

INDEPENDENT AUDITOR'S REPORT  
**AASANDHA COMPANY LIMITED**  
31<sup>st</sup> December 2023



## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF AASANDHA COMPANY LIMITED

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Aasandha Company Limited (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standard as issued by International Accounting Standards Board.

#### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Maldives, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

#### Other Matter

The financial statements of the Company for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on May 4, 2023.

#### Other Information

The Board of Directors (the "Board") is responsible for the other information. The other information comprises the information included in the annual report but does not include financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



## Other Information (Continued...)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standard as issued by International Accounting Standards Board and Law of Jurisdiction of Republic of Maldives, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



### Auditor's Responsibilities for the Audit of the Financial Statements (Continued...)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Hassan Mohamed.

16 May 2024



Hassan Mohamed  
Managing Partner  
License No: ICAM-FL-GX6



AUT: 443108506912052024

**AASANDHA COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

as of 31<sup>st</sup> December 2023

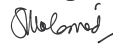


All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-23 MVR	(Restated) 31-Dec-22 MVR	(Restated) 01-Jan-22 MVR
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	6	8,569,262	9,930,390	5,219,962
Capital advances	7	41,007,515	-	-
Intangible assets	8	49	9,261	30,913
Right of use assets	9	17,290,110	7,130,677	2,409,500
Investment properties	10	3,787,544	3,099,070	18,702
Deferred tax asset	27	454,893	-	-
		<b>71,109,373</b>	<b>20,169,398</b>	<b>7,679,077</b>
<b>Current Assets</b>				
Inventories	11	516,794	501,715	464,846
Other receivables	12	3,170,711	1,037,607	563,930
Due from related parties	13	40,043,687	2,645,969	15,654,430
Cash and cash equivalents	14	2,637,000	27,533,399	14,617,471
		<b>46,368,192</b>	<b>31,718,690</b>	<b>31,300,677</b>
<b>TOTAL ASSETS</b>		<b>117,477,565</b>	<b>51,888,088</b>	<b>38,979,754</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity and Reserves</b>				
Share capital	15	10,000,000	10,000,000	10,000,000
Additional capital contributions	15	44,288,116	-	-
Retained earnings		9,010,648	1,950,523	767,577
		<b>63,298,764</b>	<b>11,950,523</b>	<b>10,767,577</b>
<b>Non-Current Liabilities</b>				
Deferred income	16	25,711,882	24,394,645	18,372,746
Lease liability	17	13,393,524	2,969,460	2,228,480
		<b>39,105,406</b>	<b>27,364,105</b>	<b>20,601,226</b>
<b>Current Liabilities</b>				
Lease liability	17	4,336,145	4,617,581	469,207
Trade and other payables	18	8,412,152	7,094,805	6,068,903
Due to related parties	19	1,195,212	721,732	465,795
Current tax liability	26	1,129,886	139,342	607,046
		<b>15,073,395</b>	<b>12,573,460</b>	<b>7,610,951</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>117,477,565</b>	<b>51,888,088</b>	<b>38,979,754</b>

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Company set out on pages 8 to 41. The Report of the Independent Auditors is given in pages 1 to 3.

These financial statements were approved by the Board of Directors and signed on its behalf by

**For and on behalf of the Board of Directors:**

Name	Signature
1. <u>Shaheed Mohamed (Chairman)</u>	 -----
2. <u>Aminath Zeeniya (Managing Director)</u>	 -----
Moosa Rasheed (Chief Financial Officer)	

16<sup>th</sup> May 2024



**AASANDHA COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31<sup>st</sup> December 2023

*All amounts are stated in Maldivian Rufiyaa*

	Note	31-Dec-23 MVR	31-Dec-22 MVR
Income	20	75,422,136	52,301,313
Other Income	21	355,000	465,890
Operating expenses	22	(66,276,181)	(50,832,555)
<b>Operating profit</b>		<b>9,500,955</b>	<b>1,934,648</b>
Other losses	23	(893,821)	(32,095)
Finance cost	24	(734,440)	(695,645)
<b>Profit before tax</b>		<b>7,872,694</b>	<b>1,206,908</b>
Income tax expense	25	(812,569)	(23,962)
<b>Net profit for the year</b>		<b>7,060,125</b>	<b>1,182,946</b>
Earnings per share	28	71	12

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Company set out on pages 8 to 41. The Report of the Independent Auditors is given in pages 1 to 3.






**AASANDHA COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**

for the year ended 31<sup>st</sup> December 2023  
*All amounts are stated in Maldivian Rufiyaa*

	Note	31-Dec-23 MVR	31-Dec-22 MVR
<b>Operating profit before working capital changes</b>	29	<b>14,267,341</b>	<b>5,911,934</b>
Inventories		(15,079)	(36,869)
Due from related parties		(37,397,718)	16,288,483
Other receivables		(2,133,104)	(473,676)
Deferred income		5,000,000	9,000,000
Trade and other payables		1,317,347	(2,348,531)
Due to related parties		473,480	-
<b>Cash (used in) / generated from operating activities</b>		<b>(18,487,733)</b>	<b>28,341,341</b>
Tax paid		(276,918)	(141,318)
<b>Net cash (used in) / generated from operating activities</b>		<b>(18,764,651)</b>	<b>28,200,023</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(2,022,251)	(5,869,153)
Advance payments paid to supplier for Office Building		(41,007,515)	-
Changes in work in progress		(1,173,777)	(1,859,495)
Additions to investment property		(765,771)	(3,050,688)
<b>Net cash used in investing activities</b>		<b>(44,969,314)</b>	<b>(10,779,336)</b>
<b>Cash flows from financing activities</b>			
Additional capital contributions		44,288,116	-
Payment for principal portion of lease liabilities		(4,716,110)	(3,809,111)
Payment for interest portion of lease liabilities		(734,440)	(695,645)
<b>Net cash flows generated from / (used in) financing activities</b>		<b>38,837,566</b>	<b>(4,504,756)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(24,896,399)</b>	<b>12,915,931</b>
Cash and cash equivalents at the beginning of the year		27,533,399	14,617,467
<b>Cash and cash equivalents at the end of the year</b>		<b>2,637,000</b>	<b>27,533,399</b>

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Company set out on pages 8 to 41. The Report of the Independent Auditors is given in pages 1 to 3.



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**AASANDHA COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

as of 31<sup>st</sup> December 2023

*All amounts are stated in Maldivian Rufiyaa*

	Share Capital MVR	Additional Capital Contributions MVR	(Restated) Retained Earnings MVR	(Restated) Total Equity MVR
Balance as at 1 <sup>st</sup> January 2022	10,000,000	-	767,577	10,767,577
Net profit for the year	-	-	1,182,946	1,182,946
<b>Balance as at 31<sup>st</sup> December 2022</b>	<b>10,000,000</b>	<b>-</b>	<b>1,950,523</b>	<b>11,950,523</b>
Balance as at 1 <sup>st</sup> January 2023	10,000,000	-	1,950,523	11,950,523
Additional capital contributions	-	44,288,116	-	44,288,116
Net profit for the year	-	-	7,060,125	7,060,125
<b>Balance as at 31<sup>st</sup> December 2023</b>	<b>10,000,000</b>	<b>44,288,116</b>	<b>9,010,648</b>	<b>63,298,764</b>

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Company set out on pages 8 to 41. The Report of the Independent Auditors is given in pages 1 to 3.



