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Primeserv Group Limited* (previously Privest Group Limited) is listed in the Support Services sector on the JSE Securities Exchange South Africa.

Through people, productivity and performance, Primeserv liberates individual and organisational potential.

The Group's products and services are provided through its Solutions, Training, Recruitment and Outsourcing divisions. These house human resources solutions, skills training centres, corporate and vocational training programmes, recruitment and flexible staffing services as well as skills, labour, wage bureau and HR logistics outsourcing operations.

Primeserv serves people by building their skills-sets and assisting them to apply these competencies in the workplace so as to fully realise their potential, and serves organisations by devising and implementing integrated human resources solutions that drive productivity and performance efficiencies.

Primeserv intends to enhance stakeholder wealth creation through real earnings growth.

**Primeserv or the Group*



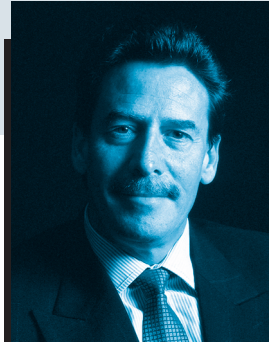
Merrick Abel

Executive Chairman (43)

BA (Hons), MBA

Appointed: August 1997

Merrick has served as CEO since founding the Group in 1997 and is currently Executive Chairman of Primeserv Group Limited. He has over fifteen years of local and international commercial experience, particularly in the industrial and services industries.



Paul L Gray

Chief Operating Officer (49)

BA, LLB

Appointed: June 2000

Paul has over twenty years' experience in the fields of corporate banking and international multi-level sales and marketing. He was the CEO of The Learning Corporation Limited when it was acquired by Primeserv in 1999.



Jackie A Sparke

Chief Financial Officer (41)

BCompt (Hons), CA(SA)

Appointed: February 2002

Jackie has over eleven years' experience in the finance arena having worked for various large companies, including British American Tobacco Company, Colgate Palmolive and recently Vodacom.



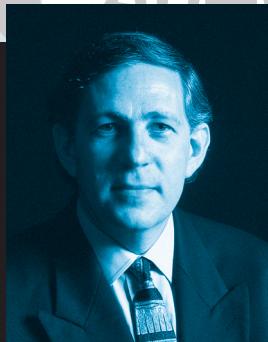
J Michael Judin

Non-Executive Director (56)

Dip Law

Appointed: August 1997

Michael is a director of Johannesburg-based law firm Goldman, Judin, Maisels Inc. He is legal advisor to and director of The American Chamber of Commerce in South Africa. He is non-executive Chairman of Lyons Financial Solutions Holdings Limited and a director of other listed companies, Set Point Technologies Limited and Nu-World Holdings Limited.



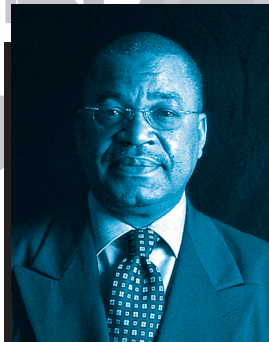
Saul Klein*

Non-Executive Director (43)

BA (Econ), MBA, PhD

Appointed: March 1998

Saul is the Lansdowne Professor of International Business at the University of Victoria (Canada). Prior to which he held the South African Breweries Limited Chair of International Business and was Professor of Marketing at the Wits Business School. He has also held academic appointments at leading Universities in Canada, the USA, Singapore and Australia.



Gaby Magomola

Non-Executive Director (59)

BCom, MBA

Appointed: May 2000

Gaby is a director of Kgorong Investment Holdings (Proprietary) Limited and various other companies. He is also Chairman of the SA Business Coalition on HIV/Aids. He has extensive experience in the banking environment as former CEO of African Bank and has worked for FNB and Citibank.



Chris S Seabrooke

Non-Executive Director (49)

BCom, BAcc, MBA, FCMA

Appointed: February 2000

Chris is Executive Chairman of Sabvest Limited. He is also a director of other listed companies, Datatec Limited, Massmart Holdings Limited, Primedia Limited and Set Point Technologies Limited and is Chairman of the State Theatre of South Africa and Deputy Chairman of BASA. Internationally he chairs financial services groups in London and Luxembourg.

