



**ACCELERATING SKILLS GROWTH
FOR AFRICA'S DEVELOPMENT**



APPRECIATION

The Boards of AMSCO and the ATMS Foundation, Management and staff would like to thank the African Governments, Management of the UNDP, IFC, AfDB, Shareholders and Donor Agencies for their continued support.

Special appreciation is extended to Mr Abdoulaye Mar Dieye, Assistant Administrator and Director of UNDP's Regional Bureau for Africa as well as UNDP Resident Representatives across Africa who make it possible for the ATMS Project to operate in African countries, thus enabling AMSCO to make a difference in the development of SMEs across the continent.

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WHO WE ARE

AMSCO is a pan-African private sector development company that provides tailored human capital solutions. Its core focus is partnership-driven capacity and skills development to assist African SMEs in becoming leaders in their own fields.

AMSCO is the implementing partner for the African Training and Management Services (ATMS) Project of the United Nations Development Programme (UNDP). Its ability to develop local management skills and strategically place globally experienced talent in client companies contributes to the overall growth and health of the businesses as well as the economies within which they operate.

AMSCO delivers four human capital development services to client companies – Recruitment Services, Expatriate Management, Training and Development; and Development & Advisory Solutions. It seeks to partner with SMEs and large companies that have impressive and proven business track records as well as with start-ups.

The ATMS Foundation fulfils a fiduciary role under the ATMS Project and provides support on behalf of donor agencies to the SMEs most in need, those to which AMSCO can deliver the greatest developmental impact.

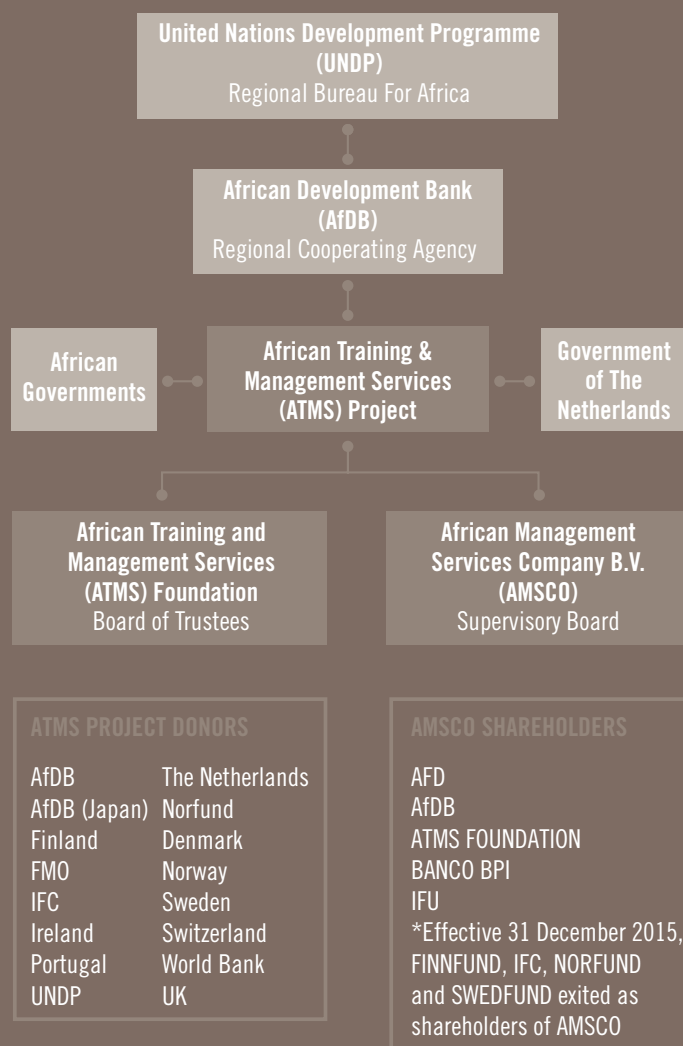
ATMS STRUCTURE

The ATMS Project is a regional project of the UNDP. The African Development Bank (AfDB) is the regional cooperating agency. AMSCO BV and the ATMS Foundation are responsible for the execution and funding of the project on behalf of its donors respectively.

AMSCO BV is a private limited liability company incorporated on April 7, 1989 in The Kingdom of The Netherlands with its statutory seat in Amsterdam. The company is entirely equity financed, with an issued share capital of EURO 11.436 million.

The ATMS Foundation was established in 1996 by the International Finance Corporation (IFC) in its former capacity as the executing agency for the ATMS Project to assist in fundraising from donors and to oversee the allocation of donor funding to suitable grantees. The ATMS Foundation is an independent legal entity, established in Amsterdam under the laws of The Kingdom of The Netherlands to support clients within the framework of the ATMS Project initiative.

The ATMS Foundation is funded by a number of committed bilateral and multilateral donors. These funds have gone to AMSCO's client companies and public private partnership driven development & advisory solutions programmes to help co-fund the costs of management and training services provided by AMSCO.





OUR VISION

To assist African enterprises in becoming globally competitive, profitable and sustainable.

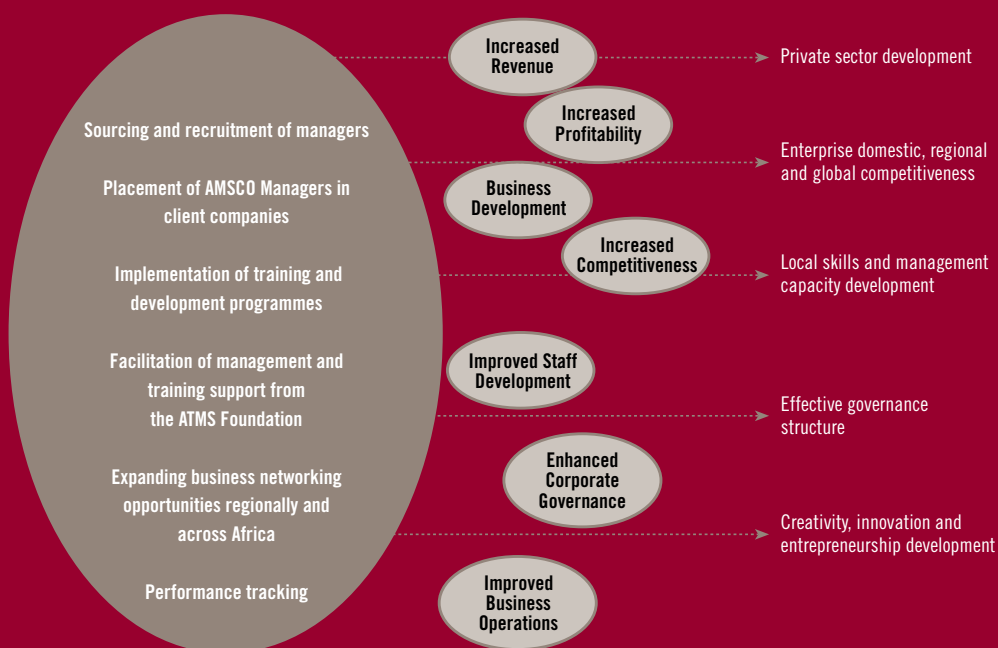
OUR VALUES

- People: Everyone matters
- Passion: Personifies our ambition
- Teamwork: Collaboration takes us further
- Excellence: Nothing less is acceptable
- Customer Satisfaction: The foundation of our business

OUR MISSION

To build management capacity within African enterprises by providing management and training support, primarily to African SMEs.