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**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31<sup>st</sup> December 2023**

## **1. Reporting Entity**

Aasandha Company Limited (the "Company") is a limited liability company incorporated and domiciled in the Republic of Maldives since December 21, 2011, and presently governed under the Companies' Act No. 10 of 1996 with its registered office at Fen building, 3<sup>rd</sup> floor, Ameenee Magu, Male', Republic of Maldives. The Company commenced its operations with effect from January 1, 2012.

The main activity of the Company is to manage Universal Healthcare Insurance Scheme offered by the Government of Maldives. As per the management agreement entered in to with the Government of Maldives, the scheme is a non-profit scheme run from the state budget and the Company is entitled to reimburse the total amount equivalent to claims made and administration expenses incurred, from National Social Protection Agency.

The Company is fully owned by the Government of Maldives.

## **2. Basis of Preparation**

### **2.1 Statement of Compliance**

The Individual financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") .

### **2.2 Basis of Preparation**

The individual financial statements of the Company have been prepared based on the historical costs basis except for certain financial assets and financial liabilities that have been measured at fair value.

### **2.3 Functional and Presentation Currency**

The financial statements are presented in Maldivian Rufiyaa, which is the Company's functional currency. All information presented in Maldivian Rufiyaa has been rounded to nearest Rufiyaa except for otherwise indicated.

### **2.4 Use of estimates and judgements**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

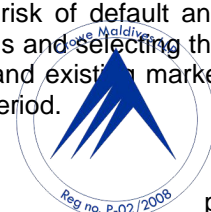
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### **2.4.1 Critical accounting estimates, assumptions and judgements**

In the preparation of these financial statements, a number of estimates and assumptions have been made relating to the performance and the financial position of the Company. Results may differ significantly from those estimates under different assumptions and conditions. These particular policies require subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are uncertain. Information about and areas of estimation, uncertainty and critical estimates, assumptions and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are addressed in the respective notes as below.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making the assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions, as well as forward looking estimates at the end of each reporting period.



#### **2.4.1 Critical accounting estimates, assumptions and judgements (Continued...)**

- **Estimations in relation to lease accounting**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

As the Company cannot readily determine the interest rate implicit in the lease, it uses its Incremental Borrowing Rate ('IBR') to measure the lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the Right-of-Use asset in a similar economic environment. The Company uses an Internal Rate of Return (IRR) of 10% as its Incremental Borrowing Rate (IBR) for measuring lease liabilities.

- **Estimated useful lives of Property Plant and Equipment (PPE), intangible assets and investment properties recognised under cost model**

The Company reviews annually the estimated useful lives of PPE, intangible assets and investment properties recognised under cost model based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE, intangible assets and investment properties would increase the recorded depreciation and amortization charge and decrease the carrying value in accordance with the accounting policy stated in note 4.6, 4.7 and 4.8.

- **Recognition of deferred income tax assets**

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred income tax asset has been recognised in accordance with the accounting policy stated in note 4.15.

- **Contingent liabilities**

Contingent liabilities are potential liabilities that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any potential liabilities or litigation is based on management's judgement.

### **3 New Standards and Interpretations**

#### **3.1 New Standards, amendments, and Interpretations effective in 2023**

The Company has adopted and applied the following standards and amendments for the first time for their annual reporting periods commencing January 1, 2023.

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- IFRS 17 – Insurance Contracts (Amendments to IFRS 17)

The following amendment to IFRS have been applied by the Company in preparation of these financial statements which became effective on May 23, 2023:

- International Tax Reform Pillar Two Model Rules – Amendments to IAS 12

#### **3.2 New Standards and Interpretations not yet effective and not yet adopted**

A number of new standards are effective for annual periods beginning after January 1, 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The Company is currently assessing the impact of the following amendments:

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Lack of Exchangeability – Amendments to IAS 21
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

### **4 Material Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, by the Company.

#### **4.1 Translation in Foreign Currencies**

##### **4.1.1 Functional and Presentation Currency**

Transactions in currencies other than Maldives Rufiyaa are translated to Maldives Rufiyaa at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in currencies other than Maldives Rufiyaa are translated to Maldives Rufiyaa at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translations are recognized in profit or loss. Non-monetary assets and liabilities, which are measured at historical cost, denominated in currencies other than Maldives Rufiyaa, are translated to Maldives Rufiyaa at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value, denominated in currencies other than Maldives Rufiyaa, are translated to Maldives Rufiyaa at the exchange rates ruling at the dates the values were determined.

## 4.2 Income

Income is recognised to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expected to be entitled for those goods or services.

To recognise revenue the Company applies the following five steps:

**Identify the Contract with a Customer:** The Company has entered into legally enforceable contracts with the National Social Protection Agency (NSPA) under which it is entitled to commission income for processing invoices under the Social Health Insurance Scheme of NSPA. These agreements outline the terms and conditions of the commission arrangement, including the determination of classes of commissions, the commission rates, and the responsibilities of each party.

**Identify the Performance Obligations in the Contract:** The primary performance obligation is the processing of invoices for settlement under the National Social Health Insurance Scheme (Aasandha). The Company is required to ensure the accuracy and completeness of invoices processed for settlement and to ensure the compliance of claimed invoices with regulation number 2015/R-19: Aasandha Scheme Regulation. This is an obligation, delivered at a point in time, and each invoice processed represents a distinct service.

**Determine the Transaction Price:** The transaction price is determined based on the commission rates stipulated in the contract with reference to the type of invoice being processed, which include in some cases, commission income capped at a certain level for the financial year.

Commission income consists of the following:

**(i) Scheme – Pharmacy**

These are commissions receivable for pharmacy invoices processed. Previously, commission was receivable at a rate of 2% of pharmacy invoices processed up to MVR 10 million and at a rate of 1% of pharmacy invoices processed for an additional MVR 5 million per annum. Following May 17, 2023, commissions are charged at a rate of 2% of pharmacy invoices processed up to a maximum of MVR 15 million per annum.

**(ii) Scheme – Others**

These are commissions receivable for processing invoices of other service providers including invoices of hospitals, clinics, optical services, evacuation services and Meranaa scheme. Commission is receivable at a rate of 5% of other service provider invoices processed up to MVR 35 million per annum.

**(iii) Scheme – Welfare**

These are commissions receivable for welfare service invoices processed. Contract was entered into on November 8, 2022, where commission is receivable at a rate of 5% of welfare service invoices processed. On September 5, 2023, the rate was revised to 7.5% of the welfare service invoices processed. There is no maximum limit per annum on welfare commission income.

**Allocate the Transaction Price to the Performance Obligations in the Contract:** the contract involves a single performance obligation of processing invoices; hence the total transaction price corresponds to this obligation. An appropriate commission rate is applied to the invoice processed as stipulated in the contract.

**Recognize Revenue when (or as) the Entity Satisfies a Performance Obligation:** Revenue is recognised as the transactions are processed. Given that the Company has a monthly billing cycle, revenue recognition occurs monthly and corresponds to the total number of transactions processed during the month. This approach ensures that revenue is recognized in the period in which the processing services are rendered and the performance obligation is satisfied.

### **4.3 Financial Instruments**

#### **4.3.1 Recognition and initial measurement**

##### **Financial Assets**

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following financial assets (non-derivative):

- Loans and Receivables
- Cash and cash equivalents

Aasandha Scheme related Financial Assets and Liabilities have been offset against each other.