COMMITTEES

Audit and governance committee:

CS Seabrooke (*Chairman*), S Klein, G Magomola

Risk committee:

JM Judin (*Chairman*), CS Seabrooke, G Magomola

Remuneration and nomination committee:

S Klein (*Chairman*), JM Judin

*American

INTEGRATED, STRATEGIC SOLUTIONS

PRIMESERV SOLUTIONS

HR Solutions**Performance Management**

- Policies, procedures and guidelines
- Balanced / performance scorecards
- Job / team profiling and performance contracts
- Internal management / supervisory capacity building

Skills Development

- Workplace scoping and competency identification
- Workplace assessor training and assessment
- Evidence guides for recognition of prior learning
- Customised learning solutions

Behavioural Dynamics

- Process audits and consulting
- Competency profiles and potential assessments
- Individual and team coaching and counselling

Corporate Solutions

- HR outsourced services
- Industrial relations solutions
- Reward, remuneration and employee benefits

PRIMESERV OUTSOURCING

Flexible Staffing Solutions

Supplying supervised and flexible contract staffing across the following industry bands:

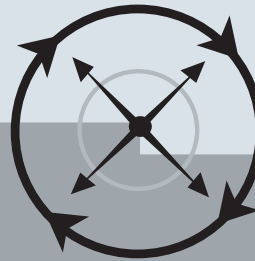
- Building and construction · design and draughting · drivers and transportation · engineering · hospital, nursing and medical · information technology and data capture · maritime and harbour support · mechanical and automotive · mining · office support and secretarial · paper and pulp · petro-chemical · retail services and sales · telemarketing and call centres · tourism, hospitality and gaming · warehousing and distribution · waste management

Project Solutions

- Labour-force planning and procurement · training needs identification and implementation · supplying professional white-collar and blue-collar personnel across industry bands

Systems and Logistics Solutions

- Labour management · payroll management · wage bureaux · transportation and accommodation logistics · to support management of contract staff

CORPORATE
AND
ORGANISATIONAL
SERVICESSTAFFING
SERVICES

PRIMESERV TRAINING

Customised, outcomes-based training solutions through:

Corporate Training

Integrated, multi-tiered training:

- Adult Basic Education and Training · accelerated development · business skills · community capacity building · entrepreneurship · financial life skills · leadership · management · marketing and sales development · mentorship · motivational · secretarial, office practice and support · supervisory as well as employment equity consulting and implementation.

Technical Training

Delivered at training centres and on site. Basic and advanced skills training across the following industry bands:

- Building and construction · driving skills · electrical · engineering · hazardous materials handling · heavy plant and equipment · lifting machinery · mechanical · occupational safety and health · petro-chemical · regulation-led training · security · small business skills and customised learnerships.

Colleges

Vocational and computer literacy courseware delivered through the national network of Stanford Business Colleges and Working World Colleges and at client sites as well as through distance learning channels. Aimed at private individuals and corporate employees.

PRIMESERV RECRUITMENT

- Career counselling and guidance
- Client needs assessments
- Competency assessments
- Corporate cultural fit assessment of candidates
- Job profiling and matching

All of the above are offered in conjunction with the Primeserv Solutions Division

- Motor vehicle manufacturing staffing
- Call centre staffing
- Executive search and recruitment
- Financial staffing
- Information technology staffing
- Interactive search and recruitment database
- Interim management solutions
- Outplacement of specialised teams of staff across industry niches
- Specialised permanent placement services
- Technical staffing
- Temporary office-support placements



Merrick Abel
Executive Chairman

The last twelve months were a challenge for the global human resources industry, which saw its first significant downturn in a decade. Numerous market sectors experienced tough trading conditions and few businesses showed much growth. More specifically the South African economy was less than robust, with the rand's deterioration leading to inflationary pressure and attendant stresses on working capital requirements. Labour and training regulatory uncertainties and inefficiencies remained high, impacting on organisational human resources expenditure and investment, with industry-wide cutbacks and delays at their sharpest.

As a leading South African provider of integrated human resources services, Primeserv delivered a satisfactory performance for the year under review. Having completed the fundamental re-engineering of the Group, Primeserv's management was set the objective of improving the Group's financial strength and entrenching an organisational structure that would secure and support continuous staff development. In addition, much emphasis was placed on winning and retaining business in line with the Group's sustainable business model. Primeserv's focus is on leveraging its human resources value chain to achieve improved margins, stronger cash flows, and a sound return on investment.

FINANCIAL REVIEW

In this annual report the results for the year ended 30 June 2002 are stated alongside the results for the sixteen-month period ended 30 June 2001. However, for comparative purposes, the results for the year under review are compared to the pro forma annualised results for the sixteen-months ended 30 June 2001, as summarised on page 47 of this report.

