

COMPANY PROFILE

1.0 INTRODUCTION OF LEXSERVE CONSULTING

Lexserve Consulting Limited is a Consultancy Firm based in Nairobi, Kenya. It was born out of **Muma & Kanjama Advocates** and has grown out of the need to respond to the growing needs of clients seeking consultancy services.

Lexserve Consulting Limited is accessible to our clients and highly embrace technology and innovation in ensuring timely client service. Our services include:

- a) Audit of strategic plans.
- b) Value for money audits.
- c) Capacity building in the core business areas of strategic planning, capacity and impact assessments.
- d) Tax advisory services and preparation for Kenya Revenue Authority Audits.
- e) Accounting related services to Law Firms.
- f) Tele-legal Services.
- g) Project due-diligence services.

The above services have been developed from our continuous engagement with our clients. While we are desirous of having a one stop shop for our clients, our objective is to break the barriers of space and time to foster speedy and cost-effective service delivery.

2.0 MISSION, VISION AND CORE VALUES

i. VISION STATEMENT.

Our Vision is to be a market leader in providing research driven advisory solutions to our clients.

ii. MISSION STATEMENT.

Our mission is to provide research-driven consultancy and capacity building services to clients.

iii. CORE VALUES

- Integrity in research and service delivery.
- Excellence.
- Innovation in adopting best global practices.
- Timeliness.

3.0 THE LEXSERVE CONSULTING TEAM

The team is composed of highly qualified, energetic and dynamic professionals on standby to provide effective solutions to our clients in the consultancy areas. In addition to the team below, Lexserve Consulting Limited has built a data-bank of credible professionals in various fields to

augment in-house expertise. Our professional diversity and expertise give us the cutting edge that has made us to be a market leader in providing research driven services geared towards addressing our clients' needs.

3.1. PROFILES FOR THE TEAM MEMBERS

3.1.1 MR. CHARLES KANJAMA.

Mr. Kanjama is the Managing Director of Lexserve Consulting Limited. He brings over twenty years' experience in Tax & Corporate Governance Consultancy, Corporate Secretarial Practice, Legal and Governance Audits, Human Resource Consulting, business restructuring and project management.

Mr. Kanjama is an Advocate of the High Court of Kenya, he holds a Bachelor of Laws (LL.B) Degree from the University of Nairobi, a Post Graduate Diploma in Law from Kenya School of Law. He is a Senior Counsel and member of the Senior Counsel Committee, the Law Society of Kenya, East African Law Society, Institute of Certified Public Accountants of Kenya, Kenya Christian Professionals Forum (KCPF) and the Chartered Institute of Arbitrators.

He is also a Fellow of Chartered Institute of Arbitration (Fellow, CIArb). He is currently pursuing Masters in Business Administration (MBA) with Strathmore University and Master of Laws (LL.M) with the University of Nairobi.

3.1.2 MR. ANDREW MUMA.

Mr. Muma is a Director and Principal Legal Consultant at Lexserve Consulting Limited bringing on board over twenty years' experience in Governance and Legal Audits, Commercial Law and Consulting.

He holds a Master of Laws (LL.M) from the University of Nairobi, a Bachelor of Laws (LL. B) Degree from the University of Nairobi and a Post Graduate Diploma in Law from Kenya School of Law. He is a member of the Law Society of Kenya, The Law Society of East Africa, and the Chartered Institute of Arbitrators. He is a Fellow of Chartered Institute of Arbitration (Fellow, CIArb). Mr. Muma is also a Lecturer at University of Nairobi, School of Law (Intellectual Property and Law of Evidence).

3.1.3 MR. JOSEPH KIMANI

Joseph is a Senior consultant at Lexserve Consulting Limited. He has over 21 years' experience in Legal compliance, Legal advisory, Accounting, Financial and Statutory Audits, Budgeting, Financial reporting, Project Management, Strategic Planning, Grant management and compliance, tax advisory services and in conducting feasibility studies and capacity building. He is a multi-skilled, tenacious and highly accomplished Accounting and Finance Management Professional.

He holds a Masters in Business Degree from University of Nairobi, Bachelor of Laws degree and Bachelor of Science degree from the same University. He is a member of the Law Society of Kenya, East African Law Society and the Institute of Certified Public Accountants of Kenya.

3.1.4 MS. LINDAH NECHESAH

Lindah is an associate legal consultant at Lexserve Consulting Limited focusing on the areas of audit of strategic plans, value for money audits, capacity building, project legal due diligence and corporate advisory services.

She has experience in commercial and corporate law, regulatory compliance, transaction advisory, sale of shares and project due diligence. She has a keen eye for detail, and prides herself in providing timely solutions to legal issues presented by clients.

