

{Day, Month, Year}

**Accounting and Business Support Services**

{Job Title}  
{Company Name}  
{Business Address Line 1}  
{Business Address Line 2}  
{Business Address Line 3}

**Attention: {Contact Person}**

Dear Sir,

**Proposal to provide Professional Accounting and Business Support Services**

We refer to your email correspondence of {Day, Month, year} with our {Staff Name} on the above subject. We are pleased to submit herein, a proposal to {Company Name} detailing how we can be of assistance to the company with respect to providing accounting services.

**1. Our understanding of your requirements****a. About {Prospective Client}**

{Summary of prospective client's business and professional services needs}

**b. Nigerian Business Exploit**

With a population of about 200 million and annual growth rates of 2.6%, Nigeria cannot be ignored as an investment destination in Africa. Nigeria is the most populous black nation and offers incredible returns for investors willing to take the risk.

When looked at differently, the economic challenges in Nigeria are actually opportunities. The decay in its infrastructure is a limiting factor but it is also an opportunity for investors. It was forecasted that Nigeria's GDP will hit \$3.3tn (£2.65trillion) by 2050, and that the economic output of Lagos, the vibrant commercial hub of Southwest region of Nigeria, alone will overtake that of Ghana. These are opportunities waiting to be seized by well-informed investors. As part of its economic reform, the Nigerian government has introduced both general and specific incentives to investors in Nigeria.

However, as a result of the relative complexity of doing business in Africa and particularly in Nigeria, truly focused foreign investors concentrate on what they do best, while outsourcing non-core functions. Outsourcing non-strategic and relatively complex business functions can be a sustainable decision in the best interest of any investor in Africa.

The Company is keen to apply the highest standard of accounting policies and put appropriate accounting processes in place. {Company Name} is also committed to complying with all the

**Trusted Advisors to Growing Businesses**

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provisions of the Companies and Allied Matters Act (CAMA) and the Financial Reporting Council of Nigeria (FRC) Act. The company has therefore, requested Stransact to assist in realizing these objectives— professional accounting and business support services.

## **2. Our Credentials**

### **a. About Us**

**Stransact Audit** renders assurance services, Financial Reporting and IFRS services, Accounting and Book-keeping services and other attest-type services to numerous clients.

Our sister firm, **Stransact Partners** is the advisor of choice for discerning growing businesses. Stransact's strength is in advisory services and it is renowned for its dedication to seeing companies in emerging markets assess premium transactions and advisory services at a fraction of the true value. We delight in the knowledge that we are trusted advisors to the next generation of super companies. We have excellent experience in working on strategic advisory, tax advisory, and transactions advisory projects. Value is the watch word that guides every assignment we undertake.

Please visit [www.stransact.com](http://www.stransact.com) to learn more about our services.

### **b. Stransact Advantage**

**Our approach to work ensures that the product of our engagements will withstand the highest level of professional scrutiny; more importantly we understand advantage. Your corporate strategy is all about securing advantage for your company in the market and that is why Stransact ensures that you obtain that advantage in all your transactions. Our overall objective is to help you win - All the time.**