In line with the Group's strategy of streamlining and better managing revenue in the Outsourcing division, so as to improve margins and working capital cycles, sales were proactively reduced in the second half of the financial year. Consequently the Group's revenue decreased by 9% to R532,9 million (2001 pro forma: R585,6 million). Net profit before taxation increased by 64% to R7,8 million (2001 pro forma: R4,8 million) and net income attributable to shareholders improved by 89% to R5,7 million (2001 pro forma: R3 million), despite higher interest charges.

Headline earnings increased by 18% to R6,5 million (2001 pro forma: R5,5 million), whilst headline earnings per share increased by 24% to 4,72 cents (2001 pro forma: 3,82 cents).

Cash flow for the year improved strongly from a negative R28,3 million in 2001 to a positive R9,9 million at year-end, resulting in a positive cash flow per share of 7,2 cents compared with a negative 19,5 cents for 2001. Net capital expenditure decreased to R2,4 million (2001: R4,8 million).

*Re-engineered
and integrated*

*Single brand driven
organisation*

*Focusing
on improving margins,
stronger cash flows
and return on
investment*



The repurchase of securities during the year resulted in the weighted average number of shares in issue decreasing to 138,3 million (2001: 144,7 million) and the total number of shares outstanding at year-end decreasing to 130,5 million (2001: 140,6 million).

The Group's net asset value per share increased by 15% to 61 cents (2001: 53 cents).

Primeserv has taken a financially conservative approach to business. The Group's objective is to operate from a position of financial strength built on a strong balance sheet supported by available financing capacity providing the leverage to take advantage of local opportunities. In line with this strategy the Group reduced borrowings for the year. At year-end net borrowings as a percentage of shareholders' funds were 33,4% compared to 49,4% for the previous reporting period.

STRATEGIC REVIEW

We remain focused on our original objective of becoming the complete human resources services company of choice, delivering an above average return on investment.

Primeserv has a clear focus on and commitment to continuing its evolution into a market driven, customer centric, services organisation. The Primeserv business model was developed to deliver sound performance and sustainability. The Group's corporate services head office provides strategic direction, business planning, investment and financial control, risk management as well as the proactive management of its divisions.

Our specialisation, understanding of market dynamics and our client needs-driven product and service range enable the Group to provide integrated modular human resources solutions, which equip the Group to meet the challenges of unpredictable economic cycles.

The Group aims to meet these objectives by focusing on three core strategies, namely: the building of a strong balance sheet enabling the Group to leverage organic and acquisitive growth opportunities; the investment in intellectual capital and a stable management team; and the securing and maintaining of day-to-day and long-term contractual business, which will deliver real earnings growth.

*Primeserv remains
focused on its original
objective of becoming the
complete human resources
services company
of choice*



To deliver on our core strategies we will focus on the following key tactical initiatives:

- Continued understanding of our clients' changing needs;
- Improved understanding of market dynamics;
- Sustained, focused investment in human resources products and services;
- Developing increased product and services usage within our existing customer base;
- Growing the existing customer base by acquiring new clients and entering new markets;
- Effective resources allocation and cost containment supported by strong values and a performance-led organisational culture;
- Building the Group's leadership position in the areas of skills development and flexible staffing services;
- Delivering economically measurable value to our customers;
- Improving our penetration in the southern African region in order to continue to meet clients' requirements as they expand their geographical reach; and
- Building internal capability as a key competitive advantage within a nurturing working environment.

These initiatives will be driven through a purposeful, integrated marketing campaign using a multi-media approach to differentiate and position the Primeserv brand. The campaign will drive differentiated awareness of and preference for the Primeserv range of products and services. The positioning of the Primeserv brand has been initiated through the change in name from Privest Group Limited to Primeserv Group Limited.

Whilst the post year-end change in name (effective 1 July 2002) was motivated by a decision by the Registrar of Companies to reverse its registration of the name Privest, the new name, Primeserv, was specifically developed to reflect the Group's strategic direction and to demonstrate its commitment to delivering leading edge human resources services.

