

2017 ANNUAL REPORT

STRENGTHENING AFRICA'S ECONOMY





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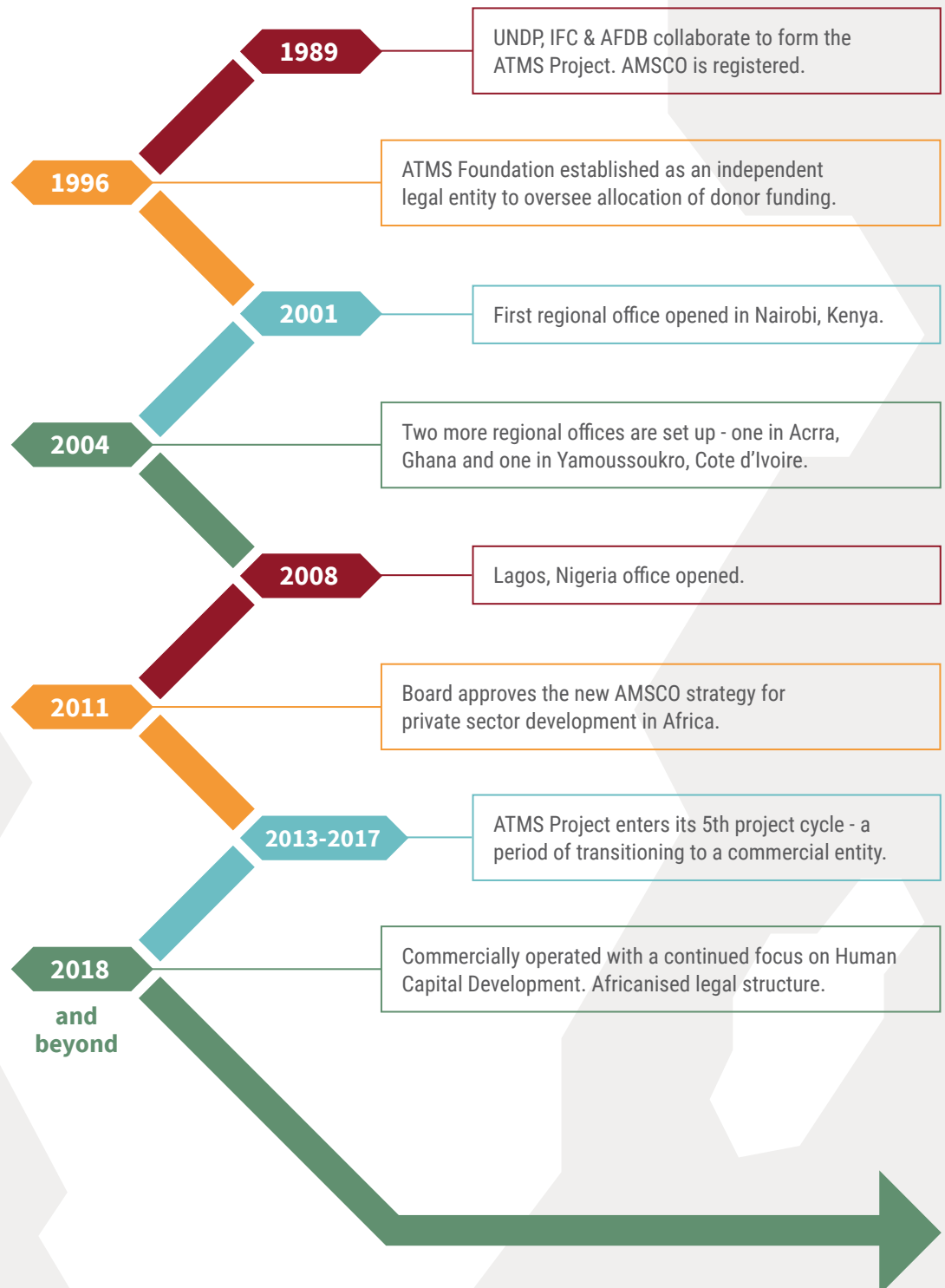
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APPRECIATION

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

Special appreciation is attributed to Mr Abdoulaye Mar Dieye, Assistant Administrator and Director of UNDP's Regional Bureau Africa as well as UNDP Resident Representative across Africa who made it possible for the ATMS project to operate in African countries, thus enabling AMSCO to make a difference in the development of SME's across the continent in its final of completion of the project.

ATMS PROJECT TIMELINE



WHO WE ARE

AMSCO is a pan-African private sector development Group 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 field.

AMSCO offers a comprehensive integrated service package including tailor- made development programmes designed to fulfil the unique needs of businesses on the African continent. AMSCO has since 1989 built its legacy on passion for people combined with the ongoing ambition to turn sub-Saharan small and medium enterprises into thriving African enterprises.

AMSCO delivers four human capital development services to client companies and governments – Development Advisory Solutions, Enterprise Development Programmes, Human

Resources Advisory and Impact Advisory. AMSCO chooses its clients carefully, through a strict due diligence process. It seeks to partner with SMEs and large companies that have impressive and proven business track records as well as with start-ups.

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.

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

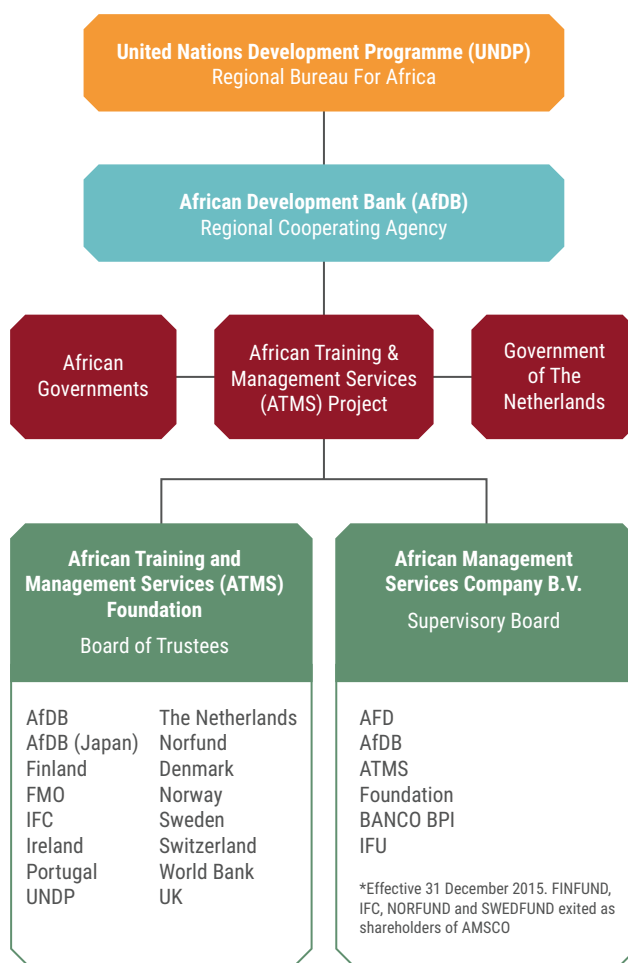
The ATMS Project is a regional project of the UNDP. AMSCO BV and the ATMS Foundation are responsible for the execution and funding of the project on behalf of its donors respectively.

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.

It is noteworthy, that the ownership structure of AMSCO has been significantly changed by the fact, that the majority of the original founding institutional investors have handed over their shares to the ATMS Foundation, which today holds close to 85% of all AMSCO shares.