AMSCO VALUE PROPOSITION





CHAIRMAN'S MESSAGE

According to the International Monetary Fund (IMF), six of the world's ten fastest growing economies between 2001 and 2010 could be found in Africa. However, despite much progress being made towards increased opportunities for Africa's economies and its people, we continue to experience immense challenges to sustainable development. The adoption of Sustainable Development Goals (SDGs) in 2015, a build on the Millennium Development Goals (MDGs), offers an opportunity to contribute more progressively in the fight to end extreme poverty and overcome challenges that hinder true progress and growth. The SDGs post 2015 agenda recognises the role private sector has to play in social and economic development. Goals 8, 9 and 17 best underscore the need for increased private sector involvement with particular focus on "Decent work and economic growth", "Industry, innovation and infrastructure" and "Partnerships for all the goals".

AMSCO presents a clear and sustainable approach to private sector development in Africa. In recent years, the organisation has placed increased focus on high-value added and labour-intensive sectors such as agriculture and infrastructure in order to achieve widespread growth and productivity. AMSCO recognises that providing support to productive activities, job creation and entrepreneurship across these and other key sectors, including the growth of Small and Medium Enterprises (SMEs) through access to finance, will further catapult Africa's development. To ensure high impact and long-term sustainability, collaboration between business, government and the international donor community also features high on the company's list of priorities.

Growing innovative and competitive enterprises is at the centre of the AMSCO vision. Through its service offering of Recruitment, Expatriate Management, Training & Development and Development & Advisory Solutions, AMSCO remains resolute in strengthening competency across all industries and ultimately driving Africa's leaders towards a knowledge based economy. Through its unique and inclusive human capital development interventions, AMSCO continues to place emphasis on building Africa's talent pool, making sure to address issues around the skills gap as well as capacity and management failures.

In 2015, to further reinforce its commitment to human capital development on the continent, the AMSCO Supervisory Board of Directors approved a new legal structure that will see AMSCO reposition itself to engage deeper and in a mutually beneficial manner with stakeholders across various markets in which it operates.

December 2015 saw the exit of the IFC as a shareholder and was subsequently replaced with the ATMS Foundation. Continuing with AMSCO's transition from a 'project' to a commercially thriving and truly African human capital development organisation, several other shareholders are expected to be replaced with African entities or entities whose development focus lies strongly with Africa.

Gratitude is extended to the AMSCO Board of Directors and the ATMS Foundation Trustees for their support and dedication to AMSCO, and to AMSCO management and staff for their hard work to increase AMSCO's positive footprint in Africa whilst undertaking continued restructuring and organisational changes. The Board is grateful for all invaluable contributions. Onward and upward may we continue to go.

Ali Mufuruki Chairman, AMSCO Board of Directors





CEO'S MESSAGE

Sustainable businesses driven by skilled African entrepreneurs are the remedy to the economic fluctuations experienced across sub-Saharan Africa. AMSCO's strategy is therefore designed to create an enabling environment that ensures Small and Medium Enterprises (SMEs) play a pivotal role in reshaping the continent. With our support, the development of entrepreneurial skills has undoubtedly proved to be synonymous with positive transformation and growth. AMSCO provides businesses with an integrated service package that centres our core skill – human capital solutions, aimed at private sector socio-economic development.

Compared to previous years, less emphasis was placed on business development for the traditional expatriate management service that is bound to the ATMS Project, which AMSCO has been successfully implementing for 5 successive cycles over 26 years. This focus shift towards other services is as a result of AMSCO's commercial sustainability strategy that was approved by the Board some years ago. However, expatriate management under ATMS continued to be the mainstay of our operations depicting the need to continue bridging the skills gap in African enterprises, particularly SMEs.

By the end of 2015 the client portfolio accessing expatriate management services totalled 291 AMSCO Managers (-9.4% from 2014) seconded to 190 clients (-11%) in 17 sub-Saharan African countries. These comprised of 73% SMEs and 27% large enterprises including multinational organisations.

At the end of 2014 AMSCO's Board approved a principle whereby management would invest in growing the business (new services), by investing in staff and skills, business development, and an internal operational restructure, while at the same time increasing diversity of services offered. Changes were effected from early in the year, but the desired results were not achieved. Coupled to weaker macro-economic conditions and currency volatility, all aspects of AMSCO's business came under pressure resulting in negative variances on revenues and profits. Revenue declined by 14.3% to US\$40.5million (2014: US\$46.3million) owing to lower expatriate placement fee which accounts for 79.4% of total revenue. For the first time in 11 years, AMSCO posted a net loss, amounting to US\$439K.

The reduction in the expatriate placement revenues can be attributed to challenging economic environments coupled with volatile local currencies (against the US dollar) which impacted on the affordability of our services especially in Zambia and South Africa; these two countries represent more than 30% of AMSCO's revenue base. It was further exacerbated by foreign currency restrictions in Nigeria and Angola which led to reduced business generation and delays on repatriation of funds due to liquidity. Also in South Africa, expatriate placement revenue was disrupted due to accreditation challenges leading to loss of current business and non-acquisition of new business for a period of almost 8 months. With subsequent resolution of South Africa and resumption of business, we anticipate revenue to stabilise.

Administration and other operating expenses increased marginally by 5.3% to US\$ 8.2million (2014: US\$7.8million). The main drivers of increased expenses are staff cost, staff training, depreciation and professional services. Staff cost increased by 8.2% to US\$4.7million (2014: US\$ 4.3million) mainly due to a new post-employment benefit of US\$432K that was provided as a gratuity

scheme approved by the Board. Employees were assigned to new teams in a revised operational structure and as a result increased staff training was undertaken across the entire organisation with special attention to client facing personnel. This resulted in increased training expenditure of US\$121K which represents 121% increase. To ensure AMSCO could optimally service its clients, operations expanded through larger office premises in Zambia and Cameroon from late 2014 to 2015 – the asset acquisition to effect this resulted in higher depreciation (increased by 33.6%). Professional fees increased by 26.9% to US\$475K, driven by contracted services to review financial policies (improved governance), legal costs for a proposed new legal structure to carry AMSCO in future and the design & implementation of an ERP (Enterprise Resource Planning) system to improve operational efficiencies. Generally weaker local currencies resulted in an exchange loss on financial instruments that could not be prevented.