#### **4.3.2 Classification and subsequent measurement**

##### **Financial assets**

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI — debt investment; FVOCI — equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

#### **4.3.2 Classification and subsequent measurement (Continued...)**

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### **Financial assets - business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that and how those risks are managed);
- How managers of the business are compensated ~ e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

##### **Financial assets — Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par-amount

**4.3.2 Classification and subsequent measurement (Continued...)**

plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets — Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

**Financial liabilities - Classification, subsequent measurement gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

**4.3.3 Derecognition**

**Financial assets**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

### **4.3.3 Derecognition (Continued...)**

#### **Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### **4.3.4 Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### **4.4 Impairment**

#### **4.4.1 Financial Assets (Non-Derivative)**

##### **Financial instruments and contract assets**

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost and;
- debt investments measured at FVOCI

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which measured at 12-month ECLs.

- Debt instruments that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.



#### **4.4.1 Financial Assets (Non-Derivative) (Continued...)**

##### **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### **Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit -impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- it is probable that the debtor will enter bankruptcy or other financial reorganization;

##### **Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

#### **4.4.2 Non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

#### **4.5 Share Capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

#### **4.6 Property, Plant and Equipment**

##### **4.6.1 Recognition and Measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

#### **4.6.1 Recognition and Measurement (Continued...)**

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

#### **4.6.2 Subsequent Costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as an expense as incurred.

#### **4.6.3 Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is calculated to write off the cost of items of property, plant and equipment using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Building	Over 25 years
Office interiors	Over 5 years
Office and computer equipment	Over 3 years
Motor vehicles	Over 5 years
Air conditioners	Over 3 years
Furniture and fittings	Over 10 years
Sundry assets	Over 3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The charge for the depreciation commences from the month in which the property, plant and equipment is ready for use.

#### **4.6.4 Capital work-in-progress**

Capital work- in- progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects including borrowing costs capitalized. Capital work in progress is not depreciated until its completion of construction, and the asset is put into use upon which the cost of completed construction works is transferred to the appropriate category of property, plant, and equipment.



## **4.7 Intangible Assets**

### **4.7.1 Recognition and measurement**

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

### **4.7.2 Subsequent costs**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

### **4.7.3 Amortization**

Intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful life for the current and comparative periods is as follows:

Software	Over 3 years
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Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## **4.8 Investment properties**

### **4.8.1 Recognition and measurement**

Investment property comprises buildings held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment property is initially recognized and measured at cost, inclusive of transaction costs associated with its acquisition.

### **4.8.2 Measurement after recognition**

Following initial recognition, the investment property is carried at historical cost less any accumulated depreciation and any accumulated impairment losses.

### **4.8.3 Depreciation**

Depreciation is calculated on a straight-line basis over the estimated useful life of the property, from the date they are available for use. The residual value and useful life of the asset are reviewed and adjusted, if applicable, at the end of each fiscal year.

The estimated useful life for the current and comparative periods is as follows:

Buildings on leasehold land	Over 25 years
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If any indication of impairment exists, the asset's recoverable amount is estimated, and an impairment loss is recognized if the recoverable amount is less than the carrying amount.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is charged or credited to the statement of comprehensive income.

#### **4.9 Leases**

The Company applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated.

Policy applicable from January 1, 2019.

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **4.9.1 As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease.

The lease payments included in the measurement of the lease liability comprise the following,

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

#### **4.9.1 As a lessee (Continued...)**

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as separately and lease liabilities separately in the statement of financial position.

#### **4.9.2 Short-term Leases and Leases of Low-value Assets**

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **4.10 Accounting for government grants**

The following changes will apply effective from January 1, 2019, to provide reliable and more relevant information about the effects of the transactions, other events or conditions on the entity's financial position.

Grants related to operational expenses will be treated as income in the period it is receivable.

Grants related to assets will be treated as deferred income in the statement of financial position, and subsequently recognised in the statement of comprehensive income based on the useful life of the assets. Any funds unutilized at the end of the year that has been allocated for specific assets will remain in the balance sheet as deferred income.

#### **4.11 Inventories**

Inventories have been valued at the lower of cost and net realizable value. The cost of inventories is based on the weighted average (WAC) principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### **4.12 Trade and other receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a year and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

#### **4.13 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company and the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **4.14 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which

#### **4.14 Cash and cash equivalents (Continued...)**

are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

#### **4.15 Tax Expense**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

##### **4.15.1 Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

##### **4.15.2 Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax assets are recognized for unused tax losses. Unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.



#### **4.16 Other liabilities and provision**

All known liabilities have been accounted for in preparing the financial statements. The materiality of the events after the reporting period have been considered and appropriate adjustments and provisions have been made in the financial statement where necessary.

Liabilities classified as current liabilities in the statement of financial position are those which fall due for payment on demand or within one year from the end of the reporting period. Non-current liabilities are those balances, which fall due after one year from the end of the reporting period.

Provisions are recognized when the Company has a present obligation (legal or Constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income of any reimbursement.

#### **4.17 Cash flow statement**

Cash flow statement has been prepared using the “indirect method”.

#### **4.18 Events occurring after the reporting date**

The materiality of the events occurring after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

### **5 Determination of Fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.



**5 Determination of Fair values (Continued...)**

**(a) Receivables**

The fair value of receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

**(b) Financial Liabilities (Non-derivative)**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

**6 Property, Plant and Equipment**

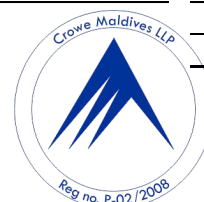
<b>6.1 Cost</b>	<b>Balance As at 01-Jan-23 MVR</b>	<b>Additions / Transfers MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Buildings	2,046,432	-	-	2,046,432
Office interiors	7,085,656	1,082,866	2,228,030	5,940,492
Office and computer equipment	24,500,176	1,676,332	191,467	25,985,041
Motor vehicles	551,200	-	-	551,200
Furniture and fittings	1,515,245	146,621	323,828	1,338,038
Air conditioners	352,278	35,773	-	388,051
Sundry assets	177,168	-	3,441	173,727
Capital work in progress (Note 6.2)	-	1,173,777	-	1,173,777
<b>Total</b>	<b>36,228,155</b>	<b>4,115,369</b>	<b>2,746,766</b>	<b>37,596,758</b>

6.1.1 Following the end of September 2023, the Company discontinued the lease of G. Herethere 4th and 5th Floor. Building interior items with a net book value of MVR 919,341 was recovered and the additions made to property, plant and equipment are inclusive of these items recovered.

<b>6.2 Capital Work in Progress</b>	<b>Balance As at 01-Jan-23 MVR</b>	<b>Additions MVR</b>	<b>Disposals / Transfers MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
M. Goldenvalley interior	-	492,521	-	492,521
Fen building interior	-	436,256	-	436,256
Design and build basis for construction of Aasandha building (Note 6.2.1)	-	245,000	-	245,000
<b>Total</b>	<b>-</b>	<b>1,173,777</b>	<b>-</b>	<b>1,173,777</b>

6.2.1 On January 25, 2023, the Company entered into a design and build basis contract for the construction of a 10 storey office building in Hulhumale", Republic of Maldives. Details of advance payment made to contractor under this agreement has been disclosed under Note 7. Capital commitments relating to the project has been disclosed under Note 32.1.

