

**ARCHITECTURAL AND
ENGINEERING SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2023**

**K AND A ACCOUNTING SERVICES
CHARTERED ACCOUNTANTS
P O BOX AN 8361
ACCRA-NORTH
TEL: 0302-805498**

Architectural and Engineering Services Ltd

Report and Financial Statements

For the year ended 31 December 2023

Contents	Pages
Corporate Information	1
Report of the Directors	2-3
Independent Auditor's Report	4-7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Cash Flows	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12-23
Income Tax Computation	24
Capital Allowance	25

Architectural and Engineering Services Ltd

Corporate Information

Board of Directors:

Name	Position	Date of Appointment
Prof. Kwame Asamoah	Chairman	October, 2021
Prof. De-Graft Owusu –Manu	Member	October, 2021
Mr. Basko A. Kante	Member	October, 2021
Rev. Stephen Yaw Osei	Member	October, 2021
Hon. Darko Newman	Member	October, 2021
Madam Susana Asamoah	Member	October, 2021
Arc. Isaac Agyei Marfo	Managing Director	October, 2021

Board Secretary: Ms. Harriet Bediako

Registered Office: Hall of Technology
Kimbu Road
P O Box 3969
Accra

Auditors: K and A Accounting Services
Chartered Accountants
49 Boundary Road (Coastal)
Off Spintex Road
P O Box 8361
Baatsonaa- Accra

Bankers: National Investment Bank Limited
Agricultural Development Bank Limited
GCB Bank Plc
Zenith Bank Ghana Limited

Report of the Board of Directors

For the year ended 31 December 2023

The Directors have the pleasure in submitting their annual report for the year ended 31 December 2023 together with the audited Statement of Financial Position as at 31 December 2023, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended 31 December 2023.

DIRECTORS' RESPONSIBILITIES

The Companies Act 2019 (Act 992) requires the directors to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the Comprehensive Income of the company for that period.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the Financial Statements comply with the Companies Act 2019 (Act 992) and the International Financial Reporting Standards (IFRS).

They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

The above statement which should be read in conjunction with the statement of the auditor's responsibilities set out on pages 5 to 6 is with the view of distinguishing for the shareholders the respective responsibilities of the Directors and the Auditor in relation to the Financial Statements.

GOING CONCERN / BUSINESS CONTINUITY

The Company is not able to collect its debts leading to liquidity challenges. There is a reduction in the company's turnover of which management is working hard to improve the situation

MATERIAL CHANGE IN THE NATURE OF THE BUSINESS OF THE COMPANY

The principal activities carried out by the company during the year under review are within the limits permitted by its Regulations and also consistent with its strategic focus. There were no changes in the principal activities of the Company during the year.

CORPORATE SOCIAL RESPONSIBILITY

During the year, there were no significant expenses incurred in relation to the company's Corporate Social Responsibility.

DETAILS ON THE STATE OF AFFAIRS OF THE COMPANY

The results of operations for the year ended 31 December 2023 are set out in the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and the Notes to the Financial Statements set out on pages 13 to 25.

Continued

Report of the Board of Directors

For the year ended 31 December 2023

A summary of key operational results for the year is as follows:

OPERATIONAL RESULT

	2023 GH¢	2022 GH¢
Net Profit before tax	167,113	160,974
from which was added / deducted taxation of	396,411	(1,203,636)
Giving a net profit / (loss) of	563,524	(1,042,662)
Adding an adjustment of	(802,766)	-
Which was added to income deficit brought forward of	(10,806,810)	(9,764,148)
Leaving a net balance on income deficit account of	(11,046,052)	(10,806,810)

Audit Fees

In line with the requirements of section 136 (1d) of the Companies Act 2019 (Act 992), the audit fee for the year ended 31 December 2023 was GH¢70,000.00 exclusive of Levies and VAT.

Dividends

The Directors do not recommend the payment of dividend for the year ended 31 December 2023 (2022: Nil). This is as a result of the deficit in the Income Surplus Account.

Steps Taken to Build the Capacity of Directors

Some of the Directors have been attending seminars and workshops to build their capacity towards discharging their duties for the year under review..