OUR VISION

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



OUR MISSION

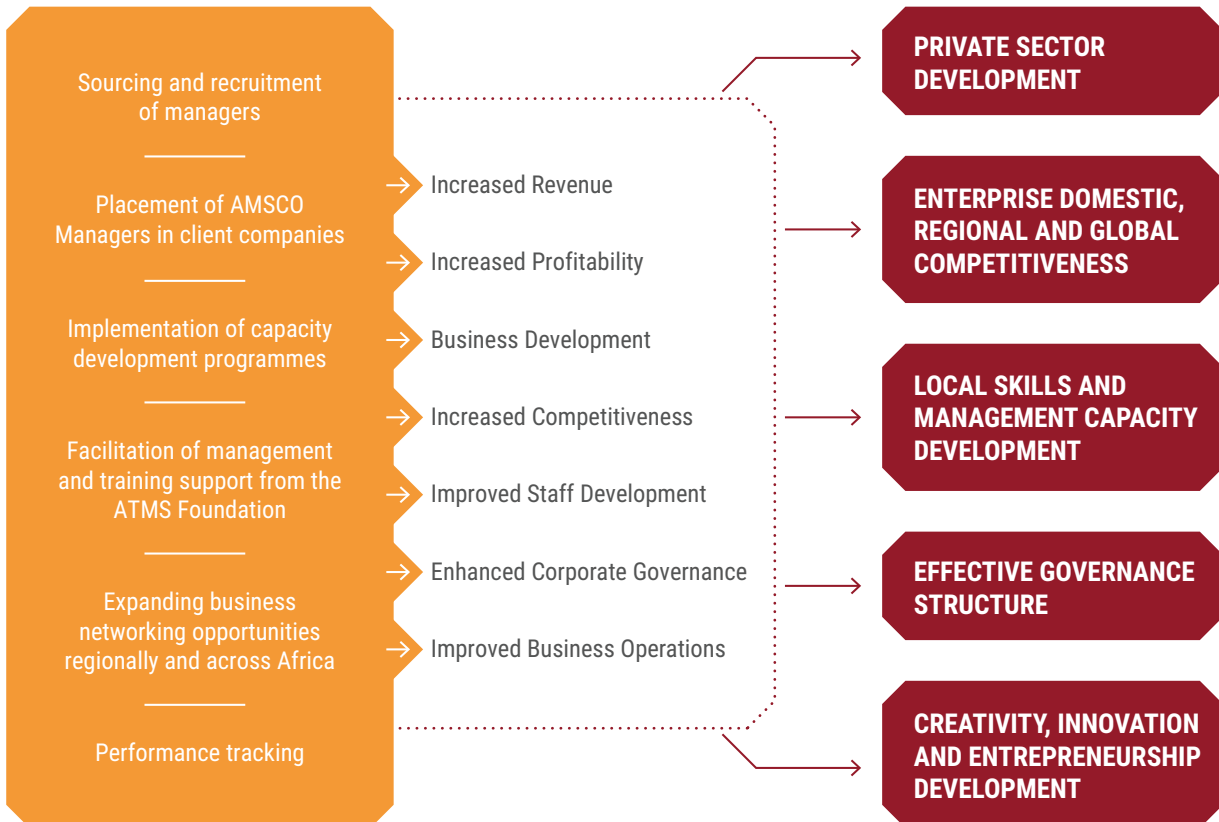
To build management capacity within African enterprises by providing management and training support, primarily to African SMEs.



OUR VALUES

Passion, People, Team Work, Excellence and Customer Satisfaction.

AMSCO VALUE PROPOSITION





CHAIRMAN'S MESSAGE

The African economy grew by 3% in 2017 up from the 2.2% growth posted in 2016 but down from the initially projected 3.4%. The growth trend is expected to continue into 2018 with anticipated growth of 3.7%, again lower than the initially projected 4.2%. These growth rates compare favourably with global economic growth averages of 3.5% in 2017 and an anticipated 3.6% gross domestic product (GDP) growth in 2018. The positive growth trends were fuelled by recovery of commodity prices in the later part of 2017 and continued investment in infrastructure development. East Africa remains the fastest growing region with growth of 5.4% in 2017 anticipated to increase to 5.8% in 2018. Growth in Southern Africa remained moderate at best at 1.3% in 2017.

The growth in GDP and the diversification of economies across the Sub-Saharan region requires the building of a critical mass of capacity around infrastructure development and human capital. Access to the right skills in human capital is mission critical in translating the economic growth into a transformation of communities and thereby achieving the Sustainable Development Goals. The High 5 priorities identified by the African Development Bank provide a roadmap for key focus areas in Power and Electricity; Agriculture; Industrialisation; Infrastructure; and Social development.

During 2017, the final year of the ATMS V project cycle, AMSCO continued to be a key role player in building the Human Capital capacity that is needed for the achievement of these critical development goals.

AMSCO's close collaboration with African governments in 2017 culminated in the signing of bilateral enterprise development agreements in a number of geographies. These agreements ensure the support of a key stakeholder in the continuation of AMSCO's work in the respective regions. The agreements position AMSCO to work in partnership with the government and other stakeholders in supporting projects of national and strategic significance.

During this period, AMSCO also engaged and strengthened relationships with other key strategic partners including the African Development Bank.

AMSCO completed the registration of local legal entities in all the key geographies in order to normalise operations post the ATMS tax and legal dispensation. AMSCO has also continued to engage with regulatory bodies in these countries to finalise all the requirements needed for the organisation to provide key services in the support of development initiatives.

Following the transition of AMSCO from a Europe-based non-profit to a for profit pan-African legal entity based in Africa and run by Africans, the Board has taken a number of steps to re-organise the senior management into a potent and competitive business force. The Executive Committee of senior management has been expanded to include the Country Managing Directors in Kenya, Mozambique, Nigeria, Zambia, South Africa and Cameroon. The company's head count has been significantly reduced to fit its new purpose and a new Managing Director and CEO will be appointed in mid-2018 to steer AMSCO into a new and exciting future. The AMSCO Board is confident that the new AMSCO is well positioned to succeed in the very competitive African human capital development marketplace, building on its more than quarter of a century of experience working in that field as a non-profit entity. The Board will continue to support the new management team in fine-tuning the company's new business model and building relationships with African governments and institutions.

Ali Mufuruki

Chairman, AMSCO Board of Directors



CEO'S MESSAGE

The Africa success story is real. Sub-Saharan Africa has realised economic growth in recent years, growing from 1.3% in 2016 to 2.4% in 2017. This growth in Gross Domestic Product (GDP) is driven by the continent's largest economies including Nigeria, South Africa, and Angola. On another positive note 2017 also saw both Nigeria and South Africa exiting technical recession; however their pace of economic recovery remains slow and has held back the potential for even more aggressive economic growth for the region in 2017. This economic growth coupled with political stability in most countries, creates fertile ground for further progress. As expected Sub-Saharan Africa is not without its challenges. Some key challenge areas that need to be addressed include agricultural development; financial market governance and regulation; foreign direct investment; public sector governance; quality education, infrastructure, and energy. In order for the advances to be sustainable, Sub-Saharan Africa needs to continue and escalate the rate of regional development: development of private sector growth, development of local capital markets, development of infrastructure, development of systems of effective governance; and arguably most importantly; development of human capital. At AMSCO we believe that Human Capital Development (HCD) is the key that will unlock the potential of all these development initiatives and in partnership with our key stakeholders in the private sector, government and development community we can work together to achieve this.

