

**AMSCO**

African Management Services Company



**ATMS**

A Regional Project of the UNDP



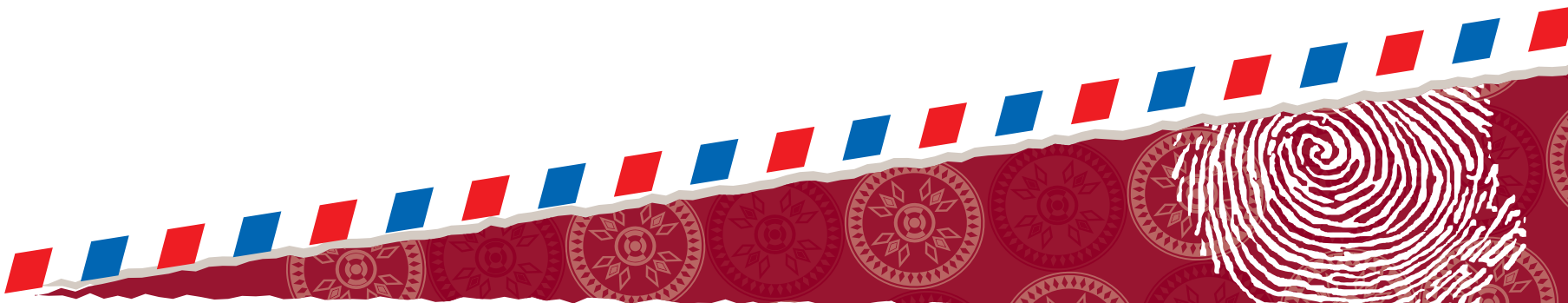
# ANNUAL REPORT 2006





“The delivery of growth and poverty reduction requires not only effective governments, but vibrant and innovative private sector developments as well. While Africa continues to experience increasing democratisation and strong economic performance, the region still faces many challenges. The underlying common problem is one of the lack of sustainable state capacity and institutions that promote societal transformation and overall development. Private Sector Development is critical to this process and UNDP Africa is, therefore, placing greater emphasis on promoting the private sector in Africa. One of the ways in which UNDP has been able to foster private sector led initiatives is through its partnership with AMSCO. UNDP Regional Bureau for Africa’s primary focus is on economic empowerment through skills training and management capacity development, particularly for SMEs. The majority of African firms are small and informal with very short time horizons. AMSCO has an important catalytic role to play in transforming such firms to become profitable, competitive and sustainable. However, the transformation of the African firm can only be done through committed partnerships between various players in addition to the full support of proactive and pro-business governments!”

*Gilbert Fossoun Houndogbe - Assistant Secretary-General, Assistant Administrator and Director Regional Bureau for Africa, UNDP*





ANNUAL REPORT 2006

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## Chairman's Report



In 2006, the economic situation in many African countries improved, resulting in better conditions for the private sector. This led to an increased demand for AMSCO's support, both in volume and the nature of the support, which goes beyond the traditional request for secondment of managers. Within that context, 2006 was a year full of action, growth and development across AMSCO's core business. This is in line with the new strategy that was jointly laid down in October 2005 by AMSCO B.V.'s Board of Supervisory Directors and the Stichting ATMS Boards, emphasising AMSCO's role in delivering measurable developmental impacts in African SMEs while maintaining financial sustainability.

The organisation has executed well against that strategy. I am pleased to report that AMSCO has made great progress in 2006 in enhancing its developmental role and has, at the same time, delivered good financial results.

AMSCO's new strategic objectives include improving its ability to build capacity among African SME clients and establishing a system to monitor and assess the organisation's developmental impact. As part of the strategy, AMSCO also focuses on delivering high quality training programmes to its client SMEs.

The establishment of a new Training Department in the beginning of 2006 shows that AMSCO is on track to deliver superior training programmes. In this way, the ATMS Project directly contributes to broadening African talent and skills and closes the gap that prevents African SMEs from competing globally.

At the request of its donors, AMSCO established a new Portfolio Management Department in 2006. This department is responsible for analysing and monitoring projects as well as assessing and reporting on AMSCO's developmental impact on client companies using a systematic and quantitative methodology. This will help to ensure AMSCO delivers on its developmental impact goals.

With increasing demand for its services, the success of AMSCO's contribution will depend on the quality of its due diligence. Mechanisms will be put in place in 2007 to ensure that this exercise is conducted in line with best international practices, building on the vast experience already gained by AMSCO's shareholders in this field.

During 2007, AMSCO will be transitioning alongside the shift from the ATMS III to ATMS IV stage. The focus will shift from streamlining and consolidating operations to increasing and enhancing developmental impact on client companies.

AMSCO staff and AMSCO managers will work hand in hand with client SMEs to define and address customer needs for management and training. The success of AMSCO's contribution will be seen in better business models, more competitive and profitable businesses, and improved corporate governance - elements that SMEs need to grow their businesses, leading to the creation of productive work for more Africans.

There is no doubt that the international development agencies will continue to have focus on Africa in the coming years. The developmental challenges on the continent are enormous. AMSCO makes a significant contribution to meeting some of these challenges by providing qualified management and training to African SMEs. Within this framework, we intend to develop a strategy that will allow AMSCO to take advantage of ongoing or planned initiatives to promote private sector and SME development, such as those led by the regional economic communities with the support of development partners.

In 2006, AMSCO's main stakeholders – UNDP, IFC, and AfDB – continued their untiring support to the ATMS Project. During the year, Mr. Frederic Ottavy resigned after serving three years as a board member. The board thanks Mr. Ottavy for his support and contribution to AMSCO, and we welcome Mr. Hervé Gallèpe, Head Private Sector Support - PRCC TFP at Agence Française de Développement (AFD), as a new member of the Supervisory Board.



The most valuable asset of any organisation is its human capital and AMSCO is no exception. On behalf of the Board of Supervisory Directors, I express our thanks to senior management, AMSCO staff and AMSCO managers for their excellent work during the year.

The commitment and hard work of the entire AMSCO team made 2006 a good year for AMSCO and the team is well equipped to meet the new challenges ahead.

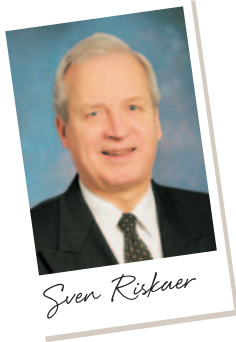
*Morten Christiansen*

Morten Christiansen  
Chairman of AMSCO's Board of Supervisory Directors  
April 2007

*"The developmental challenges on the continent are enormous. AMSCO makes a significant contribution to meeting some of these challenges by providing qualified management and training to African SMEs."*

## Stichting Chairman's Report

2006 was another year of growth and progress for the ATMS Project. The organisation, in response to demands from its stakeholders, became more transparent, accountable and efficient. Additionally, the organisation once again significantly increased its number of projects, improved its financial viability and strengthened its external and internal governance.



Sven Risgaard

The Stichting, the Foundation through which all donor funding to the ATMS Project is channeled, has improved its internal governance structures. This process was combined with the streamlining of the Guidelines and Criteria for the use of Stichting subsidies and an update of the development objectives for the ATMS Project. The Stichting Articles of Association has also been overhauled.

A full time Stichting Director has been appointed. This represents a significant improvement in the governance of both Stichting and AMSCO BV because it facilitates an operational arms-length separation between the two organisations.

AMSCO BV has, with support from the Stichting, established a Portfolio Management Department. This new department will be tasked with gathering information from client companies that can give insight into the successes and occasional failures of the ATMS Project in the context of the fundamental development objectives. These results will be communicated regularly to all stakeholders.

Our achievements for 2006 include the following:

- The Foundation increased training reimbursements by 163% over 2005, reflecting an increased number of training initiatives for our clients, especially SMEs
- Stichting approved 45 projects, a new record for the Foundation and made a total commitment of US\$4.99 million in client subsidies
- During 2006, 19 companies graduated from the AMSCO program while another 72 have been added to the client portfolio. As of 31 December 2006 there were 124 clients with 280 AMSCO managers across 22 countries
- The Board of Stichting Trustees held meetings in Amsterdam, Copenhagen and Oslo, a strategy meeting in Tunis and hosted a donors' meeting at The Hague during the year. Donors pointed out the need for timely and consistent reporting on developmental impact and also discussed the criteria for progression onto phase four of the ATMS Project (ATMS IV)

I thank our outgoing board members and administrators for their contributions to this Project – they are my predecessor, Mr. Mwaghazi Mwachofi (July 2005 - June 2006), trustee, Mr. Anthony Kwaku Ohemeng-Boamah (November 2005 - January 2007) and Stichting administrator, Mr. Graeme Finch (July 2005 - December 2006).

New appointments to the Board are as follows: the IFC's Ms. Imoni Akpofure, appointed 1 July 2006; the UNDP's Mr. Martin Fianu, appointed 15 February 2007; and Mr. Jan Berteling, a former staff member of the Netherlands MOFA who was appointed 15 February 2007. In January 2007, Ms. Fatuma R. Abdullah was appointed as the fulltime Stichting Director. Ms. Abdullah will oversee and manage Stichting operations to ensure that the development goals spelt out in the criteria are met and that donor funds are efficiently used.

The ATMS III Project cycle will be coming to an end on 31 December 2007. Since formalities for the continuation and expansion of the ATMS Project have been dealt with, we are ready for the year ahead. Following the annual donor and ATMS meetings which will take place in Shanghai in May 2007, we will embark on a fundraising drive. We aim to raise approximately \$25 million for ATMS IV over the next five years (2007-2012) and hope to gain new partners from Asian countries.

I thank the UNDP, IFC and AfDB for their commitment to the ATMS Project. Their support, coupled with the strength of the AMSCO Board and Management team, has ensured the success of the Project.

We look forward to an exciting and challenging year. We maintain our ongoing developmental objectives and hope that in 2007 we will attract new investors to AMSCO BV and new donors to the Stichting ATMS.



Sven Riskaer  
Chairman of the Board of Trustees, Stichting ATMS  
April 2007

*"The roaring Globalization offers unique growth opportunities for African economies. But for African enterprises and, in particular, for SME's to take full advantage, enhancement of Corporate Governance and Management development - exactly what Amsco BV and the ATMS Foundation provide - is more needed than ever. And for this, funding from the Donor community to the ATMS Foundation is of essence".*



*Martin Fianu - UNDP, Jan Berteling - The Netherlands, Fatuma Abdullah - Stichting, Imoni Akpofure - IFC, Sven Riskaer - Stichting, Mohamed Bourenane - AfDB*

## Managing Director & CEO's Report

2006 was a year of unprecedented achievement, thanks to the commitment, focus and hard work of all our people and the AMSCO managers. We ended the year with a record financial performance, improved operational systems and better service delivery. AMSCO is now in an even stronger position to heighten its developmental impact and meet new challenges in the future.

AMSCO finished the year with 124 projects and 280 managers - up 20% and 24% respectively from 2005. In 2006, we also continued to expand into new geographies by placing a manager in South Sudan and by entering into Ethiopia. This underlines AMSCO's commitment to reach more clients in particularly needy countries.

AMSCO also once again demonstrated its financial viability with a record financial performance in 2006. The organisation enjoyed its second profitable year with an operating profit that increased 54% to US\$446K. Total revenue increased to US\$22.5 million from US\$17.2 million in 2005.

