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Primeserv Group Limited
(Previously Privest Group Limited)
("Primeserv" or "the Group")
Incorporated in the Republic of South Africa
(Registration number 1997/013448/06)

**REVIEWED RESULTS
FOR THE YEAR ENDED 30 JUNE 2002**



Introduction

As of 1 July 2002, Privest Group Limited changed its name to Primeserv Group Limited ("Primeserv" or "the Group"). The new name has evolved to reflect the Group's strategic direction and to demonstrate Primeserv's commitment to delivering leading edge, brand driven, integrated human resources services to industry through its Solutions, Training, Recruitment and Outsourcing divisions.

Financial Review

The results for the year under review are compared to the pro forma annualised results for the sixteen months ended 30 June 2001. In line with the Group's strategy of streamlining revenue in the Outsourcing division to improve margins, sales were actively reduced in the second half of the year, consequently Group revenue decreased by 9% from the pro forma R585,6 million to R532,9 million. Net profit before taxation increased by 64% to R7,8 million and net income attributable to shareholders improved by 89% to R5,7 million, despite higher interest charges. The repurchase of securities resulted in the weighted average number of shares in issue decreasing to 138,3 million and the total number of shares outstanding at the year-end decreasing to 130,5 million. Headline earnings per share increased by 24% to 4,72 cents. Cash flow for the year improved strongly from a negative R28,3 million to a positive R9,9 million with cash flow per share of 7,2 cents. The Group's net asset value per share increased by 15% to 61 cents.

Operational Review

Primeserv is being strategically positioned into two client centric categories that focus on delivering a complete human resources service:

- Corporate and organisational services - operationally driven by the Group's Solutions and Training divisions; and
- Staffing services - operated through the Recruitment and Outsourcing divisions.

These two categories have been used to present segmental performance.

Corporate and organisational services

The Solutions division felt the impact of severely depressed sales due to changes in management and difficult market conditions. This translated into a reversal of performance over the previous year, resulting in a loss by the division, thereby impacting negatively on the Group's operating margin. Corrective measures have been affected in this strategically valuable division.

The Training division increased sales despite the continuing tough economic conditions and the slow start-up of signed contracts. Income increased over the previous period through a return to profitability of the technical and vocational training operations. The corporate training operations remained weak. Investment in the development of new products, services and personnel remained high and the division is positioned for a better performance in the year ahead.

Staffing services

The Recruitment division experienced a poor second half as a consequence of a decline in the permanent recruitment industry, particularly within the division's niche markets. This is expected to continue in the year ahead, however, management is working toward new markets to contra these conditions.

The Outsourcing division pursued its strategic decision to streamline sales and target better margin business with improved working capital cycles. This, combined with the extensive reengineering of the division during the previous 18 months, impacted positively on the division's profitability. During the latter half of the year the division disposed of a significant portion of the business operations of Joblock Outsourcing. The losses incurred in Mozambique have been brought under control. The actions undertaken during the past year should result in a stronger divisional performance in the coming year.

Empowerment

Primeserv is committed to affirmative action and Black Economic Empowerment goals and meaningful progress has been achieved, particularly by the Group's empowerment partnerships, Bathusi and Empvest.

Corporate governance

Primeserv intends, where applicable, to meet the recommendations of the King II Report. A committee supported by external advisors has been appointed to review the structure of the Board and the Group's compliance to King II.

Accounting policies

The accounting policies as set out in the Group's previous annual report have been consistently applied throughout the year under review. These policies are in accordance with South African Statements of Generally Accepted Accounting Practice.

Review by independent auditors

The results have been reviewed by the Group's auditors. Their unqualified review report is available for inspection at the company's registered office.

Dividend

In line with the Group's policy to use cash resources to reduce gearing and meet additional growth opportunities, no dividend has been declared.

Outlook

Primeserv is positive about its future, especially as the trend towards the outsourcing of human resource services accelerates within southern Africa. The Group remains focused on enhancing its balance sheet through risk and working capital management and margin improvement. Further investment will be made in the Primeserv brand, systems and the human capital and entrepreneurial flair required to drive the sustainable business model.