The UNDP's sponsorship of the ATMS project came to an end on 31 December 2017. However, AMSCO's work and commitment to the targets of the ATMS project are continuing. This has resulted in the ATMS project evolving into EDP and related agreements.

Over the years, AMSCO has developed a reputation for being a trusted partner in managing and utilizing funding for the implementation of projects that make a measurable impact on human capital effectiveness across sub-Saharan Africa. In Kenya and Cameroon, the African Development Bank and other partners provided funding for the implementation of Growth Oriented

Women Entrepreneurs (GOWE) project, which was in excess of US\$1.7 million to build the capacity of women entrepreneurs. The Zambia Business in Development Facility (ZBIDF) is another example of successful Public-Private-Partnerships which saw the implementation of a US\$1.5 million grant funding from SIDA (in collaboration with the Zambian government) to develop impactful cross-sector partnerships within the private sector. Similar success stories of projects implementation continued to demonstrate the power of collaborative partnerships across our markets in Sub-Saharan Africa. Harnessing this track record and the reputation that AMSCO has in working with Public-Private Partnerships and attracting funding to projects, will position us well in securing large scale complex and integrated projects. To this end AMSCO has been repositioned, redesigned and redefined as a leading HCD business.

AMSCO has the track record and experience in working on large scale sectorial projects with a number of partners from the private and public sector. Translating this experience into the ability to conceptualize and design effective high impact human capital projects, will provide AMSCO with a unique value proposition going forward. In addition, AMSCO is ideally positioned in partnering with donor organizations and Development Finance Institutions to support these complex development projects.

During 2017, AMSCO continued to focus its energy on building value adding partnerships for growth. As part of our drive for diversification of services across the human capital value chain, AMSCO formed partnerships with key strategic partners in areas of executive search and training. These strategic partnerships compliments the established AMSCO offerings and enables us to provide a full suite of services to our clients based on their needs.

In preparation for the conclusion of the ATMS project, AMSCO engaged 13 African governments in an attempt to collaborate on customized, multi-year HCD interventions in each country. These interventions included EDPs and were designed around AMSCO's traditional businesses lines: Recruitment services,

Training & Development services, and Impact Assessment services. To date, six (6) EDP Contractual Framework Agreements (CFAs) have been signed with governments in Cameroon, DRC, Kenya, Mozambique, Nigeria, and Zambia. The EDPs are designed as complex HCD offerings, customized for each partnering country, and implemented in cooperation with the Host Governments.

AMSCO has also proposed a new legal structure, which resulted in the registration of a number of private companies across the operating entities. It is noteworthy, that the ownership structure of AMSCO has been significantly changed by the fact, that the majority of the original founding institutional investors have handed over their shares to the ATMS Foundation, which today holds close to 85% of all AMSCO shares.

The end of the ATMS project on December 31st 2017 also has certain tax implications. As a result of the Treaty with the Kingdom of the Netherlands, AMSCO was exempted for certain taxes, including corporate taxes which will come to an end in December 2017. Although the possible impact of these changes in taxes will only be evident in the 2018 audited financial statements, Management has set up a transfer pricing policy and tax map for the AMSCO group of companies to ensure the application of best practice accounting and tax practices. We believe that

these systems and processes will limit adverse implications of a new tax regime as AMSCO operates as a normal corporate citizen in 2018.

As a business AMSCO is passionate about developing human capital across Sub-Saharan Africa in order to create sustainably competitive organizations, which will result in economic growth for all the people of Africa. This passion permeates everything we do. AMSCO looks forward to continue to be a key partner in realizing the dreams of an African Renaissance.

We thank the ATMS Foundation Trustees, donors, African Governments and other stakeholders for their support over the course of the project cycle and their continued support during our transformation. We also would like to thank the AMSCO board for their support over the years and in particular the confidence shown in the new team post 2017, as AMSCO transitioned into a fully commercial entity. Lastly, I thank the entire AMSCO team for their passion and commitment to transform AMSCO to be a world class HCD organisation. The Group's continued growth and sustainability depends on our teamwork and passion to succeed.

Wikus Van Vuuren

CEO and Managing Director of AMSCO



AMSCO SUPERVISORY BOARD



Ali Mufuruki
Independent Director
Chairman



Eveline Tall
Independent Director



Helder J de Oliveira
Banco BPI, Portugal



Sven Riskaer
ATMS Foundation



Susanne M. Nielson
IFU - The Investment Fund
for Developing Countries,
Denmark



Jan Berteling
ATMS Foundation



Dennis Matangira
Independent Director



Robert Zegers
AfDB - African
Development Bank

OUR OFFERING

DEVELOPMENT ADVISORY SOLUTIONS

AMSCO addresses systemic issues that are hindering the growth of entrepreneurs, businesses and economic growth. Development Consulting is based on the premise of making markets work to promote social economic development, by working in partnership with African governments, global, regional, national and private development sectors.

HUMAN RESOURCES ADVISORY

HR advisory is a division within the AMSCO group of companies created to influence the discourse around Human Resource Management across the African continent. The ability to attract, retain senior talent is increasingly becoming a necessity that needs the support of rapid career advancement opportunities and focussed development of local talent. Initiatives under the service include Recruitment, Training & Development programmes and HR Consulting.

ENTERPRISE DEVELOPMENT PROGRAMMES

Enterprise Development Programme (“EDP”) is a framework agreement between African Governments to provide registered enterprises solutions for management resourcing that enables: growth, turnaround, sustainability and competitive business with in African countries.

IMPACT ADVISORY

The Impact Advisory service is offered through AMSCO subsidiary company GreaterImpact. GreaterImpact has a deep understanding of the needs and aspirations of communities and civil society organisations, as well as the corporate social investment and finance sectors. This enables them to merge a sustainable development focus with a pragmatic business approach. They help clients integrate social impact and value creation practices into their core business strategy so that, they can grow an inclusive African economy. They offer impact mapping, impact design and impact assessment.



DEVELOPMENT ADVISORY SOLUTIONS

DAS IMPACT REPORT – 2017

REVENUE

DAS revenue as at 31 December 2017 was \$323,988 which was a growth of 32% against a 2016 revenue of \$245,580. The growth of the DAS business in the additional markets of Cameroon and Mozambique in addition to the Kenyan and Zambian markets resulted in the positive growth year-on-year.

AMSCO continued to strengthen partnerships and collaborations with the various funders and partners in the different markets which yielded positive results. A number of new projects were signed up in Kenya – MEDA - Business Development Services for SMEs; Cameroon – SOPROICAM – Agricultural value chain and Zambia – BRL France – Agricultural value-chain feasibility studies.

DAS STRATEGY AND BUSINESS PLAN

As part of the strategy in the 2016/2017 period, to review and improve the structure and governance of the unit an Operations Manager and Business Development Manager were hired in the months of April and May respectively. The key focus of the DAS strategy has been on developing effective models and collaborative partnerships in the three focus countries of Kenya, Mozambique and Zambia, with emphasis on SME business development services, Agricultural value-chain and financial services. In addition to these markets, more effort was focused on the Cameroon market as a longer term strategy to grow the market and develop a track record similar to the work effort done to grow the Zambian and Kenyan markets. While the unit continued to anchor its new business development efforts on responses to market needs and requests for new projects, a number of projects were initiated with financial support from the ATMS Foundation as seed-funding to leverage access to development funding. In particular the MEDA project in Kenya signed up in third quarter targeting SMEs along the LAPSSET corridor and partially funded by the ATMS Foundation is a good example of such funding leverages.