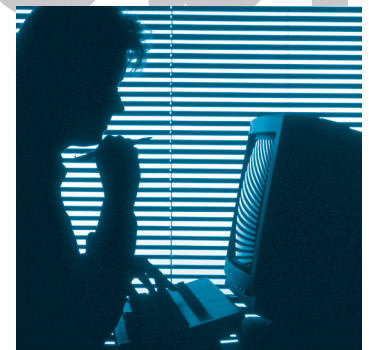
The name change necessitated an evolution of the brand identity to reflect the Group's strategic direction as well as its pledge to delivering on all aspects of our clients' people, productivity and performance needs.

To ensure continuity and, importantly, to transfer the equity built under the Privest brand, the pillars of the Privest design architecture formed the basis of the new Primeserv identity. The black ellipse was retained, but with the brand name enlivened in a contemporary, customised typeface. The human icon, representing the strategic focus on people as the key to delivering increased productivity and performance, remains a focal point. The Primeserv logo represents a successful evolution from the original Privest identity and reflects the Group's dynamism and results-driven, integrated approach to human resources planning and implementation.

***Building a strong
balance sheet***

***Investment in
human capital and securing
and maintaining business***

***Differentiate and position
the Primeserv brand***



The Group is applying its in-house skills, via our Solutions division, to customise and implement a best practice performance management process so as to entrench a culture of responsibility, accountability and performance enhancement. We will use our performance-based culture, which values, supports and rewards ethical, entrepreneurial team and individual contributions, to attract and retain talent.

Importantly, to ensure long-term sustainability of our business model and to deliver optimal shareholder value in the South African market, a meaningful black economic empowerment equity partner is required, which Primeserv is actively pursuing whilst continuing to utilise and develop existing joint venture business partnerships.

OPERATIONAL REVIEW

Primeserv is 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 of business delivery have been used to present segmental performance.

CORPORATE AND ORGANISATIONAL SERVICES

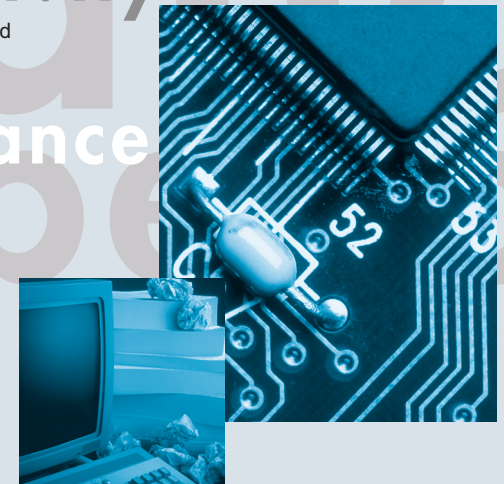
Primeserv Solutions

The Solutions division, which operates in southern Africa and consults internationally, offers an integrated range of human resources solutions, which include performance management, skills development, behavioural dynamics, potential assessment, reward and remuneration, industrial relations and related services combined with full implementation capability. Proprietary, leading edge, technology-driven analytical tools and processes ensure the ability to analyse, structure and impact on the full spectrum of an organisation's work force to deliver human resources solutions customised to meet measurable strategic and performance objectives.

The planning and implementation services offered are designed to meet client operational, legislative and regulatory needs and enable the evaluation, enhancement and monitoring of business processes to achieve optimal performance.

During the year under review the division felt the impact of severely depressed revenue due to difficult market conditions. This was exacerbated by changes to the management structure, which saw the departure of certain vendors who had been running the division's sales infrastructure.

*Human resources
planning and
implementation
services
to meet client
operational, legislative
and regulatory needs*



Due to the high cost of maintaining our existing investment in human capital so as to secure operational capability, fixed costs remained disproportionately high in relation to the revenue generated. This translated into a reversal of performance over the previous year, resulting in a loss by the division, which impacted negatively on the Group's overall operating margin.

The Solutions division is strategically valuable to the Group as the primary entry point for clients into Primeserv's integrated human resources model. Furthermore, the division will implement the Group's internal performance management process in the year ahead.

Corrective measures include the redesign of the sales methodology and processes, driven by a newly recruited sales force. Further investment will be applied to the development of human resources processes, products and services that deliver best practice solutions. This will be supported by the advancement of the division's proprietary human resources technology, which should be web-enabled by the middle of 2003.

Primeserv Training

The Training division empowers people in the workplace and improves their productivity and performance levels through skills training programmes and projects identified by commerce, industry, parastatal and government structures.