Event after reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

Appointment of Auditors

In accordance with Article 187 (2) of the 1992 Constitution of the Republic of Ghana, the Auditor General appointed Messrs. K & A Accounting Services (Chartered Accountants) as the Auditor of Architectural and Engineering Services Ltd for the year ended 31 December 2023. The auditor has expressed their willingness to continue in office for the ensuing year.

.....
Director

Date.....

.....
Director

Date.....



ACCOUNTING SERVICES

CHARTERED ACCOUNTANTS

K & A Accounting Services **Chartered Accountants**

Independent auditor's report

To the members of Architectural and Engineering Services Ltd

Report on the Audit of the Financial Statements

We have audited the financial statements of Architectural and Engineering Services Ltd, which comprise the Statement of Financial Position as at 31 December 2023, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes as set out on pages 13 to 23.

In our opinion, the Financial Statements give a true and fair view of the financial position of Architectural and Engineering Services Ltd as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992)

Basis for 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 Architectural and Engineering Services Ltd in accordance with the International Code of Ethics for Professional Accountants (Including International Independence Standards) (The Code) issued by the International Ethics Standards Board for Accountants and the independence requirement of section 143 of the Companies Act, 2019 (Act 992). We have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined that there were no such matters to report on for the year under review.

Continued

K & A Accounting Services

Chartered Accountants

Independent auditor's report

To the members of Architectural and Engineering Services Ltd

Responsibilities of Management and Directors for the Financial Statements

The Directors are responsible for the preparation of these Financial Statements in accordance with the Companies Act, 2019-(Act 992), and the International Financial Reporting Standards (IFRSs). This responsibility includes designing, implementing and maintaining internal controls as Management determines is necessary and relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatements, whether due to fraud or error, and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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.

The Board and Management are responsible for overseeing the 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 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 judgement 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, misrepresentation 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Continued

K & A Accounting Services

Chartered Accountants

Independent auditor's report

To the members of Architectural and Engineering Services Ltd

- 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company's audit. We remain solely responsible for our audit opinion.

We communicate with Management and the Board of Directors 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 brought to bear on our independence, and where applicable, related safeguards.

Continued

K & A Accounting Services
Chartered Accountants

Independent auditor's report

To the members of Architectural and Engineering Services Ltd

Report on Other Information

The Board of Directors is responsible for the other information. The other information comprises the Report of the Board of Directors as required by the Companies Act, 2019 (Act 992), the Corporate Information which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date.

The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

Report on Other Legal and Regulatory Requirements

The Ghana Companies Act 2019 (Act 992) requires that in carrying out our audit work we consider and report on the following matters;

We confirm that;

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- ii. In our opinion, proper accounting records have been kept by the company so far as appears from our examination of those records
- iii. The Statement of Financial Position and Statement of Comprehensive Income of the company are in agreement with the accounting records
- iv. The financial statements give a true and fair view of the state of affairs of the company and its results for the year under review

The engagement Partner on the audit resulting in this independent audit report was Mr. Kwadwo Kwarteng (ICAG/P/1097)

K&A Services

Date *23-08-2024*

K and A Accounting Services (ICAG/F/2023/089)
Partner Signing: Mr. Kwadwo Kwarteng License No. ICAG/P/1097)
Chartered Accountants
49 Boundary Road (Coastal)
Off Spintex Road
Batsonaa-Accra

Statement of Financial Position

As at 31 December 2023

Non Current Assets	Notes	2023 GHc	2022 GHc
Property, Plant and Equipment	3a	199,063,494	201,261,987
Construction Work-In-Progress	3b	426,767	426,767
		199,490,261	201,688,754
Current Assets			
Inventory	4	254,721	244,633
Accounts Receivables & Prepayments	5	20,216,604	14,237,622
Cash & Bank Balances	6	351,175	377,004
Taxation	9a	646,594	91,950
		21,469,094	14,951,209
Total Assets		220,959,355	216,639,963
Current Liabilities			
Accounts Payable and Accruals	7	14,347,442	9,232,761
Bank Overdraft	8	25,067	94,350
Deferred tax Liability	9b	1,399,833	1,888,226
		15,772,342	11,215,337
Long Term Liabilities	10	11,315,774	11,315,774
Equity			
Stated Capital	11	209,060	209,060
Capital Surplus		204,324,975	204,324,975
Staff Welfare Fund	12	381,627	381,627
Income Surplus		(11,044,423)	(10,806,810)
		193,871,239	194,108,852
Total Liabilities and Equity		220,959,355	216,639,963