SOME IMPORTANT ACCOMPLISHMENTS IN 2017

- **SOPROICAM** – an agricultural value-chain project to improve production of cereal grains.
- **CHEDE** – an agricultural value-chain project to improve farm productivity and output and funded by the ATMS Foundation.
- **SDPA** – Integrated project (including HRA) in the agricultural value chain – maize, soya bean and beef production.
- **MEDA** – Business development services for SMEs situated along the LAPSSET corridor in Kenya. This project is being implemented until September 2018.
- **IIA** – Train of Trainers project under business and technical skills for the Turkana SME program in Kenya.
- **BRL France** – Feasibility studies for small holder farming irrigation sites in Zambia.
- **Embassy of Finland** – Advisory services to MEMA Water Trust in Zambia
- **Ministry of Agriculture (APMEP)** – Creation of Agribusiness Centres and Roadside Markets in Zambia being implemented in 2018.
- **Insurance Institute of Mozambique** – Establishment of certifiable Insurance Qualification for the Insurance Sector in Mozambique and the subsequent training of Insurance professionals in the sector – funded by the ATMS Foundation.



ENTERPRISE DEVELOPMENT PROGRAMMES

Client Highlights:

A LOOK AT YOUTH IN COMMERCIAL AGRICULTURE DEVELOPMENT



Nigeria | **SECTOR:** Agriculture & Forestry



THE SITUATION

- In 2010, the Ekiti State Government initiated the Youth in Commercial Agriculture Development (YCAD) programme.
- In 2011, the programme commenced and funding was accessed through the Commercial Agricultural Credit Scheme Fund from the Central Bank of Nigeria. The YCAD Programme was designed to accelerate agricultural commercialisation in Ekiti State, create employment for youth and drive socio-economic development.
- One of the key goals of the YCAD Programme is to increase access to agricultural land for the youth, with the aim of improving their livelihoods and creating jobs in the agricultural sector.
- The YCAD programme has five components, Arable; Poultry; Aquaculture; Nursery; and Agro-Processing. At the commencement of the YCAD Programme, approximately 320 young people were selected for participation.
- Over the years YCAD has developed into a registered co-operative comprising of 85 commercial youth farmers.

OUR INVOLVEMENT

In 2013, AMSCO's services were sought for the recruitment and secondment of a Farm Manager to assist the programme's participants with technical support. The mandate of the Farm Manager was to provide technical assistance within the various components of the YCAD programme, and to build the capacity of local youth through training, skills transfer, promoting high value crops and production processing.

The empowered youth have been able to start their own farming operations and supply products to the markets in Ekiti State. They have also been able to create other notable opportunities such as Ire Oil Palm Farm which produces palm oil. Globally, Nigeria is one of the top 10 largest producers of palm oil.

An impressive farming operation that has emanated from the YCAD programme is SANYA Farms which focuses on animal feeds like broiler, poultry, fish and dog feed.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)



OUR IMPACT

- An increase in youth employment with incentivised youth taking part in commercial agriculture.
- Increased access to available agricultural cropping land and the creation of empowered commercialised agricultural entrepreneurs.
- An increased viability of agricultural practices through mechanisation and increased capacity building in agricultural production, processing and promotion of high value crops, and the creation of various outlets for the commercial produce.
- Established cooperatives within the YCAD programme with the formation of an Executive Council of Members.
- An impressive progression from small-scale farmers to medium scale commercial farmers, with one of the members receiving an Award from the Federal Government for his outstanding contribution to agriculture.

Client Highlights:

A LOOK AT SANERGY



Kenya | **SECTOR:** Sanitation



THE SITUATION

Inadequate and unhygienic sanitation is the second largest cause of disease in the world. It leads to contaminated waterways and food supplies as well as diseases like diarrhoea, caused by direct contact with human waste. Solving the sanitation crisis requires more than just building toilets. Sanergy, which was established in 2010, provides safe, sustainable access to sanitation in urban slums. Sanergy franchises Fresh Life Toilets to residents of informal settlements, then safely collects the waste and treats it by converting it into valuable agricultural inputs such as organic fertilizer and animal feed, using a process that conforms to the World Health Organization guidelines for thermophilic composting. These products are then sold to local farmers.

To position itself as an expert in the sustainable sanitation sector, it was important for Sanergy to develop working relationships with the Kenyan government, but recognised that it did not have the expertise to do so. After a year of its establishment, Sanergy decided to develop the capacity of its team and build the company's credibility locally, and approached AMSCO to make use of its services.

OUR INVOLVEMENT

AMSCO's intervention at Sanergy began in July 2011 with the secondment of three managers: the Chief Executive Officer, the Chief Finance Officer and the Chief Marketing Officer whose overall deliverables were:

- Overseeing the expansion of Sanergy, managing local resources, and setting the overall strategy for the company.
- Raising capital, addressing accounting and legal issues, and building partnerships.
- Developing the franchise network for Sanergy's sanitation centres.

These managers have also developed succession plans and are currently grooming six local personnel as successors to manage the operations and external relations.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)



OUR IMPACT

Sanergy managed to collaborate with the local Kenyan government to develop pragmatic, progressive solutions to serve residents of informal settlements, which included providing advice on the new National and County sanitation policies. Furthermore, over the years, Sanergy has been able to achieve impressive impact including:

- Successfully launching 623 franchises to 295 local entrepreneurs in six informal settlements of Nairobi serving a population of 500 000 people.
- Each facility receives an average of 40-60 paying users each day, providing safe sanitation for 50 000 residents.
- In 2011 Sanergy had 100 employees and currently Sanergy's franchise network has created 250 direct jobs in the communities in which they operate.
- In 2011 Sanergy served 5 communities and today the company serves 8 communities.
- The company is able to safely remove 5 000 tons of waste from the communities it serves.
- Sanergy partners with 700 farmers who report an increase in crop yields of 30% or more from the use of the farming products.
- Sanergy's work has been featured in the Financial Times, CNN, BusinessWeek, The Guardian, The Nation, The Star and GOOD magazine. The company has also been recognized by Fast Company as one of the 10 Most Innovative Companies in Africa.

Client Highlights:

A LOOK AT UNITED FARMERS FUND (UFF)



THE SITUATION

United Farmers Fund (UFF) is a leading specialist in agri-investment in Africa whose operations centre on sustainable agricultural investments. It is an agricultural fund advisor within the Old Mutual Investment Group. Through a partnership with Futuregrowth Asset Management, it combines commercial agri-investment to investors. By evaluating the commercial attractiveness of an investment — including social and environmental audits — UFF invests into farmland and infrastructure that is leased to approved operators to develop, manage and run as world-class, sustainable entities. UFF has a large footprint, with operations in Morocco, Nigeria, East Africa, Namibia, South Africa and Swaziland, and currently produce permanent crops, livestock, fresh produce, plantations, rice, row crops, edible oils and more. Its focus is to invest locally and internationally to create a mutual benefit for the investor, their workforce and the countries in which they operate.

Within the South African market, UFF has 6 farms that specialise in the production of citrus, table grapes, bananas, and deciduous and stone fruit.