Linda is an advocate of the High Court of Kenya and holds a Post Graduate Diploma in Law from the Kenya School of Law. She holds a Bachelor of Laws (LLB) from the University of Nairobi where she graduated with Second Class- Upper Division Honors.

3.1.5 MS. FELISTA KANYORO

Felista is the Accountant at Lexserve Consulting Limited focusing in the areas of business process review, financial due diligence, accounting services for law firms and tax advisory services.

She has experience driving business process improvement, maintenance and development of financial systems and accounting procedures, book keeping, bank and petty cash reconciliation, filing and payment of statutory deductions, providing administrative support, budgeting, managing accounts payable and accounts receivable.

Felista holds a degree in Bachelor of Commerce, Accounting and Finance Option from Strathmore University and is at the final stage of completing Association of Chartered Certified Accountants (ACCA) exams.

3.1.6 MR. TIMOTHY KHASOGO

Timothy is the project coordinator at Lexserve Consulting Limited focusing on the areas of audit of strategic plans, tax advisory services, project due diligence value for money audits and corporate advisory services.

He has experience in administration, project management, corporate advisory services, legal, corporate and regulatory compliance, dispute resolution, tax advisory services, project due diligence and value for money audits.

Mr. Khasogo is an Advocate of the High Court and holds a Post Graduate Diploma from the Kenya School of Law and holds a Bachelor of Law (LL. B) Degree from Kenyatta University.

4.0 SERVICES OFFERED BY LEXSERVE CONSULTING LIMITED

4.1 STRATEGIC PLAN AUDITS

4.1.1 Introduction

Our Strategic Plan Audits team offers an objective review and evaluation of a strategic plan (or set of plans) that have been put into motion by an organization through its senior leaders and

key stakeholders designed to meet an organization's future objective. The audit ensures that strategic plans are pinpointed, remain relevant, and continue to create value for the organization.

We re-evaluate organization's strengths, weaknesses, opportunities, and threats to give leaders both in governance and management insights into how to counteract threats and seize opportunities. We also consider the strategic narrative whose main objective is to assess how team leaders engage team members to give them an opportunity to absorb and engage with changes associated with a new or refreshed strategy.

4.1.2 Strategic Plan Audit focuses on the following core areas.

- i. **Core Competencies** - It involves review of the unique mix of qualities that sets an organization apart from its competitors focusing on the service offered, service quality and flexibility. We also carry value chain analysis where we study all the activities such as logistics, marketing, operations, infrastructure, human resources, procurement, etc.
- ii. **Resources** - in this area, we will be examining resources available to support the organization's objectives such as cash, capital, buildings, employee skills, brand, goodwill, etc. We will also examine the organization's core competencies and analyze whether the resources are contributing towards better results.
- iii. **Portfolio**- we will review the risks and returns of all business units and investments controlled by the organization to determine those that are strong and those that are under-performing. We focus in assessing whether each product or service is meeting customer needs and expectations.
- iv. **Execution Capability** - this involves analysis of the level of ownership of new assumptions and beliefs as well as track investments, achieved milestones, and creation of corresponding Key Performance Indicators (KPI's) to measure progress and maintain accountability. We examine the common will by the stakeholders, the level of support and passion for the organization's strategic intentions.
- v. **Quality of the Strategy** - we help the organization assess the quality of data, research, and the level of inquiry into current and potential future customer segments, competitors and suppliers. We take cognizance of the fact that businesses that go out of their way to look at the big picture, detect new patterns and trends, and experience the world from the customer's point of view excel in the market.
- vi. **Quality of the Action Plan** - our audit methodology is designed to assess the clarity, specificity, creativity, and flexibility of the strategic action. These are assessed through feedback received through a results forum where progress on the execution of the strategic plan is reviewed.

4.1.3 Expected results & Timelines.

We pride ourselves as a consultancy that surpasses the expectations of all our clients. Our execution timelines are dictated by the preparedness of our customers. However, we don't intend to take more than three weeks.

Our execution plan incorporates an entry and exit meeting with draft reports submitted within five (5) days after the exit meeting. We allow our clients to seek clarification within five days after the final report is agreed upon. It is then submitted and presented to the client within two days.

5.0 VALUE FOR MONEY AUDITS

5.1 Introduction

Value for money audits are carried out on social impact projects, generally called donor funded projects. A value for money audit is an independent assessment to determine if the use of resources is economical, efficient and effective in a project.

Our value for money audit team focuses on addressing the phenomenon of information asymmetry in grant management and administration and improve on probability of project success. The aim is to assess the efficiency and effectiveness in utilization of the funds and their effectiveness on to the intended target beneficiaries. These audits are also geared towards enhancing the expectation by donors that the project implementers intend to carry out the project for the benefit of beneficiaries.