Approved by the Board of Directors on.....and signed on their behalf by;

DIRECTOR

DIRECTOR

The notes on pages 13 to 23 form an integral part of these financial statements

Architectural and Engineering Services Ltd

Statement of Comprehensive Income

For the year ended 31 December 2023

	<u>NOTES</u>	<u>2023</u> <u>GHC</u>	<u>2022</u> <u>GHC</u>
Revenue	13	21,462,851	21,763,544
Other Income	14	276,011	1,006,047
Toal Income		21,738,862	22,769,591
General Operations & Administrative Expenses	15	(19,790,817)	(18,050,866)
Net Impairment recovery / (charge)on financial assets		(1,780,932)	(4,557,751)
Profit (Loss) before Tax		167,113	160,974
Taxation	9c	398,040	(1,203,636)
Profit for the year		565,153	(1,042,662)

The notes on pages 13 to 23 form an integral part of these financial statements.

Architectural and Engineering Services Ltd

Statement of Cash Flows

For the year ended 31 December 2023

	<u>2023</u> <u>GHc</u>	<u>2022</u> <u>GHc</u>
Cash Flow from Operating Activities		
Profit (loss) for the year	167,113	160,974
Adjustment to Non-Cash Items		
Depreciation	2,428,611	2,380,820
Prior year adjustment	(802,766)	-
	<u>1,792,958</u>	<u>2,541,794</u>
Changes In Working Capital		
Inventory	(10,088)	(135,555)
Accounts receivable & prepayments	(5,978,982)	(9,336,354)
Accounts payable & accruals	5,114,681	(7,679,718)
Long Term Liability	-	11,315,774
	<u>918,569</u>	<u>(3,294,059)</u>
Net Changes in operating activities		
Tax paid	(644,997)	(698,507)
Net cash generated from /(used in) operating activities	<u>273,572</u>	<u>(3,992,566)</u>
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipmet	(230,116)	(1,230,324)
Proceeds from sale of Property, Plant and Equipment	-	115,409
Net cash used in Investing activities	<u>(230,116)</u>	<u>(1,114,915)</u>
Cash flow from Financing activities		
Bank overdraft	(69,283)	94,350
Net Cash generated from Financing activities	<u>(69,283)</u>	<u>94,350</u>
Increase / (decrease) in cash and cash equivalents	<u>(25,829)</u>	<u>(5,013,131)</u>
Bank and Cash balance at 1 January 2023	377,004	5,390,135
Bank and cash balance at 31 December 2023	<u>351,175</u>	<u>377,004</u>

The notes on pages 13 to 23 form an integral part of these financial statements

Architectural and Engineering Services Ltd

Statement of Changes in Equity

For the year ended 31 December 2023

31 December, 2023

	<u>Share Capital</u> GH¢	<u>Income Surplus</u> GH¢	<u>Capital Surplus</u> GH¢	<u>Welfare Fund</u> GH¢	<u>Total</u> GH¢
Balance as at January 1, 2023	209,060	(10,806,810)	204,324,975	381,627	194,108,852
Profit for the year	-	565,153	-		565,153
Prior year Adjustment	-	(802,766)	-		(802,766)
Balance as at December 31, 2023	209,060	(11,044,423)	204,324,975	381,627	193,871,239

31 December, 2022

	<u>Share Capital</u> GH¢	<u>Income Surplus</u> GH¢	<u>Capital Surplus</u> GH¢	<u>Welfare Fund</u> GH¢	<u>Total</u> GH¢
Balance as at January 1, 2022	209,060	(9,764,148)	204,324,975	381,627	195,151,514
Profit for the year		(1,042,662)			(1,042,662)
Balance as at December 31, 2022	209,060	(10,806,810)	204,324,975	381,627	194,108,852

The notes on pages 13 to 23 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2023

1.0 CORPORATE INFORMATION

1.1 Registration and Nature of Business

Architectural and Engineering Services Ltd (AESL) was established by a decree in July, 1973 under the NRC Government (National Redemption Council) as Architectural and Engineering Services Corporation (AESC). In 1993 under the Companies code of Ghana 1963 (Act 179) it was converted into Architectural and Engineering Services Ltd (AESL). It was issued with a certificate to commence business in December, 1993.

