

**ARCHITECTURAL AND
ENGINEERING SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS
31ST DECEMBER, 2022**

**K AND A ACCOUNTING SERVICES
CHARTERED ACCOUNTANTS
P O BOX AN 8361
ACCRA-NORTH
TEL: 0302-819412**

Architectural and Engineering Services Limited

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: Mrs. Florence Kumi-Sakyi

Registered Office: Hall of Technology
Kimbu Road
Accra

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

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

Report of the Board of Directors

For the year ended 31st December, 2022

The Directors have the pleasure in submitting their annual report for the year ended 31st December, 2022 together with the audited Statement of Financial Position as at 31st December, 2022, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended 31st December 2022.

DIRECTORS' RESPONSIBILITIES

The Companies Act 2019 (Act 992) require 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

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

➤ 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.

➤ DETAILS ON THE STATE OF AFFAIRS OF THE COMPANY

The results of operations for the year ended 31st December, 2022 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 26.

Continued

Report of the Board of Directors

For the year ended 31st December, 2022

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

OPERATIONAL RESULT

	2022 GH¢	2021 GH¢
Net Profit / (Loss) before tax	160,974	3,775,114
from which was added / deducted taxation of	(1,203,636)	(3,625,496)
Giving a net profit / (loss) of	(1,042,662)	149,618
Adding an adjustment of	-	2,377,603
Which was added to income surplus brought forward of	(9,764,148)	(12,291,369)
Leaving a net balance on income surplus account of	(10,806,810)	(9,764,148)

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 31st December, 2022 was GH¢59,036.00

Dividends

The Directors do not recommend the payment of dividend for the year ended 31st December, 2022 (2021: Nil). This is as a result of the deficit in the Income Surplus Account.

Steps Taken to Build the Capacity of Directors

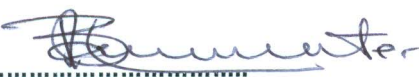
During the year under review the Directors took steps to improve their management skills by attending Seminars which is related to the business in line with the requirements of Section 136 of the Companies Act, 2019 (Act 992).

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.

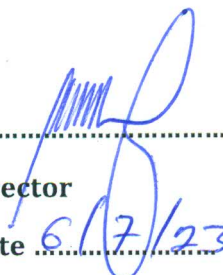
Appointment of Auditors

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 Limited for the year ended 31st December, 2022. The auditor has expressed their willingness to continue in office for the ensuing year.


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Director

Date..... 6/7/23


.....

Director

Date..... 6/7/23



K & A Accounting Services

Chartered Accountants

Independent auditor's report

To the members of Architectural and Engineering Services Limited

Opinion

We have audited the financial statements of Architectural and Engineering Services Limited, which comprise the Statement of Financial Position as at 31st December, 2022, 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 Limited as at 31st December, 2022, 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 (ISA) 810. 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 Limited in accordance with the International Code of Ethics for Professional Accountants (Including International Independence Standard) (ICEPA) and we have fulfilled our other ethical responsibilities in accordance with the ICEPAS. 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 Limited

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 Limited

- 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 Limited

Report on Other Information

The General assembly Council is responsible for the other information. The other information comprises the Report of the General Assembly Council 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. Samuel Wilson Ampah (ICAG/P/1074)**

K & A Services
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Date 7/7/.....2023

K and A Accounting Services (ICAG/F/2023/089)

Partner Signing: Samuel Wilson Ampah License No. ICAG/P/1074

Chartered Accountants

49 Boundary Road (Coastal)

Off Spintex Road

Baatsanaa

Accra

Architectural and Engineering Services Limited

Statement of Financial Position

As at 31 December 2022

Non Current Assets	Notes	2022 GH¢	2021 GH¢
Property, Plant and Equipment	3a	201,261,987	202,527,892
Construction Work-In-Progress	3b	426,767	426,767
		201,688,754	202,954,659
Current Assets			
Inventory	4	244,633	109,077
Accounts Receivables & Prepayments	5	14,237,622	4,901,269
Cash & Bank Balances	6	377,004	5,390,135
Taxation	9a	91,950	962,199
		14,951,209	11,362,680
Total Assets		216,639,963	214,317,339
Current Liabilities			
Accounts Payable and Accruals	7	9,232,761	16,912,479
Bank Overdraft	8	94,350	-
Deferred Tax Asset	9b	1,888,226	2,253,346
		11,215,337	19,165,825
Long Term Liabilities	10	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		(10,806,810)	(9,764,148)
		194,108,852	195,151,514
Total Liabilities and Equity		216,639,963	214,317,339