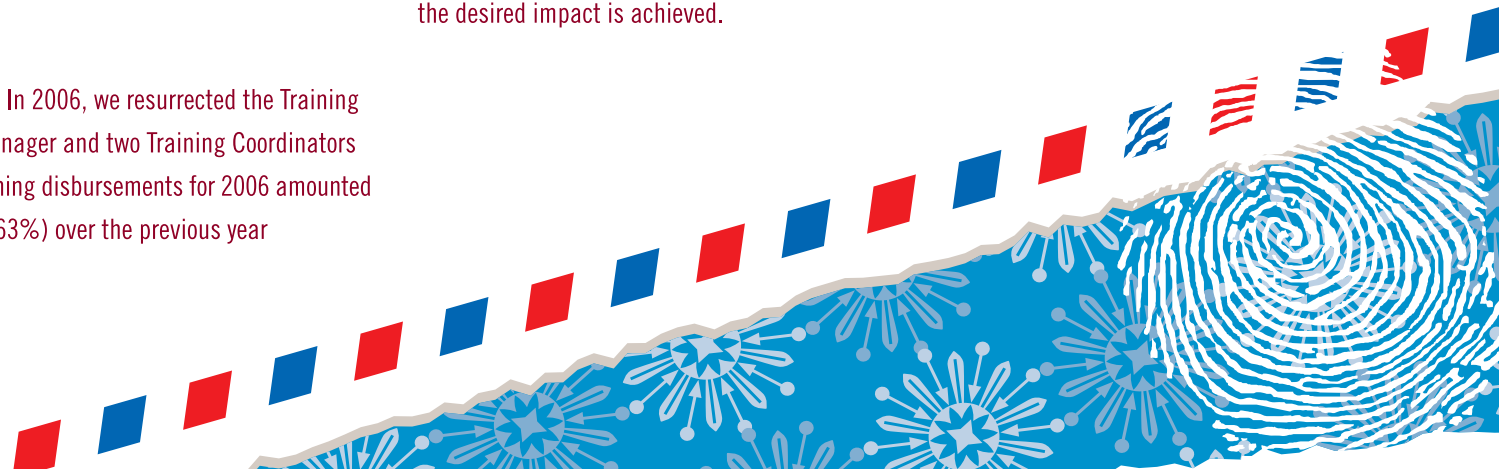
We are committed to the continuous improvement of our services and internal processes. Some of the steps we took in 2006 to better address the needs of our clients included:

- **Resurrecting the Training Department.** In 2006, we resurrected the Training Department and recruited a Training Manager and two Training Coordinators located in West and East Africa. Our training disbursements for 2006 amounted to US\$524K, an increase of US\$325K (163%) over the previous year

- **Initiating a Portfolio Management Department** With this new department in place, we will be able to manage our projects better, improve our delivery of services and assess our development impact more accurately
- **Strengthening our Recruitment Department** We are improving our relationship with our AMSCO Managers and ensuring we place talented candidates.

Despite these achievements, our work is not done. Our clients are happier with our services but are now expecting and demanding more from AMSCO. Going forward, we must meet the individual needs of our clients with custom-tailored solutions while maintaining the financial and operational strength we've achieved. We will need to play a more active role with our clients to better understand their challenges. We also must continuously work to improve on our quality of services and ensure we make a significant contribution to the capacity building of our clients.

Our primary focus for 2007 will be on developmental impact. We will choose projects carefully and enhance the quality of our services. With our Portfolio Management Department in place, we will closely monitor and evaluate our projects and ensure the desired impact is achieved.



We also plan to expand our reach to distressed countries by entering the Democratic Republic of Congo and Angola and by increasing our footprint in Ethiopia. Plus, we will place more emphasis on West African countries such as Nigeria, Cameroon and Senegal.

I'm confident that AMSCO and its clients are entering 2007 well prepared for any challenges it may bring. We have identified our most significant problems and put systems in place to deal with them and we're ready for whatever the year brings.

*"During 2006 we raised the bar; our biggest test for 2007 will be living up to the high standards we have set for our developmental objectives and financial performance."*



*Nile Commercial Bank,  
South Sudan*

I am looking forward to another exciting and successful year.



Ayisi Makatiani  
CEO and Managing Director of AMSCO  
April 2007



*Breckstone School, Nigeria*

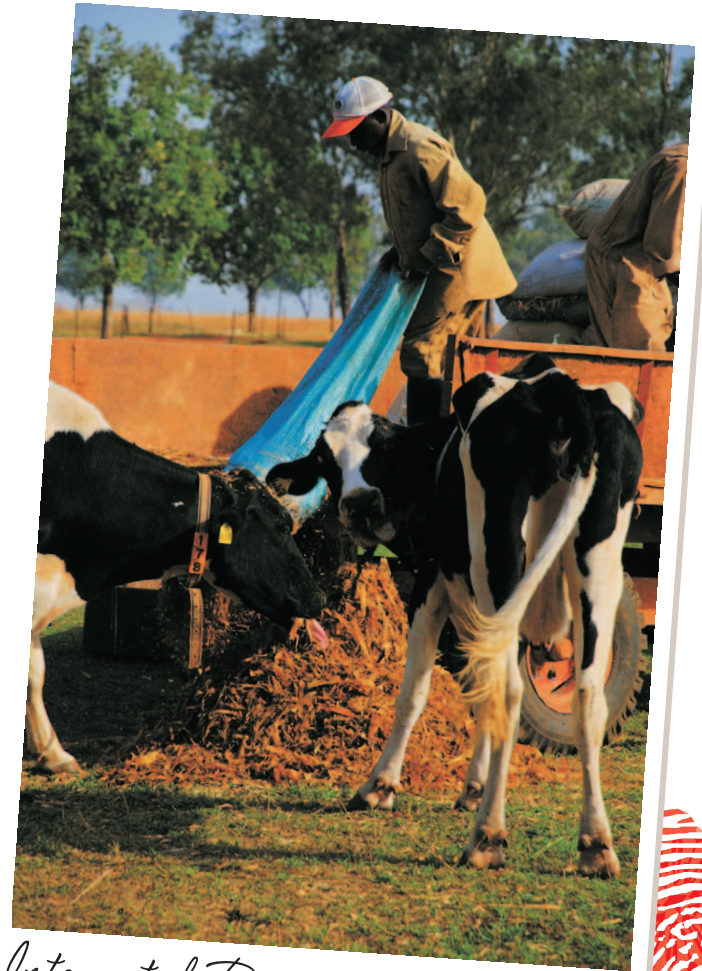
## The Project

### Vision

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

### Mission

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



*Integrated Dairy, Nigeria*

**How is your organisation and AMSCO working together towards the same goal of economic development?**

**Thierry Tanoh:** IFC promotes open and competitive markets in developing countries to provide opportunities that alleviate poverty and improve people's lives. To support these goals IFC provides financial products and advisory services while IFC supports AMSCO so it can offer management support and advice.

**How does your organisation support AMSCO in its objectives?**

**TT:** IFC is proud to support AMSCO through participation on its board and sharing of knowledge and resources that contributes to its success.

**Why do you think African countries are economically challenged and underdeveloped?**

**TT:** Africa needs a more dynamic private sector to drive growth, create jobs, and provide opportunities for entrepreneurial Africans. The idea that the private sector can be the engine of growth is becoming more widely accepted. But it is still too difficult to do business, so reform in the business regulatory environment is an urgent need and a pillar of IFC's strategy for the region. We are also proactively encouraging large projects that require significant investment, and the transfer of capital and knowledge into Africa. At the same time, small businesses will remain the largest part of the private sector, so IFC is providing support to them through domestic financial institutions and several innovative advisory services programs. An improved business climate, increased investment, and a more dynamic small and medium enterprise sector are all required if Africa's economies are to grow and develop faster.

**What do African countries need in order to develop?**

**TT:** Development is not an exact science, but with a combination of incentives and good management Africa can make a lot of progress quickly. For too long, the cards have been stacked against enterprising or skilled Africans. The result is that there is not sufficient human capital to power vibrant private enterprises. IFC is focusing on the business environment to help create the right conditions and incentives for businesses to thrive. IFC supports AMSCO to help it bring skilled managers and other talent to work toward more successful businesses that can contribute toward Africa's development.

**How do you feel AMSCO is making a difference?**

**TT:** When African businesses have improved access to skilled managers, businesses can contribute more by being more productive, creating more jobs, paying more taxes and ensuring that companies can achieve improved practices. AMSCO makes a huge contribution to the success of specific enterprises so that the private sector can contribute more to African development.

*Thierry Tanoh - Director for Africa, IFC*



*Thierry Tanoh*



## About the Project

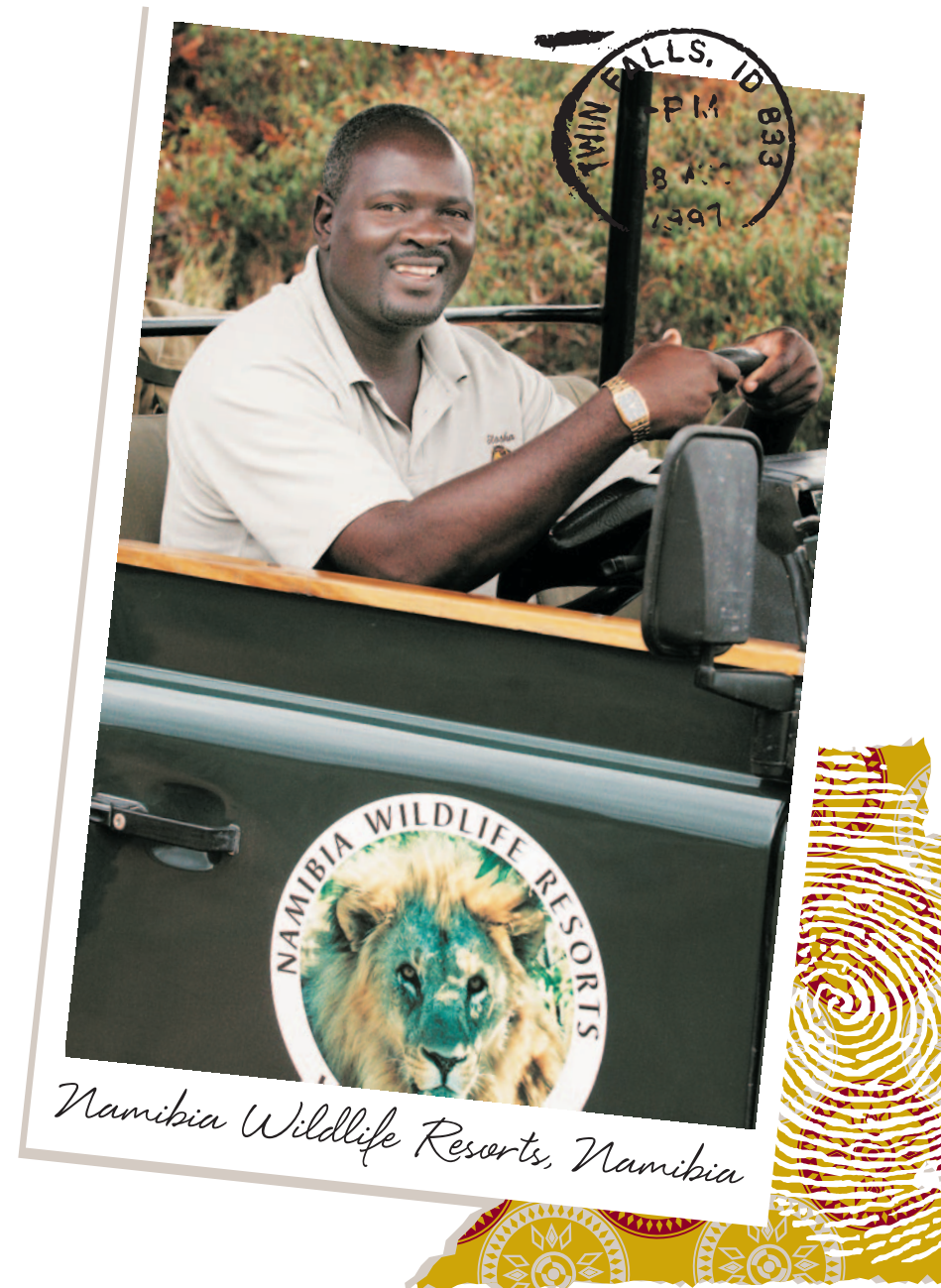
AMSCO administers the African Training and Management Services (ATMS) Project of the UNDP and is a pioneer of capacity and skills development within the African SME sector. AMSCO's ability to strategically place globally experienced managers in its client companies and subsequently source and develop quality local management skills, contributes to the overall growth and health of the businesses and the economies within which they operate.