The company is registered to provide consultancy services in respect of works in the field of engineering, building and architecture, and urban and general planning and development.

There was no change in the principal activities of the company

2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by Architectural and Engineering Services Ltd in the preparation of the Financial Statements are set out below:

2.1 Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the adoption of fair value measurement basis for assets and liabilities in compliance with IFRS requirements.

2.2 Functional and Presentation Currency

The Financial Statements are presented in Ghana Cedi (GH¢) which is the functional and presentation currency of the company.

2.3 Revenue Recognition

Revenue is recognized to the extent that the economic benefit will flow to the company and can be reliably measured. The following specific income recognition criteria have been applied in the Financial Statements; the income of the company, which is mainly derived from fee claims from the operations, is taken into account when it is earned irrespective of whether cash is received or not.

Continued

Architectural and Engineering Services Ltd

Notes to the financial statements

For the year ended 31 December 2023

2.4 Impairment of Non-Financial Assets (Including Property, Plant & Equipment (PPE))

The company assess at each financial year end whether there is any evidence that non-financial assets (including PPE) may be impaired. Where indicators of impairment exist, an impairment test is performed. This requires an estimation of the 'value in use' of the asset or the cash-generating units to which the asset belong. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the asset or the cash generating unit and also to select a suitable discount rate in order to calculate the present value of the estimated future cash flows.

2.5 Property, Plant and Equipment

The company recognizes an item of property, plant and equipment as an asset when it is probable that future economic benefits will flow to it and the amount meets the materiality threshold set by the company.

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component on a straight-line basis over the anticipated useful life of the asset. The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset. The residual value is the estimated amount, net of disposal costs, which the company would currently obtain from the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset.

The current annual depreciation rates for each class property, plant and equipment are as follows:

Building	-	3%
Motor Vehicles	-	25%
Furniture, Fixtures and other Equipment	-	12.50%
Engineering Equipment	-	20%
Computers and Accessories	-	25%

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Other expenditure is only capitalized if it is probable that future economic benefits associated with the item will flow to the company.

Continued

Architectural and Engineering Services Ltd

Notes to the financial statements

For the year ended 31 December 2023

The carrying values of property, plant and equipment are reviewed for indications of impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are 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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized.

The company recognizes provisions when it has present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

Where the company expects some or all of a provision to be reimbursed, 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 income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due the passage of time is recognized as a borrowing cost.

2.6 Events after the Reporting Period

Events subsequent to the reporting date are reflected only to the extent that they relate directly to the financial statements and the effect is material.

Continued

Architectural and Engineering Services Ltd

Notes to the financial statements

For the year ended 31 December 2023

2.7 Employee Benefits

Short-Term Benefits

Short-term employee benefits are amounts payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term employee benefits are recognized as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting period are recognized as an accrued expense and any short-term benefit paid in advance are recognized as prepayment to the extent that it will lead to a future cash refund a reduction in future cash payment.

Wages and salaries payable to employees are recognized as an expense in the income statement at gross amount. The company's contribution to social security fund is also charged as an expense.

Social Security and National Insurance Trust (SSNIT)

The company operates the two-tier mandatory pension scheme as contained in the National Pension Act, 2008 (Act 766). Under Act 766 the company contributes 13% of employees' basic salary to the compulsory pension schemes, made up of the Basic National Social Security Scheme managed by SSNIT and the Occupational Pension Scheme managed by a private pension fund. The employees also contribute 5.5% of their basic salary to the funds, making a total contribution of 18.5%.

Out of the total contribution of 18.5%, the company remits 13.5% to the Social Security and National Insurance Trust towards the first tier pension scheme, and the remaining 5% to a private managed and mandatory second tier scheme. The pension liabilities and obligations, however, rest with SSNIT.