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## c. Our Clients

Since we began servicing our clients in January 2009, we have performed Financial Reporting services, IFRS services, Accounting and Book-keeping services and other attest-type services for some of the leading brands in Nigeria. Companies that have benefited from our services include but are not limited to the following:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• JMH Group (46 Parallels Nigeria Limited)</li> <li>• Platform Petroleum Limited</li> <li>• First Hydrocarbon Nigeria Company Ltd</li> <li>• Afren Energy Services Limited</li> <li>• Oriental Energy Resources Limited</li> <li>• Lekoil Limited</li> <li>• OPI International Nigeria Limited</li> <li>• SEPLAT Petroleum Development Company Plc</li> <li>• Cement Company of Northern Nigeria Plc (CCNN)</li> <li>• Mansfield Energy Nigeria Limited</li> <li>• Geosurvey Nigeria Limited</li> <li>• Kuehne &amp; Nagel Nigeria Limited</li> <li>• Hull Blyth Nigeria Limited</li> <li>• Groupe Aldelia Limited</li> <li>• Best Service Raya Distribution Nigeria Ltd</li> <li>• Financial Institutions Training Centre (FITC)</li> <li>• British American Tobacco (Nigeria) Ltd (BAT)</li> <li>• EL-ALAN Construction Company (Nigeria)</li> <li>• African Circle Pollution Management Limited</li> <li>• Oando Plc</li> <li>• Chevron</li> <li>• MTN</li> <li>• Sifa Gardens Hotel Limited</li> <li>• Xynergy Global Limited</li> <li>• Mansfield Properties Nigeria Limited</li> <li>• Federal Inland Revenue Service (FIRS)</li> </ul> | <ul style="list-style-type: none"> <li>• Consolidated Discount House Limited (CDL)</li> <li>• South Atlantic Petroleum (SAPETRO)</li> <li>• First Capital Trust Plc</li> <li>• Sterling Bank Plc</li> <li>• Nestle Plc</li> <li>• Technip Offshore Nig. Ltd</li> <li>• ENI Saipem Nigeria</li> <li>• Mainone Cables</li> <li>• Standard Alliance Insurance</li> <li>• Associated Discount House Limited</li> <li>• Sahara Group</li> <li>• GlaxoSmithKline Nigeria</li> <li>• BGL Plc</li> <li>• Vodacom</li> <li>• Africa Practice Limited</li> <li>• Nigerian National Petroleum Corp. (NNPC)</li> <li>• Stellar Group</li> <li>• Team Nigeria</li> <li>• Tandridge District Council (UK)</li> <li>• Mainstreet Bank (former Afribank Nigeria Plc)</li> <li>• Access Bank Plc</li> <li>• Brass LNG Ltd</li> <li>• Bluebird Communications</li> <li>• Statoil</li> <li>• Nordica Fertility Centre</li> <li>• VF Global Services Nigeria Limited (VFS)</li> <li>• Konga Online Shopping Limited</li> <li>• African Alliance Insurance Plc</li> <li>• HydroDive Nigeria Limited</li> </ul> |
|--|---|

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### 3. Scope of Services

Every investor who wishes to do business in Nigeria is mandated to comply with some statutory requirements; our specialty has been proven to be supporting businesses through this stage and beyond.

We shall provide you with services to cover the entire spectrum of your accounting responsibilities in Nigeria. These services include, but not limited, to the following:

#### A. Accounting Services

- i) Setting up of Book keeping and Accounting System
  - ✓ Design Chart of Accounts in accordance with the requirements of International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS). The company's existing Chart of Accounts would be considered in the process of the new design
  - ✓ Design relevant Accounting Policies
  - ✓ Design of standard Invoicing and Vouching system
  - ✓ Design of official Receipts, Vouchers, Ledgers and other source documents
  - ✓ Design of suitable Imprest System
- ii) Preparation of Final Accounts
  - ✓ Request for copies of your Bank Statement and Petty Cash Book on a monthly basis for preparation of Bank Reconciliation Statement and posting to ledgers using the QuickBooks Accounting Software
  - ✓ Request for copies of Invoices raised on customers/Sales Receipts, Payment Vouchers, Bank Statement and source documents to their respective ledgers using the QuickBooks Accounting Software
  - ✓ Summarizing the ledgers to General Ledger
  - ✓ Extraction of Trial Balance
  - ✓ Preparation of Management Reports
  - ✓ Sending of Monthly Management Reports and Bank Reconciliation Statement

#### B. Payroll Management Services

- i) Ascertain employee's annual emoluments
- ii) Obtain monthly variation instructions from you for your various employees
- iii) Processing the monthly payroll of the employees (Nigerian staff and Expatriate) of the Company
- iv) Compute other employee-related obligations such as Pension, ITF, NHF and NSITF contributions and advice on the amount payable
- v) Generate reports with respect to net salaries payable; PAYE tax payable; Pension Contribution, ITF, NHF and NSITF contributions
- vi) Generate payslips based on approved payroll report
- vii) Send payslips to individual employees electronically
- viii) Generate payroll journal report for finance department use

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#### 4. Our Assignment Team

**Eben F Joels**, Partner, manages our United States practice, Stransact LLP (Certified public Accountants and Advisors). Eben will oversee quality assurance on this project.