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 Limited

Statement of Comprehensive Income

For the year ended 31 December 2022

	<u>NOTES</u>	<u>2022</u> <u>GH¢</u>	<u>2021</u> <u>GH¢</u>
Revenue	13	21,763,544	17,146,541
Other Income	14	1,006,047	331,868
Toal Income		22,769,591	17,478,409
General Operations & Administrative Expenses	15	(18,050,866)	(15,216,156)
Net Impairment recovery / (charge)on financial assets		(4,557,751)	1,512,861
Profit (Loss) before Tax		160,974	3,775,114
Taxation	9c	(1,203,636)	(3,625,496)
Profit for the year		(1,042,662) =====	149,618 =====

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

Architectural and Engineering Services Limited

Statement of Cash Flows

For the year ended 31 December 2022

	<u>2022</u> <u>GHC</u>	<u>2021</u> <u>GHC</u>
Cash Flow from Operating Activities		
Profit (loss) for the year	160,974	3,775,114
Adjustment to Non-Cash Items		
Depreciation	2,380,820	1,463,102
Waiver - Penalty and Interest	-	2,377,603
	<u>2,541,794</u>	<u>7,615,819</u>
Changes In Working Capital		
Inventory	(135,555)	(30,368)
Accounts receivable & prepayments	(9,336,354)	(1,023,153)
Accounts payable & accruals	(7,679,718)	(2,166,979)
Long Term Liability	11,315,774	-
Net Changes in operating activities	<u>(3,294,059)</u>	<u>4,395,319</u>
Tax paid	(698,507)	(997,179)
Net cash generated from /(used in) operating activities	<u>(3,992,566)</u>	<u>3,398,140</u>
Cash Flow from Investing Activities		
Short Term Investment	-	1,542,902
Purchase of Property, Plant and Equipmet	(1,230,323)	(296,637)
Proceeds from sale of Property, Plant and Equipment	115,409	-
Net cash used in Investing activities	<u>(1,114,914)</u>	<u>1,246,265</u>
Cash flow from Financing activities		
Bank overdraft	94,350	-
Net Cash generated from Financing activities	<u>94,350</u>	<u>-</u>
Increase / (decrease) in cash and cash equivalents	<u>(5,013,131)</u>	<u>4,644,405</u>
Bank and Cash balance at 1st January	5,390,135	745,730
Bank and cash balance at 31 December	<u>377,004</u> <u>=====</u>	<u>5,390,135</u> <u>=====</u>

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

Statement of Changes in Equity

For the year ended 31 December 2022

31 December, 2022

	<u>Share Capital</u> <u>GH¢</u>	<u>Income Surplus</u> <u>GH¢</u>	<u>Capital Surplus</u> <u>GH¢</u>	<u>Welfare Fund</u> <u>GH¢</u>	<u>Total</u> <u>GH¢</u>
Balance as at January 1, 2022	209,060	(9,764,148)	204,324,975	381,627	195,151,514
Loss 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

31 December, 2021

	<u>Share Capital</u> <u>GH¢</u>	<u>Income Surplus</u> <u>GH¢</u>	<u>Capital Surplus</u> <u>GH¢</u>	<u>Welfare Fund</u> <u>GH¢</u>	<u>Total</u> <u>GH¢</u>
Balance as at January 1, 2021	209,060	(12,291,369)	11,216,173	381,627	(484,509)
Profit for the year	-	149,618	-	-	149,618
Revaluation Surplus			193,108,802		193,108,802
PAYE / SSNIT WAIVER		2,377,603			2,377,603
Balance as at December 31, 2021	209,060	(9,764,148)	204,324,975	381,627	195,151,514

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 2022

1.0 CORPORATE INFORMATION

1.1 Registration and Nature of Business

Architectural and Engineering Services Limited (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 Limited (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 Limited 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 Limited