2.8 Capital Description

The Company's Capital is its Shareholders' fund comprising Stated Capital, Reserves and Income Surplus, which includes current and previous year's retained earnings.

Continued

Architectural and Engineering Services Ltd

Notes to the financial statements

For the year ended 31 December 2023

1.9 Accounts Receivable

Accounts receivable are amounts due from customers and others in the ordinary course of business. They are classified as current assets, if not, they are presented as non-current assets.

Account receivable are recognized initially at fair value.

2.10 Account Payable

Account payables are obligations to pay for goods and services or others that have been acquired in the ordinary course of business. They are classified as current liabilities, if not, they are presented as non-current liabilities. Account payables are recognized initially at fair value less any provisions or withholdings.

2.11 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business activities. Revenue is shown net of value-added tax (VAT), rebates and discounts. The company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the company.

2.12 Cash and Cash Equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with companies, other short term highly liquid investments and company overdraft.

Continued

Architectural and Engineering Services Ltd

Notes to the Financial Statements

For the year ended 31 December 2023

3a PROPERTY, PLANT AND EQUIPMENT-2023

2023	<u>Land</u>	<u>Buildings</u>	<u>Motor</u> <u>Vehicles</u>	<u>Furniture &</u> <u>Equipment</u>	<u>Engineering</u> <u>Equipment</u>	<u>Computer &</u> <u>Accessories</u>	<u>Total</u>
Cost / Valuation	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 1/1/2023	149,186,969	51,540,153	4,618,278	1,259,465	121,492	459,776	207,186,133
Additions				77,912		152,205	230,117
Balance as at 31/12/2023	149,186,969	51,540,153	4,618,278	1,337,377	121,492	611,981	207,416,250
Accumulated Depreciation							
Balance as at 1/1/2023	-	2,061,608	3,404,966	240,149	36,447	180,975	5,924,145
Charge for the Year	-	1,288,504	795,641	167,172	24,298	152,996	2,428,611
Balance as at 31/12/2023	-	3,350,112	4,200,607	407,321	60,745	333,971	8,352,756
Carrying Amount							
Balance as at 31/12/2023	149,186,969	48,190,041	417,671	930,056	60,747	278,010	199,063,494

REVALUATION

Land and building owned by the public Works Department in all the Regional Capitals, except Wa, and vested in the predecessor corporation were valued as at 9th August, 1989 at GH¢ 64,609. In the Greater Accra Region, the portion of the Head Office building shared with Ghana Highways Authority is part of the valuation. Land and Building of the company have been revalued on 30th June, 2021 at a valuation of GH¢ 200,727,122

Continued

Architectural and Engineering Services Ltd

Notes to the Financial Statements

For the year ended 31 December 2023

3a PROPERTY, PLANT AND EQUIPMENT-2022

2022	<u>Land</u>	<u>Buildings</u>	<u>Motor Vehicles</u>	<u>Furniture & Equipment</u>	<u>Engineering Equipment</u>	<u>Computer & Accessories</u>	<u>Total</u>
Cost / Valuation	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 1/1/2022	149,186,969	51,540,153	3,864,819	1,135,745	121,492	419,327	206,268,505
Additions			1,066,154	123,720		40,449	1,230,323
Disposals			(312,695)				(312,695)
Balance as at 31/12/2022	<u>149,186,969</u>	<u>51,540,153</u>	<u>4,618,278</u>	<u>1,259,465</u>	<u>121,492</u>	<u>459,776</u>	<u>207,186,133</u>
Accumulated Depreciation							
Balance as at 1/1/2022	-	773,104	2,806,615	82,716	12,149	66,032	3,740,616
Charge for the Year	-	1,288,504	795,641	157,433	24,298	114,944	2,380,820
Disposals	-		(197,290)	-	-	-	(197,290)
Balance as at 31/12/2022	<u>-</u>	<u>2,061,608</u>	<u>3,404,966</u>	<u>240,149</u>	<u>36,447</u>	<u>180,976</u>	<u>5,924,146</u>
Carrying Amount							
Balance as at 31/12/2022	<u>149,186,969</u>	<u>49,478,545</u>	<u>1,213,312</u>	<u>1,019,316</u>	<u>85,045</u>	<u>278,800</u>	<u>201,261,987</u>

Continued

Architectural and Engineering Services Ltd

Notes to the Financial Statements

For the year Ended 31 December 2023

3b Construction Work - In - Progress

Construction Work - In - Progress consists of cost so far on construction projects not yet completed. As and when these are completed their costs are transferred to Land and Buildings.