##### **Key Accomplishments**

- ✓ Worked for almost a decade with the big brands Arthur Andersen, KPMG, and PricewaterhouseCoopers (PwC).
- ✓ Eben's multiple Accounting expert certifications include:
  - Fellow, Institute of Chartered Accountants of Nigeria (ICAN);
  - Fellow, Chartered Institute of Taxation of Nigeria (CITN),
  - Certified Management Accountant (CMA), Institute of Management Accountants of the US (IMA),
  - Certified Public Accountant (CPA), American Institute of Certified Public Accountants (AICPA); and
  - Associate, Association of Chartered Certified Accountants (ACCA, UK).
- ✓ Eben obtained his Juris Doctor (Business Law) from the Massachusetts School of Law, Andover (USA)
- ✓ He has attended the Executive Development Program (EDP) of the Wharton Business School (University of Pennsylvania, USA).
- ✓ The Advanced Management Program (AMP) of the Columbia Business School (Columbia University, New York).

**Yomi Salawu**, Partner and leader of our Nigerian practice Stransact Audit (Chartered Accountants) will lead the team that will serve you.

##### **Key Accomplishments**

- ✓ Worked with one of the leading Financial Institutions in Nigeria.
- ✓ Practical knowledge of insurance and risk management of prime assets
- ✓ About a decade as a leading advisor on oil and gas transactions
- ✓ Yomi is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN)
- ✓ Associate of the Chartered Institute of Taxation of Nigeria (CITN)
  - He graduated with a distinction (first class) from the University of Lagos
  - He holds a Masters of Science (Msc) in Finance
- ✓ Has several accounting and support experience in business start-ups, mergers, spin-offs, and leverage transactions over the last decade.

Other experienced staff would be assigned on a need basis.

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## 5. Contract Period

Upon the acceptance of this proposal, it shall become a binding contract and shall be in force for one year beginning from the date of assent by {Company Name}. The contract shall thereafter subsist subject to any review which must be agreed to by the parties.

## 6. Duty of Care

We undertake that we will exercise due care in the performance of our work in accordance with applicable professional standards. In the event that our work or any part thereof does not comply with this undertaking, we will as much as possible remedy the deficiency by redoing the relevant tasks. Should you be unsatisfied with our work following our remedial measures, we would submit to any arbitration process you may initiate. It is reasonable that we agree the maximum amount of our potential liability in the event of any breach of contract by us. This maximum amount shall be limited to any fees we have received on this assignment.

## 7. Communication

**The product(s) of our work** will be documentations between **Stransact** and **{Company Name}** which when put together will evidence our work. Such documentations will be received and accepted by **the {Designated Position}** of the Company or any other officer designated by you as the **lead user of our product(s)**.

**Our communications with you are confidential** and would not be disclosed to third parties without your approval. However, our working papers may be reviewed internally by certain international firms to which we subscribe for peer review. In such instances, we shall take all reasonable care to ensure that the content of such working papers are restricted to the purpose - to ensure quality in our work.

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## 8. Our Fees

We believe that “value for money” is an important consideration for you. We also believe that as a growing business, it is in our best interest to forge a sustainable healthy relationship with you. Accordingly, our fee quote below seeks to deliver measurable value in excess of the cost of our engagement.