<b>6.3 Depreciation</b>	<b>Balance As at 01-Jan-23 MVR</b>	<b>Charge for the year MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Buildings	276,099	81,858	-	357,957
Office interiors	4,303,801	550,555	401,064	4,453,292
Office and computer equipment	20,021,260	2,708,725	191,447	22,538,538
Motor vehicles	551,199	-	-	551,199
Furniture and fittings	850,816	154,311	270,565	734,562
Air conditioners	156,428	82,270	-	238,698
Sundry assets	138,162	18,527	3,439	153,250
<b>Total</b>	<b>26,297,765</b>	<b>3,596,246</b>	<b>866,515</b>	<b>29,027,496</b>
<b>Net Book Value</b>	<b>9,930,390</b>			<b>8,569,262</b>



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

**6 Property, Plant and Equipment (Continued...)**

<b>6.4 Cost</b>	<b>Balance As at 01-Jan-22 MVR</b>	<b>Additions / Transfers MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-22 MVR</b>
Buildings	2,046,432	-	-	2,046,432
Office interiors	4,382,836	2,702,820	-	7,085,656
Office equipment	20,006,971	4,516,906	23,701	24,500,176
Motor vehicles	560,141	-	8,942	551,199
Furniture and fittings	1,297,205	306,182	88,142	1,515,245
Air conditioners	186,100	177,257	11,078	352,279
Sundry Assets	151,685	25,483	-	177,168
<b>Total</b>	<b>28,631,370</b>	<b>7,728,648</b>	<b>131,863</b>	<b>36,228,155</b>

<b>6.5 Depreciation</b>	<b>Balance As at 01-Jan-22 MVR</b>	<b>Charge for the year MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-22 MVR</b>
Buildings	194,242	81,857	-	276,099
Office interiors	4,178,566	125,234	-	4,303,800
Office equipment	17,504,764	2,540,181	23,686	20,021,259
Motor vehicles	560,139	-	8,941	551,198
Furniture and fittings	762,101	144,782	56,066	850,817
Air conditioners	121,767	45,739	11,078	156,428
Sundry Assets	119,508	18,654	-	138,162
<b>Total</b>	<b>23,441,087</b>	<b>2,956,447</b>	<b>99,771</b>	<b>26,297,763</b>
<b>Net Book Value</b>	<b>5,190,283</b>			<b>9,930,392</b>

<b>7 Capital advances</b>	<b>Balance As at 01-Jan-23 MVR</b>	<b>Additions MVR</b>	<b>Transfers MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Design and build basis for construction of Aasandha building	-	41,007,515	-	41,007,515
<b>Total</b>	<b>-</b>	<b>41,007,515</b>	<b>-</b>	<b>41,007,515</b>

**8 Intangible Assets**

<b>8.1 Cost</b>	<b>Balance As at 01-Jan-23 MVR</b>	<b>Additions MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Computer software	3,315,631	-	-	3,315,631
<b>Total</b>	<b>3,315,631</b>	<b>-</b>	<b>-</b>	<b>3,315,631</b>



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

**8 Intangible Assets (Continued...)**

<b>8.2 Amortization</b>	<b>Balance As at 01-Jan-23 MVR</b>	<b>Charge for the year MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Computer software	3,306,370	9,212	-	3,315,582
<b>Total</b>	<b>3,306,370</b>	<b>9,212</b>	<b>-</b>	<b>3,315,582</b>
<b>Net Book Value</b>	<b>9,261</b>			<b>49</b>

**9 Right of Use assets**

<b>9.1 Cost</b>	<b>Balance As at 01-Jan-23 MVR</b>	<b>Additions MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Thilafushi Plot S5-36	2,824,935	-	-	2,824,935
Fen building 3rd Floor	5,232,242	9,996,376	-	15,228,618
G. Herethere 4th and 5th Floor	3,466,223	-	3,466,223	-
M.Goldenvalley 10th and 11th Floor	-	6,229,286	-	6,229,286
<b>Total</b>	<b>11,523,400</b>	<b>16,225,662</b>	<b>3,466,223</b>	<b>24,282,839</b>

<b>9.2 Amortization</b>	<b>Balance As at 01-Jan-23 MVR</b>	<b>Charge for the year MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Thilafushi Plot S5-36	910,046	227,512	-	1,137,558
Fen building 3rd Floor	2,616,121	2,616,121	-	5,232,242
G. Herethere 4th and 5th Floor	866,556	1,299,833	2,166,389	-
M.Goldenvalley 10th and 11th Floor	-	622,929	-	622,929
<b>Total</b>	<b>4,392,723</b>	<b>4,766,395</b>	<b>2,166,389</b>	<b>6,992,729</b>
<b>Net Book Value</b>	<b>7,130,677</b>			<b>17,290,110</b>

The Company has the following lease contracts as of December 31, 2023.

<b>Lease</b>	<b>Agreement Date</b>	<b>Lease Start Date</b>	<b>Lease End Date</b>	<b>Lease Period</b>
Thilafushi Plot S5-36	15-Jun-16	01-Jun-16	31-May-31	15 years
Fen building 3rd Floor	31-Mar-15	01-Mar-15	31-Dec-26	11.75 years
G. Herethere 4th and 5th Floor	31-May-22	01-Jul-22	30-Sep-23	1.25 years
M.Goldenvalley 10th and 11th Floor	28-May-23	01-Jul-23	30-Jun-28	5 years



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

**10 Investment Properties**

10.1 Cost	(Restated)	Additions	Disposals	Balance
	Balance			
	As at			As at
	01-Jan-23			31-Dec-23
	MVR	MVR	MVR	MVR
Thilafushi Warehouse 2	1,799,720	444,706	-	2,244,426
Thilafushi Warehouse 3	1,299,350	321,065	-	1,620,415
<b>Total</b>	<b>3,099,070</b>	<b>765,771</b>	<b>-</b>	<b>3,864,841</b>

10.2 Depreciation	Balance	Charge for	Disposals	Balance
	As at	the year		As at
	01-Jan-23	MVR	MVR	31-Dec-23
	MVR	MVR	MVR	MVR
Thilafushi Warehouse 2	-	44,462	-	44,462
Thilafushi Warehouse 3	-	32,835	-	32,835
<b>Total</b>	<b>-</b>	<b>77,297</b>	<b>-</b>	<b>77,297</b>

Net Book Value	3,099,070			3,787,544
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The Company has constructed two warehouses with the intention of generating revenue by leasing out the property. The construction of warehouses was completed on July 1, 2023.

The Company has not generated revenue from its investment properties for the year ended December 31, 2023.

	31-Dec-23	31-Dec-22
	MVR	MVR
<b>11 Inventories</b>		
Printing, stationery and other stock items	516,794	501,715
<b>Total</b>	<b>516,794</b>	<b>501,715</b>
<b>12 Other Receivables</b>		
Staff loans	26,263	9,021
GST claimable	(Note 18.3) 2,750,100	133,090
Refundable deposits	308,752	868,533
Advance receivable	55,898	-
Others	29,698	26,963
<b>Total</b>	<b>3,170,711</b>	<b>1,037,607</b>
<b>13 Due from Related Parties</b>		
National Social Protection Agency	40,043,687	2,645,969
<b>Total</b>	<b>40,043,687</b>	<b>2,645,969</b>

The balance owed by the related party concerning cash float reimbursements is not recorded as receivables but are offset against claim advances under Note 18 to reflect the use of cash floats. Therefore, the total sum due from the National Social Protection Agency, including amounts for float reimbursement, are detailed as follows:

	31-Dec-23	(Restated) 31-Dec-22
	MVR	MVR
Commissions and overutilized funds	40,043,687	2,645,969
Float reimbursement	18,006,771	6,468,958
<b>Total</b>	<b>58,050,458</b>	<b>9,114,927</b>



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

	31-Dec-23 MVR	31-Dec-22 MVR
<b>14 Cash and Cash Equivalent</b>		
Cash at bank	2,618,779	27,512,984
Cash in hand	18,221	20,415
<b>Total</b>	<b>2,637,000</b>	<b>27,533,399</b>
<b>15 Share Capital</b>		
Issued share capital 100,000 ordinary shares of MVR 100 each (Note 15.1 & Note 15.2)	10,000,000	10,000,000
<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>
Additional capital contributions	44,288,116	-
<b>Total</b>	<b>44,288,116</b>	-

As detailed in Note 32.1, the Company received MVR 44,288,116 as a capital contribution from the Government of Maldives for the advance payment towards its Office Building project. Shares have not been allotted for these amounts received during the year 2023.