These are bungalows under construction in Ho, Cape Coast and Bolgatanga, but the projects are currently on hold.

<u>PROJECTS</u> <u>YEAR ENDING 31 DECEMBER 2023</u>	<u>BALANCE</u> <u>1/1/2023</u> GH¢	<u>ADDITIONS</u> GH¢	<u>COMPLETED</u> <u>& TRANSFER</u> GH¢	<u>BALANCE</u> <u>31/12/2023</u> GH¢
Bungalows under construction in Cape Coast	141,299	-	-	141,299
Bungalows under construction in Ho	99,418	-	-	99,418
Bungalows under construction in Bolgatanga	186,050	-	-	186,050
	<u>426,767</u>	<u>-</u>	<u>-</u>	<u>426,767</u>
	=====	=====	=====	=====

<u>PROJECTS</u> <u>YEAR ENDING 31 DECEMBER 2022</u>	<u>1/1/2022</u> GH¢	<u>ADDITIONS</u> GH¢	<u>COMPLETED</u> <u>& TRANSFER</u> GH¢	<u>BALANCE</u> <u>31/12/2022</u> GH¢
Bungalows under construction in Cape Coast	9,598	131,701	-	141,299
Bungalows under construction in Ho	6,754	92,664	-	99,418
Bungalows under construction in Bolgatanga	131,409	54,641	-	186,050
	<u>147,761</u>	<u>279,006</u>	<u>-</u>	<u>426,767</u>
	=====	=====	=====	=====

Continued

Architectural and Engineering Services Ltd

Notes to the Financial Statements

For the year Ended 31 December 2023

4	Inventory	2023	2022
		GH¢	GH¢
	Architectural Materials / Stationery	134,166	83,755
	Other Items	120,555	160,878
		-----	-----
		254,721	244,633
		=====	=====
5	Accounts Receivable & Prepayments	2023	2022
		GH¢	GH¢
	Trade Debtors	43,279,221	35,494,272
	Staff Debtors	7,945	2,611
	Branch / Divisions	126,306	199,015
	GRA-Withholding Taxes	8,494	8,493
	Other Debtors	45,511	3,172
		-----	-----
		43,467,477	35,707,563
		-----	-----
	Less: Impairment Provision	(23,250,873)	(21,469,941)
		-----	-----
		20,216,604	14,237,622
		=====	=====
6	Cash and Bank Balances	2023	2022
		GH¢	GH¢
	Bank Balance	309,990	341,336
	Cash in Hand	9,184	6,700
	Call Deposit	32,001	28,968
		-----	-----
		351,175	377,004
		=====	=====
7	Accounts Payables and Accruals	2023	2022
		GH¢	GH¢
	GRA-VAT	4,447,957	1,587,655
	SSNIT	1,862,986	1,340,712
	GRA-PAYE	829,316	560,271
	GRA-Withholding Taxes	65,715	139,604
	Rent Deductions	260,724	199,768
	TUC Dues	12,581	35,850
	Project Creditors	-	1,221,710
	Accrued Terminal Benefits	3,576,585	3,032,481
	Sundry Creditors	448,692	387,870
	Accrued Expenses	1,443,919	591,351
	Staff Salaries Arrears	1,247,527	1,080
	Staff Welfare Fund Dues/Loans Deductions	151,440	134,409
		-----	-----
		14,347,442	9,232,761
		=====	=====
8	Bank Overdraft	2023	2022
		GH¢	GH¢
	National Investment Bank Ltd	25,067	94,350
		=====	=====

