

1st Quarter Financial Report-2021

Financial Highlights

Details	Amount	Percentage
Revenue	13,542,191	
Operating Profit		
Earnings per Share		
Net Profit		

Operational Highlights

- Major achievement
 - A Tri-Party agreement was signed between Aasandha Company Limited, Ministry of Finance and National Social Protection Agency on 1st January 2021. This agreement declares the responsibilities of these three parties separately. This in turn enables the company to improve operational performance. In addition, the clearly defined roles and responsibilities creates a framework of the company which leads to establish accountability.
 - In accordance with Corporate Governance Code, an Internal Audit function was established by signing the contract with Crowe Maldives on 22nd March 2021. The aim is to add value to the activities of the company and improve the company's overall operations by acquiring an independent, objective assurance consultation service. Crowe Maldives has already initiated their work by presenting their audit methodology and expected duration to complete the audit. The full internal audit is expected to be completed during the 4th quarter of 2022.
 - For the first time Aasandha Company Ltd has established its strategic plan through a consultative process that provided the top management of the company the opportunity to review its vision, mission, and goals, assess company's strengths and weaknesses, set strategic direction, prioritize activities, and re-evaluate current policies and practices. This Strategic plan for 2021 – 2023 sets and provides insight into the Company's strategic direction and highlights the company's priorities within this strategic context.
 - In order to streamline and implement a better procedure for providing prosthetics and to reduce the scheme cost by eliminating the leakages, a tri-party agreement has been signed with Aasandha Company Ltd, Indira Gandhi Memorial Hospital and National Social Protection Agency on 31st January 2021. Aasandha Company is involved in the bidding process of the prosthetics actively and ensures that the transactions are carried out for the services given. It has been negotiated with the prosthetic providers for price reduction and the work is in progress.
- Current Business position

As Aasandha company does not operate in the interest of profit maximization, but rather providing the national social health scheme, the company is focusing on streamlining our service portal, Vinavi, so that our service can be attained at minimum disruption to our



beneficiaries. The portal will also minimize operational costs such as paper costs and reduction of staff utility by means of automating the claims process.

The company is moving to a concept of third-party administrator where the company will charge service providers for processing their claims.

- Business concepts
 - Charging processing fees from service providers – Aasandha has plans to charge the service providers for processing the claims made to Aasandha. For the initial stages, this processing fee has been implemented for local pharmacy service providers. Currently, a tripartite agreement between Aasandha Company, National Social Protection Agency, and Ministry of Finance has been signed. It was agreed that a fee will be provided to the company at the rate of 2% from the pharmacy invoices, though it was capped to RF10 million. The first payment under this agreement has already been received.
 - Warehouse space renting – Aasandha has a leased land in Thilafushi, which the company has now developed a plan to build a warehouse which will be partly used for storing the company’s documents, and remaining warehouse space given for lease. As there is a demand for warehouse spacing, and with the government moving towards moving warehouses in Male’ to Thilafushi and Gulhifalhu, this business plan deems viable.
 - Software development and sale – Aasandha’s team of developers have presently developed our service portal, Vinavi, along with the company’s inhouse HR software, and a comprehensive supply and inventory management software. The company plans to look for opportunities to sell the general softwares (HR, and procurement), and utilize the established team of developers to venture into building other software by actively seeking for such opportunities.
- How well Business objectives and goal are achieved.
 - Charging processing fees from service providers – Currently processing fees taken from local pharmacy service providers. Paperwork ongoing for expanding the charges to other service providers. Planned to implement by phases, with the final step being overseas service providers.
 - Warehouse space renting – Construction work of one warehouse was completed. Two go downs rented (one in Male’, and one in Hulhumale’) for company use was released, which will provide a saving for expenses made on storage rent. Further talks in progress to build a second warehouse for renting purpose.
 - Software development and sale – Presently the team is mainly working enhancing Vinavi portal. Customer mobile application on Android platform was previously launched, while the application is now in use on iOS platform starting from Q4 of 2020.