AMSCO delivers two primary services to client companies - Senior Management Assistance and Training & Management Development.

AMSCO currently works with approximately 138 African businesses of various sizes in 22 countries.\* AMSCO chooses its clients carefully, adhering to company due diligence procedures, and seeks to partner with SMEs that have impressive and proven business track records as well as start-ups that have received support from credible and accomplished investors.

The Stichting Foundation, which also falls under the ATMS Project, provides grant funding to the most needy companies that meet the strict criteria for developmental impact. Priority is given to SMEs that are located in politically unstable and underdeveloped countries. More detailed information on the selection process can be found on AMSCO's website ([www.amsco.org](http://www.amsco.org)).

\* as of 31 March 2007



*Namibia Wildlife Resorts, Namibia*

# ATMS Organisational Structure

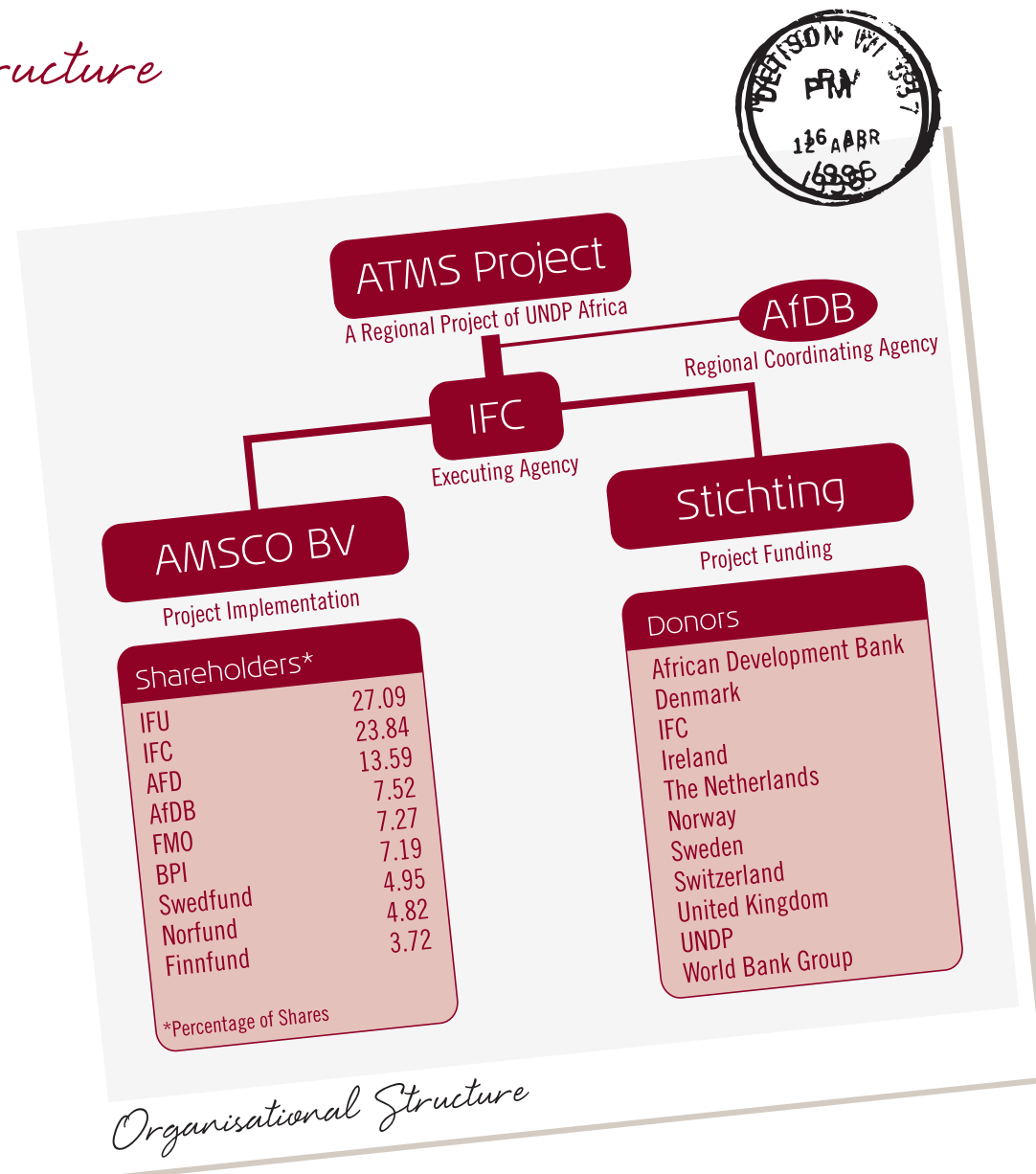
The African Training and Management Services (ATMS) Project is a regional project of the United Nations Development Programme (UNDP) Africa. The International Finance Corporation (IFC) is the executing agency of the ATMS Project and the African Development Bank (AfDB) is the regional coordinating agency. AMSCO BV and the Stichting ATMS are responsible for the implementation and funding of the project, respectively.

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

AMSCO BV has a mandate to provide qualified and experienced management, management back-up services and management development and training programs to private companies, mainly small and medium-sized enterprises as well as commercially operated public enterprises in Africa.

**The Stichting** (Dutch for "Foundation") was established in 1996 by the IFC in its capacity as executing agency for the ATMS Project to serve in the distribution of donor funding.

The Stichting is an independent legal entity, established in Amsterdam under the laws of The Netherlands to support projects within the framework of the ATMS initiative. A large portion of Stichting funds has traditionally gone to AMSCO's client companies to help them cover the costs of management and training services provided by AMSCO. The Stichting is funded by a number of committed national and multilateral donors.



## Senior Management Assistance

AMSCO recruits professional senior managers with expertise, experience and industry knowledge and second them to its client companies. These managers guide client companies in developing their management structures, improving operational and financial performance and promoting local management succession of expatriates.

AMSCO also helps companies to establish new businesses and markets, provides technical support and facilitates the recapitalisation of enterprises by linking client companies and entrepreneurs to AMSCO's extensive network of business contacts and potential investors.

## Training and Management Development

AMSCO seeks to develop and enhance client companies by providing quality training programmes that improve local management capacity and the skills of local staff. AMSCO develops and implements tailored training programmes that meet the individual needs of the client. AMSCO aims to replace expatriate managers seconded to client companies by a well-trained and professional team of local senior executives within the space of three years. AMSCO also works to equip the local staff with the skills needed to grow the client company.

## Stichting Grant Funding

Client companies that meet Stichting criteria are eligible for grant funding from the Stichting Foundation to subsidise the cost of training programmes and the secondment of AMSCO managers. The criteria developed by the Stichting, in cooperation with AMSCO, ensures that grant funds are applied where they can achieve measurable developmental impact and contribute to the enhancement of good governance and corporate social responsibility.

Funds may also be allocated for projects undertaken by AMSCO which contribute to the general improvement of management and corporate governance systems.



*Afrotropic, Ghana*

## Our Values

AMSCO believes that good corporate governance and social initiatives make commercial sense. AMSCO subscribes to principles developed by the international community, such as the UN Global Compact Principles, and encourages client companies to follow principles of best practice in all matters related to human rights, business ethics, HIV awareness, and environmental and corporate social responsibility.

AMSCO's relationships with African businesses are developed and maintained by AMSCO field managers who link AMSCO's clients and stakeholders with the organisation itself. The AMSCO managers are supported by regional offices in Accra, Johannesburg, and Nairobi as well as at the IFC office in Lagos. These offices provide critical administrative and logistical support to managers and client companies – from opening up business networks to helping deliver improvements within companies.

## Our People

It is AMSCO's people – from regional and head office staff to managers working in the field – that make it possible for the organisation to deliver on its mandate. AMSCO is committed to developing the full potential of its people and to ensuring that it maintains its position as a leader of African business development.



Danya Davis

*"The corporate sector has a clear role to play in curbing the HIV epidemic."*  
Danya Davis - AMSCO Manager  
HIV & AIDS Strategy Coordinator,  
Global Forest Products



## Portfolio Management and Developmental Impact

The Portfolio Management Department was established in 2006 following external developmental impact studies conducted in 2005. These studies confirmed the need for AMSCO to build a department that not only monitors and evaluates performance, but also sets developmental impact targets and works to achieve them.

The Portfolio Management Department was primarily established to:

- Continue the Monitoring and Evaluation studies conducted in 2005
- Monitor and report on developmental impact (both financial and social) to external stakeholders
- Centralise all project information and data
- Catalyse Corporate Governance improvements within the portfolio
- Increase AMSCO's operational efficiency with internal reporting and to track progress in projects

During 2006 a Portfolio Management system, logic and methodology was developed, built and implemented. The Department also set base-line targets for impact resulting from AMSCO's intervention. During 2007, the Department aims to have the capacity for complete progress reporting on project performance and AMSCO's developmental impact.