Continued

Architectural and Engineering Services Ltd

Notes to the financial statements

For the year ended 31 December 2023

9a	Taxation				
	CURRENT TAX	Opening Balance	Tax Charged	Tax Paid	Closing Balance
		GHe	GHe	GHe	GHe
	2010-2013	816,134		-	816,134
	2014	(190,561)		-	(190,561)
	2015	57,997		(206)	57,791
	2016	(452,925)		(112,741)	(565,666)
	2017	(144,672)		(17,487)	(162,159)
	2018	(510,917)		-	(510,917)
	2019	(431,790)		-	(431,790)
	2020	(611,844)		(54,591)	(666,435)
	2021	192,508		(29,952)	162,556
	2022	1,184,120		(86,923)	1,097,197
	2023		90,353	(343,097)	(252,744)
		<u>(91,950)</u>	<u>90,353</u>	<u>(644,997)</u>	<u>(646,594)</u>
		=====	=====	=====	=====
9b	DEFERRED TAX			2023	2022
				GHe	GHe
	Balance as at 1 January, 2023			1,888,226	2,253,345
	Charge/ (Credit)			(488,393)	(365,119)
	Balance at 31 December, 2023			<u>1,399,833</u>	<u>1,888,226</u>
				=====	=====
9c	INCOME TAX EXPENSE			2023	2022
				GHe	GHe
	Current Income Tax			90,353	1,568,755
	Deferred Tax			(488,393)	(365,119)
				<u>(398,040)</u>	<u>1,203,636</u>
				=====	=====
10	LONG TERM LIABILITIES				
	These are VAT and Levies due Ghana Revenue Authority treated as long term Liabilities due to unpaid projects.			2023	2022
				GHe	GHe
	VAT and Levies- Ministry of Education			2,414,639	2,414,639
	VAT- Others			7,484,668	7,484,668
	GETFUND, NHIL			1,416,467	1,416,467
				<u>11,315,774</u>	<u>11,315,774</u>
				=====	=====
11	STATED CAPITAL				
	(a) The number of authorised number of Shares is 50,000,000 Ordinary Shares of no par Value.				
	(b) Stated Capital is represented by:				
		2023		2022	
		Number	GHe	Number	GHe
	Issued for Cash Consideration	50,000,000	209,060	50,000,000	209,060
	Issued for consideration other than cash	-	-	-	-
		<u>50,000,000</u>	<u>209,060</u>	<u>50,000,000</u>	<u>209,060</u>
		=====	=====	=====	=====
	(c) There were no shares in treasury and no calls or allotments unpaid on any share.				
12	STAFF WELFARE				
	This represents 5% of the company's annual net profit which is transferred to a staff welfare fund. The movement is as follows:			2023	2022
				GHe	GHe
	Balance at 1 January, 2023			381,627	381,627
	Transfer from Income Surplus			-	-
	Balance at 31 December, 2023			<u>381,627</u>	<u>381,627</u>
				=====	=====

Continued

Architectural and Engineering Services Ltd

Notes to the financial statements

For the year ended 31 December 2023

13 Revenue	<u>2023</u>	<u>2022</u>
	<u>GHC</u>	<u>GHC</u>
Fee Income	21,462,851	21,763,544
	=====	=====
14 Other Income	<u>2023</u>	<u>2022</u>
	<u>GHC</u>	<u>GHC</u>
Interest Income	3,033	5,225
Rental Income	135,264	733,666
Tender/Contract Document/Certificate fees	87,195	74,300
Equipment Hire	8,000	25,125
Gain on Exchange	3,136	2,436
Proceeds from Sale of PPE	1,000	142,330
Miscellaneous Income	38,383	22,965
	-----	-----
	276,011	1,006,047
	=====	=====
15 General Operations & Administrative Expenses	<u>2023</u>	<u>2022</u>
	<u>GHC</u>	<u>GHC</u>
Directors Emoluments (Board Expenses)	83,600	187,880
Salaries and Wages	10,726,076	9,597,766
Depreciation	2,428,611	2,380,820
Bank charges and Interest	35,457	22,825
Audit Fee	70,000	59,036
Other Cost (Note 18)	6,447,073	5,802,539
	-----	-----
	19,790,817	18,050,866
	=====	=====
16 Contingencies		
There were no contingent assets and liabilities as of 31 December, 2023 (2022:nil)		
17 Events after the reporting date		
There were no adjusting events after the balance sheet date.		