Cash and cash equivalents were well preserved in light of declining revenue. It reduced by 1.9% to US\$9.2million (2014: US\$9.3million).

During the year, the recruitment service line faced challenges in becoming sustainable as a service line, and this is receiving high-level support throughout the organisation; additional management and systems resources were channelled to the business line late in the year to remedy the problems. Revenue growth from Recruitment increased fourfold from US\$34K in 2014 to US\$135K in 2015, but still fell short of our growth expectations. The training service was hampered by the lack growth from 2014 – traditionally this offering supported the expatriate management service, but due to declining donor funding over the last years has had to start forging its own business. Notable growth was achieved in the past years, but 2014 to 2015 flat-lined. New solutions are being implemented.

AMSCO's new business strategy ushered in a welcome growth of the organisation to become a group holding company with acquisitions of other companies to support the growing business lines and the commercialisation agenda – this is a fundamental aspect of the growth plan approved by the Board in November 2015. The expansion of product lines is foreseen to include research and evaluation, which are in high demand with several of AMSCO's stakeholder groups. Instead of developing such service within AMSCO, it capitalised on an opportunity at year-end to acquire a social impact consultancy firm, GreaterCapital and its sister organisation the GreaterGood South Africa Trust. The formalisation of the acquisition was concluded post year-end in late-January 2016. AMSCO, as it sets its new legal framework in place, is actively seeking other possible enterprises that complement its business, for acquisition or structured joint venture enterprises.

In terms of financial planning and business strategy, AMSCO does not foresee any financial challenges, or need to borrow funding, to scale the operations as it will be funded from operational surpluses and by allocation of human resources to manage these.

Several legal changes took place at the end of 2015 that included the shareholding capacities. IFC officially exited its different roles related to ATMS and AMSCO at the end of the year. This includes AMSCO taking over the role of implementing partner of the ATMS Project (at IFC's exit) as earlier approved by UNDP. The support IFC has provided to AMSCO for over 26 years has no doubt built our capacity and competency to excel. In addition to IFC, a number of other shareholders also sold their shares, at nominal value, to the ATMS Foundation – it was envisioned by these shareholders that the Foundation supports AMSCO in fulfilling its mandate.

The Directors of AMSCO have taken notice of the act on management and supervision where articles 166 and 277 of Book 2 of the Dutch Civil code address a balanced distribution of men and women in the Board of Directors and the Supervisory Board. This will be taken into account in future appointments, amongst other criteria.

Employee turnover is higher than in the past, but still remains well within industry norms. Such employee exits have been a combination of employees that leave as a result of other opportunities and other employees that have been under performance management and then leave as a result thereof. Management will continue to actively improve employee engagement and performance to ensure that the collective employee delivery, and contribution to the business directives, reach world-class standards.

I thank the Board of Directors of AMSCO BV, ATMS Foundation Trustees, donors, African Governments and other stakeholders for their continued support and guidance. I also thank the AMSCO team for their relentless effort to transform the organisation. We remain committed to changing the destiny of AMSCO and will ensure that all actions that guide management and the team are aligned to ensure our success goals are achieved.

Paul Malherbe CEO and Managing Director of AMSCO



AMSCO SUPERVISORY BOARD



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OUR OFFERING

1. EXPATRIATE MANAGEMENT

AMSCO sources and places industry experts with appropriate skills and experience in African companies for a period of 3-5 years to improve operational and financial efficiency, install management systems, and through succession planning, strengthen indigenous management to assume leadership when AMSCO Managers move on.

2. RECRUITMENT SERVICES

AMSCO offers added value by providing services in countries where existing commercial recruitment and management development service providers cannot deliver commensurate with the economy's needs. Drawing on a vast global network of competent, hands-on experts from a wide range of disciplines, AMSCO offers direct recruitment services for private companies, public and meso-level institutions. AMSCO couples the aforementioned services with creative initiatives to repatriate African professionals in the Diaspora to the Continent. African Governments and their economies are able to benefit from the multiplicity of social and economic benefits derived.

3. TRAINING & DEVELOPMENT

For more than two decades, AMSCO has supported African enterprises in enhancing employee and management skills leading to improved efficiencies, increased productivity, impactful leadership and good governance. Capacity is delivered through a range of training programmes – designed for individuals and for companies aimed at accelerating enterprise growth and profitability. AMSCO also has sectorial training interventions focused on a sector or theme in order to achieve greater skills development impact.

4. DEVELOPMENT & ADVISORY SOLUTIONS

AMSCO's involvement in Development & Advisory Solutions is based on the premise of making markets work to promote sustainable job creation, and inclusive growth thereby promoting economic development and ultimately poverty reduction. The model used is that of catalysing smart partnerships that help achieve this objective.

CLIENT HIGHLIGHTS



GOODLIFE PHARMACY LIMITED

Commencement: March 2014

Sector: Health

Location: Nairobi - Kenya

Number of Employees: 116

Company Background

Goodlife Pharmacy Limited, a subsidiary of Africa Chemist and Beauty Care Inc. of Mauritius, started operations in Kenya in 2014 seeking to establish a retail chain of pharmacies. By transforming and bringing together existing businesses and rolling new storefronts, the company aspires to become the largest and most trusted pharmaceutical retail chain in the East Africa market. It has plans to grow to 100 plus outlets in the region within 5 years.

The Challenge

A large counterfeit drug industry, poor healthcare funding, perceived corruption in the overall Kenyan marketplace, regulatory deficiencies and a number of other issues conspire to keep Kenya in a low position in Pharmaceutical and Healthcare Risk/Reward Index ratings. A strong human capital development partner was required to help launch the Goodlife Pharmacy strategy, ensure the brand's long-term growth and adherence to global standards.

The Solution

AMSCO's intervention at Goodlife commenced with the secondment of 2 managers in the positions of Chief Executive Officer and Chief Operations Officer. Through the placement of these senior managers, AMSCO sought to assist with the growth of the pharmaceutical chain from start-up to 100 plus chain stores within 3-5 years. AMSCO would assist to build a world-class local team through recruitment, training and continuous career development support.