The Portfolio Management function focuses primarily on delivering and tracking the following developmental impact metrics:

### Wealth Creation

1. Increase in revenue
2. Increase in profitability
3. Increase in number of successful companies assisted
4. Increase in number of managers placed

### Social Impact

5. Increase in number of local managers promoted
6. Employment generation
7. Increase in female participation rate



*Kigali, Rwanda*



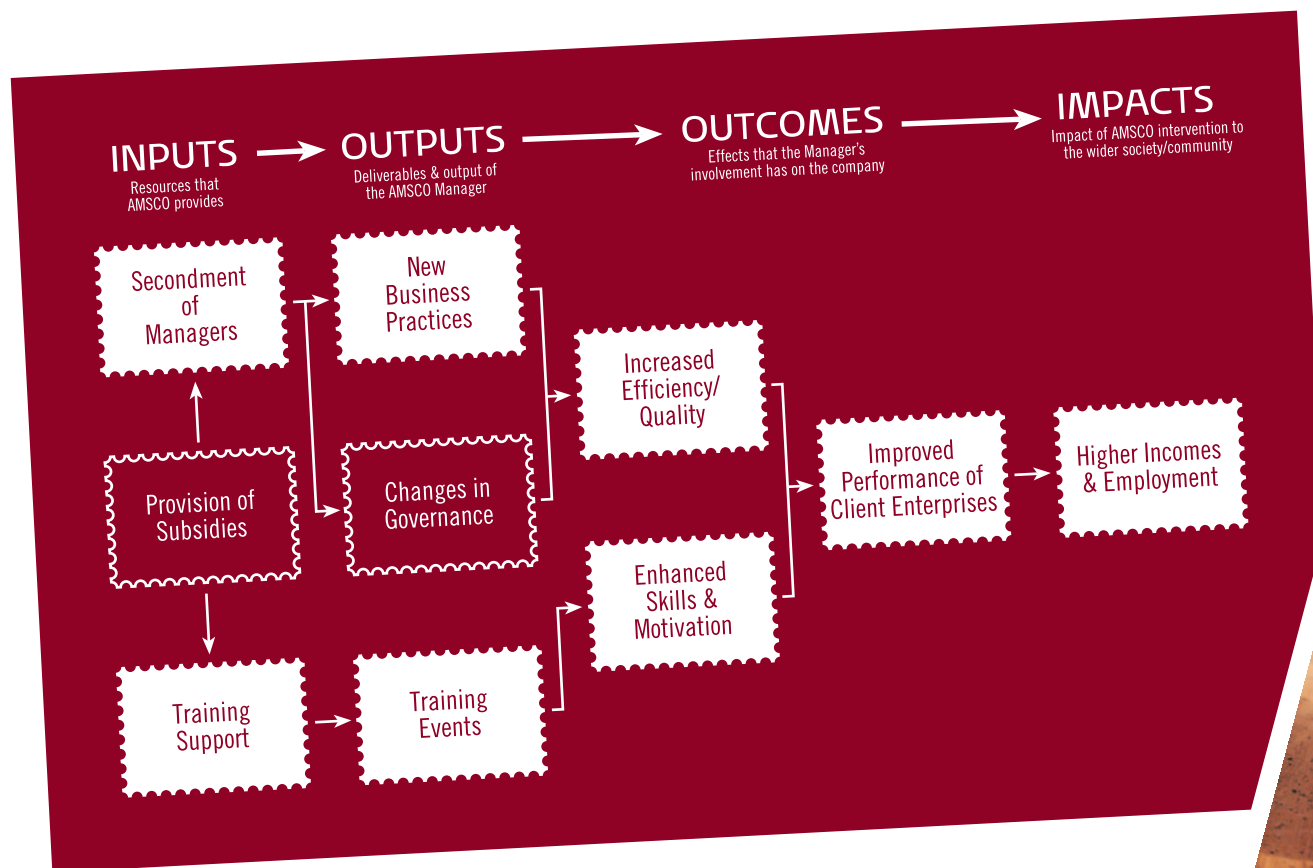
*Juba, South Sudan*



### The Log Frame Approach

The log frame approach is the foundation of the Portfolio Management process and methodology.

The primary focus is on Outcomes – positive changes that occur on a company wide level.



*The Log Frame Approach*

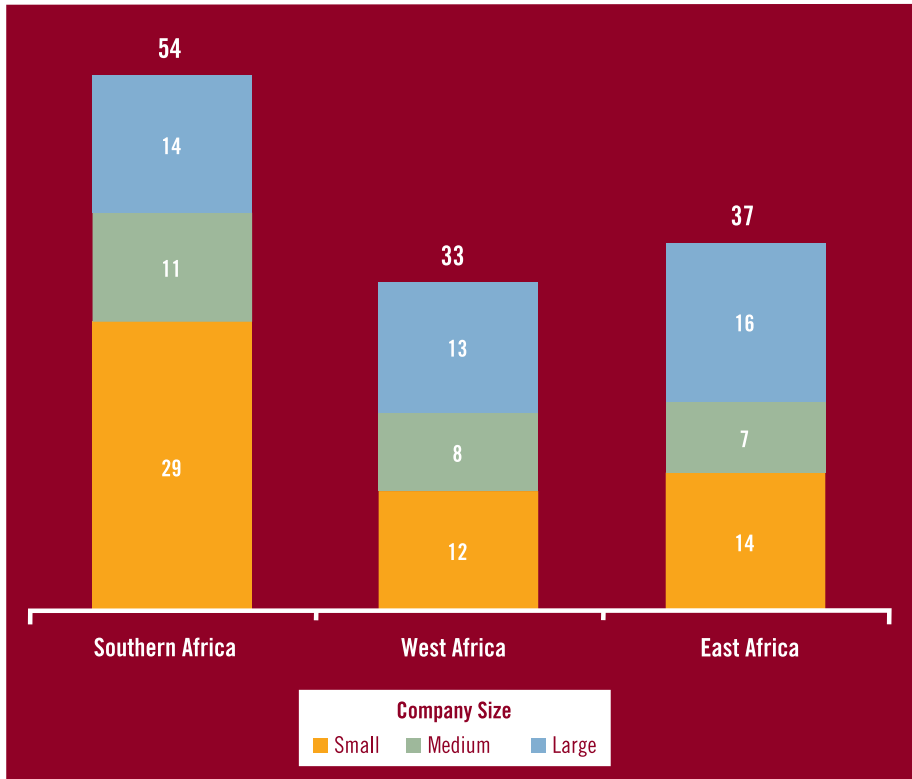
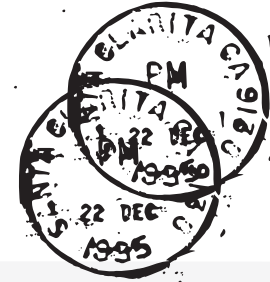


*Juba, South Sudan*

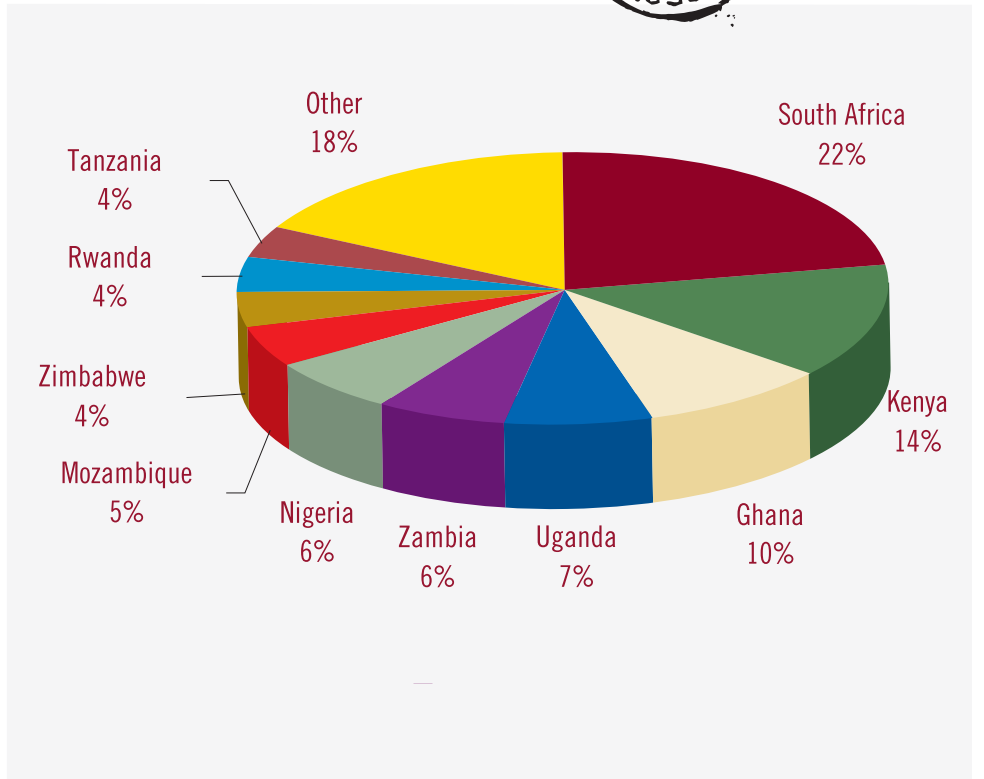


# AMSCO at a Glance

- As of 31 December 2006, AMSCO was present in 22 African countries, with 280 management professionals seconded to 124 companies
- AMSCO's portfolio was comprised of 65% SMEs at year end 2006