After the establishment of the fund, UFF and Futuregrowth Asset Management approached AMSCO with the need for more experienced agri-business management to supplement the financial asset management skills that already existed within the firm, and to be able to better advise clients and potential investors on the risk-return profile of the agri-investments. Additionally, there was a need to establish new agri-investments and this required the expert advice of specialists within the agri-business to network and develop relationships with key stakeholders.

OUR INVOLVEMENT

AMSCO, through its vast expert networks and particular specialty within the agriculture sector in Africa, was able to source managers with the relevant experience and expertise. One of the managers, Theodore Bouland, has over 30 years of international experience in trading in agriculture, which has been crucial to the development of UFF's agri-investments as well as the management of farms under its various portfolios. His deep understanding of the agricultural business, and his passion for building a legacy with the agriculture space in Africa, enables him to lead UFF in expanding its focus on a 'Farmer First' philosophy that ensures farmers benefit before operators and marketers.



SUSTAINABLE DEVELOPMENT GOALS (SDGS)



OUR IMPACT

- Worker Empowerment: 6% of revenue invested in the implementation of comprehensive education, healthcare through Care Cross™ and housing programmes for farm workers.
- Increase in the number of farms under operation.
- Raised up to US \$400 million to invest in expansion of operations in Africa.
- Agribusiness Fund of the Year Award for UFF managed Futuregrowth Agri-Fund at the Africa Investor Agribusiness Investment Awards in 2011.
- Assessment and monitoring of all farms in compliance with the International Finance Corporation and UN Principles for Responsible Investment standards on environmental, social and governance standards which encompass standards set by:
 - The International Labour Organization (ILO)
 - United Nations (UN)
 - World Health Organization (WHO)
 - Food and Agricultural Organization (FAO)
 - Local legislation
- Expansion of operations in South Africa, Nigeria, Morocco, Kenya, Namibia and Swaziland.

Client Highlights:

A LOOK AT ADVANS



THE SITUATION

Advans Cameroon (an affiliate of the Advans Network) is a microfinance company that provides financial services, in the form of loans of up to CFA 15 million, to individuals and small and medium enterprises in the formal and informal sectors.

As an international group, the Advans network has subsidiaries across the globe. Advans recognised a need and market for professional microfinance services in Cameroon, but faced a need in the market for senior management positions.

OUR INVOLVEMENT

Advans had already worked with AMSCO in other parts of Africa and approached AMSCO to assist with setting up operations in Cameroon in 2007. AMSCO seconded technical experts such as the CEO, CFO and other senior management to fill key roles at Advans Cameroon.



SUSTAINABLE DEVELOPMENT GOALS (SDGs)



OUR IMPACT

- Currently Advans Cameroon has a presence in 8 cities across the country, and has 500 employees.
- Over a three year period, all international AMSCO experts seconded to Advans Cameroon trained local staff and transferred the knowledge required for them to take over their key management roles.
- The company uses the latest banking systems and a few years ago launched mobile banking solutions for their clients.
- The size of Advans' loan portfolio is more than CFA 17 billion for financing micro, small and medium enterprises in Cameroon. This is impressive and highlights the impact Advans has in Cameroon where micro and small enterprises have historically struggled to access finance from traditional financial institutions.
- After just 4 years of being operational, the company is profitable. In 2016, Advans Cameroon generated revenue of CFA 5.7 billion and saw a profit of CFA 7 million. This also resulted in CFA 130 million corporate taxes paid to the Cameroonian government.

Client Highlights:

A LOOK AT THE EMBASSY OF FINLAND IN LUSAKA AND ITS PARTNERSHIP WITH THE SMALL SCALE IRRIGATION PROJECT (SSIP) IN THE MINISTRY OF AGRICULTURE



THE SITUATION

Irrigation plays a pivotal role in the Zambian agricultural sector as articulated in the National Agricultural Investment Plan (NAIP), the National Agricultural Policy (NAP) and the Revised National Development Plan (R-SNDP). It is against this background that the government of Zambia, through the Ministry of Agriculture and Livestock, has been establishing irrigation systems across the various provinces in Zambia. With support from various stakeholders, the government of Zambia commenced with the Small-Scale Irrigation Project (SSIP). SSIP strives to improve the livelihoods of farming communities in Zambia. The project received funding from the Embassy of Finland in Lusaka, Zambia and, in partnership with AMSCO, the Small Scale Irrigation Project (SIP) and the Ministry of Agriculture and Livestock, the project has formalised two farmer aggregator companies, the Manyonyo Irrigation Company Limited (MICL) near Mazabuka and the Nzenga Irrigation Company Limited (NICL) in Sinazongwe.

OUR INVOLVEMENT

The Finnish Embassy contracted AMSCO to strengthen the capacity of MICL and NICL to provide technical assistance to various aspects of the project pertaining to governance, management systems and processes and human resources. This resulted in AMSCO facilitating a training programme for the board, MICL and NICL staff and farmers.

A total of 142 farmers (MICL) and 100 farmers (NICL) were trained, enhancing their understanding of their roles as employees and shareholders of the company. The training also improved the farmers' knowledge in financial management which greatly assisted them in running their businesses and households.

AMSCO provided institutional management support to the governance systems of MICL and NICL by reviewing the organisational structure of each business, by providing advice on board composition, and developing a board charter to strengthen the capacity of the board. As a result, the board members took part in a Corporate Governance Programme which has resulted in the Board of Directors taking charge of the business. AMSCO also facilitated the recruitment of the General Managers, Irrigation Engineers, Agronomists and Finance Managers for MICL and NICL.



SUSTAINABLE DEVELOPMENT GOALS (SDGS)



OUR IMPACT

- As a result of the project, the institutional capacities both at MICL and NICL were strengthened through the training of the established boards and management teams. MICL and NICL now have fully constituted boards that are already making decisions for the benefit of the shareholder farmers.
- Increased revenue of the companies through expanding the area under irrigated agriculture.
- By establishing the companies, the schemes at Manyonyo (MICL) have become linked to large commercial outgrower operators. Zambia Sugar has provided a market quota of 595 Ha and MICL has already sold 2 batches of sugarcane to them, putting them in the position to be able to soon declare a profit share to the farmers.
- MICL elected a female as the first board chairperson and developed six small-scale irrigation schemes in Mazabuka and Sinazongwe Districts for crop production.
- Increased income generating opportunities of the small scale farmers in the Mazabuka and Sinazongwe Districts.
- AMSCO introduced Vision Fund Zambia (MFI) and Madison Finance (SME Finance) to the farmers at MICL through a financial literacy programme. This is expected to open doors to access to finance.