Our focus is mainly on capacity assessments and impact assessments.

a) Capacity Assessments.

Capacity Assessments are done before commencement of a project and they are meant to clearly verify the existence of, the value systems and capacity of implementers and to reduce the risk that the financiers may have missed valuable information that could have led them to either decline giving the funding, or even give the funding under more stringent terms.

They are meant to identify gaps in the potential project implementers and to have the gaps sealed before release of funds in order to optimize organization's potential through an implementation matrix that is designed for this purpose and also to allocate responsibilities to relevant staff.

b) Impact Assessments.

Impact assessments are carried out either after implementation of a project or after completion of a significant project phase or achievement of a major milestone. The objective is to assess whether the resources deployed in the project were put to the desired use and also whether they yielded desired or even better outcome.

Impact assessments involve deployment of tools designed to ensure that implementation gaps are clearly identified, corrective action proposed and areas for future collaboration identified. Upon completion of the impact assessments, we prepare reports containing useful information for all stakeholders as they identify the level of project implementation and evaluates what should be done better.

5.3 Value for money audits methodology

We leverage our long-standing experience in grant management and administration, our in-depth experience designing governance and administrative structures for organizations blended with local and international expertise to carry out value for money audits.

We design tools that enable us identify gaps in the process of identifying implementation partners and seeks to leverage years of experience in working with Local and International Non-Governmental organizations.

Below is a summary of our key focus areas:

- a) Organizations/project existing and proposed management and governance structure.

- b) Availability of strategic plans and the place for the project in the organization plan, their policies and procedures, resource outlay, human resource management and financial sustainability plan.
- c) Review of documentation of organizations past experiences with major donors and the organization's experience in implementing similar projects.
- d) The organization's reputation in the niche market and the references by previous partners.
- e) Organization's programmatic and financial reports supported by independent field reports gathered by our team.

We will review precious internal and external audit reports, interview staff and management and seek references from previous project partners. We will also carry out desk review of information available on social media and other platforms.

5.4 Target Clients

We offer our services to the following organizations:

- i. Non-Governmental Organizations.
- ii. International-Governmental Organizations.
- iii. Donor agencies.
- iv. National and County Governments.
- v. Project implementation partners (recipients of donor funds either as prime-recipients or sub-recipients).
- vi. Research organizations.
- vii. State departments and Parastatals

6.0 PROJECT DUE DILIGENCE

6.1 Introduction

Project due diligence is aimed at commercial projects. Project financiers expect to receive return on interest in terms of cash flows and/or capital appreciation after a given period of time.

Independent review is essential to guarantee our clients objectivity and professionalism. Our project due diligence team provides services such as independent review of all aspects of a project to verify the claims made by different parties. We acknowledge that project proposals are developed to depict a certain future outcome supported by numerous assumptions. The occurrence or non-occurrence of any of the major assumptions is likely to have significant impact on the project.

Moreover, project stakeholders are involved in intense negotiations aimed at securing the position for each of the parties. Often times, the negotiations may drift significantly from the project starting point depending on the size and complexity of the project.

Project due diligence is meant to provide a level of assurance that stakeholders have:

1. Adequately addressed all issues that are relevant and necessary for successful execution of the project.
2. Adequately documented all the issues agreed upon about the project.
3. Considered all professional aspects relevant to the project.
4. Adequately documented major assumptions about the project.
5. Carried out reliable and sufficient what-if analysis to review sensitivity of the project to material changes in any of the significant assumptions with emphasis to mitigation measures.

Stakeholders in a project are interested in the following major categories of due diligence:

- a) Legal due diligence.
- b) Financial due diligence.
- c) Technical due diligence.
- d) Deal structuring.