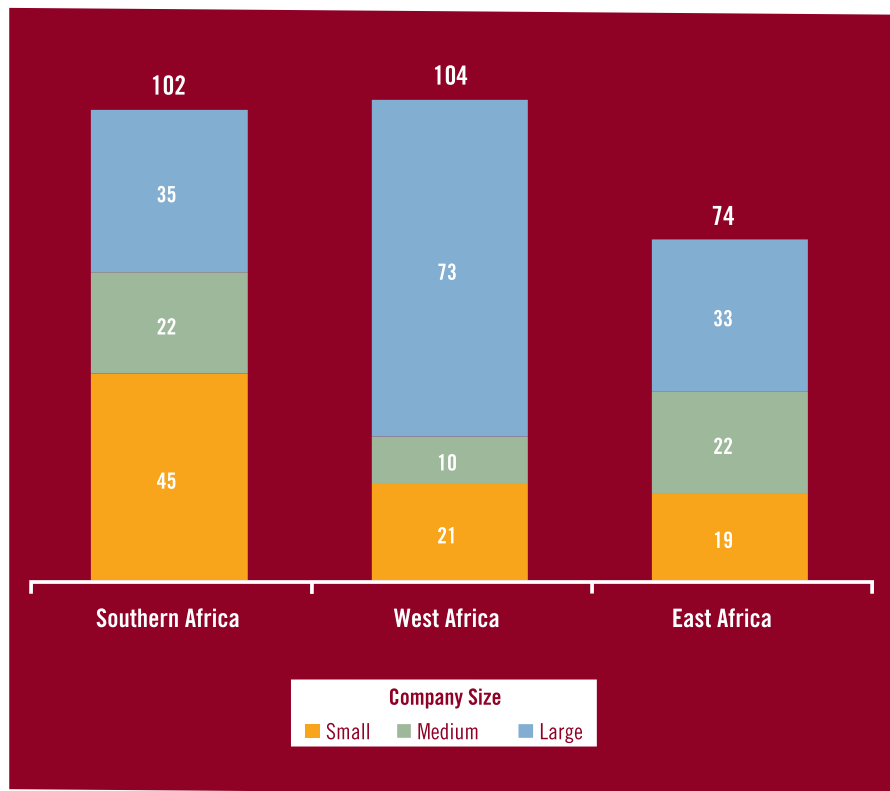


Number of Client Companies

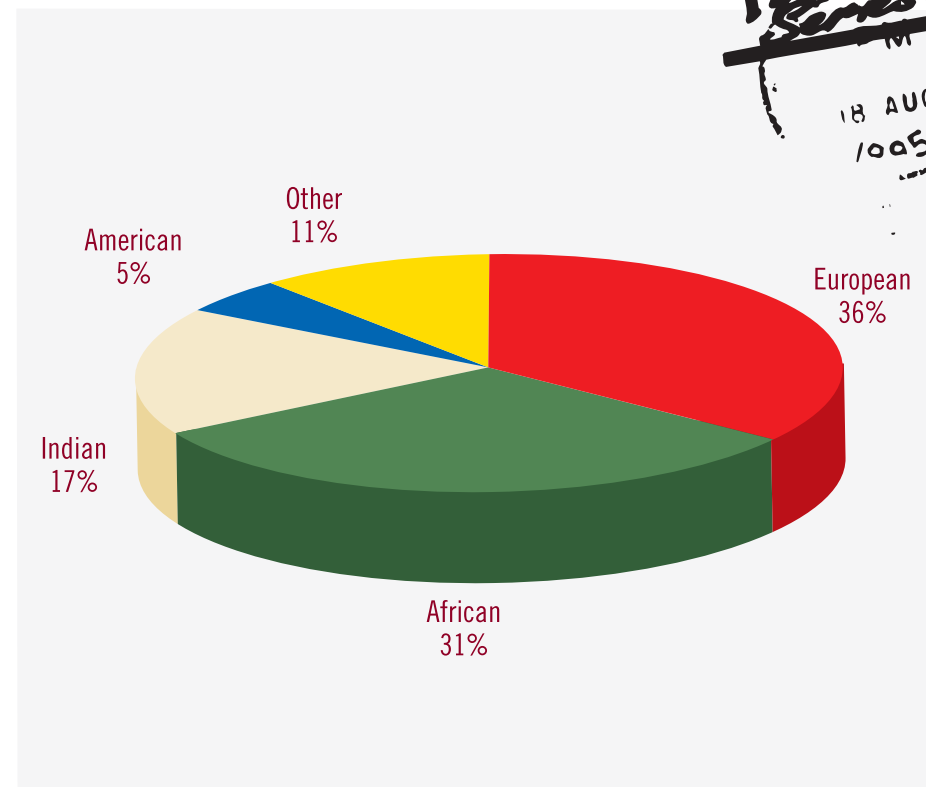


Portfolio by Country





*Number of AMSCO Managers*



*Nationalities of AMSCO Managers*

## AMSCO's Portfolio

	2002	2003	2004	2005	2006
AMSCO Managers (at year end)	273	157	162	225	280
AMSCO Operating Profit/Loss (US\$'000)	-\$2,243	-\$659	-\$1,455	\$290	\$446
AMSCO Net Profit/Loss (US\$'000)	-\$2,644	-\$1,128	-\$1,305	\$1,390	\$845
Stichting Projects Approved	62	42	8	7	45
Stichting Amounts Approved (US\$'000)	\$2,344	\$428	\$268	\$639	\$4,988
Stichting Amounts Disbursed (US\$'000)	\$899	\$241	\$798	\$899	\$2,188
AMSCO Staff (at year end)	66	27	26	31	46

### Five Years of AMSCO Operations



*Brookstone School, Nigeria*



*Oaklands Media, Kenya*

## The Impact



## AMSCO's Project Portfolio (as of year end 2006)

Client / Company	Country	Sector	Size	No. of AMSCO Managers	No. of Employees
Technoserve Inc Kenya	Kenya	Capacity Development	Large	1	15
Actis Capital	Kenya	Financial services	Large	3	8
Apollo Insurance Company Ltd	Kenya	Financial services	Large	1	22
Fina Bank Kenya	Kenya	Financial services	Large	5	125
Micro Kenya Ltd	Kenya	Financial services	Medium	1	35
Magana Flowers Kenya Ltd	Kenya	Horticulture	Medium	2	464
Athi River Mining Ltd	Kenya	Manufacturing	Large	1	2,628
Booth Extrusions	Kenya	Manufacturing	Large	2	110
Carlton Products (E.A) Ltd	Kenya	Manufacturing	Small	1	79
Cook n' Lite	Kenya	Manufacturing	Medium	3	283
Eslon Plastics of Kenya	Kenya	Manufacturing	Medium	2	270
Kaluworks	Kenya	Manufacturing	Large	3	1,000
Raffia Bags (Kenya) Ltd	Kenya	Manufacturing	Large	1	359
Unibilt 2003 Ltd	Kenya	Manufacturing	Small	1	120
Oakland Media Services Ltd	Kenya	Media	Small	2	61
The Heritage All Insurance Company Ltd	Kenya	Services	Large	1	128
Transpaper	Kenya	Services	Large	2	85
Commercial Bank of Rwanda	Rwanda	Financial services	Large	4	280
Fina Bank Rwanda	Rwanda	Financial services	Large	4	136
AAR Rwanda	Rwanda	Services	Small	2	36
KK Security Rwanda	Rwanda	Services	Small	1	1,135
Rwanda Micro Finance SARL	Rwanda	Financial services	Small	1	10
Nile Commercial Bank Limited	South Sudan	Financial services	Small	1	50
Capital FM Juba	South Sudan	Media	Small	1	30
Raffia Bags (T) Ltd	Tanzania	Manufacturing	Large	1	500
Simba Plastics Ltd	Tanzania	Manufacturing	Large	1	611
AAR Health Services (T) Ltd	Tanzania	Services	Medium	1	70
Strategies Insurance (T) Ltd	Tanzania	Services	Small	2	31
The Heritage All Insurance (T) Ltd	Tanzania	Services	Large	2	73
International school Of Uganda	Uganda	Education	Medium	12	149
Bankom	Uganda	Financial services	Small	1	12
DFCU	Uganda	Financial services	Large	1	105
Kilimo Trust	Uganda	Financial services	Small	1	6
Sadolin Paints Uganda	Uganda	Manufacturing	Medium	1	77
Micro Care Health	Uganda	Services	Small	2	67
Security Group Uganda	Uganda	Services	Small	1	1,267
Software Applications (U) Ltd	Uganda	Services	Small	1	16
United Assurance Company Ltd Uganda	Uganda	Financial services	Small	1	48

*East Africa*

## AMSCO's Project Portfolio (as of year end 2006)

Client / Company	Country	Sector	Size	No. of AMSCO Managers	No. of Employees
Innscor Zimbabwe	Zimbabwe	Food, Manufacturing & Distribution	Small	1	60
African Banking Corporation	Zimbabwe	Banking	Large	1	400
River Ranch Diamond	Zimbabwe	Mining	Large	3	160
Shearwater Adventures	Zimbabwe	Adventure Sports	Medium	3	180
Bindura Nickel Company	Zimbabwe	Mining	Medium	1	180
Development Bank Of Southern Africa	South Africa	Development Banking	Large	4	442
Emp Logistics (Empsa)	South Africa	Financial Services	Large	2	3
Global Forest Products	South Africa	Timber Processing	Large	10	1700
Aureos Capital	South Africa	Venture Capital	Small	3	4
Zephyr Management Africa	South Africa	Venture Capital	Small	1	6
The Grace Hotel	South Africa	Hospitality	Medium	3	25
Innscor South Africa	South Africa	Food Processing	Small	1	5
Comafin	South Africa	Venture Capital	Small	1	10
Edward Nathan Africa Ltd	South Africa	Legal Services	Medium	2	100
Norfund	South Africa	Venture Capital	Large	1	5
Webram	South Africa	Manufacturing	Large	1	275
Rani Resorts	South Africa	Hospitality	Small	2	100
Southern Africa Fruit Exporters Ltd	South Africa	Agricultural Sector	Large	4	45
Phatisa	South Africa	Financial advisory	Small	3	5
Innscor International	South Africa	Distribution	Small	2	13
The H-group	South Africa	Advisory Service	Small	1	18
Finmark Trust	South Africa	Financial Market	Small	1	6
Tah Capital	South Africa	Financial Services	Small	1	4
Raffia Tufbag	South Africa	Manufacturing	Small	3	478
Circle Capital	South Africa	Financial Market	Small	1	10
Solenta Aviation Limited	South Africa	Aviation	Large	1	153
Steadman Group	South Africa	Professional Services	Large	1	290
Ernst & Young	South Africa	Consulting	Large	4	1477
Africap Investments	South Africa	Financial Services	Small	3	5
Letsema Consulting	South Africa	Professional Services	Small	1	3051
United Farmers Fund (Pty) Limited	South Africa	Professional Services	Small	1	26
Africa Practice Group	South Africa	Consulting and Publishing	Medium	2	12
Lema Group Investment	South Africa	Financial Services	Small	1	4
Namibia Wild Life Resorts	Namibia	Hospitality	Large	1	564
Namibia Stone Processing	Namibia	Manufacturing	Small	1	50
Indebank	Malawi	Banking	Medium	1	121
Swarp Spinning Mills II	Zambia	Manufacturing	Large	1	1269
Shearwater	Zambia	Tourism	Small	1	15
Southern Cross Motors, Zambia	Zambia	Transportation	Medium	2	140
Aagri Corporation Limited	Zambia	Agri Business	Medium	5	43

*Southern Africa*



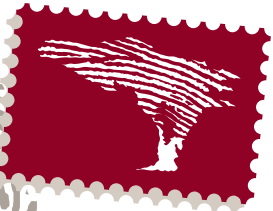
## AMSCO's Project Portfolio (as of year end 2006)

Client / Company	Country	Sector	Size	No. of AMSCO Managers	No. of Employees
Necor Zambia	Zambia	Information Technology	Small	1	84
Wilderness Safaris	Zambia	Tourism	Small	2	84
Lilayi Development Holdings	Zambia	Real Estate	Medium	1	5
Innscor Distribution	Zambia	Merchandise Distribution	Small	1	54
Kingdom Botswana Pty Ltd	Botswana	Financial Services	Small	1	7
Delta Dairies Ltd	Botswana	Manufacturing	Medium	1	40
National Brands Botswana (Pty) Limited	Botswana	Manufacturing	Medium	1	90
Indian Ocean Aquaculture	Mozambique	Aquaculture	Small	4	450
Maputo Ports Handling Authority	Mozambique	Aviation	Small	1	233
Mozambique Business Network	Mozambique	Various	Small	1	5
Spectrum Graphics	Mozambique	Printing	Small	3	58
Swista LDA	Mozambique	Manufacturing	Small	1	30
Raffia Tuff Bags	Mozambique	Manufacturing	Small	1	254
Standard Bank Swaziland	Swaziland	Financial Services	Large	1	367

### Southern Africa

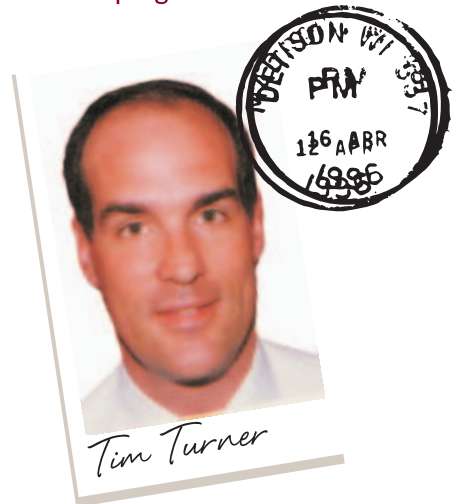


*Namibia Wildlife Resorts, Namibia*



“In order to attain the MDGs and reduce poverty, African countries need to achieve significant and sustainable economic growth over the long term. The African Development Bank (AfDB) recognizes the vital role that the private sector plays as the engine of such growth and is increasing the continent’s competitiveness in the global marketplace. To this end, the AfDB is committed to support its regional member countries, in cooperation with other development partners, to strengthen and fully engage the private sector and to promote private-public partnerships. In particular, the AfDB’s programs seek to improve the investment and business environments, lower transaction costs, ensure better access to finance, particularly for SMEs, and to build managerial and technical expertise. However, the success of such programs hinges crucially on the efficient management and cost-effectiveness of beneficiary corporations. In this respect, the role of ATMS/AMSCO is essential in strengthening good governance and the managerial capacity of African corporations, especially SMEs, which form the backbone of the African private sector. The ATMS/AMSCO program shows how partnership can successfully support private sector development in Africa.”