The Impact

- A retail strategy has been established. In 15 months, the business has grown from 0 to 17 locations; 10 by acquisition and 7 by new openings
- Sales in acquired units have grown by an average of 10%

- Funding from Catalyst & IFC (World Bank) has been obtained to realise the retail expansion strategy
- In 12 months the total headcount increased from 64 to 116 (55%), all these have been local hires
- 4,930 trained man hours have been implemented
- A development pipeline has been created with 34 people that were promoted internally
- A staff retention rate of 91% has been achieved
- A fully developed Environmental & Social Impact policy has been implemented
- Introduction of professional management into the retail pharmacy marketplace across three core categories of Beauty, Personal Care & Healthcare where the company has sourced over 11,600 products
- Introduced new PMS software system in store to improve professional pharmacy service, epos & stock management
- Established a comprehensive due diligence process and team to assess potential acquisitions
- Comprehensive succession plans for operations, finance and marketing teams have been tailored and communicated to the individuals
- Strategic partnerships with wholesale suppliers, pharmaceutical manufacturers, healthcare providers and petroleum companies have been created
- A regional expansion strategy has been established to deliver required growth in other locations

Conclusion

Staying true to AMSCO's mission of building management capacity within African enterprises by providing management and training support, primarily to African SMEs, the company has over the last 2 years proved to be expanding rapidly, on the path to profitability and sustainability. The AMSCO Managers continue to build capacity and improve systems that will ultimately place the company as a forefront runner in the industry.

CLIENT HIGHLIGHTS



OXUS RD CONGO

Commencement: January 2014

Sector: Financial Services

Location: Kinshasa - DRC

Number of Employees: 220

Company Background

OXUS RD Congo was formed by the OXUS Group, following more than seven years in Central Asia where the group started operations. The company was established by investors who believe in the social development of post-conflict countries. OXUS RD Congo is also supported by the grants provided by Triple Jump, Cordaid, the French Development Agency (AFD) and the European Union through the ACP/EU Microfinance programme.

The Challenge

Although the government of the DRC began introducing reforms to stimulate investment following civil war between 1996 and 2003, growth has remained slow and the country's financial sector remains underdeveloped. Local availability of key skills and the ability to address the needs of the previously unbanked are some of the issues hindering the growth of the sector.

The Solution

AMSCO was approached by the OXUS Group to provide human capital support in terms of expatriate management and capacity building for the local staff. AMSCO responded with the secondment of 3 managers in the capacity of Deputy Director of Operations, Operation & Financial Services Officer and CEO. 2 of the managers have since completed their engagement while the latter remains an active manager.

The Impact

- New financial products and services were developed: Individual loans, group loans, etc.
- Operational strategies & plans for OXUS RD Congo developed
- A company restructuring plan was designed and is currently implemented by the Managers
- Internal control unit and related functions were created
- Creation of the internal audit function within the Operations Department (policies, procedures, forms, reporting) which led to the recruitment of a consultant in charge of internal control, audit and the updating of policies and procedures, in September 2014
- Opening of 2 new branches, one in Kikwit and one in Kinshasa
- Over 400% increase of the outstanding loan portfolio of US\$860K in 2013 to US\$6,015K in 2015
- Recruited 94 nationals in 2015 alone
- 112% increase in revenue from US\$105K to US\$2,725K in 2015
- Transfer of knowledge achieved - 2 Congolese were promoted to fulfil the task of the former AMSCO Managers in the positions of Director of Operations and Chief Financial Officer respectively

Conclusion

Although market growth remains a challenge for many microfinance institutions in the DRC, the AMSCO Managers have been able to contribute substantially to OXUS RD Congo; this in terms of business growth, human capital development and general stability.



CLIENT HIGHLIGHTS



AGDEVCO MOZAMBIQUE LTDA

Commencement: December 2011

Sector: Financial Services

Location: Maputo - Mozambique

Number of Employees: 12

Company Background

A subsidiary of AgDevCo UK Ltd, AgDevCo Mozambique Ltda invests patient capital in the form of debt and equity into early stage agribusinesses and acts as promoter or co-promoter of greenfield agriculture opportunities. Through its initiatives, AgDevCo aims to reduce rural poverty directly and indirectly by raising agricultural productivity and incomes and thus create employment opportunities for rural communities.

The Challenge

AgDevCo required a human capital development partner to support its participation in the Beira Agricultural Development Corridor (BAGC) initiative which was and still is at the core of Mozambique's National Development Plan, particularly the development of Agriculture in the region.

The Solution

AMSCO responded to the call with the placement of a Country Manager to manage the investment portfolio in Mozambique and build internal capacity. The manager would be responsible for everything from project selection and investment structuring to monitoring and evaluation. AgDevCo's portfolio is expected to deliver benefits for at least 10,000 smallholder farmers, with access to irrigation, modern inputs and finance, increase incomes by US\$800 per capita, create 1,000 formal jobs, leverage investment of US\$20.0m, and make an important contribution to food security.

The Impact

- AgDevCo took the lead role in the development of the Mozambique Investment Strategy for 2014 and 2015
- They led the project for 5 agri-investments, providing management support, raising capital and restructuring when necessary, to ensure commercial and social return
- AgDevCo is also the lead developer of the US\$1m investment in a banana plantation with an outgrower scheme, and fresh fruit depot. They built two financial models, full due diligence and the appraisal of the investment as well as the successful submission to the investment committee
- Built a pipeline of investment opportunities appraising more than 30 potential investments, and developing AgDevCo's investment strategy for Mozambique
- The Country Manager restructured AgDevCo Mozambique, recruiting 6 new members of staff including the development of training plans and clear job descriptions for all staff

Conclusion

By investing in primary Agriculture, AgDevCo is helping to address an area that is not attractive to private capital but critical to food security and eradication of hunger and poverty. An increase in investment also means more jobs on the ground.

RECRUITMENT

In 2015 AMSCO experienced steady growth in recruitment despite the Ebola outbreak in West Africa which had a significant toll on the number of candidates willing to relocate to the region. AMSCO's uptake in the use of digital channels in its recruitment methods resulted in a more diverse talent pool. The recruitment of females still remains sluggish despite the fact that the companies represented have policies that encourage female participation in the economy. Over the longer term AMSCO's strategy is to put efforts on branding to encourage the recruitment of local talent and the returning African diaspora.

Countries	Number Recruited	Sector(s)	Male	Female
Francophone Africa Cameroon, Cote d'Ivoire, Senegal, Mali, DRC, Gabon	22	Finance and Insurance; Professional and Technical Services, Oil, Gas and Mining; Chemicals; Accommodation and Tourism and Industrial and Consumer Products.	20	2
Nigeria	11	Finance and Insurance; Food and Beverages; Accommodation and Tourism; Professional and Technical Services and Education Services	10	1
Ghana	5	Accommodation and Tourism and Professional and Technical Services	5	0
East Africa Kenya and Tanzania	26	Finance and Insurance; Professional and Technical Services; Food and Beverages; Industrial and Consumer Products; Investment Vehicles and Health Care	19	7
Anglophone Southern Africa South Africa and Malawi	6	Investment Vehicles and Agriculture and Forestry	6	0
Lusophone Countries Mozambique	14	Construction and Real Estates; Finance and Insurance; Health Care and Food and Beverages	12	2
Zambia	21	Finance and Insurance; Accommodation and Tourism; Agriculture and Forestry; Manufacturing and Transport and Warehousing.	20	1
TOTAL	105		92	13

TRAINING & DEVELOPMENT SERVICES

TRAINING AND DEVELOPMENT

For more than two decades, AMSCO has supported African Enterprises in enhancing employee and management skills leading to improved efficiencies, increased productivity, impactful leadership and good governance. Capacity is delivered through a range of training programmes designed for individuals, companies and industries, aimed at accelerating enterprise growth and profitability while at the same time achieving greater skills development impact.