Notes to the financial statements

For the year ended 31 December 2022

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 Limited

Notes to the financial statements

For the year ended 31 December 2022

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 Limited

Notes to the financial statements

For the year ended 31 December 2022

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 Limited

Notes to the financial statements

For the year ended 31 December 2022

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 Limited

Notes to the Financial Statements

For the year ended 31 December 2022

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	149,186,969	51,540,153	4,618,278	1,259,465	121,492	459,776	207,186,133
Accumulated Depreciation							
Balance as at 1/1/2022	-	773,104	2,806,615	82,716	12,149	66,031	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	-	2,061,608	3,404,966	240,149	36,447	180,975	5,924,146
Net Book Value							
Balance as at 31/12/2022	149,186,969	49,478,545	1,213,312	1,019,316	85,045	278,801	201,261,987

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 Limited

Notes to the Financial Statements
For the year ended 31 December 2022

3 Property, Plant and Equipment-2021

	Land	Buildings 3%	Motor Vehicles 25%	Furniture, Fitting & Fixtures 12.5%	Engineering Equipment 20%	Computers & Accessories 25%	Total
Cost / Valuation:	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>
Balance as at 01/01/2021	5,256,013	5,947,655	3,968,590	1,469,729	188,350	481,222	17,311,560
Additions	-	-	-	187,717	-	108,922	296,639
Disposals	-	-	(103,771)	-	-	-	(103,771)
Revaluation Surplus	143,930,956	47,932,495	-	559,886	121,492	284,965	192,829,794
Release on Revaluation	-	(2,339,997)	-	(1,081,587)	(188,350)	(455,782)	(4,065,716)
Balance as at 31/12/2021	149,186,969	51,540,153	3,864,819	1,135,745	121,492	419,327	206,268,506
Accumulated Depreciation:							
Balance as at 01/01/2021	-	2,339,999	2,381,283	1,081,587	188,350	455,782	6,447,001
Disposals	-	-	(103,771)	-	-	-	(103,771)
Charge for the year	-	773,102	529,103	82,716	12,149	66,031	1,463,102
Release on Revaluation	-	(2,339,997)	-	(1,081,587)	(188,350)	(455,782)	(4,065,716)
Balance as at 31/12/2021	-	773,104	2,806,615	82,716	12,149	66,031	3,740,614
Net Book Value							
Balance as at 31/12/2021	149,186,969	50,767,049	1,058,204	1,053,029	109,343	353,296	202,527,892

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Architectural and Engineering Services Limited

Notes to the Financial Statements

For the year Ended 31st December, 2022

3b Contruction Work - In - Progress

Contruction 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 31ST DECMBER, 2022</u>	<u>BALANCE</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	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 31ST DECMBER, 2021</u>	<u>BALANCE</u> <u>1/1/2021</u> GH¢	<u>ADDITIONS</u> GH¢	<u>COMPLETED</u> <u>& TRANSFER</u> GH¢	<u>BALANCE</u> <u>31/12/2021</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 Limited

Notes to the Financial Statements

For the year Ended 31st December, 2022

4	Inventory	2022	2021
		GHC	GHC
	Architectural Materials / Stationery	83,755	101,193
	Other Items	160,878	7,883
		<u>244,633</u>	<u>109,076</u>
		=====	=====
5	Accounts Receivable & Prepayments	2022	2021
		GHC	GHC
	Trade Debtors	35,494,272	21,716,248
	Staff Debtors	2,611	1,009
	Branch / Divisions	199,015	57,663
	GRA-Withholding Taxes	8,493	8,493
	Other Debtors	3,172	30,046
		<u>35,707,563</u>	<u>21,813,459</u>
		=====	=====
	Less: Impairment Provision	(21,469,941)	(16,912,190)
		<u>14,237,622</u>	<u>4,901,269</u>
		=====	=====
6	Cash and Bank Balances	2022	2021
		GHC	GHC
	Bank Balance	341,336	5,352,167
	Cash in Hand	6,700	14,226
	Call Deposit	28,968	23,742
		<u>377,004</u>	<u>5,390,135</u>
		=====	=====
7	Accounts Payables and Accruals	2022	2021
		GHC	GHC
	GRA-VAT	1,587,655	10,131,816
	SSNIT	1,340,712	1,528,754
	GRA-PAYE	560,271	332,677
	GRA-Withholding Taxes	139,604	101,202
	Rent Deductions	199,768	150,742
	TUC Dues	35,850	1,280
	Project Creditors	1,221,710	1,557,459
	Accrued Terminal Benefits	3,032,481	2,707,114
	Accrued Expenses	591,351	-
	Sundry Creditors	387,870	283,706
	Staff Salaries Arrears	1,080	1,080
	Staff Welfare Fund Dues/Loans Deductions	134,409	116,650
		<u>9,232,761</u>	<u>16,912,480</u>
		=====	=====
8	Bank Overdraft	2022	2021
		GHC	GHC
	Bank Overdraft	94,350	-
		<u>94,350</u>	<u>-</u>
		=====	=====