*Tim Turner, Director Private Sector and Microfinance Department, AfDB*



## AMSCO Project Portfolio (as of year end 2006)

Client / Company	Country	Sector	Size	No. of AMSCO Managers	No. of Employees
Commercial Bank Of Cameroun	Cameroon	Financial Services	Large	4	335
Uac Nigeria Plc	Nigeria	Food Processing	Large	1	6 572
Socketworks Limited	Nigeria	IT	Medium	1	177
Evans Medical Plc	Nigeria	Pharmaceuticals	Large	1	461
Garage Linco Sarl	Mali	Automotive Services	Small	2	15
Integrated Dairy Farms Limited	Nigeria	Agricultural Business	Small	2	190
Foods Inn Ghana Limited	Ghana	Hotel and Restaurants	Medium	2	350
Imprimerie Du Tchad	Chad	Printing	Medium	1	60
Interplast Ghana Limited	Ghana	Manufacturing	Large	20	550
Gema SA	Senegal	Manufacturing	Small	4	47
Auto Parts Limited	Ghana	Automotive Services	Large	4	205
Phyto-riker (Gihoc) Pharmaceuticals Limited	Ghana	Pharmaceuticals	Medium	1	173
Planet Hotel Sarl	Cameroon	Hotel and Restaurants	Small	1	74
Samartex Timber & Plywood Company Limited	Ghana	Wood Processing	Large	14	2 500
Finadev Benin SA	Benin	Financial Services	Small	2	72
Afrotropic Cocoa Processing Limited	Ghana	Cocoa Processing	Medium	2	60
Brookstone School Limited	Nigeria	Education	Small	1	87
Inns Food Nigeria Limited	Nigeria	Hotel and Restaurants	Small	1	150
Danico West Africa Limited	Nigeria	Food Processing	Medium	1	73
Compagnie Bancaire De L'afrique De L'ouest	Senegal	Financial Services	Large	1	280
First African Company SA	Cameroon	Food Processing	Small	1	56
Barclays Bank Ghana Limited	Ghana	Financial Services	Large	1	834
Airport West Hospitality Company Limited	Ghana	Hotel and Restaurants	Small	2	140
Income Electrix Limited	Nigeria	Infrastructure Development	Large	1	150
Security Discount Company	Ghana	Financial Services	Small	1	41
Pro-pme Financement S.A	Cameroon	Financial Services	Small	1	17
The Pure Company Limited	Ghana	Agri Business	Small	2	8
Ghana Manganese Company	Ghana	Mining	Large	15	545
Ghana Primewood Company Limited	Ghana	Wood Processing	Large	9	1 700
Grands Moulins Du Mali SA	Mali	Food Processing	Large	1	156
Finadev Chad SA	Chad	Financial Services	Small	2	35
Rougier Gabon	Gabon	Wood Processing	Large	1	1 400
Omnium Mali SA	Mali	Manufacturing	Medium	1	101

West Africa



# Case Study: Afrotropic Cocoa Processing Company

## Accra, Ghana

### The Challenge

The Afrotropic Cocoa Processing Company was established in June 2002 to process raw cocoa beans into cocoa liquor for export, which is later used in products such as chocolate, cocoa butter and cocoa powder.

The company realised it would need external help to install, run and maintain a highly automated cocoa processing plant that meets international quality and food safety standards and achieves optimal production levels. Afrotropic needed professionals with the management and technical skills to help the company create a modern plant and training for the local workforce since people with the necessary skills and experience are currently in short supply in Ghana.

It also recognised that it would need help to drive its corporate strategy, access international markets and produce high enough volumes of quality cocoa liquor to service big manufacturers of cocoa-based products.

### The AMSCO Solution

AMSCO became involved in the company in 2005 while it was still in its start-up phase. Since then, AMSCO has helped Afrotropic recruit a number of interim managers including a mechanical engineer, a production manager and two electronic and computer systems engineers.

These managers have been given the task of installing state of the art production systems and ensuring that the plant meets international quality standards. The Stichting has helped Afrotropic to cover the costs of the managers' salaries.

Afrotropic has now completed the installation of the five major sections of the plant that will enable it to start processing cocoa beans and producing cocoa liquor.

AMSCO and Afrotropic have placed a heavy emphasis on training local employees in modern cocoa processing skills. A certified consultant has taken employees through the first phase of training in food safety and hygiene. This training has aligned Afrotropic with standards and regulations set by international organisations such as the WTO Agreement, the FAO and the WHO. Compliance with these standards ensures that the company can compete for business on a global level.

### The AMSCO Impact

AMSCO is involved with Afrotropic because of the impact the company has on Ghana's cocoa sector as well as the broader economy.

Ghana produced over 700,000 tons of cocoa beans in 2004/2005 out of which only 150,000 were processed locally. Afrotropic will process 15,000 tons of cocoa beans in its first full year of operations and expects to grow its capacity to 45,000 tons a year by 2008.

This increase in local cocoa bean processing will create new wealth and jobs that will benefit the economy of Ghana. Afrotropic will generate an estimated turnover of US\$13.7 million in its first year of full production, with revenues expected to rise to about \$24 million at the end of its third year. The company expects to grow and develop its base of skilled local employees alongside its revenues.



WINDY FALLS, ID 833  
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1997



# Case Study: Integrated Dairy Farm Limited

## Plateau State, Nigeria

### The Challenge

Integrated Dairy Farm Ltd is an integrated dairy farming, processing and marketing business located on 550 hectares. It markets a wide range of products including low fat and full cream milk, yoghurt and cheese.

The company's vision is to become a globally competitive company that delivers world-class dairy products. Integrated Dairy Farm has aggressive growth plans for the future and it took a major step forward when it entered into an agreement with the Cross River State Government in July 2003 to resuscitate and manage the Obudu Cattle Ranch.

In early 2006, the company approached AMSCO for interim management and training services to grow its business, improve operations and compete successfully with imported dairy products in the Nigerian market. The company needed professionals to help it develop a strategic plan, establish structures for commercial and professional dairy processing and farming, and build its capacity through skills transfer and training.

### The AMSCO Solution

AMSCO seconded a Farm Project Manager, [name] from [country], and a Dairy Processing Manager, [name] from [country], to help introduce international best practices and processes into its operations. These AMSCO managers are transferring skills to indigenous managers to ensure that they leave the company with a strong local management team when AMSCO's intervention is complete.

AMSCO has also tailored internal and external training programmes to the needs of the company to help it build up a base of local skills. Local herdsmen who buy cattle from the company have been attending workshops that help them maximise profitability from their cattle. Additionally, plans have been made for the company's veterinary doctor to attend a course on Dairy Training in Europe.



### The AMSCO Impact

AMSCO believes that this project is aligned with government policy to boost the agricultural sector and decrease Nigeria's heavy reliance on the oil sector. In addition, the project will help to create capacity in the local dairy sector and surmount the competition from imports.

Already, Integrated Dairy Farm's capacity has grown significantly and the company has approximately 600 cows with over 170 of them lactating. Milk production has also increased from an average of 13 to 20 litres per cow a day. The company is on its way to achieving a target of 25 litres per cow per day.

The company now has a sound strategy in place for the future and is in a stronger position to grow its market share in the face of international competition.



## Case Study: Brookstone School Port Harcourt, Nigeria

### The Challenge

Brookstone School located in the eastern part of Nigeria was established in 2002 to offer nursery and primary school education.

Following the success of its schools, the institution decided to set up a co-educational boarding secondary school that offers both British and Nigerian curricula. This new school offers affordable high-quality education and is equipped with facilities such as science laboratories, an ICT Laboratory, art and language studios and sporting facilities.

Brookstone did not have access to educators with expertise in implementing this mixed curricula education or the skills to drive the growth of the secondary school. The school approached AMSCO to recruit a seasoned principal/school administrator to lead the secondary school through its first years and lay the foundations for its future.

### The AMSCO Solution

Ms. Chikanayo Okorafor, a British national, was seconded to Brookstone in August 2006. She is initiating training programmes that instruct teachers in advanced teaching techniques and tools from the British educational system. Notable programmes include lessons in classroom management, lesson planning and preparation, grading systems and various other important techniques.

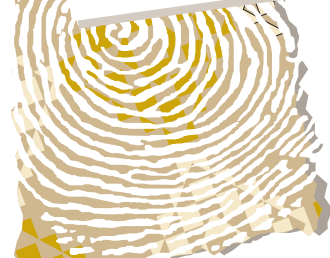
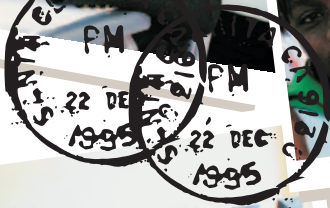
### The AMSCO Impact

The school is already enjoying considerable benefits in terms of skills transfer. Ms. Okorafor has introduced international teaching and learning skills which are in accordance with the standards of the European Council of International Schools.

Her success has also translated into increased revenues and job creation at the secondary school. Some 35 new staff have been employed to run the school and revenues for the first year of operation are expected to top \$1.5 million. The school took in 72 students in the first six months of operation.

AMSCO's involvement at Brookstone complements the Federal Government of Nigeria's drive to boost quality education in Nigeria and maintain international standards. The government has put a policy in place that states that all primary schools must expand to include the first three years of the secondary school, which is the Universal Basic Education level.





## Case Study: Planet Hotel Douala, Cameroon

### The Challenge

Planet Hotel was established with the vision of serving the business district of Douala, with an elegant boutique hotel for tourists and business travellers. The three-star hotel was registered in February 2006 and opened its doors in September of the same year.

The 48 rooms are equipped with flat-screen plasma televisions and other modern comforts. Other facilities include a 50-seat conference room, broadband and wireless Internet connectivity, a bar and a restaurant offering continental and local food.

Cameroon's booming hospitality industry and a shortage of accommodation that meets international standards presented the owners of Planet Hotel with an excellent opportunity. However, they recognised that they would need help with staff training, marketing, IT systems and business processes and asked AMSCO to intervene.

### The AMSCO Solution

AMSCO's intervention at Planet Hotel started in June 2006 during the final stage of the hotel construction, when it seconded Mr. Stephen Smith, a British national, to act as the hotel's general manager.

Smith oversaw the completion of the hotel, training of the staff and the official start of operations in September 2006. Smith, largely chosen for the job because of his marketing expertise, was given the task of making a name for the hotel and increasing market share. He has provided invaluable operational support and expertise, helping with tasks such as producing procedure manuals for all functional departments as well as installing necessary software.

Planet Hotel was awarded training grants amounting to \$30,000, in addition to a management subsidy of \$30,000, over two years by the Stichting Foundation. A massive training programme started before the hotel opened to equip employees with necessary skills. Since September 2006, 28 employees have been trained by Gerotel (a consulting firm) in general hotel operations as well as back and front office administration. In addition, 13 staff have received training on the computer software used to run reservations and front office functions. Another three staff were trained on accounting and back-office applications.

### The AMSCO Impact

By January 2007, Planet Hotel had established itself as one of Douala's most popular hotels with a room occupancy rate of 80.5%. Planet Hotel is well ahead of its budgeted occupancy rate of 65.3% for the first 12 months of operations.

Since the September opening, the hotel has performed well above its targets. Smith has helped the hotel sign up 134 contracts with blue-chip companies such as Schlumberger, Kenya Airways, and Ecobank.