6.2 Key focus areas in each of the major project due diligence categories.

- a) **Legal Due diligence** - we deal with the following critical legal issues:
 - i. Proper identification of the contracting parties, their level of ownership in the project and their legal status.
 - ii. Review of all the agreements between the contracting parties to assure of their completeness, their legal validity and the extent to which the interests between the parties are legally protected and enforceable.
 - iii. Dispute resolution mechanism and its effectiveness in resolving project related disputes.
 - iv. Review the project model and assess how it is structured.
 - v. Existence and validity of other agreements such as non-disclosure agreements, service level agreements, agreements for ancillary services/income, etc.
 - vi. Review of material changes in project legal structure and assess how these have been effected through subsequent agreements.
 - vii. Review the project timelines and assess their suitability.
 - viii. Statutory and legal compliance of the contracting parties and the legal validity of documents they have made available.
 - ix. Review all necessary approvals, confirm whether they are valid and the expiry dates, if any.
 - x. Report on the status of all legal aspects of the project with recommendations on how shortcomings can be addressed.
- b) **Financial Due Diligence** - under this pillar, we review all the finance aspects of the project that include:
 - i. Review of the capital adequacy with emphasis on financial gearing and solvency. We will assess the adequacy of working capital at this stage.
 - ii. Review of project profitability guided by profitability ratios with a commentary on return to each of the shareholder.
 - iii. Carry out sensitivity analysis with emphasis on measures put in place to address adverse effect likely to be brought about by changes in major assumptions.
 - iv. Benchmark return on investment for the project against similar projects in the market.
 - v. Clearly identify sources of funding, their legal validity, debt covenants or shareholder agreements and assess ability to carry out the project to completion.
 - vi. Assess financial planing for post-construction phase.
- c) **Technical due diligence** - this pillar involves independent review of the project technical aspects such as:
 - i. The technical drawings (architectural drawings, structural drawings and all other necessary drawings) conform to the project scope.
 - ii. Whether the expected final project is in agreement with the financial projections and the deal as structured.
 - iii. Assess the technical capabilities of the project technical team, their professional standing, integrity and references.

- d) **Deal structuring** - where we focus on how the deal is structured. We assess issues such as:
- i. Whether the deal is structured optimally.
 - ii. Well understood by all the parties in the project.
 - iii. Possible shortcomings in the deal structure.
 - iv. Identify the key pillars in the deal structure and establish a clear relationship with the project stakeholders and teams.

6.3 Target clients - our services are tailored towards meeting the demands of the following broad categories of project stakeholders:

- i. Financiers such as financial institutions, project sponsors, providers of equity or debt capital.
- ii. Project professionals engaged in the project.
- iii. Government agencies such as Kenya Revenue Authority, Capital Markets Authority, National Construction Authority, National Environment Management Authority etc.
- iv. Proprietors of land and major suppliers.

6.3 Timelines

We commit to work within the timelines agreed upon with the client. Our turnaround period is dependent upon receipt of all the necessary documents to allow carrying out the entire exercise.

7.0 TAX ADVISORY SERVICE

The certainty of tax incidence heralds another challenge to our clients and that is the need to address tax matters from a pragmatic point of view and to keep abreast with changing legal and technical tax matters.

The zeal with which alleged tax offenders are pursued requires one to have ready answers for most, if not all tax inquiries. As the taxman innovates to meet the demands of an ever-changing business landscape, tax payers must keep abreast with those changes to avoid pleading ignorance whose rebuttal is the obvious saying, "ignorance of the Law is not a defense".

This reality has prompted Lexserve Consulting Limited, to set up a tax advisory team that has the following capabilities specifically designed to respond to the needs of our clients:

- i. To carry out extensive research on legal and technical tax matters and to keep our clients updated on new development in the tax regime.
- ii. To keep engaging Kenya Revenue Authority (KRA) and the National Treasury on policy matters requiring our intervention.
- iii. To engage KRA on tax disputes with our clients and seek to achieve the best outcome.
- iv. To update our clients on significant policy matters arising from changes in Law or interpretation.
- v. To train our clients to be tax compliant.
- vi. Where required by our clients, to file tax returns.
- vii. Carry out lobbying and advocacy on behalf of our clients.
- viii. To arbitrate on tax matters where instructed to do so by our clients.

7.2 Timelines.

The most important timelines are spelt out in the Income Tax Act and the Tax Procedures Act. Our consulting team is trained and experienced enough to manage the tax disputes resolution process in a way that benefits our client. This is significant because we have a duty to act in the best interest of our client.

8.0 ACCOUNTING SERVICES FOR SMALL AND MEDIUM SIZE LAW FIRMS

The demand for accounting services has been growing with changes in the regulatory environment. However, the most significant contributors to this growth are the following:

- a) Demand for accountability and transparency from clients.
- b) Best practices adopted by Law firms.
- c) Tax compliance.
- d) Anti-money laundering policies and procedures.
- e) Demand from financiers.
- f) To be pre-qualified as a supplier of legal services at corporate level.

8.1 Rationale.

At Lexserve Consulting Limited, we have technical capacity to offer accounting services specifically to medium sized Law Firms. We distinguish ourselves from accounting firms in that we understand the regulatory framework for Law Firms. The Lexserve Consulting Limited team has over 45 years cumulative experience in accounting for Law Firms.

8.3 Timelines.

We have listed above the range of services we are currently offering. The list is not exhaustive and we are ready to expand our services to meet our customer needs.

Our promise is to surpass our client's expectation since we are in a position to leverage our long-standing experience in offering accountancy services. Moreover, we have a reputation of strictly following the deadlines stipulated in our service level agreement that we sign with our clients.