for ensuring that the Companies within the Group maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and the Group, and for ensuring that the financial statements have been prepared and presented in accordance with the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, and meet with the requirements of the Companies Act, No. 17 of 1982. They are also responsible for taking reasonable measures to safeguard the assets of the Group and in this regard to give proper consideration to the establishment and effective operation of appropriate systems of internal control with a view to prevent, detect and rectify fraud and other irregularities.

These financial statements have been prepared on a going concern basis, since the Directors are of the view that the Group has adequate resources to continue in operation, for the foreseeable future from the date of signing these financial statements.

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

By Order of the Board,
Leechman & Company Ltd.
Secretaries

Colombo, 10th May 2002