Continued

Architectural and Engineering Services Ltd

Notes to the financial statements

For the year ended 31 December 2023

18 Other Costs	<u>2023</u>	<u>2022</u>
	<u>Ghc</u>	<u>Ghc</u>
Communications	112,031	67,066
Donation & Sponsorship	50,000	22,000
Electricity and Water	484,106	359,203
Fuel and Lubricants	807,917	881,573
Printing and Stationery	255,405	221,152
Repairs and Maintenance	736,761	754,524
Hotel Accommodation and Meals	337,448	364,051
Travelling and Transport	224,169	320,948
Sanitation Expenses	174,696	152,736
Advertisement and Publicity	2,174	8,638
Computer Service and Maintenance	25,467	26,288
Insurance, License and Registration	156,719	199,288
Sub-consultancy	795,742	506,100
Furnishing and Decoration	18,373	9,614
Subscription	81,085	35,780
Vehicle/ Equipment Hiring	136,776	31,180
Protocol	224,081	299,577
Business Development	496,310	511,350
Penalties	-	170,000
Handling/Carriage	2,638	1,600
Honorarium	48,000	12,617
May Day Celebration	-	10,400
Land Clearing/Other Expenses-Survey works	-	3,400
Legal Expenses	42,030	21,487
Funeral Expenses	103,970	124,040
Newspapers and Periodicals	15,266	18,177
Debt Collection	1,009,498	602,131
Rents and Rates	36,836	52,638
Seminars/Workshop/ Conferences	65,390	11,625
Protective Clothing	4,185	3,356
	<u>6,447,073</u>	<u>5,802,539</u>

ARCHITECTURAL & ENGINEERING SERVICES LTD
INCOME TAX COMPUTATION
YEAR OF ASSESSMENT 2023

	<u>2023</u>	<u>2022</u>
	<u>GHC</u>	<u>GHC</u>
Net Loss per accounts	167,113	160,974
Add Back:		
Depreciation	2,428,611	2,380,820
Provision for impairment charge /(recovery)	(1,780,932)	4,557,751
Penalties	-	170,000
Donations	50,000	22,000
	-----	-----
	864,792	7,291,545
Deduct :		
Rental Income	(135,264)	(733,666)
	-----	-----
Adjusted Profit	729,528	6,557,879
Less:		
Capital Allowance	468,830	723,057
	-----	-----
Chargeable income/ (tax Loss)	260,698	5,834,822
	=====	=====
Tax Charged:		
Tax Charged @ 25%	65,175	1,458,706
Tax Charged @ 15% (Rent Income)	20,290	110,050
Growth and Sustainability Levy @ 2.5%	4,888	-
	-----	-----
Total Tax Charged for the year	90,352	1,568,755
	=====	=====

**ARCHITECTURAL & ENGINEERING SERVICES LTD
DEPRECIATION ALLOWANCE COMPUTATION (DRAFT)
YEAR OF ASSESSMENT: 2023**

CLASS	COST BASE GH¢	RATE %	WDV B/F GH¢	DISPOSAL GH¢	NET ASSET GH¢	ADDITIONS GH¢	TOTAL GH¢	DEPRECIATION ALLOWANCE GH¢	WDV C/F GH¢
CLASS 1		40%	122,651	-	122,651	152,205	274,856	109,942	164,914
CLASS 2		30%	700,843	-	700,843	152,205	853,048	255,914	597,134
CLASS 3		20%	514,869	-	514,869		514,869	102,974	411,895
			1,338,363	-	1,338,363	304,410	1,642,773	468,830	1,173,944
UNUTILIZED ALLOWANCES B/FWD								<u>468,830</u>	
AVAILABLE ALLOWANCES-2023									

SUMMARY OF ALLOWANCES

	<u>2023</u> GH¢	<u>2022</u> GH¢
Balance B/Fwd	-	-
Add: Capital Allowance	<u>468,830</u>	<u>723,057</u>
TOTAL	468,830	723,057
Amount Utilised	<u>(468,830)</u>	<u>(723,057)</u>
<u>BALANCE C/Fwd</u>	<u>-</u>	<u>-</u>