Continued

Architectural and Engineering Services Limited

Notes to the financial statements

For the year ended 31st December, 2022

9a	Taxation				
	CURRENT TAX	Opening Balance GH¢	Tax Charged GH¢	Tax Paid GH¢	Closing Balance GH¢
	2010-2013	816,133	-	-	816,133
	2014	(190,561)	-	-	(190,561)
	2015	57,997	-	-	57,997
	2016	(452,925)	-	-	(452,925)
	2017	(143,809)	-	(863)	(144,672)
	2018	(510,513)	-	(404)	(510,917)
	2019	(417,863)	-	(13,927)	(431,790)
	2020	(611,765)	-	(79)	(611,844)
	2021	491,107	-	(298,599)	192,508
	2022	-	1,568,755	(384,635)	1,184,120
		<u>(962,199)</u>	<u>1,568,755</u>	<u>(698,507)</u>	<u>(91,950)</u>
9b	DEFERRED TAX			2022 GH¢	2021 GH¢
	Balance as at 1 January, 2022			2,253,346	(591,316)
	Charge/ (Credit)			(365,119)	2,844,662
	Balance at 31 December, 2022			<u>1,888,227</u>	<u>2,253,346</u>
9c	INCOME TAX EXPENSE			2022 GH¢	2021 GH¢
	Current Income Tax			1,568,755	780,834
	Deferred Tax			(365,119)	2,844,662
				<u>1,203,636</u>	<u>3,625,496</u>
10	LONG TERM LIABILITIES				
	These are VAT and Levies due Ghana Revenue Authority treated as long term Liabilities due to unpaid projects.			2,022 GH¢	2021 GH¢
	VAT and Levies- Ministry of Education			2,414,639	-
	VAT- Others			7,484,668	-
	GETFUND, NHIL			1,416,467	-
				<u>11,315,774</u>	<u>-</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:				
		2022		2021	
		Number	GH¢	Number	GH¢
	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 installations 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:			2022 GH¢	2021 GH¢
	Balance at 1st January, 2022			381,627	381,627
	Transfer from Income Surplus			-	-
	Balance at 31st December, 2022			<u>381,627</u>	<u>381,627</u>

Continued

Architectural and Engineering Services Limited

Notes to the financial statements

For the year ended 31 December 2022

13 Revenue	<u>2022</u>	<u>2021</u>
	<u>GHC</u>	<u>GHC</u>
Fee Income	21,763,544	17,146,541
	=====	=====
 14 Other Income	 <u>2022</u>	 <u>2021</u>
	<u>GHC</u>	<u>GHC</u>
Interest Income	5,225	35,664
Rental Income	733,666	149,149
Tender/Contract Document/Certificate fees	74,300	76,550
Equipment Hire	25,125	28,500
Gain on Exchange	2,436	143
Proceeds from Sale of PPE	142,330	10,449
Miscellaneous Income	22,965	31,413
	-----	-----
	1,006,047	331,868
	=====	=====
 15 General Operations & Administrative Expenses	 <u>2022</u>	 <u>2021</u>
	<u>GHC</u>	<u>GHC</u>
Directors Emoluments (Board Expenses)	187,880	276,538
Salaries and Wages	9,597,766	7,333,570
Depreciation	2,380,820	1,463,103
Bank charges and Interest	22,825	15,978
Audit Fee	59,036	49,197
Other Cost (Note 18)	5,802,539	6,077,770
	-----	-----
	18,050,866	15,216,156
	=====	=====
 16 Contingencies		
There were no contingent assets and liabilities as of 31st December, 2022 (2021:nil)		
 17 Events after the reporting date		
There were no adjusting events after the balance sheet date.		