Market Highlights

- Advertising and promotion
 - Emergency Evacuation (EEV) procedure awareness program for health center staff – conducted to refresh existing doctors and staff, along with update new doctors on the procedures of EEV so that error time could be minimized, and service provision level could be made better.
 - Awareness presentation for changeover of medicine prescribing pattern from brand-wise to generic-wise – awareness campaign ongoing for all service providers for the change.
- Partnership with any other suppliers
 - New empanelments during Q1-2021:

SERVICE PROVIDER TYPE	TOTAL EMPANELLED – JAN TO MAR 2021	TOTAL AS OF MAR 2021
Government Hospitals	-	23
Government Health Centers	-	166
Government Clinics	-	4
Private Hospitals	-	7
Private Clinics	2	63
Pharmacies	10	151
Optical	-	19
Prosthetics	-	2
STO Pharmacies	-	190
Air Fare	-	1
Emergency Evacuation	-	1
Overseas Hospitals	1	43*
Total	13	670

*Total is the number of hospitals including sub hospitals.



Board Activities

Directors Name	Designation	Board meeting	Audit committee	Remuneration Committee
Niyaz Mohamed	Chairman	5/5	-	-
Mariyam Shafeeq	Managing Director	5/5	-	-
Mohamed Amir	NED	5/5	2/2	3/3
Aamila Lathyf	NED	5/5	2/2	3/3
Aishath Shafina	NED	5/5	2/2	3/3

Meeting	Number of Meeting
Board meeting	5
Audit committee	2
Remuneration Committee	3

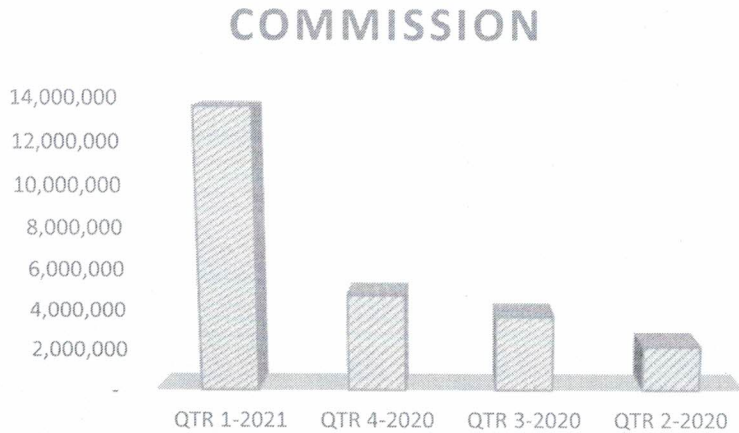
Ongoing project details

#	Project Name	Project commencement date	Project completion date	Project value	Completed value	Project completion %
1						
2						
3						