Customised, outcomes-based commerce and industry specific training solutions are designed according to client needs and implemented by Primeserv Training through its Corporate and Technical Training operations. Primeserv's Colleges, the third operation of the Training division, provides distance learning and college based computer literacy and vocational skills training through its network of separately branded Stanford Business Colleges and Working World Colleges.

A national infrastructure enables analysis, structuring, implementation and monitoring of industry-wide, accredited training solutions, which maximise the performance of individuals and organisations.

The integration of the fragmented, previously vendor run business was successfully completed in all three areas of the Training division. This resulted in improved use of intellectual capital and divisional resources.

The division increased sales despite continuing unfavourable economic conditions and the slow start-up of previously signed contracts. Corporate Training however, experienced depressed sales and erratic contract commitment nevertheless progress was made in opening up new markets and small contracts were secured. Investment in the development of new and improved products, services and personnel remained high.

**Human capital
infrastructure**

**Proprietary
human resources
technology**

**Customised
outcomes-based
training solutions**



The Technical Training operation made headway during the year, securing meaningful on-going contracts. The turnaround from the previous period's poor performance is attributable to the revamping of its products and services, and the application of cost containment procedures.

The Colleges rationalised their course and programme offerings and a concentrated approach to maintaining only those colleges delivering high-demand courses and programmes was implemented. This resulted in the closure of certain unprofitable college sites, but was countered by the opening of other colleges where longer-term stability of student numbers became apparent. The operation's national coverage and particularly its smaller town penetration, combined with accredited outcomes-based training programmes, assisted it in securing a substantial national contract for computer skills training.

Advancement made by the various SETA's and the clarity surrounding the need for workplace skills plans started to filter down to the market place, with the result that the Corporate Training operation began to experience improved trading conditions towards the end of the year under review. It is anticipated that this should continue.

Considerable progress has been made in achieving accreditation for all training streams, which should result in the securing of learnerships and SETA contracts. An internal department has been formed to focus on learnerships and to identify opportunities resulting from the national skills strategy. The Technical Training operation has actively contributed to the design of national driving qualifications and is currently involved in the design of unit standards for certain industrial sectors.

The division's programmes have been aligned to unit standards and a quality management system has been put in place to ensure that Primeserv Training offers market leading, best practice training products and solutions.

STAFFING SERVICES

Primeserv Recruitment

The Recruitment division provides permanent and temporary recruitment, executive search, flexible contract staffing, technical and call centre staffing through an experienced team of recruitment specialists.

A commitment to a thorough understanding of clients' needs, a demographically representative database of fully screened and competence-assessed candidates, and a nationwide network of flexible staffing solutions positions the division as a specialised niche provider in the recruitment arena as well as a value add support component to the Outsourcing division's comprehensive range of staffing services.

*Quality management
system to ensure
best practice
training products
and solutions*



The division opened the year positively, then deteriorated to produce a poor second half as a consequence of a decline in the permanent recruitment industry, particularly within the division's niche markets. Certain sectors of the division's market experienced a freeze in recruitment. The division's lack of critical mass has made it difficult to weather the challenges facing it.

The division is being repositioned to offer specialised services focusing on financial and technical, permanent and temporary staffing solutions. It is expected that the Recruitment division will continue to underperform in the year ahead, however, its role in Primeserv's human resources value chain remains important.

Primeserv Outsourcing

The Outsourcing division offers flexible, temporary and contract staffing solutions to a national and international client base, which ranges from small and medium sized businesses to large commercial, multinational, parastatal organisations and government. Primeserv Outsourcing matches the demands of the commercial marketplace with the requirements of government legislation and organised labour.

The division's unique strength lies in its capability, through an Africa-wide infrastructure, to match staffing resources to capacity and production requirements. This, combined with the management of labour and industrial relations issues, controls variable costs and optimises productivity and performance efficiencies.

Market-leading supervised flexible contract staffing solutions managed by experienced, professional contract staffing specialists, utilising customised systems, covering more than twenty broad industry bands, across more than seventy job categories through an extensive network of sub-Saharan African locations combined with wage bureau and human resources logistics solutions, position Primeserv Outsourcing as southern Africa's outsourcing partner of choice.

The Outsourcing division pursued its strategic decision to streamline sales and target improved margin business with shorter working capital cycles. This, combined with the extensive re-engineering of the division during the prior eighteen months, impacted positively on profitability.

The traditionally slower first half of the year reflected a period of infrastructure consolidation and improved client-relationship management. The division provided enhanced service levels which ensured that it maintained its quality client base. The second half of the year was characterised by the planned reduction in revenue, albeit with better margins, improved cost control and stronger cash flows.