## Case Study: Oakland Media Services Nairobi, Kenya

### The Challenge

Oakland Media Services was incorporated as a publishing group in 1999. The company established itself as one of East Africa's leading magazine publishers and editorial consultants, with a range of its own titles and a growing number of contracted publications. In 2003, it expanded into a new market with the launching of new magazine called Eve.

The concept of a cosmopolitan magazine mainly targeting women was new to East Africa at the time and the company's growth started to strain its existing resources. Oakland Media realised it needed to strengthen the quality of its products and its management capacity if it was to capitalise on its opportunities for growth.

### The AMSCO Solution

In April 2006, AMSCO seconded Ms. Jennifer Pallanich from the United States to manage the growth and improvement of existing publications, develop new products and mentor the staff in the publications department. She is playing an instrumental role in boosting Eve's editorial quality.

In July 2006 AMSCO seconded Ms. Ntokozi Ncube from Zimbabwe to serve as Finance and Administration Manager. Ncube is helping the company to structure its finances to maximise on opportunities and minimise costs. She is also instrumental in the negotiations with strategic partners.

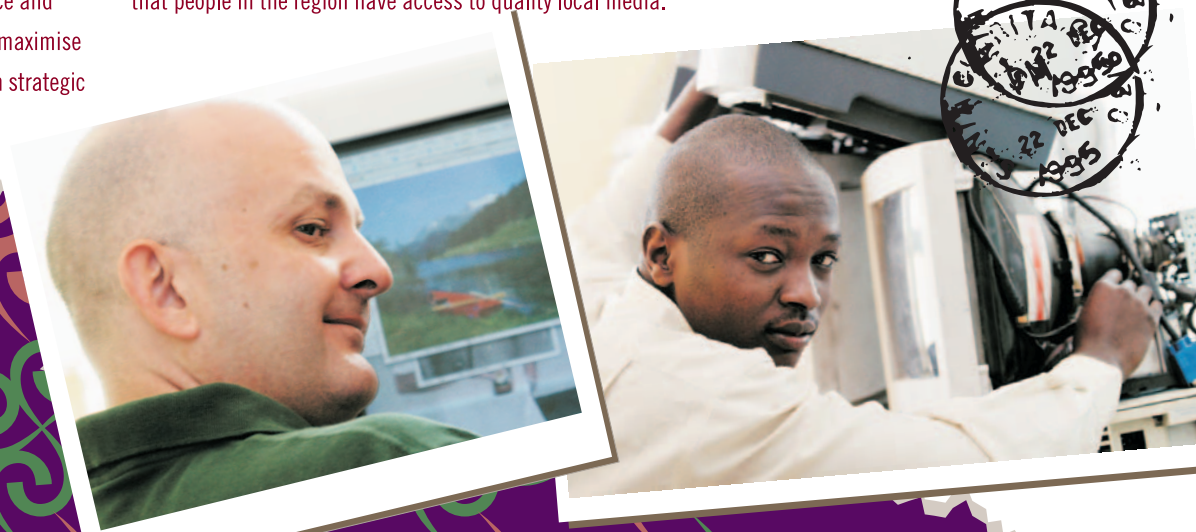
### The AMSCO Impact

AMSCO's intervention will help Oakland Media to increase productivity, become more innovative and improve financial management so that it is in a stronger position to expand into new and existing markets.

The company has carried out extensive training on HR Systems which included Organisation Structures, Job Descriptions and Evaluation, Performance Management and Appraisals. All staff were involved in a team building workshop. Other training that has taken place includes Innovative Debt Collection Strategies and Ethics training. The two managers seconded by AMSCO continuously coach and mentor employees to further enhance capacity building.

Oakland Media won a number of awards during 2006, including first positions in "marketing and supply chain management" at Company of the Year Awards sponsored by the Kenya Institute of Management. It also scooped the first runner-up award for the publication Lifestyle during the 2006 Public Relations Society of Kenya Excellence Awards.

The company is helping to foster a strong and vibrant media industry in East Africa, ensuring that people in the region have access to quality local media.



## Case Study: Rwanda Micro Finance Kigali, Rwanda

### The Challenge

The Rwanda Micro Finance Company was established in 2004 by Micro Kenya Limited (also an AMSCO client) in line with its plans to expand its business into other parts of East Africa. The Micro Kenya Operations Director, an AMSCO manager, played a vital role in setting up the Rwandan business and then helped to run the office in Kigali from Kenya.

Recognising the need for a strong local management team in Kigali, Rwandan Micro Finance approached AMSCO to help it find an interim Managing Director to drive the company's strategy and help train local staff since there is a limited number of skilled personnel in financial services in Rwanda.

### The AMSCO Solution

AMSCO appointed a Mr. Michael Kasibante, a Ugandan who has a background in financial services, to prepare and implement training programmes for employees across a range of business functions including delinquent management, individual business loans, financial reporting and IT systems.

### The AMSCO Impact

The AMSCO manager has helped the Company grow its client base, product line, and branch network over the past two years. He has also ensured that the company record a profit in 2006 after incurring losses in 2005. The institution's loan portfolio nearly doubled in value

\*Note: exchange rate applied reflects RWF 571/US\$ (as of 01/01/07)

from RWF226 million (US\$396,000) in 2005 to RWF456 million (US\$799,000) in 2006 and the customer base climbed from 907 to 1,161 in the same timeframe.

Rwanda Micro Finance has opened two new branches in the outlying areas of the country, with plans to open more in under-served areas. In addition, the company has developed new products such as micro corporate credit to make finance available to a broader spread of the population. Employees are all fully trained on the latest best practices and systems for their sector and are well prepared for future challenges. Current and future training plans include training in Marketing, Credit Management, Customer Service and Legal skills.

The current Rwandan government's policies have boosted investor confidence in the country and helped to spur economic growth. Institutions such as Rwanda Micro Finance are helping individuals and small businesses to benefit from economic liberalisation and growth by giving them access to finance, which in turn leads to job creation and wealth.



## Case Study: Imprimerie Du Tchad N'Djamena, Chad

### The Challenge

Imprimerie Du Tchad had a vision of becoming the market leader in Chad's printing industry by enhancing the quality of its product. To make this vision a reality, the company approached AMSCO to second an expert to reorganise its operations, build local skills capacity, enhance its printing technology and systems, and develop its business.

### The AMSCO Solution

AMSCO's intervention started in 2000 when Christian Lepretre, originally from France, was seconded to the company. He was given the responsibility of restructuring the company's operations for maximum efficiency, ensuring that staff are well trained, and growing the company's client base. The manager was also asked to help with the day to day management of the company and oversee the introduction of a new printing system.

Imprimerie Du Tchad bought and installed a new printing system, which offers it a greater range of printing capabilities and more productivity while consuming less power than the previous solution. Local staff were given hands-on training in this system during and following installation. This technical training has proven invaluable as it directly contributes to the quality of the product.

### The AMSCO Impact

Chad's economy still bears the scars of years of civil war and is still disrupted by sporadic outbreaks of violence. As such, it is a country in dire need of developmental assistance and a prime candidate for AMSCO interventions.

AMSCO's assistance has had a profound impact on Imprimerie Du Tchad's business, helping the company to grow revenues from \$2.1 million in 1998 to \$3.2 million in 2005. Excellent debt collection has resulted in strong cash flow for the business, ensuring sustainability and capacity for further growth.

The company has grown its share of the market and grown headcount from 40 in 1998 to 60 in 2005. AMSCO has also equipped the company's employees with skills that they can use to help Chad rebuild its economy.



## Case Study: Webram – South Africa

### Malikeng, South Africa

#### The Challenge

Webram was established in 2004 when a private investor acquired the assets of Agrichicks Limited after the company went into provisional liquidation. The government in the North-West province had inherited the loss-making business from the former Bophuthatswana regime when apartheid came to an end, and it spent two years under judicial management before the liquidation.

Agrichicks, a company that supplied farmers with day old chicks and feed, provided thousands of people in the impoverished province with a livelihood despite running up heavy losses each month. Webram management recognised that there was an opportunity to turn the business into a sustainable commercial poultry operation if its facilities were refurbished and best practices were adopted.

#### The AMSCO Solution

In January 2005, AMSCO seconded Kevin James – a turnaround expert with years of experience in the poultry industry – to the company to serve as its Director for Business Development.

James has led the company through a period of renewal, including the refurbishment of the hatchery, breeder houses and processing plant, as well as construction of a new breeder house and other facilities.

AMSCO and Webram have introduced a number of training and skills transfer programmes to ensure that expertise is transferred to Webram employees. Some training topics include Leadership, Computer Literacy and Corporate Social Responsibility. Additionally, AIDS, occupational safety and other life skills training have been implemented to help ensure the well-being of company employees within and outside the workplace.

\*Note: exchange rate applied reflects R7.06/US\$ (as of 01/01/07)

#### The AMSCO Impact

A profitable Webram is growing and prospering under the AMSCO manager's guidance. The company today runs a state of the art facility that competes with the best commercial poultry operations in the country.

Webram turned profitable in 2006 The company has invested some R32.4 (US\$4.6) million into capital expansion projects since 2005. It recorded a turnover of R186 million (US\$26) and an operating profit of R33 (US\$4.7) million for 2006.

Webram provides much-needed employment in a poor province, with women accounting for about a third of its workforce. The company also invests heavily in the community through corporate social responsibility programmes.

Webram has ambitious plans for the future including regional expansion and the refurbishment of a dormant feed mill. Once the Mafikeng operations are running smoothly, it will be used as a training base for staff required at new operations. About R10 (US\$1.4) million will be invested into the feed mill refurbishment, scheduled for completion by the end of 2007. An estimated 150 jobs will be created once the mill is operating at full capacity. Export opportunities will also be pursued.



## Case Study: Bank Commercial Internationale (BCI) Brassaville, Republic of Congo

### The Challenge

France's Banque Populaire Natixis took over the assets and liabilities of bankrupted COFIPA Bank Congo with the goal of restoring the business. The French bank used these assets to form a new Congolese subsidiary called BCI. This rescue effort is being supported by the Congolese government and the Central Bank of the Republic of Congo since it is one of only four major banks in the country.

BCI will retain all of COFIPA Bank's 171 staff and 18 branches, and plans to roll out the training programmes necessary to ensure that the Congolese subsidiary follows the sound banking practices, quality of service and regulatory guidelines befitting a major international bank.

After an appraisal of its situation, BCI concluded that a good managerial team, anchored by an experienced corporate and trade finance banker, would be able to turn the institution around in two years.

### The AMSCO Solution

In January 2007, AMSCO placed, Mr. Jean-Marine Pitard who is originally from France, with the bank. His responsibilities include developing a growth strategy, mapping out a plan to develop the trade finance business, helping to grow the skills of the 20 employees in his department, marketing corporate products, securing key contracts, installing banking systems and mentoring a Congolese to replace him after three years.

Pitard will also manage the corporate portfolio so that it reflects financial soundness, good governance and top-level banking services. He will position BCI as the top corporate bank

and an ideal financial partner for companies involved in key economic sectors such as oil and gas, timber and mining.

AMSCO plans to second an internal auditor to BCI in the near future to help it tighten internal controls and align itself even more closely with international best practice.

### The AMSCO Impact

BCI has laid out a clear strategy for the future, which includes the introduction of new financial services like Cash Management Solutions and E-Banking. The IFC, already a shareholder and board member of Banque Populaire Natixis' bank in neighboring Cameroon, envisages an investment in BCI during 2007. BCI projects a net profit of US\$666K in 2009 compared to an expected loss of \$1.8 million in 2007.