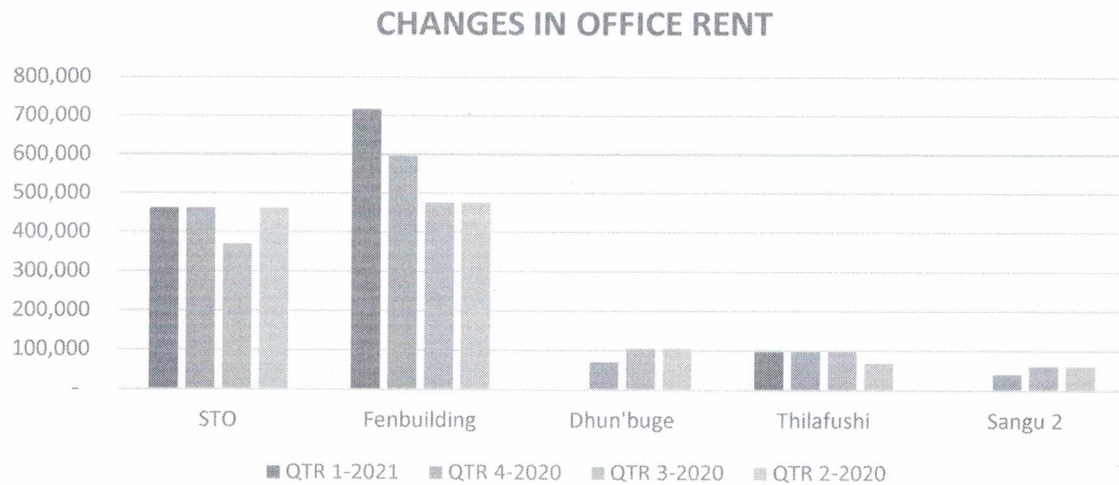


Comments for the changes from 4th QTR 2020 to 1st QTR 2021

Revenue -Increased by 11% compare to 4th quarter as pharmacy commission increased in 2021. Income also includes 5% of commission charged from services other than pharmacy invoices. However, the income has not been settled by NSPA yet.

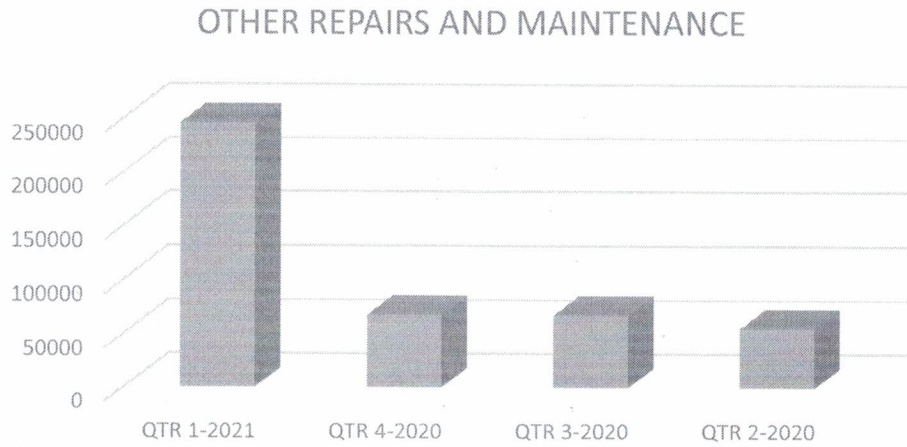


Admin Expenses – No significant increase to admin costs except for directors’ expenses. Changes to rent is not reflected to total as 2 go-downs moved to Thilafushi (Sangu and Dhunbuge)



Operating expenses – Reduced by 20% compare to 4th quarter as computer software expenses reduced. However, there is an increase in other repairs and maintenance due to the cost of vacating 3

go-downs to Thilafushi godown. Rent expenses of Dhubunge and Sangu will not recur effective 2021. This is a monthly cost saving of MVR 55,000 per month.



Current Asset- Increased by 12% as commission receivable pending at NSPA.

Current liabilities- An advance of 5 million received for commission expenses for the year which led to increase in 1st quarter of 2021 by 38%.



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Income Statement

	Note	QTR 1-2021	QTR 4-2020	QTR 3-2020	QTR 2-2020
Revenue	1	13,542,191	12,016,777	12,873,147	11,311,702
Cost of Sales	2	-	-	-	-
Gross Profit		13,542,191	12,016,777	12,873,147	11,311,702
Selling and Marketing costs					
Expenses for administration	3	10,155,924	9,645,560	10,161,357	11,373,051
Other Operating Expenses	4	682,749	821,567	374,483	174,254
Operating profit		2,703,518	1,549,650	2,337,308	(235,602)
Finance Income					
Finance Expenses (Lease Interest)	15	105,888	116,556	126,972	137,143
Finance cost					
Profit before tax		2,597,630	1,433,095	2,210,335	(372,746)
Business profit tax					
Profit after tax		2,597,630	1,433,095	2,210,335	(372,746)

Expenditure over income after tax (Total comprehensive income)