Overview of Training in 2015

Category of Training	Type of Training	No. of Training Activities	No. of People Trained	No. of Females Trained
Corporate Governance	Corporate Governance	3	18	8
Executive Leadership Development	Strategic Planning for Global Competitiveness	1	1	1
	Senior and Executive Management & Leadership Development	22	75	33
	Middle Management Development/Seven Habits of Highly Effective People	17	91	39
	Supervisory	1	9	6
Quality Management	ISO Certification	4	90	51
HIV/AIDS, Health and Safety, Environmental Standards	Awareness, Advice and Support	6	442	203
Company Specific Programmes	Industrial Training: Machine Operation, Technical Skills Development, Machine Maintenance, Production, Warehousing	2	20	4
	Technical/Specialised Training: Software Training (e.g., Sage, Peachtree, Pastel); Hospitality Training (e.g., Housekeeping, Food & Beverages); IATA, Project Management; Agriculture and Agribusiness; Procurement & Logistics	10	275	73
	Banking & Finance/Insurance Training: Income Debt Securities; Mutual Fund Management; Tax Related Training, Risk Management and Insurance; Credit Management; Accounting; Treasury	17	398	181
	Soft Skills/Basic Training: Computer Literacy Courses; Customer Care Courses; Communication Skills Training; Presentation Skills Training; Team Building Courses; Negotiation Skills Training; Time Management; Sales & Marketing	22	345	145
	Administration and HR: Effective Administrator; Effective Personal Assistant; Secretarial; Workplace Ethics; HR Policies and Procedures; Labour Relations; Payroll	7	71	21
TOTAL TRAINING NUMBERS		112	1,835	765

In 2015, four new programmes were introduced to the Training and Development bouquet of programmes, to address specific market and individual client needs.

FOCUSED PROGRAMMES

These are programmes tailored for individuals drawn from different organisations with similar needs. The programmes provide the opportunity for in-depth exploration of specific topics. AMSCO offers them to enterprise employees in sub-Saharan Africa.

The Strategic Thinking Applied programme which enables management teams to create their own strategies was introduced to augment the existing strategy related programmes offered by the department. In addition to this, the Family Business Management Programme which focuses on the specialised strategic, corporate governance and relationship management knowledge and skill required to govern a complex family business effectively was also introduced to cater for the growing number of family owned businesses across the continent.

11 open enrolment programmes were organised and implemented across Africa in 2015. In addition to the above mentioned, other programmes included Leadership and Management (LEAD), Finance for Non-finance Managers, Financial Modelling and Financial Dash Board, Negotiate Like a Pro, Board Leadership, Reddin Managerial Effectiveness Seminar and the Managing Managers for Results programme run in partnership with the Gordon Institute of Business Science (GIBS).

COMPANY SPECIFIC PROGRAMMES

These programmes are specifically designed and tailor made to address the needs of an individual company. Two new programmes were introduced in this area. The Farm Management and Supervision Skills programme was introduced for an AMSCO client's Youth in Commercial Agriculture Programme. The programme focused on the skills and knowledge required for planning, organising and managing the activities of a farm to enable them run as successful businesses. A Coaching, Mentoring and Counselling programme was also introduced. The focus was to enable the participants to develop an enhanced knowledge of the conceptual details of counseling and mentoring as techniques for achieving more productive outcomes while applying the concept of emotional intelligence for overall personal effectiveness as a counselor and mentor. This was a client running an academic institution.

24 Company Specific programmes were conducted for both client and non-client companies in the period under review. The programmes that took place in the different countries included SME Banking, Corporate Governance, Sales and Negotiation, Financial Modelling and Financial Dash Board, Performance Management and Personal Effectiveness, and Safety training, to name a few.

SECTORIAL PROGRAMMES

AMSCO organises sector specific training to examine and address the needs of a particular industry. The sectorial initiatives are intended to tackle gaps that have been identified in the industries and improve business operations while upgrading the skills of the participants. In 2015 AMSCO organised one sectorial intervention in Zambia, targeting two farmer associations. Three training programmes were held for over 200 farmers, board members and management teams from the two associations. This included the preparation of board charters, roles and responsibilities of board members, general management training, good agricultural practices and farming as a business. The programme was funded by the Finnish Fund for Local Cooperation.

DEVELOPMENT & ADVISORY SOLUTIONS

The operating environment for DAS was challenging in 2015 with overall performance lower than the budgeted performance. No significant new business was acquired during the period. Substantial efforts were directed at building relationships, partnerships and refining AMSCO's offer in the market place.

The flagship Growth Oriented Women Enterprise (GOWE) programme in Kenya came to a close with great success. By the end of the programme cycle it had achieved remarkable progress with over 900 Women entrepreneurs trained on management and business practices and other support services including leadership and mentoring. 26 Business Development Service Providers (BDSPs) undertook the "Training of Trainers" course.

AMSCO was appointed by the Embassy of Finland in Zambia to activate management and enterprise structures for 2 irrigation projects in Zambia under the Finnish Fund for Local Cooperation (FLC), a fund managed by the Embassy in Lusaka. It is an instrument for the Embassy to supplement Finnish bilateral development cooperation with support to local actors to carry out well-targeted projects with a clear aim in Zambia, Zimbabwe and Malawi. AMSCO was contracted to undertake a comprehensive business process and systems design implementation for two farmer owned companies (Manyonyo Irrigation Company limited and Nzenga Irrigation Company Limited).

AMSCO also recorded commendable traction in formulating collaborations, developing concept notes and are hopeful that some of these leads and opportunities will crystallize in 2016. Some of the concepts formulated with partners will require fund raising and it is anticipated that AMSCO and the partners will undertake joint resource mobilisation.

The DAS team is now complete and each of the operating regions has a Development Specialist who will drive the DAS work, with the support of Heads of Operations and the DAS Manager.

The outlook for DAS remains positive as the demand for technical assistance services as well as Business Development Services (BDS) is growing in key markets. There are opportunities in agriculture, energy, financial services and health services as a result of market failures in East, West and Southern Africa. Enterprises face large challenges maintaining robust business systems related to financial access, human resource management, governance, and marketing. This makes it difficult for them to grow and capture the opportunities in the market place.