**15.1** The total authorized number of ordinary shares is 1,500,000 shares (2022: 1,500,000 shares) with a par value of MVR 100 per share. (2022: MVR 100 per share)

**15.2** The issued and fully paid share capital comprises of 100,000 (2022 : 100,000) ordinary shares of MVR 100

**15.3 Dividends and voting rights**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote per share at the shareholders' meetings of the Company.

The Board of Directors has not declared dividends during the year ended December 31, 2023 (2022 : Nil).

<b>16 Deferred Income</b>		
Opening balance	24,394,645	18,372,746
Unwinding of Grant Income based on use of assets	(3,682,763)	(2,978,101)
Grants received during the year	5,000,000	9,000,000
<b>Closing balance</b>	<b>25,711,882</b>	<b>24,394,645</b>

The deferred income represents the amounts funded by Ministry of Finance to purchase fixed assets and intangible assets. The deferred income relating to capital assets are recognized over the useful life of the assets.

<b>17 Lease Liability</b>		
<b>Non- Current</b>		
Thilafushi Plot S5-36	1,848,140	2,047,366
Fen building 3rd Floor	6,921,133	-
G. Herethere 4th and 5th Floor	-	922,094
M.Goldenvalley 10th and 11th Floor	4,624,251	-
	<b>13,393,524</b>	<b>2,969,460</b>
<b>Current</b>		
Thilafushi Plot S5-36	199,225	181,114
Fen building 3rd Floor	3,075,243	2,719,016
G. Herethere 4th and 5th Floor	-	1,717,450
M.Goldenvalley 10th and 11th Floor	1,061,677	-
	<b>4,336,145</b>	<b>4,617,581</b>
<b>Total lease liability</b>	<b>17,729,669</b>	<b>7,587,041</b>



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

17 Lease Liability (Continued...)	31-Dec-23 MVR	31-Dec-22 MVR
<b>17.1 Breakdown of Lease</b>		
As at 1st January	7,587,041	2,697,687
Lease liabilities recognised during the year	16,225,661	8,698,464
Lease liabilities derecognized during the year	(1,366,923)	-
Interest expense for the year	734,440	695,645
Repayment during the year	(5,450,550)	(4,504,756)
<b>As at 31<sup>st</sup> December</b>	<b>17,729,669</b>	<b>7,587,041</b>
<b>17.2 Maturity Analysis of Undiscounted Future Lease Payments are as follows;</b>		
Less than one year	6,710,550	5,144,550
Between two and five years	14,638,200	2,494,200
More than five years	934,163	1,320,713
<b>Total</b>	<b>22,282,913</b>	<b>8,959,463</b>
	<b>31-Dec-23</b>	<b>(Restated)</b>
	<b>MVR</b>	<b>31-Dec-22</b>
	<b>MVR</b>	<b>MVR</b>
<b>18 Trade and Other Payables</b>		
Trade payables	905,040	359,149
Claim advances (Note 18.1)	236,804	6,317,294
National Disability Register fund (Note 18.2)	3,542,068	-
GST payable (Note 18.3)	2,790,456	-
Accrued expenses and other payables	937,784	418,362
<b>Total</b>	<b>8,412,152</b>	<b>7,094,805</b>
<b>18.1</b> Claim advances represent cash floats received from National Social Protection Agency and are presented net of utilization. Cash floats are received to operate the national social health insurance scheme "Aasandha". The individual cash float balances are as follows :		
<b>Evacuation Aasandha Scheme - Sea</b>		
Float	2,000,000	2,000,000
Utilisation	(2,109,828)	(721,650)
<b>Balance in the float</b>	<b>-</b>	<b>1,278,350</b>
<b>Overutilised amount</b>	<b>(109,828)</b>	<b>-</b>
<b>Evacuation Non- scheme (NSPA)</b>		
Float	500,000	500,000
Utilisation	(843,300)	(413,493)
<b>Balance in the float</b>	<b>-</b>	<b>86,507</b>
<b>Overutilised amount</b>	<b>(343,300)</b>	<b>-</b>
<b>Meranaa scheme</b>		
Float	1,500,000	1,500,000
Utilisation	(1,410,129)	(1,217,828)
<b>Balance in the float</b>	<b>89,871</b>	<b>282,172</b>
<b>Overutilised amount</b>	<b>-</b>	<b>-</b>



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

18 Trade and Other Payables (Continued...)	31-Dec-23 MVR	31-Dec-22 MVR
<b>Welfare scheme</b>		
Float	15,000,000	10,000,000
Utilisation	(27,684,059)	(5,331,445)
<b>Balance in the float</b>	<b>-</b>	<b>4,668,555</b>
<b>Overutilised amount</b>	<b>(12,684,059)</b>	<b>-</b>
Unbilled invoices	120,078	-
Excess claims payable	26,855	1,710
<b>Claim advances as at December 31, 2023</b>	<b>236,804</b>	<b>6,317,294</b>

**18.2 Breakdown of National Disability Register fund**

Opening balance	-	-
Fund received	3,880,000	-
Fund utilized	(337,932)	-
<b>Closing balance</b>	<b>3,542,068</b>	<b>-</b>

**18.3** During the year ended December 31, 2023, the Company had erroneously set off input tax on capital expenditure against the total GST payable for the months of April to November in its GST Returns.

The GST regulation Section 46 (a) (2) states that “if the gross capital expenditure incurred in the acquisition of similar products or for the same purpose is more than MVR 500,000/- (Five Hundred Thousand Rufiyaa), input tax in relation to such expenditure shall be deducted from the output tax equally over 36 (thirty-six) months from the taxable period on which such expenditure was incurred.”

Therefore, GST payable was recalculated as specified in the GST regulation which resulted in the recognition of an additional GST payable of MVR 2,597,143 as of the year end.

**19 Due to Related Parties**

Dhiraagu PLC	147,487	171,456
Island Aviation Services Limited	847,865	438,399
Male' Water and Sewage Company Pvt Ltd	60,988	87,580
State Electric Company Limited	20,555	21,945
State trading Organization PLC	104,296	-
Waste Management Corporation Limited	14,021	2,352
<b>Total</b>	<b>1,195,212</b>	<b>721,732</b>

**20 Income**

*The breakdown of the income is as follows:*

Commission / Other income	(Note 20.2)	71,739,372	49,323,213
Grant income		3,682,764	2,978,100
<b>Total</b>		<b>75,422,136</b>	<b>52,301,313</b>

**20.1** The main business activity is to manage Universal Healthcare Insurance Scheme offered by the Government of Maldives. As per the tripartite agreement entered with Ministry of Finance and National Social protection Agency, the scheme is a non-profit scheme run from the state budget and the Company is entitled to earn commission from the bills that are processed by the Company from National Social Protection Agency.