The success of the bank could play an important part in the economic revival of the Republic of Congo, a country plagued by years of civil war and political instability. A shortage of financing and banking infrastructure has held back development efforts in the country and huge swathes of the informal sector remain unbanked. The costs of financial transactions remain high because of low levels of competition in the financial service market and the inordinate costs of funds.

A stronger and better-managed bank will benefit the economy by attracting foreign direct investment and creating wealth and employment, notably in the energy and mining sectors. A more competitive banking market will also help pull more local companies out of the informal sector.



## Case Study: Nile Commercial Bank Headquarters in Juba, South Sudan

### The Challenge

Nile Commercial Bank (NCB) was established in early 2003 as the first community-based national financial institution in South Sudan under control of the Sudan People's Liberation Army. The bank today serves the people of South Sudan with a range of modern banking services and products.

Demand for banking services is on the rise in the region as a result of the international community's help to rebuild the infrastructure and economy after more than 20 years of civil war. However, banking services are non-existent and the few that were once available belonged to northern Sudanese who are vacating.

AMSCO was approached by Stanbic South Africa, an investor in NCB, to provide capacity building services that would help the bank to improve its operations and position itself for growth.

### The AMSCO Solution

In June 2006, AMSCO seconded Mr. Charles Whyte, a South African, as its interim Deputy CEO. He is to help the bank tighten its corporate governance, train staff in banking best practices and develop strategies for the institution's growth.

He is also expected to help the bank build up and train a local workforce with a healthy gender balance – a vital task in a country where education infrastructure has been shattered by war and financial services skills are in short supply. His biggest challenge is to help create a modern bank in a region lacking basic infrastructure such as water, an effective telephone system and roads in even the largest towns.



### The AMSCO Impact

Since AMSCO's engagement at NCB, the bank has reported healthy growth as well as progress towards key business goals.

NCB began its operations with 3 branches and has since grown to 17 branches. Many of the new branches were rolled out under AMSCO's watch. NCB has also rolled out new products such as fixed deposit accounts and Western Union.

NCB has built a sound management team that is ready to steer it into the future following a series of training programmes, such as Customer Care Principles, Anti Money Laundering, Risk & Compliance, among others. The branch managers also went through training in Credit Management, Finance, HR, Credit Principles and Bank Operations. The bank has also embarked on a computerisation programme. A corporate governance training plan has also been drawn for implementation. The manager also dedicates time on a weekly basis to coach staff.

Ultimately, AMSCO's intervention will have spin-offs for the broader South Sudanese population and economy. By creating employment and improving access to banking services, NCB is playing a vital role in rebuilding the country after the devastation brought about by the war.





“Human capital is the single most important building block for any private company. AMSCO is unique in providing top quality managers who not only lead African SMEs to success, but also develop the local human capital in the SMEs to meet future challenges.”

*Morten Christiansen, Chairman of AMSCO's Board of Supervisory Directors*



*AMSCO BV*  
*Abridged Audited Financials*

*The Financials*

<b>Abridged Income Statement (in US\$)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Revenues	22,501,239	17,191,016	13,319,727
Cost of Sales	(18,571,296)	(14,227,190)	(11,187,991)
Gross Profit	3,929,943	2,963,826	2,131,736
Other Operating Incomes	447,779	573,779	654,955
Administrative and Other Operating Expenses	(3,803,580)	(2,885,849)	(4,241,440)
Finance Income and Expenditure	271,095	(39,836)	149,427
Non Operating Incomes	-	778,118	-
<b>Profit/(Loss) for the Year</b>	<b><u>\$845,237</u></b>	<b><u>\$1,390,038</u></b>	<b><u>(\$1,305,322)</u></b>

<b>Abridged Balance Sheet (in US\$)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>ASSETS</b>			
Non-Current Assets	170,523	135,880	170,608
Current Assets	5,471,318	3,814,597	4,125,943
<b>Total Assets</b>	<b><u>\$5,641,841</u></b>	<b><u>\$3,950,477</u></b>	<b><u>\$4,296,551</u></b>
<b>EQUITY</b>			
Equity	2,436,723	1,591,486	201,449
Liabilities	3,205,118	2,358,991	4,095,102
<b>Total Equity and Liabilities</b>	<b><u>\$5,641,841</u></b>	<b><u>\$3,950,477</u></b>	<b><u>\$4,296,551</u></b>

**Notes**

The abridged financial information has been derived from audited financial statements for the respective years.

The audited financial statements are available upon request at AMSCO's Head Office in Amsterdam and/or at the Chamber of Commerce, Amsterdam, in The Netherlands.

*Stichting ATMS*  
*Abridged Audited Financials*

<b>Abridged Income Statement (in US\$)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>EXPENDITURE</b>			
Administrative Expenses	(553,645)*	(366,963)	(358,077)
Training Expenses Reimbursed to Clients	(523,977)	(198,917)	(747,396)
Management Support Paid to Clients	(375,229)	(41,928)	(51,101)
Training Execution Fees Paid to AMSCO	(128,429)	(258,780)	(228,145)
Funding for AMSCO Projects	(413,413)**	(180,232)	-
Restructuring Costs	(95,784)	(148,983)	(87,997)
<b>Total Expenditure</b>	<b>(2,090,477)</b>	<b>(1,195,803)</b>	<b>(1,472,716)</b>
Capital Grant	-	(778,118)	-
Finance Income and Expenditure	461,630	(290,058)	51,165
<b>Net Expenditure</b>	<b>(\$1,628,847)</b>	<b>(\$2,263,979)</b>	<b>(\$1,421,551)</b>

<b>Abridged Balance Sheet (in US\$)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>ASSETS</b>	<b><u>\$4,361,101</u></b>	<b><u>\$5,308,257</u></b>	<b><u>\$7,473,796</u></b>
<b>LIABILITIES &amp; FUND CAPITALISATION</b>			
Liabilities	742,693	61,002	1,623,805
<b>Fund Capitalisation</b>			
Opening Balance	5,247,255	5,849,991	5,351,157
Funds Received from Donors	-	<u>1,661,243</u>	<u>1,920,385</u>
	<u>5,247,255</u>	<u>7,511,234</u>	<u>7,271,542</u>
Less: Net Expenditure	<u>(1,628,847)</u>	<u>(2,263,979)</u>	<u>(1,421,551)</u>
Total Fund Capitalisation	<u>3,618,408</u>	<u>5,247,255</u>	<u>5,849,991</u>
<b>Total Liabilities and Fund Capitalisation</b>	<b><u>\$4,361,101</u></b>	<b><u>\$5,308,257</u></b>	<b><u>\$7,473,796</u></b>

**Notes**

The abridged financial information has been derived from audited financial statements for the respective years.

The audited financial statements are available upon request at AMSCO's Head Office in Amsterdam.

\* Administrative expenses were considerably higher in 2006 primarily due to board meeting and consulting expenses. These one-time costs were due to the lack of a full-time Stichting Director.

\*\* AMSCO funded projects were greater in 2006 due to the one-time assistance provided to AMSCO for the resurrection of the Training Department and the creation of the Portfolio Management Department. These costs will better help AMSCO to deliver on developmental impact, a key request from stakeholders.

# Management

# The Network



Daniel Ohonde  
Regional Manager West Africa



Simpwe Semdyala  
Training Manager



Adayapalam Sankaran Mani  
Chief Financial Officer



Fatuma Abdullah  
Stichting Director



Kofi Andah  
Regional Manager East Africa



Abraham Lanor  
Regional Manager Southern Africa



Kejo Halm-Quagraine  
IT Manager



Ayisi Makatiani  
CEO and Managing Director



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Tinus Booysse  
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Anabela Appleton  
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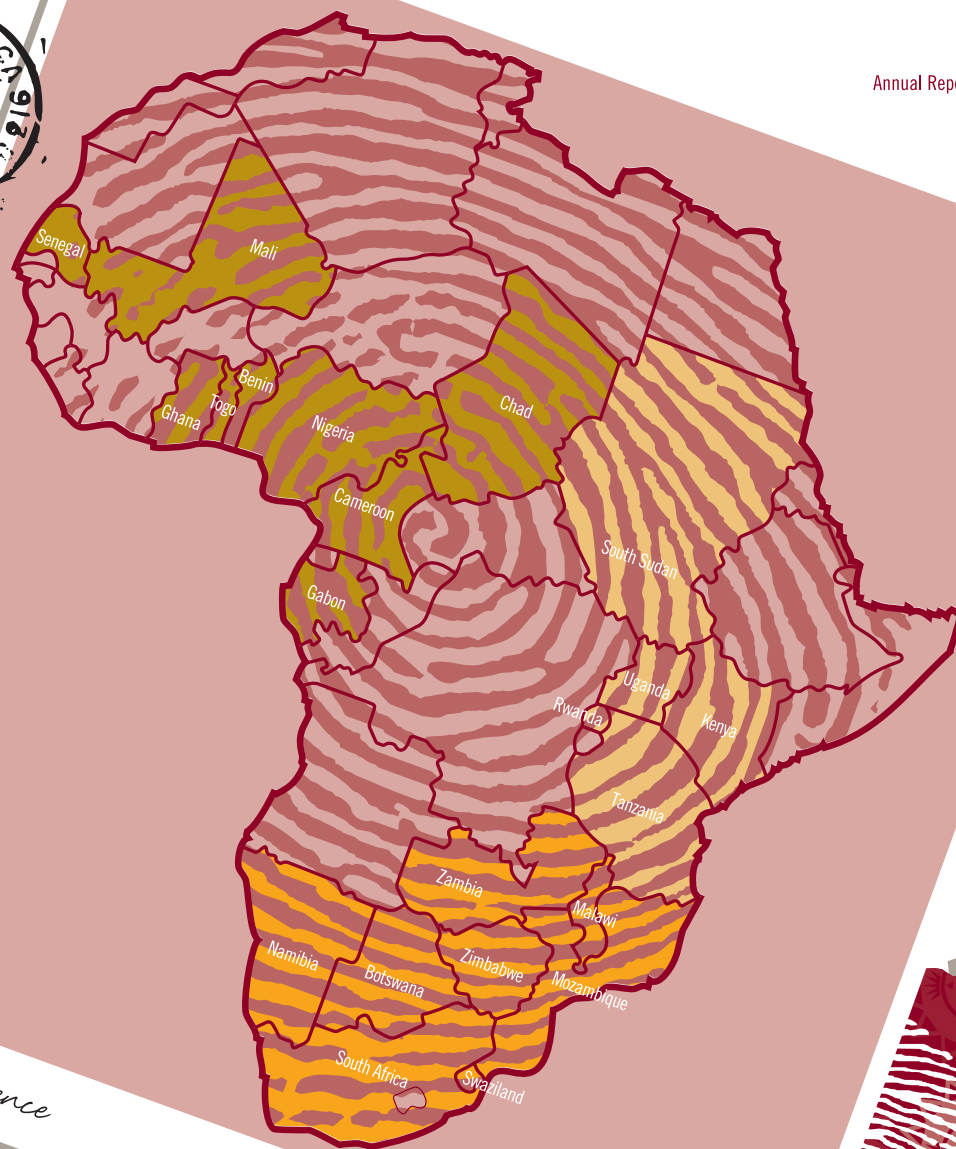
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*AMS CO's Presence*



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