PORTFOLIO IMPACT REPORT

DEVELOPMENT IMPACT

The focus of the ATMS V Project is to support SMEs with potential for growth, and willingness to improve corporate governance which is critical in enhancing a company's competitiveness and its sustainability in the long term. The ATMS Project has set out its primary objectives as follows:

- To assist SMEs with interim management
- To improve revenues and profitability of the companies it assists
- To develop local successor managers and transfer managerial skills to local employees
- To increase the number of local skilled employees
- To enhance employment creation and sustainability

AMSCO's real time portfolio management system tracks and reports the portfolio's performance based on the mandated outcomes. In this report we cover the 2014/2015 period highlighting how AMSCO has performed in relation to the stated objectives and against the defined baseline.

The year's development impact salient features

190	Number of active clients by end of 2015
291	Number of Managers seconded to client companies by end of 2015
51,833	Total employment supported by AMSCO in 2015
73%	Share of SMEs in the portfolio
US\$2.5billion	Total portfolio revenue in 2014
US\$263million	Net portfolio profit in 2014
US\$79million	Taxes paid by the AMSCO portfolio to Governments in 2014
1,835	Total number of people trained in 2015

PORTFOLIO COMPOSITION

53% of the AMSCO managers occupy senior to executive level management functions, while 31% are functional heads, 10% operational and 6 % in technical positions. AMSCO's broad range of operational and top management staff provide support to the client companies to ensure efficient company operations, planning and delivery of training programmes and the achievement of development impact. The majority of managers are seconded to the finance and insurance sector comprising 25% of the total portfolio, followed by the professional and technical sector at 16%. The highest number of managers are seconded in Zambia at 21%, followed by South Africa at 14% and Kenya at 14%.



Africa's transformation requires successful private enterprises run by skilled and committed managers and leaders. For many years, IFC, a member of the World Bank Group, has supported AMSCO's effort to deploy global talent and capacity to African companies that improves business performance and encourages stronger relations between investors, government and the private sector.

AMSCO's work supports regional development priorities by helping create solutions and capacity that allow African businesses to thrive.

Vera Songwe IFC Director for West and Central Africa

AMSCO FINANCIAL OVERVIEW

Abridged Statement of Profit or Loss and Other Comprehensive Income for Period Ending 31 December

(in thousands US\$)

	2015	2014
	US\$	US\$
Revenues	40 520	46 313
Cost of sales	(32 438)	(37 625)
Gross profit	8 082	8 688
Other operating incomes	60	150
Administrative and operating expenses	(8 260)	(7 822)
Finance income (expenditure)	(321)	(313)
	(8 521)	(7 985)
Other comprehensive income	-	-
Total comprehensive income/ expense for the year	(439)	703

Abridged Statement of Financial Position as at 31 December

(in thousands US\$)

	2015	2014
	US\$	US\$
Assets		
Non current assets	851	824
Current assets	12 559	12 927
Total assets	13 410	13 751
Equity and liabilities		
Equity attributable to equity holders	5 017	5 457
Liabilities	8 393	8 294
Total equity and liabilities	13 410	13 751

*KPMG Accountants N.V., the Foundation's auditors, have issued an unqualified opinion. The complete audited report is available at the Foundation's registered office.



AMSCO MANAGEMENT



Paul Malherbe
CEO and Managing Director



Kofi Andah
Director of Operations



Pauline Mbayah
Director of Business
Development



Anabela Appleton
Stakeholder
Relations Manager



Richard Barasa
Head of Finance



Khanyisa Marawu
Head of Human Resources



Anastasia Boerma
Head of Legal and Risk



Phetsile Ndzinisa
Recruitment Manager



Mpho Kgosidintsi
Marketing and
Communications Manager



Stella Masinde
Training and
Development Manager



Randy Ramouthar
IT Manager



Brendan Kilpatrick
Business IQ Manager



George Apaka
Development and Advisory
Solutions Manager

OPERATIONS HEADS

The AMSCO restructuring process led to the assignment of five senior managers to look after operations in order to achieve better results and effectively address the socio-economic challenges affecting the business landscape on the continent.



Andrew Bamugye
Head of Operations - Zambia,
Malawi and Zimbabwe



Eno-Obong Edet
Head of Operations -
Anglophone West Africa



Judith Lorika
Head of Operations -
East Africa



Bongile Khanya
Head of Operations -
Anglophone Southern Africa
and Lusophone Countries



Yves Alain Epangue
Head of Operations -
Francophone Africa





CHAIRMAN'S MESSAGE

The ATMS Foundation remains intimately linked to the operations of AMSCO. As a result of AMSCO still finalising and structuring its new strategy, the Foundation prioritised mobilising resources to AMSCO supported clients rather than new or scaled grant funding to build their capacity. There were no new funding commitments this year.

Continuous engagement, management and monitoring of existing clients were intensified to catalyse sustainable development of the enterprises, particularly during this period when the global economy remains under pressure. Significant progress was realised in accelerating the growth of skills for the clients and employment creation.

Due to the fact that the Foundation attended to enhancing support to exiting clients and not issue new commitments, training initiatives reached a much reduced number of recipients; in total 1,835 people were trained in 2015 compared to 3,447 in 2014. The number of females trained also reduced from 1,175 in 2014 to 765 in 2015.

The ATMS Foundation continued to provide support to AMSCO's programmes called Development & Advisory Solutions (DAS) such as the Growth Oriented Women's Enterprises (GOWE) programme aimed at improving the managerial capacity of women's enterprises, that ended in December 2015; the Fund for Local Cooperation in Agribusiness programme rolled out in partnership with the Embassy of Finland in Zambia; and the Zambia Business in Development Facility (ZBiDF), a partnership hub designed to promote cross sector partnerships in business across Zambia. The Foundation was able to mobilise new funds amounting to US\$32,500 from the Zambia Ministry of Commerce Private Sector Fund towards the ZBiDF programme.

In order to stabilise AMSCO operations and add impetus to its commercialisation drive, it was agreed over the past 2 years that the Foundation would take an active role in the ownership of AMSCO for at least the remainder of the ATMS Project. This ownership role came about as other shareholders had communicated their intent over the years to exit AMSCO while it graduates to a commercial enterprise. This all came to fruition when the Foundation became a 64% shareholder of AMSCO by December 31st, increasing to 78% by mid-February 2016. The Foundation has signalled its clear intent as custodian and significant owner of AMSCO to ensure the organisation stays true to its mandate and indeed becomes a thriving commercial citizen as intended since incorporation, by the departing owners.