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

20 Income (Continued...)	31-Dec-23 MVR	31-Dec-22 MVR
<b>20.2 Commission / Other income</b>		
Scheme - Pharmacy	15,000,001	14,056,872
Scheme - Others	35,000,000	35,000,001
Welfare commission	21,657,467	266,341
Re-claim	81,904	-
<b>Total</b>	<b>71,739,372</b>	<b>49,323,214</b>
<b>21 Other income</b>		
Other income	355,000	443,390
Sale of bid documents	-	22,500
<b>Total</b>	<b>355,000</b>	<b>465,890</b>
<b>22 Operating Expenses</b>		
Depreciation	3,673,543	2,956,447
Amortization	4,775,607	3,998,940
Directors remuneration	840,431	744,804
Personnel costs (Note 22.1)	45,846,682	33,565,460
Other expenses (Note 22.2)	11,139,918	9,566,903
<b>Total</b>	<b>66,276,181</b>	<b>50,832,555</b>
<b>22.1 Personnel costs</b>		
Salaries and wages	18,671,947	15,412,953
Allowances	24,531,423	16,358,354
Medical insurance	926,631	475,475
Pension allowances	1,716,681	1,318,679
<b>Total</b>	<b>45,846,682</b>	<b>33,565,460</b>
<b>22.2 Other Expenses</b>		
Insurance premium	12,076	19,944
Professional and consulting fees	305,724	423,617
Rental, lease and license payments	819,697	1,272,455
Repairs and maintenance	1,054,773	759,962
Others	8,947,648	7,090,925
<b>Total</b>	<b>11,139,918</b>	<b>9,566,903</b>
<b>23 Other Losses</b>		
Loss on disposal (Note 23.1)	893,821	32,095
<b>Total</b>	<b>893,821</b>	<b>32,095</b>
<b>23.1 Loss on Disposal</b>		
<b>Disposal of Property, Plant and Equipment</b>		
Cost	2,746,766	131,863
Accumulated depreciation	(866,515)	(99,771)
Building interior items recovered from lease disposal	(919,341)	-
	<b>960,909</b>	<b>32,095</b>
<b>Disposal of Lease</b>		
Cost	3,466,223	-
Accumulated amortization	(2,166,389)	-
Lease liability	(1,366,923)	-
	<b>(67,089)</b>	<b>-</b>
Proceeds	-	-
<b>Loss on Disposal</b>	<b>893,821</b>	<b>32,095</b>



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

	31-Dec-23 MVR	31-Dec-22 MVR
<b>24 Finance Cost</b>		
Lease interest	734,440	695,645
<b>Total</b>	<b>734,440</b>	<b>695,645</b>

These are the accounting entries for lease interest that are necessary due to adjustments to Right-of-Use Assets in accordance with IFRS 16.

		31-Dec-23 MVR	31-Dec-22 MVR
<b>25 Taxation</b>			
<b>Income Tax Expense</b>			
Current tax payable	(Note 25.1)	(1,267,462)	(23,962)
Deferred tax recognized during the year	(Note 27.1)	454,893	-
<b>Total</b>		<b>(812,569)</b>	<b>(23,962)</b>

The Income Tax Act (25/2019) of the Maldives was effective from January 1, 2020. As per the Income Tax Act, business's profit is subject to tax of 15% on profits exceeding tax free threshold limit of MVR 500,000 for any tax year.

**25.1 Reconciliation Between Accounting Profit and Taxable Income :**

Profit before tax	7,872,694	1,206,908
Aggregate disallowable items	8,375,862	5,590,535
Aggregate allowable items	(7,298,808)	(6,137,697)
Tax free allowance	(500,000)	(500,000)
Taxable Income for the year	<b>8,449,748</b>	<b>159,746</b>
<b>Income tax @ 15%</b>	<b>1,267,462</b>	<b>23,962</b>

	31-Dec-23 MVR	(Restated) 31-Dec-22 MVR
<b>26 Current Tax Assets/Liabilities</b>		
<b>Current Tax Assets</b>		
Tax refund receivable from MIRA	(Note 26.1)	19,196,282
Tax refunds receivable	137,576	-
Interim tax paid	-	293,561
<b>Total</b>	<b>19,333,858</b>	<b>19,489,843</b>
<b>Current Tax Liabilities</b>		
Current tax payable	1,267,462	23,962
Prior year tax payable	-	408,941
Tax refund payable to Ministry of Finance and Treasury (Note 26.1)	19,196,282	19,196,282
<b>Total</b>	<b>20,463,744</b>	<b>19,629,185</b>
<b>Net Current Tax Liability</b>	<b>(1,129,886)</b>	<b>(139,342)</b>

**26.1** The Company paid an interim business profit tax of MVR 19,196,282 in the year 2014. However, due to the adjustments made to the financial statements of the Company as per the directions given by Ministry of Finance and Treasury (MoFT), the final Business Profit Tax payable for 2014 was revised to zero. This amount is currently pending with Maldives Inland Revenue Authority (MIRA) as a refund to the Company and has also been stated as a payable to MoFT as these are excess funds obtained by the Company for payment of Business Profit Tax.

The Company is collaborating with MIRA and MoFT on this issue. Once resolved, these entries will be removed from the Company's financial statements.



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>MVR</b>	<b>MVR</b>
<b>27 Deferred Tax Asset</b>		
Recognition of deferred tax asset	454,893	-
<b>Deferred tax asset carried forward</b>	<b>454,893</b>	<b>-</b>
<b>Total deferred tax asset</b>	<b>454,893</b>	<b>-</b>

27.1 The deferred tax asset arising from the temporary difference of non-current assets is as follows

	<b>Carrying Value</b>	<b>Tax Base</b>	<b>Temporary Difference</b>	<b>Deferred Tax (Asset)/Liability</b>
	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>
Buildings	5,476,020	5,412,639	63,381	9,507
Furniture & Fittings	2,240,029	3,077,641	(837,612)	(125,641)
Motor Vehicles	1	-	1	-
Office Equipment	3,446,504	5,681,214	(2,234,710)	(335,206)
Computer Software	49	-	49	7
Crockery, Cutlery, utensils and loose tools	20,477	44,208	(23,732)	(3,560)
	<b>11,183,080</b>	<b>14,215,702</b>	<b>(3,032,623)</b>	<b>(454,893)</b>

**28 Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>MVR</b>	<b>MVR</b>
Profit for the year	7,060,125	1,182,946
Weighted average number of ordinary shares	100,000	100,000
<b>Earnings per share</b>	<b>71</b>	<b>12</b>

**29 Operating Profit before Working Capital Changes**

Profit before tax	7,872,694	1,206,908
Amortization of deferred income	(3,682,764)	(2,978,100)
Depreciation	3,673,543	2,956,447
Amortization	4,775,607	3,998,940
Finance cost	734,440	695,645
Loss on disposal	893,821	32,094
<b>Total</b>	<b>14,267,341</b>	<b>5,911,934</b>

**30 Related Party Transactions**

**30.1 Due from Related Parties**

<b>Name</b>	<b>Nature of relationship</b>		
<b>National Social Protection Agency</b>	<b>Government Institute</b>		
Opening balance		2,645,970	15,160,964
Payments on behalf of NSPA		90,527,252	52,286,459
Receipts from NSPA		(53,129,534)	(64,801,453)
<b>Closing balance</b>		<b>40,043,688</b>	<b>2,645,970</b>
<b>Total</b>		<b>40,043,688</b>	<b>2,645,970</b>