For and on behalf of the board

M Abel

Executive chairman

PL Gray

Chief operating officer

JA Sparke

Chief financial officer

Johannesburg
28 August 2002

e-mail: productivity@primeserv.co.za

Share code: PMV

ISIN number: ZAE 0000 39277

Directors

M Abel (Executive chairman)
PL Gray (Chief operating officer)
JM Judin*
Professor S Klein* (American)
G Magomola*
CS Seabrooke*
JA Sparke (Chief financial officer)
(**Non-executive*)

Registered address

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Transfer secretaries

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Johannesburg, 2001
(P.O. Box 62391, Marshalltown, 2107)



INCOME STATEMENT

	Reviewed 12 Months ended 30 June 2002 R'000	Annualised pro forma 12 Months ended 30 June 2001 R'000	%	Audited 16 Months ended 30 June 2001 R'000
			change	
Revenue	532 924	585 565	(9,0)	780 753
Operating profit	18 764	22 611	(17,0)	30 148
Exceptional items	869	2 823		3 764
Restructuring charges		5 748		7 664
Depreciation	4 111	4 904	(16,2)	6 539
Net income before interest	13 784	9 136	50,9	12 181
Net interest paid	5 936	4 343	36,7	5 790
Net income before taxation	7 848	4 793	63,7	6 391
SA normal taxation	2 137	1 777	20,3	2 370
Net income attributable to shareholders	5 711	3 016	89,4	4 021
Reconciliation of headline earnings				
Net income attributable to shareholders	5 711	3 016	89,4	4 021
After tax effect of pre-acquisition costs	656			
After tax effect of loss on sale of fixed assets	23	(18)		
Goodwill amortisation	132			
After tax effect of uncollected debts		690		920
Revaluation of share incentive scheme		1 837		2 449
Headline earnings	6 522	5 525	18,0	7 390
Weighted average number of shares in issue ('000)	138 289	144 713		144 713
Earnings per share (cents)	4,13	2,08	98,6	2,78
Headline earnings per share (cents)	4,72	3,82	23,6	5,11



SEGMENTAL ANALYSIS

	Reviewed 12 Months ended 30 June 2002 R'000	Annualised pro forma 12 Months ended 30 June 2001 R'000	Audited 16 Months ended 30 June 2001 R'000
Revenue			
Corporate and organisational services	49 980	50 668	67 557
Staffing services	482 944	534 897	713 196

	532 924	585 565	780 753
Net income before taxation			
Corporate and organisational services	212	1 445	1 927
Staffing services	7 636	3 348	4 464
	7 848	4 793	6 391



ABRIDGED CASH FLOW STATEMENT

	Reviewed 12 Months ended 30 June 2002 R'000	Audited 16 Months ended 30 June 2001 R'000
Operating activities	14 669	17 066
Investing activities	(4 049)	(44 962)
Financing activities	(702)	(356)
Net increase/(decrease) in cash at bank and borrowings	9 918	(28 252)
Cash obtained from businesses and subsidiaries acquired		206
Cash at bank and borrowings at beginning of the year	(34 673)	(6 627)
Cash at bank and borrowings at end of the year	(24 755)	(34 673)
Weighted average number of shares (000)	138 289	144 713
Cash flow per share (cents)	7,17	(19,52)



BALANCE SHEET

	Reviewed 30 June 2002 R'000	Audited 30 June 2001 R'000
ASSETS		

Non-current assets	45 338	47 536
Equipment and vehicles	6 431	10 217
Intangibles	1 278	
Proceeds due from disposal of business	2 411	
Deferred tax asset	33 762	35 873
Share incentive scheme	1 456	1 446
Current assets	100 200	100 396
Inventories	437	386
Trade and other receivables	92 790	93 557
Taxation	171	192
Cash at bank	6 802	6 261
Total assets	145 538	147 932
EQUITY AND LIABILITIES		
Capital and reserves	79 214	75 132
Non-current liabilities	1 421	1 934
Current liabilities	64 903	70 866
Trade and other payables	33 045	29 442
Short-term borrowings	301	490
Bank borrowings	31 557	40 934
Total equity and liabilities	145 538	147 932
Number of shares in issue at year-end ('000)	130 523	140 610
Net asset value per share (cents)	61	53



STATEMENT OF CHANGES IN EQUITY

	Reviewed 12 months ended 30 June 2002 R'000	Audited 16 months to 30 June 2001 R'000
Balance at beginning of year - as previously shown	75 132	115 455
Prior year adjustment		13 686
Balance at beginning of year - restated	75 132	129 141
Net shares issued/(reversed) during the period		(174)
Net share premium issued/(reversed) during the year		(52 399)
Intangible asset and share issue expenses written off		(58)
Repurchase of securities	(1 629)	(5 399)
Net income for the year	5 711	4 021
Balance at end of the year	79 214	75 132