Appreciation is extended to the ATMS Foundation Trustees and stakeholders for their guidance and the AMSCO team for their unity in thought-provoking times towards a common goal. I look forward to a successful 2016.

Jan Berteling Chairman, ATMS Foundation



ATMS FOUNDATION TRUSTEES



Jan Berteling
The Netherlands
Chairman



Ali Mufuruki
Tanzania
Independent Trustee



Abdoulaye Mar Dieye
UNDP - United Nations
Development Programme
Observer



Sven Riskaer
Denmark
Independent
Trustee



Bakri A. Karim
AfDB - African
Development Bank



Sam Akyianu
IFC - International
Finance Corporation

ATMS FOUNDATION OPERATIONS OVERVIEW

Since inception in 1996, the ATMS Foundation has managed over US\$60million in training and management funds for qualifying AMSCO client companies in sub-Saharan Africa.

In 2015, the Foundation did not extend new grant commitments. Rather, the Foundation focused on its existing clients and assisted them with utilising their grants for the purpose of up-skilling company staff. At the beginning of 2015, the Foundation had US\$1,194,267 in funds already committed to clients: CADIZ Assist Project (South Africa) which ended in June 2015, GOWE (Kenya) which ended in December 2015 and ZBiDF (Zambia) which is on-going and due to end in 2016.

GRANT DISBURSEMENTS IN 2015

In 2015, the ATMS Foundation disbursed grant funding amounting to a total of US\$242,032. US\$59,803 (25%) was for Management Support and US\$182,230 (75%) was for Training Support. 8 clients benefited from Management Support and 36 clients benefited from Training Support.





Over the last decade, Africa has witnessed robust growth and become more competitive. Ensuring that nobody is left behind is at the core of the Sustainable Development Goals, and requires a transformational agenda focused on bridging the skills gap, building capacity to stimulate innovation, and creating an enabling environment for micro, small and medium-sized enterprises to succeed. The United Nations Development Programme (UNDP) works with countries, regional and continental bodies, and the private sector to advance inclusive growth in Africa. This includes developing inclusive agriculture and agribusiness value chains so that previously disadvantaged communities, especially women and youth, can contribute to and benefit from these markets. UNDP is pleased to collaborate with AMSCO's African Training and Management Services Project to promote Africa's sustainable development agenda and contribute to a positive and lasting change in people's lives.

Abdoulaye Mar Dieye

Assistant Administrator and Director, Regional Bureau for Africa, United Nations Development Programme

ATMS FOUNDATION FINANCIAL OVERVIEW

Abridged Statement of Profit or Loss and Other Comprehensive Income for Period Ending 31 December	2015	2014
(in thousands US\$)	US\$	US\$
Grant income	1 249	1 100
Administrative expenses	(324)	(486)
Training expenses reimbursed to clients	(149)	(444)
Management support paid to clients	(60)	(394)
Training execution paid to AMSCO	(33)	(86)
Funding for AMSCO projects	(19)	(215)
GOWE programme expenses	(348)	(302)
Technical assistance programmes	(782)	(580)
Total expenditure	(1 718)	(2 508)
Operating surplus/(deficit)	(466)	(1 408)
Finance income/ expenditure	7	7
Other comprehensive income	-	-
Total comprehensive income/ expense for the year	(459)	(1 401)

Abridged Statement of Financial Position as at 31 December	2015	2014
(in thousands US\$)	US\$	US\$
Assets		
Current assets	3 019	3 475
Total assets	3 019	3 475
Liabilities		
Reserves	1 242	1 701
Liabilities	1 777	1 774
Total reserves and liabilities	3 019	3 475

*KPMG Accountants N.V., the Foundation's auditors, have issued an unqualified opinion. The complete audited report is available at the Foundation's registered office.

CLIENT HIGHLIGHTS



STARSHEA LIMITED

Commencement: June 2012
Sector: Agriculture
Location: Tamale - Ghana
Number of Employees: 26
Financial Support: US\$23,000

Company Background

StarShea Limited is a social business company set up by Positive Finance and SAP which aims to reduce poverty in Northern Ghana by creating economic growth opportunities for women living in rural areas and their families. StarShea Limited is involved in processing and selling of shea products which for approximately 600,000 women, is one of the few options they have to make a living. StarShea Limited acts as a representative of the women's groups and offers various services to the members of the StarShea Network (SSN) to enable them to sell their products at a premium price.

The Challenge

To enable the company to successfully launch into the market, StarShea Limited required the services of a Chief Executive Officer to develop a strategic plan to advance the social business' mission and objectives as well as generate revenue, profitability and growth.

The Solution

AMSCO assisted StarShea Ltd in the secondment of a Chief Executive Officer to help the company with their growth path. She also assists the client in meeting financial and social objectives and targets. In terms of training, out of the 25,000 women in the StarShea Network, AMSCO's training has reached over 8,000 of them with certification programmes.

The Impact

- The AMSCO Manager supervised the registration of the business
- Within the first year of its launch, StarShea Limited managed to sell 64 MT of butter which makes the company one of the 5 big players in Ghana from the start

- From a start-up, the company is currently the 3rd largest player in Ghana with a 300 metric tonnes of organic butter processed and sold per year
- From 5,000 members in 2012, the StarShea Network can now claim more than 25,000 members
- All women within the network have been and are still being trained in quality nuts and butter processing
- Training has been rolled out to 20 field staff
- Approximately 8,000 women have received training in organic certification, 19 in safety and emergency and 1,500 women in fair trade among other courses
- The women were able to sell 1,200 metric tonnes of shea nuts in 2014-15
- StarShea Ltd won a Agence Française Développement (AFD) prize for 101 African Innovators in December 2014
- StarShea was selected as a Laureate at the competitions "Farmers have talent" by Livelihoods Fund and was invited for a 3 day workshop in Ouagadougou in February 2015

Conclusion

From start-up in 2012 to one of the world's market leaders of organically produced and fairly traded shea butter in 2015; AMSCO is proud to be associated with StarShea Ghana Ltd, a company that shares its vision to improve the livelihood of women in Africa.



CLIENT HIGHLIGHTS



GROFIN, SOUTH AFRICA

Commencement: June 2010

Sector: Financial Services

Location: Johannesburg - South Africa

Number of Employees: 34

Financial Support: US\$52,500

Company Background

GroFin is a leading multi-national financier and advisor to Small and Medium Enterprises (SMEs) as well as Small and Growing Businesses (SGBs). Working with a growing community of investment and business support partners, the company provides patient capital and specialised business support to local entrepreneurs who want to start or grow their businesses.

The Challenge

GroFin South Africa needed skilled and experienced managers to support the company vision while generating attractive returns for investors by meeting core operational business targets.