Statement of Financial Position

	Note	QTR 1-2021	QTR 4-2020	QTR 3-2020	QTR 2-2020
Assets					
Non-Current Assets					
Property plant and equipment	5	7,661,292	8,220,115	8,192,157	9,641,776
Intangible Assets	6	137,736	174,386	212,817	253,842
Total Noncurrent Assets		7,799,028	8,394,502	8,404,974	9,895,618
Current Assets					
Inventories	7	477,364	442,531	-	-
Trade and other receivables	8	12,262,492	4,719,719	48,258,867	137,837,403
Advance and prepayments	9	559,425	600,175	683,843	657,426
Cash and cash equivalent	10	19,472,672	17,856,688	20,713,486	11,351,628
Total current assets		32,771,953	23,619,112	69,656,197	149,846,457
Total Assets		40,570,981	32,013,614	78,061,171	159,742,075
Equity and Reserve					
Share capital	11	10,000,000	10,000,000	10,000,000	10,000,000
Retained earning	12	(1,405,084)	(4,002,714)	(4,386,813)	(6,597,149)
Total Equity		14,643,911	7,046,281	5,613,187	3,402,851
Non-Current Liabilities					
Deferred income	13	16,389,224	16,361,091	17,178,893	18,045,867
		16,389,224	16,361,091	17,178,893	18,045,867
Current liabilities					
Trade and other payables	14	15,586,841	9,655,237	55,269,091	138,293,356
Total current liabilities		15,586,841	9,655,237	55,269,091	138,293,356
Total liabilities		31,976,064	26,016,328	72,447,984	156,339,223
Total equity and liabilities		40,570,981	32,013,614	78,061,171	159,742,075



Cash flow statement

	QTR 1-2021	QTR 4-2020	QTR 3-2020	QTR 2-2020
Profit before business profit tax	2,597,630	1,433,095	2,210,335	(372,746)
Depreciation & amortization	1,474,879	1,462,473	1,490,644	1,577,228
Change in working capital				
entories	(34,834)	(442,531)	-	-
Trade and other receivables	(7,542,773)	43,539,148	89,578,536	5,055,341
Advance and prepayments	40,750	83,668	(26,417)	10,978
Deferred income	28,133	(817,802)	(866,974)	(952,508)
Trade and other payables	5,931,603	(46,662,849)	(83,024,265)	(23,631,123)
	<u>(1,577,120)</u>	<u>(4,300,365)</u>	<u>5,660,879</u>	<u>(19,517,312)</u>
Cash flow from operating activities	-	-	-	-
Cash flow from investing activities				
Purchase of Property plant and equipment	(879,342)	(1,452,000)	-	(1,050)
	<u>(879,342)</u>	<u>(1,452,000)</u>	-	<u>(1,050)</u>
Cash flow from financing activities	-	-	-	-
Net increase/ decrease in cash and cash equivalent	1,616,048	(2,856,799)	9,361,859	(18,313,880)
Cash and cash equivalent at beginning of the quarter	17,856,688	20,713,486	11,351,628	29,665,508
Cash and cash equivalent at end of the quarter	19,472,735	17,856,688	20,713,486	11,351,628



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Note to the financial statement

	QTR 1-2021	QTR 4-2020	QTR 3-2020	QTR 2-2020
1 INCOME				
Budget contribution from finance		6,356,035	8,273,361	8,156,378
Grant Income	851,209	838,802	866,974	953,558
Pharmacy commission	12,690,982	4,707,523	3,640,350	2,126,544
Other Income	-	(583)	92,462	75,222
Registration fee	-	115,000	-	-
Sale of Bid Documents	-	-	-	-
Loss on sale of Assets	-	-	-	-
	13,542,191	12,016,777	12,873,147	11,311,702
2 COST OF SALES				
Processed Claims				
Processing Fees - Overseas hospitals				
	-	-	-	-
3 EXPENSES FOR ADMINISTRATION				
Salary and Benefits	6,969,857	6,939,462	6,981,562	8,192,469
Utility Costs	289,338	316,943	272,100	292,209
Communication Expenses	427,110	425,812	419,845	416,436
Rents	741,830	761,250	761,250	761,250
License & Registration Fees	-	-	-	-
Directors Expenses	209,145	116,150	115,150	132,780
Printing and Stationery	43,765	(376,529)	120,805	678
Depreciation and Amortisation	1,474,879	1,462,473	1,490,644	1,577,228
	10,155,924	9,645,560	10,161,357	11,373,051
4 OTHER OPERATING EXPENSES				
Travelling Expenses	1,721	110	185,689	-
Professional Services	21,400	32,800	(19,270)	30,000
Audit Fee	-	-	-	-
Scholarship and Training	-	-	-	-
Repairs and Maintenance	266,790	171,677	102,633	97,400
General Expenses	18,655	6,290	19,633	12,431
Software & Online Service Expenses	302,836	591,404	20,257	1,897
Office Cleaning	5,376	5,460	29,918	5,544
Sundry Expenses	66,470	13,827	35,624	26,983
	682,749	821,567	374,483	174,254