Our fees are based on the time and level of expertise required for the assignment. Our fees are exclusive of VAT and out-of-pocket expenses, such as transportation, stationery, etc. Please find below, the breakdown of our fees:

Service	Annual Fee US\$
Accounting Services	XXXX
Payroll Management Services (Complimentary for first 5 Employees)	-
Relationship Discount	XXXX (XX)
<b>Total</b>	<b>XXX</b>

We shall bill this amount in four (4) equal instalments at the beginning of each quarter. The fee quote above does not include VAT and out of pocket expenses that are agreed or that are duly invoiced and receipted by third parties. Such VAT and out of pocket expenses shall be added to the fees when invoices are raised. Also, you can also pay the dollar amount in Naira equivalent; however, the naira equivalent of the fee is based on the open market rate as at the date of the invoice (open market rate is the average rate at which USD can be purchased from official Bureau D Change (BDC) in Nigeria). Do kindly comply with this requirement to facilitate our ability to serve you efficiently.

## 9. Any other services required outside the above shall be billed at our charge out rate listed below:

Partner: \$180/hour  
 Manager: \$120/hour  
 Senior Associate: \$70/hour  
 Associate: \$40/hour

Any fees based on the rates listed above shall be discussed and agreed with you before billing.

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## 10. Other Services Stransact can offer to you

- **Fixed Assets Management**

- ✓ Reconciliation of Assets Register with physical assets in all locations
- ✓ Ensuring that unique reference exists between each asset in the register and the department where it is located
- ✓ Identification and tagging of the respective assets in all locations
- ✓ Ensuring that physical transfer of assets and disposals are easily processed in the asset register
- ✓ Ensure that every asset in the register exists physically in the recorded location
- ✓ Providing pre-printed tags and training to enable your staff tag newly acquired assets without recourse to us. This will guarantee an up-to-date asset register at all times

- **Withholding Tax (WHT) Compliance Services**

- ✓ Review of the Company's WHT schedules of payments to suppliers/contractors and vendors invoices to ensure that deductions are made at the appropriate rates
- ✓ Advise on the WHT amount to be remitted to the relevant tax authority
- ✓ Follow up on remittance of the WHT so deducted to the appropriate tax authority
- ✓ Obtaining WHT receipts and credit notes in respect of the remittances made
- ✓ Liaising and corresponding with the Revenue on any compliance monitoring queries in respect of the monthly WHT filing
- ✓ Updating the Company on any changes in the WHT legislation

- **Value Added Tax (VAT) Compliance Services**

- ✓ Review of the Company's Sales Invoices to ascertain the appropriate VAT payable to the Revenue
- ✓ Advise on the VAT amount to be remitted to the Federal Inland Revenue Service
- ✓ Follow up on remittance of the VAT payable and obtain the VAT receipts
- ✓ Preparation and filing of monthly VAT returns
- ✓ Liaising and corresponding with the Revenue on any compliance monitoring queries in respect of the monthly VAT filing
- ✓ Updating the Company on any changes in the VAT legislation

- **Companies Income Tax (CIT) Compliance Services**

- ✓ Preparation and filing of annual income tax returns with the Revenue
- ✓ Assisting in applying for WHT credit utilization to offset income tax liability
- ✓ Processing and obtaining annual corporate Tax Clearance Certificate (TCC)
- ✓ Responding to routine queries by the FIRS on tax returns and computations, reporting to you and advising as necessary on any contentious matters
- ✓ Liaising with the FIRS to resolve issues relating to corporate tax monitoring exercise

- **Provision of General Advisory services**

- ✓ Rendering specific opinions /advice based on request



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## 11. Conclusion

We thank you for the opportunity given to us to provide Accounting Services to the Company and look forward to working with you on this assignment.

If you are in agreement with our proposal, please indicate acceptance by signing a copy of this proposal and returning same to us and it shall be deemed to be our engagement letter thereafter.

Please contact the undersigned on **+1-9785017900**, email [eben.joels@stransact.com](mailto:eben.joels@stransact.com) or 'Yomi Salawu on **+234-7031290007**, email [yomi.salawu@stransact.com](mailto:yomi.salawu@stransact.com) for any clarification you may require on the above.

Thank you.

Yours faithfully,  
f: **Stransact Audit**

Eben F. Joels  
**Country Partner**

**Copy to be returned to Stransact**

This proposal is accepted on behalf of **{Company Name}** by:

.....  
Name of Authorised Person

.....  
Signature of Authorised Person/Date