The Solution

AMSCO oversaw the secondment of a manager to the position of Chief Executive Officer (now Chief Investment Officer). Previously with the group at the Kenya office, not only did the manager bring extensive investment and consultancy experience in countries like Nicaragua, South Africa, UK and USA, he also had institutional knowledge. AMSCO also provided training support in the form of grant funding during the 2012-2014 period.

The Impact

- GroFin's funds under management have grown from US\$250million to more than US\$500million since AMSCO's involvement
- Training support provided by the ATMS Foundation resulted in the training of all staff members across the GroFin group. Courses covered included Corporate Governance, Banking, Finance and Insurance/ Investment Operations and Credit Management

- The number of funds managed by GroFin South Africa since AMSCO intervention has increased from 4 to 10 and programs on behalf of more than 30 international development finance institutions, development organisations, foundations, large companies and private funders
- GroFin has invested in 508 Small and Growing Businesses (81 start-ups)
- GroFin supports 62,450 jobs (21,350 female jobs)
- GroFin has 45% female staff employees
- 33% of GroFin's portfolio is female owned businesses
- Over 7,000 entrepreneurs have received GroFin's business support
- GroFin serves 1.5 million + Base-of-the-Pyramid customers per annum
- 312,270 family members are impacted by GroFin investees per annum
- US\$469M economic value is added by GroFin investees per annum

Conclusion

By investing in SGBs, which otherwise would not have access to finance, GroFin is actively addressing poverty through the creation of sustainable employment. The company also places emphasis on women empowerment and ensures a significant contribution to gender parity. AMSCO's partnership, both through the provision of leadership skill as well as training support has gone a long way in ensuring that the highest impact is achieved.



The African Development Bank continues to invest significantly on skills development and the promotion of human capital development. Having launched our human capital strategy 2014 - 2018, which focuses on skills competitiveness, employment opportunities and inclusive growth across sectors, we are confident that the programmes we are involved in allow us to achieve our strategic objectives.

Our shared vision with AMSCO not only speaks to our values and goals but also to an Africa wide initiative to see the skills gap in the continent recede. AfDB is one of the key custodians of development initiatives and AMSCO a strong partner towards implementation. Our combined determination continues to find synergies through the practical and measurable efforts that seek to accelerate growth through skills development.

Kodeidja Diallo Director of Private Sector Operations
AfDB (African Development Bank)

ATMS FOUNDATION MANAGEMENT



Pluribus aps
Director
Represented by Sven Riskaer



Anabela Appleton
Stakeholder
Relations Manager



Eden Saban
ATMS Foundation Administrator



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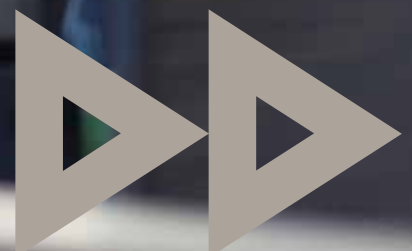
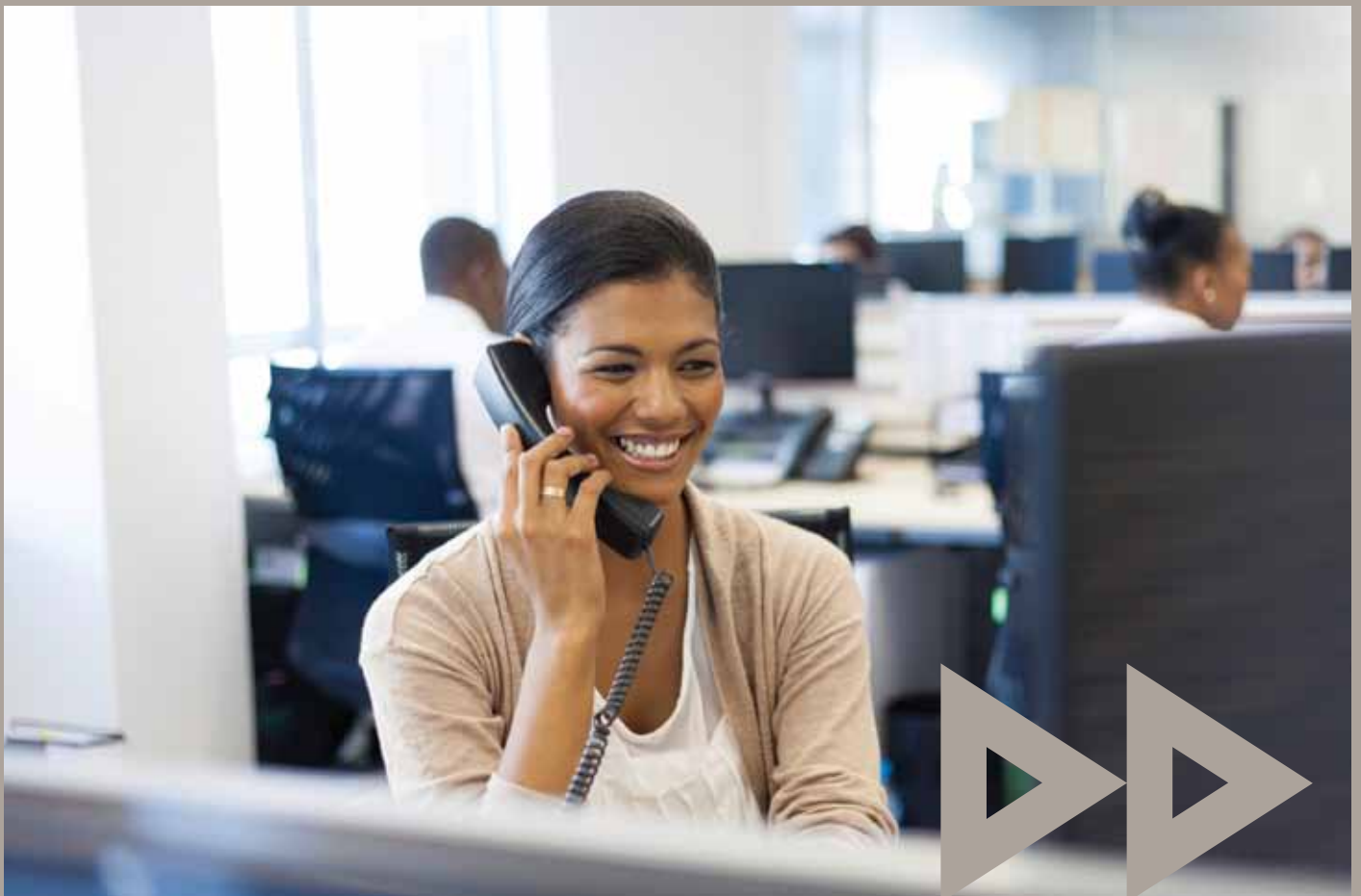
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