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

**30 Related Party Transactions (Continued...)**

**30.2 Due to Related Parties**

		<b>31-Dec-23</b>	<b>31-Dec-22</b>
		<b>MVR</b>	<b>MVR</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>Dhiraagu PLC</i></b>	<b><i>Government Institute</i></b>		
Opening balance		171,456	957
Telephone and internet expenses		1,742,934	1,592,409
Settlements		(1,766,902)	(1,421,911)
<b>Closing balance</b>		<b>147,487</b>	<b>171,456</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>Island Aviation Services Limited</i></b>	<b><i>Government Institute</i></b>		
Opening balance		438,399	463,469
Travel expenses		494,122	-
Settlements		(84,656)	(25,070)
<b>Closing balance</b>		<b>847,865</b>	<b>438,399</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>Male' Water and Sewage Company Pvt Ltd</i></b>	<b><i>Government Institute</i></b>		
Opening balance		87,580	1,368
Utility expenses		4,621,425	3,412,685
Settlements		(4,648,017)	(3,326,473)
<b>Closing balance</b>		<b>60,988</b>	<b>87,580</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>State Electric Company Limited</i></b>	<b><i>Government Institute</i></b>		
Opening balance		21,944	-
Utility expenses		258,094	770,848
Settlements		(259,484)	(748,904)
<b>Closing balance</b>		<b>20,555</b>	<b>21,944</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>State trading Organization PLC</i></b>	<b><i>Government Institute</i></b>		
Opening balance		-	-
General expenses		125,717	1,729,282
Settlements		(21,420)	(1,729,282)
<b>Closing balance</b>		<b>104,296</b>	<b>-</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>Waste Management Corporation Limited</i></b>	<b><i>Government Institute</i></b>		
Opening balance		2,352	-
Utility expenses		97,501	24,444
Settlements		(85,832)	(22,092)
<b>Closing balance</b>		<b>14,021</b>	<b>2,352</b>
<b>Total</b>		<b>1,195,212</b>	<b>721,731</b>



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

**30 Related Party Transactions (Continued...)**

**30.3 Transactions with Key Management Personnel**

The Board of Directors and Managing Director of the Company are the members of the key management personnel. Key management personnel compensation and expenditures comprised the following:

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>MVR</b>	<b>MVR</b>
Directors' Remuneration	541,568	524,018
Travelling and trainings	298,863	220,786
<b>Total</b>	<b>840,431</b>	<b>744,804</b>

**30.4 Collectively, but not individually, significant transactions**

Government of Maldives is the only shareholder of the Company. The Company has transactions with entities directly or indirectly controlled by the Government of Maldives through its authorities, agencies, affiliations, and other organizations, collectively referred to as government entities. The Company has transactions with other government-related entities including but not limited to sales, purchases, rendering of services, lease of assets and use of public utilities.



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

**31 Restatement of financial results**

Restatement of financial results refers to rectification of the accounts as follows:

During the year ended December 31, 2022, the Company had previously recognised MVR 3,099,070 as capital work in progress for Thilafushi Warehouses 2 and 3. Subsequently, it was brought to attention that the Thilafushi Warehouses were constructed with the intention for earning rental income. Management's intentions over the use of the asset was stated in the Board Resolution No: AS-BR-21-002 : Resolution approving Strategic Plan of Aasandha Company Limited for three years 2021-2023. Accordingly, as this is a property that was being constructed for future use as investment property, costs incurred during the year 2022 and 2021 has been reclassified from capital work in progress to investment property.

During the year ended December 31, 2022, the Company had previously recognised MVR 9,114,927 as amounts due from National Social Protection Agency (NSPA) and MVR 12,786,252 as amounts reimbursable to NSPA for cash floats received under claim advances. Subsequently, it was identified that aforementioned receivables and payables were overstated as float reimbursements were included as amounts receivable and were not deducted from claim advances to represent the utilization of cash floats. Accordingly, amounts due from related parties and claim advances have been restated to conform with the correct presentation.

During the year ended December 31, 2022, the Company had previously recorded MVR 2,183,260 as retained earnings. Subsequently, following the adjustments made to the current tax asset as per Note 26, it was identified that the current tax liability figure as at December 31, 2018 needs to be adjusted due to unpaid taxes from the years 2016, 2017 and 2018. Accordingly, retained earnings have been restated to account for the difference.

	<b>As previously reported 31-Dec-22 MVR</b>	<b>Restatement 31-Dec-22 MVR</b>	<b>As Restated 31-Dec-22 MVR</b>
<b>Assets</b>			
Investment properties	-	3,099,070	3,099,070
Capital work in progress	3,099,070	(3,099,070)	-
Due from related parties	9,114,927	(6,468,958)	2,645,969
Current tax asset	117,358	(117,358)	-
<b>Equity</b>			
Retained earnings	(2,183,260)	232,737	(1,950,523)
<b>Liabilities</b>			
Trade and other payables (Claim advances)	(12,786,252)	6,468,958	(6,317,294)
Current tax liability	(23,962)	(115,380)	(139,342)
<b>Total</b>	<b>(2,662,119)</b>	<b>-</b>	<b>(2,662,120)</b>
	<b>As previously reported 31-Dec-21 MVR</b>	<b>Restatement 31-Dec-21 MVR</b>	<b>As Restated 01-Jan-22 MVR</b>
<b>Assets</b>			
Investment properties	-	18,702	18,702
Capital work in progress	48,382	(18,702)	29,680
Due from related parties	18,934,452	(3,280,022)	15,654,430
<b>Equity</b>			
Retained earnings	(1,000,314)	232,737	(767,577)
<b>Liabilities</b>			
Trade and other payables (Claim advances)	(4,395,633)	3,280,022	(1,115,611)
Current tax liability	(374,309)	(232,737)	(607,046)
<b>Total</b>	<b>13,212,578</b>	<b>-</b>	<b>13,212,578</b>



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023  
*All amounts are stated in Maldivian Rufiyaa*

**32 Commitments**

**32.1 Capital Commitments**

Capital Commitments contracted but not provided for in the financial statements is as follows:

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>MVR</b>	<b>MVR</b>
Office Building Project	147,382,054	-
Advance payment of 30% paid	(44,288,116)	-
<b>Total</b>	<b>103,093,938</b>	<b>-</b>

On January 25, 2023, Company entered into a contract with North Coast Contractors for Office Building project at Hulhumale" plot no. D5-B (11639) under agreement no. ASND/BUR/AGR/2023/18. An advance payment of MVR 44,288,116 inclusive of GST has been paid in 2023 to the contractor, and the balance will be contributed by Ministry of Finance and Treasury as per progress billings from the contractor.

**33 Financial Instruments**

**33.1 Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings (including borrowings and trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>MVR</b>	<b>MVR</b>
Total Liabilities	54,178,801	39,937,565
Cash and Cash Equivalents	(2,637,000)	(27,533,399)
<b>Net Debt</b>	<b>51,541,801</b>	<b>12,404,166</b>
<b>Total Equity</b>	<b>63,298,764</b>	<b>11,950,523</b>
<b>Gearing (Times)</b>	<b>0.81</b>	<b>1.04</b>

**33.2 Financial Instruments and Risk Management**

**(i) Overview**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further, quantitative disclosures are included throughout the Company's financial statements.



**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023  
 All amounts are stated in Maldivian Rufiyaa

**33.2 Financial Instruments and Risk Management (Continued...)**

**(ii) Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

**(iii) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from related party.

**Comparative information under IAS 39**

The carrying amount of financial assets represents the maximum credit exposure. The maximum gross exposure to credit risk at the reporting date was:

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>MVR</b>	<b>MVR</b>
Amounts due from Related Parties	40,043,687	2,645,969
Other Receivables	3,114,813	1,037,607
Balances with Banks	2,618,779	27,512,984
<b>Total</b>	<b>45,777,279</b>	<b>31,196,560</b>

The Company's exposure to credit risk is influenced mainly by the credit worthiness of the Government of Maldives as represented by National Social Protection Agency.