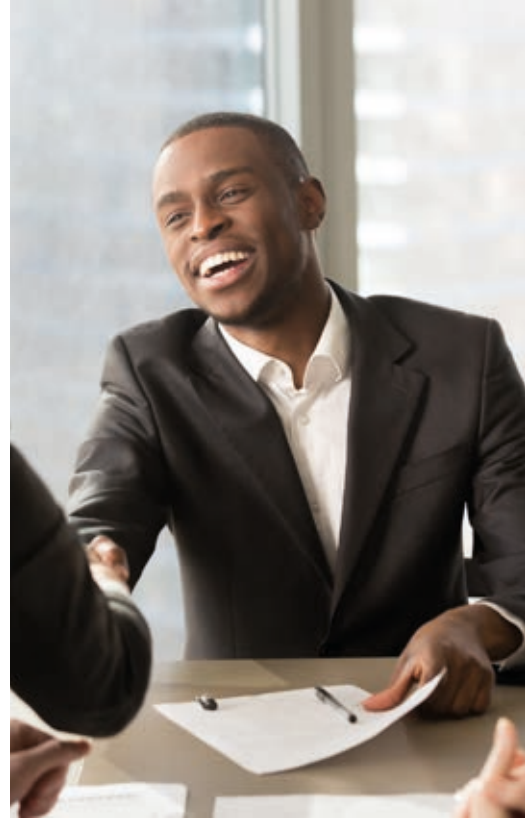
HUMAN RESOURCES ADVISORY



RECRUITMENT

AMSCO continued its efforts to consolidate its 29 year history supporting its clients fill specialist, middle and senior management positions in Sub-Saharan Africa. 2017 has been a period of significant growth and re-alignment, following a new strategic direction to commercialize services, in delivering high impact HCD solutions.

We successfully transitioned Technical Experts' placements under the African Training Management Services (ATMS) Framework to the EDP Model, coupling competitive recruitment services and placement benefits for our clients. Key partnerships established for behavioral assessments, back ground screening and candidate sourcing have introduced operational efficiencies, translating into better value for our clients.



HUMAN RESOURCES CONSULTING

AMSCO offers a thought leadership with regards to the intrinsic link between organisations, work and people. This is reflected in our philosophy, thinking frameworks, approaches to developing solutions, and products. Collectively these inform how we guide business leaders to consider their people strategy and end-to-end people management practices in the context of their business intent.

AMSCO will blueprint client needs through a needs gathering, business process analysis and business process reengineering exercise to define their vision for the future of the company.

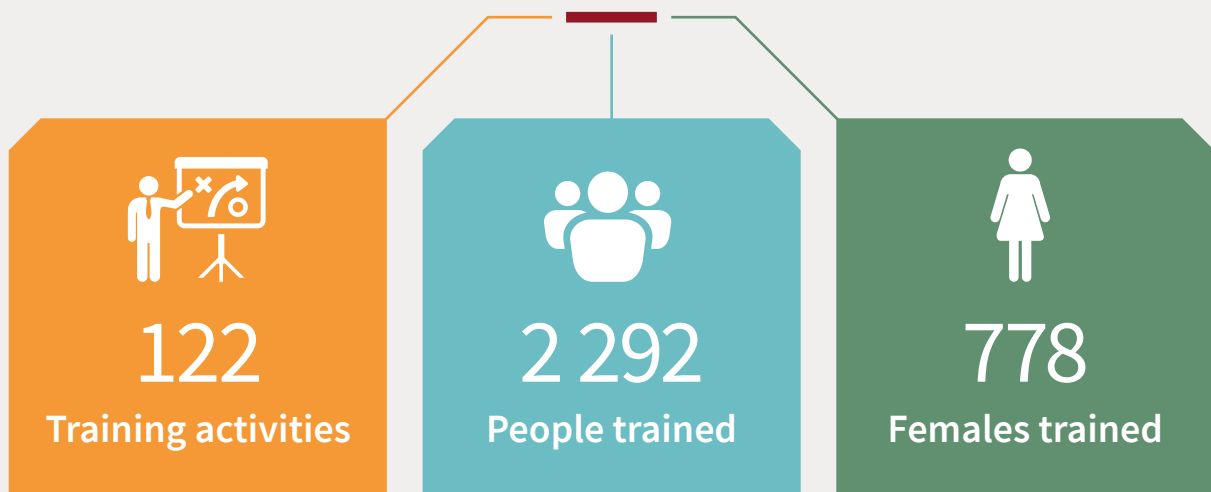
Whilst organisations are fairly adept at adjusting their strategies to meet changing competition and market conditions, few of them will take the time to adjust their business design and organisation design to enable the change in strategy. AMSCO utilises The Integrated Model to ensure true alignment between strategy, business and organisation design.



TRAINING AND DEVELOPMENT

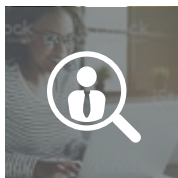
AMSCO continues to develop the employee and management skills required to sustain and build African enterprises and organisations through improved efficiency, productivity, dynamic leadership and good governance. Our focus is on experiential learning to ensure that knowledge, skills and abilities acquired on the programmes can be readily applied in the workplace.

OVERVIEW OF TRAINING IN 2017





AMSCO's Training and Development department involves three service offerings:



FOCUSED PROGRAMMES

These are programmes tailored for individuals drawn from different organisations with similar needs. AMSCO designs and delivers highly impactful, pragmatic and unique training programmes to build management and employee skills. The AMSCO 'Negotiate Like a Pro' and AMSCO Lead programmes continue to be very popular in 2017.



COMPANY SPECIFIC PROGRAMMES

Together with clients, AMSCO designs customised job-oriented leadership, management and skills development programmes in collaboration with organisations, to provide learning experiences that are unique to their employees. AMSCO is able to draw on internal training expertise, as well as its wide network of sector specialists in designing and delivering programmes.

These programmes are specifically designed and tailor made to address the needs of an individual company. A range of management and leadership programmes at various levels were delivered to client organisations in 2017.



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.



IMPACT ADVISORY

Impact Mapping

to position your intervention for the greatest impact



Impact Design

to enhance your impact measurement tools and reporting systems



Impact Assessment

to prove and improve your impact



Creating powerful impact stories



AMSCO offers the Impact Advisory Service through its subsidiary company AMSCO GreaterImpact (Pty) Ltd (“GreaterImpact”) that officially joined the AMSCO Group in January 2016. GreaterImpact is a South African incorporated entity and has been an active role-player in the development sector for over a decade.

GreaterImpact is a social enterprise providing strategic social investment and impact advisory services to civil society organisations, corporates, development agencies, social businesses and impact investors. The team has many years of combined development and corporate experience that enables a powerful developmental focus, supported by a pragmatic business perspective, culminating in high-impact solutions for our clients. As a result, the team have developed a deep understanding of the developmental needs and aspirations of communities, the government, international development partners, private sector, and investors. This has enabled the organisation to merge a sustainable development focus with a pragmatic business approach. GreaterImpact has worked with investors, donors, social enterprises, NGOs and philanthropic foundations on social impact issues and has an in depth understanding of impact design specifically monitoring and evaluation plans and systems.

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. This report covers the 2016/2017 period highlighting how AMSCO has performed in relation to the stated objectives and against the defined baseline.