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Architectural and Engineering Services Limited

Notes to the financial statements

For the year ended 31 December 2022

18 Other Costs	<u>2022</u> <u>GHC</u>	<u>2021</u> <u>GHC</u>
Communications	67,066	51,092
Donation & Sponsorship	22,000	6,500
Electricity and Water	359,203	357,657
Fuel and Lubricants	881,573	734,546
Printing and Stationery	221,152	280,081
Repairs and Maintenance	754,524	866,813
Hotel Accommodation and Meals	364,051	324,387
Travelling and Transport	320,948	162,843
Sanitation Expenses	152,736	186,786
Advertisement and Publicity	8,638	87,701
Computer Service and Maintenance	26,288	39,446
Insurance, License and Registration	199,288	162,982
Sub-consultancy	506,100	676,045
Furnishing and Decoration	9,614	14,290
Subscription	35,780	143,220
Vehicle/ Equipment Hiring	31,180	21,360
Protocol	299,577	202,823
Business Development	511,350	749,178
Penalties	170,000	96,000
Handling/Carriage	1,600	2,988
Honorarium	12,617	3,000
May Day Celebration	10,400	14,040
Land Clearing/Other Expenses-Survey works	3,400	1,539
Legal Expenses	21,487	7,190
Funeral Expenses	124,040	102,276
Newspapers and Periodicals	18,177	11,979
Debt Collection	602,131	703,580
Rents and Rates	52,638	67,428
Seminars/Workshop/ Conferences	11,625	-
Protective Clothing	3,356	-
	<u>5,802,539</u>	<u>6,077,770</u>

ARCHITECTURAL & ENGINEERING SERVICES LIMITED
INCOME TAX COMPUTATION
YEAR OF ASSESSMENT 2022

	<u>2022</u> <u>GHC</u>	<u>2021</u> <u>GHC</u>
Net Loss per accounts	160,974	3,775,114
Add Back:		
Depreciation	2,380,820	1,463,102
Provision for impairment charge /(recovery)	4,557,751	(1,512,861)
Penalties	170,000	96,000
Donations	22,000	6,500
	<u>7,291,545</u>	<u>3,827,855</u>
 Deduct :		
Rental Income	(733,666)	(149,149)
Adjusted Profit	<u>6,557,879</u>	<u>3,678,706</u>
 Less:		
Capital Allowance	723,057	644,858
Chargeable income/ (tax Loss)	<u>5,834,822</u> <u>=====</u>	<u>3,033,848</u> <u>=====</u>
 Tax Charged:		
Tax Charged @ 25%	1,458,705	758,462
Tax Charged @ 15% (Rent Income)	110,050	22,372
 Total Tax Charged for the year	<u>1,568,755</u> <u>=====</u>	<u>780,834</u> <u>=====</u>

ARCHITECTURAL & ENGINEERING SERVICES LIMITED
DEPRECIATION ALLOWANCE COMPUTATION
YEAR OF ASSESSMENT: 2022

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	40,450	163,101	65,240	97,861
CLASS 2		30%	1,013,538	(312,695)	700,843	1,066,154	1,766,997	530,099	1,236,898
CLASS 3		20%	514,869	-	514,869	123,720	638,589	127,718	510,871
			1,651,058	(312,695)	1,338,363	1,230,324	2,568,687	723,057	1,845,630
UNUTILIZED ALLOWANCES B/FWD								-	
AVAILABLE ALLOWANCES-2022								<u>723,057</u>	

SUMMARY OF ALLOWANCES

	<u>2022</u> <u>GH¢</u>	<u>2021</u> <u>GH¢</u>
Balance B/Fwd	-	-
Add: Capital Allowance	<u>723,057</u>	<u>644,858</u>
TOTAL	<u>723,057</u>	<u>644,858</u>
Amount Utilised	<u>(723,057)</u>	<u>(644,858)</u>
<u>BALANCE C/Fwd</u>	<u>-</u>	<u>-</u>