**Impairment losses**

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The aging of amount due from related party at the reporting date was as follows;

	<b>31-Dec-23</b>		<b>31-Dec-22</b>	
	<b>Gross</b>	<b>Impairment</b>	<b>Gross</b>	<b>Impairment</b>
	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>
Not past due or past due 1-30 days	5,024,629	-	1,491,298	-
Past due 31-365 days	35,019,058	-	1,154,671	-
More than one year	-	-	-	-
	<b>40,043,687</b>	<b>-</b>	<b>2,645,969</b>	<b>-</b>

The Company believes that the unimpaired amounts are still collectible, based on historic payment behaviour. Based on historic default rates, the Company believes that, apart from the above, no provision for impairment is necessary in respect of amounts due from related parties.

**Expected credit loss assessment under IFRS 9**

The Company uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are based on actual credit loss experience over past years. These rates are multiplied by scalar factors to reflect difference between economic condition during the period over which historical data has been collected, current condition and Company's view of economic conditions of expected lives of the receivables.

Scalar factors are based on actual and forecast GDP growth rates and normalized average GDP use for ECL assessment.

**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

**(iii) Credit Risk (Continued...)**

**Due from related parties**

The following table provides information about the exposure to credit risk and ECLs for receivables from related parties as of the reporting dates.

<b>December 31, 2023</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount MVR</b>	<b>Loss allowance MVR</b>	<b>Credit impaired</b>
Not past due or Past due 1-30 days	0%	5,024,629	-	No
Past due 31-60 days	0%	35,019,058	-	No
		<b>40,043,687</b>	<b>-</b>	
<b>December 31, 2022</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount MVR</b>	<b>Loss allowance MVR</b>	<b>Credit impaired</b>
Not past due or Past due 1-30 days	0%	1,491,298	-	No
Past due 31-60 days	0%	1,154,671	-	No
		<b>2,645,969</b>	<b>-</b>	

Since the receivables are from the Government of Maldives, the likelihood of loss is considered negligible, resulting in a weighted average loss rate estimated to be close to 0%.

Gross carrying amount and loss allowance comprise the amounts due from related parties.

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost. Allowance of impairment over these receivables were not recognized to the profit and loss for the year ended December 31, 2023, since the impact is not material to the financial statement.

The provision for impairment of the amounts due from related parties are estimated considering the individual repayment capabilities of these entities.

**Balances with Banks**

The Company held amounts of MVR 2,637,000 as at December 31, 2023 in banks. (2022: MVR 27,533,399). Impairment on cash at bank has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash has low credit risk based on the external ratings of the counterparties. As a result, the amount of the allowance on cash at bank is negligible.

**(iv) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

All amounts are stated in Maldivian Rufiyaa

**(iv) Liquidity Risk (Continued...)**

The following are the contractual maturities of financial liabilities as at the reporting date.

**December 31, 2023**

**Financial Liabilities (Non-derivative)**

	<b>Carrying Amount MVR</b>	<b>Contractual Cashflows MVR</b>	<b>0-12 Months MVR</b>	<b>More than 1 Year MVR</b>
Trade and other payables	5,621,696	5,621,696	5,621,696	-
Amounts due to related parties	1,195,212	1,195,212	755,856	439,355
Lease liabilities	17,729,669	22,282,913	4,336,145	13,393,524
	<b>24,546,577</b>	<b>29,099,821</b>	<b>10,713,697</b>	<b>13,832,879</b>

**December 31, 2022**

**Financial Liabilities (Non-derivative)**

	<b>Carrying Amount MVR</b>	<b>Contractual Cashflows MVR</b>	<b>0-12 Months MVR</b>	<b>More than 1 Year MVR</b>
Trade and other payables	7,094,805	7,094,805	7,094,805	-
Amounts due to related parties	721,732	721,732	282,377	439,355
Lease liabilities	7,587,041	8,959,463	4,617,581	2,969,460
	<b>15,403,578</b>	<b>16,776,000</b>	<b>11,994,763</b>	<b>3,408,815</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**(v) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**(a) Interest rate risk**

The Company does not have any interest exposure as at December 31, 2023.

**(b) Currency Risk**

**Exposure to currency risk**

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	<b>31-Dec-23 USD</b>	<b>31-Dec-22 USD</b>
Trade and other payables	111	111
Cash and cash equivalent	2,986	11,089
Gross statement of financial position exposure	<b>3,097</b>	<b>11,200</b>

The following significant exchange rate were applied during the year:

	<b>Average Rate</b>		<b>Reporting Date</b>	
	<b>2023</b>	<b>2022</b>	<b>31-Dec-23</b>	<b>31-Dec-23</b>
1 USD : MVR	15.42	15.42	15.42	15.42

In respect of the monetary assets and liabilities denominated in MVR, the Company has a limited currency risk exposure on such balances since the Maldivian Rufiyaa is pegged to the US Dollar within a band to fluctuate within  $\pm 20\%$  of the mid-point of exchange rate.

**AASANDHA COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2023

*All amounts are stated in Maldivian Rufiyaa*

**34 Contingent liabilities**

The Company had been assigned the function of managing Hulhumale' Hospital operations in 2016-2019 and during this time the Company had entered into multiple contracts with third parties for the development and operations of Hulhumale' Hospital. A presidential directive was issued on December 26, 2019, taking back all the functions of Hulhumale' hospital from the Company from January 1, 2020 onwards, but for various reasons some of these contracts still remain under the Company's name and has not been novated.

Out of these contracts which still remain unresolved as at December 31, 2023, there are a few parties who are communicating with the Company for legal purposes, and the Company as an intermediary is responding to these communications in coordination with Hulhumale' Hospital management. Liabilities arising from these contracts in the past have been settled by the Ministry of Finance and Treasury (MoFT) even though the contracts were still under the Company's name.

It is to be noted that the Company has no control or records of asset and liability management, revenue generation and expense incurrence of Hulhumale' Hospital since January 1, 2020, and no records of financial transactions of Hulhumale' Hospital is reflected in the Company's books.

Pursuant to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Company recognizes that while the contractual obligations for these contracts primarily lie with Ministry of Finance and Treasury (MoFT), there still exists a potential for assuming liabilities under specific circumstances, i.e. should the government fail to settle in case any liabilities arise from these contracts.

The Company acknowledges the importance of disclosing information about its involvement and potential exposure to risks associated with these contracts.

Management has assessed the contractual terms and potential risks associated with the arrangement. As of December 31, 2023, the Company has not incurred any direct liabilities related to these pending agreements. This disclosure aims to provide stakeholders with insight into these contractual arrangements, the Company's limited involvement, and the potential risks and contingencies associated with its participation.

**35 Events After the End of the Reporting Period**

The Company paid an interim business profit tax of MVR 19,196,282 in the year 2014. However, due to the adjustments made to the accounts of the Company as per the directions from Ministry of Finance and Treasury (MOFT) the final Business Profit Tax payable for 2014 was revised to zero. This amount is currently pending with MIRA as a receivable to the Company and the funds also has been stated as a payable to MOFT as these are excess funds obtained by the Company for payment of Business Profit Tax.

The Company convened a meeting with the Ministry of Finance and Treasury (MoFT) to discuss the income tax adjustment referenced in Note 26.1, subsequent to the reporting period. It was determined that additional discussions with the Maldives Inland Revenue Authority (MIRA) are necessary to ascertain if a book adjustment is needed for the figures to be reported between MIRA and MoFT.

**36 Director's Responsibility**

The Board of Directors of the Company are responsible for the preparation and presentation of these financial statements.

**37 Comparative figures**

Comparative figures of the financial statements have been restated and reclassified wherever appropriate to confirm with current year's presentation.

**38 Approval of Financial Statements**

These financial statements were approved by the board of directors and authorized for issue on ~~May 16~~, 2024.