THE YEAR'S DEVELOPMENT IMPACT SALIENT FEATURES:



132

Number of active clients by end of 2017



174

Number of Managers seconded to client companies by end of 2017



2 292

Total number of people trained in 2017



83%

Share of SMEs in the portfolio by end of 2017



US \$4.7 billion

Total portfolio revenue in 2017



31%

Net profit growth within SMEs

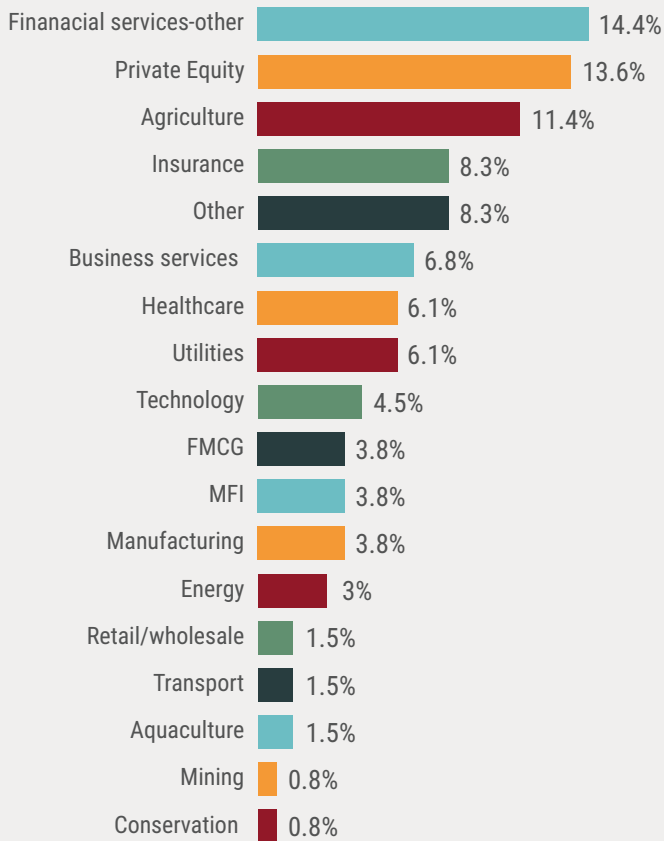


US \$61 million

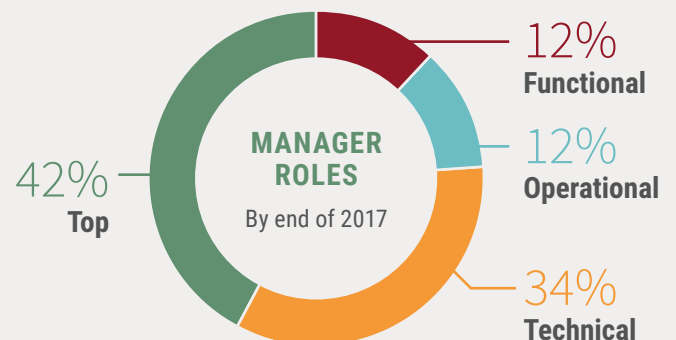
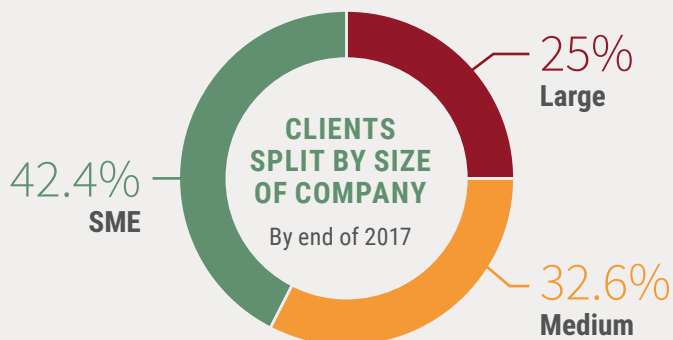
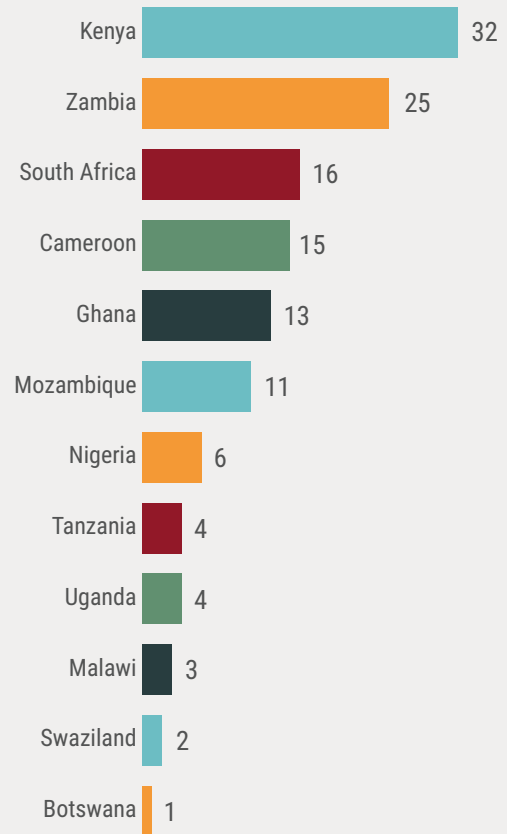
Taxes paid to African governments by the AMSCO portfolio in 2017

PORTFOLIO COMPOSITION

**CLIENTS BY INDUSTRY
BY END OF 2017 (%)**



**CLIENTS BY COUNTRY
BY END OF 2017 (#)**



AMSCO FINANCIAL OVERVIEW

ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For Period Ending 31 December 2017 (in thousands US \$)	2017 US \$	2016 US \$
Revenues	32 418	38 065
Cost of sales	(25 618)	(30 444)
Gross profit	6 800	7 621
Other operating incomes	67	140
Administrative and operating expenses	(8 941)	(8 581)
Finance income (expenditure)	(58)	(154)
	(8 816)	(8 595)
Loss for the year	(2016)	(974)
Other comprehensive income	82	98
Total comprehensive income/ expense for the year	(2098)	(876)

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016 (in thousands US \$)	2017 US \$	2016 US \$
Assets		
Non current assets	481	768
Current assets	6876	12 317
Total assets	7357	13 085
Equity and liabilities		
Equity attributable to equity holders	2045	4 141
Liabilities	5312	8 994
Total equity and liabilities	7357	13 085

*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



Wikus Van Vuuren
Group CEO and
Managing Director



Kofi Andah
Director of Operations



Pauline Mbayah
Director of Business
Development



Gregory Kietzmann
Director of Finance



Tami Khumalo
Managing Director
GreaterImpact



Anabela Appleton
Stakeholder
Relations Manager



Richard Barasa
Head of Finance



Khanyisa Marawu
Head of Human
Resources



Anastasia Posokhov
Head of Legal
and Risk



Phetsile Ndzinisa
Recruitment
Manager



Mpho Kgosidintsi
Marketing and
Communications
Manager



Randy Ramouthar
IT Manager



Brendan Kilpatrick
Business IQ
Manager



Andrew Bamugye
Head of Operations
Zambia, Malawi
& Zimbabwe



Eno-Obong Edet
Head of Operations
Anglophone
West Africa



Judith Lorika
Head of Operations
East Africa



Bongile Kanya
Head of Operations
Anglophone
Southern Africa



Yves Alain Epangue
Head of Operations
Francophone Africa



Dumisani Mnyandu
Business
Development
Manager



Marshall Makamanzi
Operations Manager



ATMS FOUNDATION CHAIRMAN'S MESSAGE

The UNDP sponsorship of the ATMS project, originally initiated by United Nations Development Programme (UNDP), Africa Development Bank (AfDB) and International Finance Corporation (IFC) in collaboration with a number of Development Finance Institutions as well as private Enterprises in 1989, has been concluded as at 31 December 2017. The ATMS Foundation, established in 1996, has had the privileged task of being the custodian of Donor Funding provided for the ATMS project for over 28 years in conjunction with the executing agency of the project, AMSCO. Pivotal to the project was developmental impact through skills development and improving the livelihoods of emerging African enterprises and the communities they serve.