5 PROPERTY PLANT AND EQUIPMENTS

Air-conditioners	34,973	29,558	34,847	40,137
Computers	2,678,045	2,275,124	2,729,825	3,203,982
Furniture and Fittings	627,109	659,717	685,942	718,049
Office equipment's	70,542	310,284	554,446	807,851
Sundry Assets	27,936	31,668	22,039	24,689
Office Interiors	22,314	69,256	117,860	166,464
Building	1,913,583	1,934,047	513,065	519,219
Motor Vehicles	2	2	2	3,585
Right of Use Asset	2,286,790	2,910,460	3,534,130	4,157,800
Capital Work-in-Progress	-	-	-	-
	7,661,292	8,220,115	8,192,157	9,641,776

6 INTANGIBLE ASSETS

Software	137,736	174,386	212,817	253,842
	137,736	174,386	212,817	253,842

INVENTORIES

7 Stock	477,364	442,531	-	-
	477,364	442,531	-	-

8 TRADE AND OTHER RECEIVABLES

Nontrade receivable	-	-	-	-
Trade and other Receivables	12,471,980	4,929,208	84,742,087	95,917,050
Contra - NSPA	0	-	(25,383)	(2,589,360)
Contra - Process claims	1	1	53,330,190	49,774,545
BPT Receivable	(209,490)	(209,490)	(209,490)	(209,490)
	12,262,492	4,719,719	137,837,403	142,892,744

9 ADVANCE AND PREPAYMENTS

Sales Accruals	-	-	-	-
Deposits	552,533	587,783	642,783	642,783
Cash advance to employees	2,892	2,892	14,655	14,655
Advance Payments	-	-	23,417	-
Other Current Assets	4,000	9,500	2,988	(12)
	559,425	600,175	683,843	657,426

10 CASH AND CASH EQUIVALENTS

Cash in Hand	20,415	15,432	38,919	38,919
Cash at Bank	19,452,257	17,841,255	20,674,567	11,312,709
	19,472,672	17,856,688	20,713,486	11,351,628



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11 SHARE CAPITAL	10,000,000	10,000,000	10,000,000	10,000,000
Share Capital	10,000,000	10,000,000	10,000,000	10,000,000
12 ACCUMULATED SURPLUS				
Retained Earnings	(4,002,714)	(6,350,828)	(5,301,833)	(5,301,833)
Profit and Loss	2,597,630	2,348,115	915,020	(1,295,315)
	(1,405,084)	(4,002,714)	(4,386,813)	(6,597,149)
13 DEFERRED INCOME				
Deferred Income	16,389,224	16,361,091	17,178,893	18,045,867
	6,303,042	7,113,980	7,980,955	8,933,463
14 TRADE AND OTHER PAYABLE				
Accounts Payable	2,506,329	2,107,383	46,942,291	134,860,582
Other Payables	2,492,053	1,542,658	2,637,306	2,282,859
Advance Receipts	5,000,000	-	71,999	59,061
Club Aasandha Funds	72,582	82,547		
Accruals	92,568	46,284	339,066	(4,600,379)
Contra- HMH	1,299,704	1,299,704	1,308,680	1,289,500
Lease Liability	4,123,470	4,576,527	5,018,917	5,450,891
Credit Card settlements	135	135	(174)	(163)
	15,586,841	9,655,237	56,318,086	139,342,351
15 FINANCE EXPENSES				
Finance Expenses (Lease Interest)	105,888	116,556	126,972	137,143
	105,888	116,556	126,972	137,143