The Foundation currently holds 78% of the ownership of the AMSCO B.V. Group on basis of an arrangement approved by the ceding as well as the continuing AMSCO shareholders, the AMSCO Board of Directors and the ATMS Foundation Board of Trustees.

The Foundation most recently has managed funds on behalf of The Swedish International Development Agency (SIDA). SIDA and the Embassy of Sweden in Lusaka funded the Zambia Business in Development Facility (ZBiDF) created in 2014 and playing a role in increasing the quantity, quality and impact of cross-sector partnerships for development in Zambia. The initial budget was US\$1.5million. Subsequent addenda and extensions resulted in additional funds of US\$31,720 and US\$151,962 respectively. The facility further leveraged US\$50,000 from the Ministry of Commerce of the Government of Zambia. During the course of its outreach programmes, the facility generated some revenue which was ploughed back into the programme.

ZBiDF technical assistance programmes are capacity building initiatives along industry lines funded in partnership with civil society, governments and donors and the remaining US\$145,623 was applied to these programmes during 2017.

ATMS Foundation/AMSCO carried out annual audits of the programme as per the agreement which were presented to SIDA. The audit for the last extension period 1 August 2016 to 30 June 2017 was completed and signed off in 2017.

As part of fulfilling its mandate, Foundation committed US\$956,860 towards AMSCO's human capital development initiatives which included value based recruitment, accelerating and investing in human development, capacity development for insurance industry, entrepreneurial ecosystem, capacity building for hotel owners and entrepreneurial training for coffee agribusiness among others. During the year, US\$358,572 was spent and the balance to be utilized in 2018.

In 2017, the Foundation utilized grant income US\$300,000 of the general funds to cover administrative expenses of US\$149,024 and US\$370,586 for AMSCO's human capital development programmes and marketing resulting in operating deficit of US\$219,610 funded from the reserves.

As at 31 December 2017, the foundation had reserves of US\$1,028,007 and commitment of US\$598,287, leaving uncommitted reserves of US\$429,720, to be utilized in accordance with the objectives of the original ATMS project.

As the ATMS project and AMSCO as well as the Foundation are all now entering into a phase of privatization and renovation, I wish to thank the ATMS Foundation trustees and all its stakeholders and Donors for their support for helping people build people who have built economies and made a difference to their lives.

Jan Berteling

Chairman, ATMS Foundation

The Hague, The Netherlands, 24 April 2018

ATMS FOUNDATION FINANCIAL OVERVIEW

ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For Period Ending 31 December 2017 (in thousands US \$)	2017 US \$	2016 US \$
Grant income	446	880
Administrative expenses	(149)	(195)
Training expenses reimbursed to clients	(-)	(71)
Management support paid to clients	(-)	(19)
Training execution paid to AMSCO	(-)	(13)
Funding for AMSCO projects	(371)	(6)
GOWE programme expenses	(-)	(2)
Technical assistance programmes	(146)	(578)
Total expenditure	(666)	(884)
Finance income/ expenditure	4	6
Other comprehensive income	-	-
Total comprehensive income/ expense for the year	216	2

*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.

ATMS FOUNDATION TRUSTEES



Abdoulaye Mar Dieye
UNDP - Observer



Ali Mufuruki
Tanzania



Bakri A. karim
Sudan



**Jan Berteling
(Chairman)**
The Netherlands

ATMS FOUNDATION MANAGEMENT



Pluribus aps
Director, Represented
by Sven Riskaer



Anabela Appleton
Stakeholder
Relations Manager

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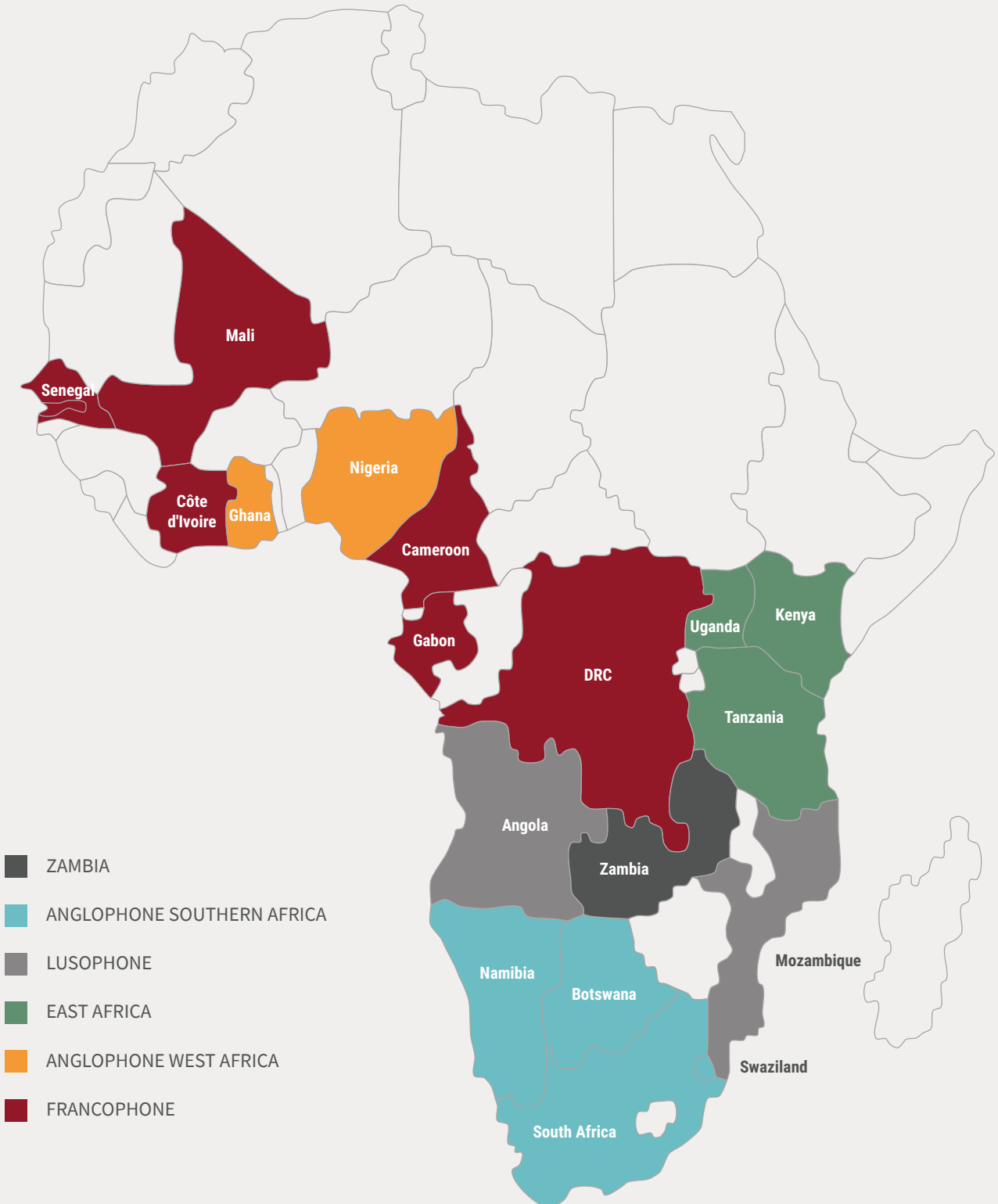
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OUR FOOTPRINT.





www.amsco.org