***Understanding
clients' needs***

***Match
human resources
to capacity
and production
requirements***

***Strong progress
on the advancement
of black economic
empowerment
joint ventures***



The sophistication of the product and service offering provided by the division's white collar operation resulted in the conclusion of a long-term service agreement with a leading industrial conglomerate to recruit and manage technical staffing for their organisation throughout southern Africa.

The division's retention of its southern Africa-wide operational infrastructure ensured the successful implementation of the integrated wage bureau payroll management and human resources logistic support processes for its Mozal Phase II contract in Mozambique, the Skorpion Zinc mine project in Namibia and the Iscor heavy minerals project in Richards Bay. The division was awarded a two-year contract to manage the wage bureau logistics for a multinational smelter expansion project. This contract was awarded in conjunction with a two-year technical training contract to be delivered on the same project by Primeserv Training. Though the wage bureau component of the division's services operates at low margins, it underlines the Group's capability as Africa's leading manager of outsourced human resources solutions to the mega-project arena and also provides opportunities for the Group to offer its complete human resources services to these clients. The losses incurred by the division's Mocambican general contract labour operations during the previous reporting period were reversed during the financial year.

The division's investment in skilled manpower and innovative operational capability continues to place it at the forefront of suppliers of managed outsourced human resources solutions to the petro-chemical, engineering and mega-project industries.

Strong progress has been made on the advancement of black economic empowerment joint ventures with the division having been awarded, towards the end of the year reviewed, a two-year contract to manage the debtor administration for a large provincial municipality.

Maintenance of the highest ethical standards and compliance with all relevant legislative and statutory requirements continues to impact favourably on the market's perception of Primeserv and in particular the Outsourcing division.

During the latter half of the year the division disposed of a significant portion of the Midrand-based business operations of Joblock Outsourcing. No material impact on the division should result from the disposal, as the revenue generated by this operation was not aligned to the division's sales and operational model.

As the demand for outsourced flexible staffing solutions continues to grow, Primeserv Outsourcing's innovative products and services and most importantly its people, will position it for long-term sustainable growth.

***Highest
ethical standards
and compliance
with relevant legislative
and statutory
requirements***



REPURCHASE OF SECURITIES

The Group repurchased 10 086 704 of its ordinary shares during the year under review. Post year-end a further 5 155 000 ordinary shares were repurchased on the open market.

The Group will review future repurchases of securities at appropriate price levels subject to its investment criteria, working capital requirements and the necessary approvals.

CORPORATE CITIZENSHIP

Primeserv is committed to sound corporate governance and intends, where applicable, to meet the requirements as laid down in the King II Report.

Empowerment and social responsibility play a vital role in the Group's future. Primeserv intends increasing the black economic empowerment equity component of the Group. In continuing to recognise the Group's responsibilities to the broader South African community, Primeserv has donated a further R300 000 to the Siyakhula Trust. The Trust is an independent, non-profit entity that allocates and arranges delivery of social and upliftment programmes primarily for South Africa's youth.

PROSPECTS

The Group remains focused on its strategy, particularly on its short-term goal of 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 sustain the Group's business model – an integrated human resources services business, holistically targeted at maximising opportunities inherent in the Group's entire customer base.

Whilst we maintain a financially conservative approach to business, Primeserv's positioning will benefit from future economic improvements.

Post year-end SA Meltzer resigned from the Board and has not at this stage been replaced. On behalf of the Board, I express our sincere appreciation to him.

*Growing demand for
outsourced services*

*Leadership
in outsourced
human resources
solutions to
mega-projects*

*Empowerment and
social responsibility
play a vital role
in the Group's
future*



I extend gratitude to the Board members, the executive team and all the management and staff ("Primeservians") of our operations whose commitment to the Primeserv Pledge does us proud. Thanks also to our shareholders, clients, customers and suppliers for their ongoing support.



MERRICK ABEL

Executive Chairman

17 December 2002

*Committed to sound
corporate governance*

EXECUTIVE CHAIRMAN'S STATEMENT
(continued)



INTEGRATED SUSTAINABILITY REPORTING

Primeserv respects the concept of sustainability as defined by the “Bruntland Report”, and endorses the concept of Ubuntu as applied to corporate life. Sustainability is the essence of Primeserv’s corporate citizenship and Primeserv is committed to the implementation of triple-bottom-line reporting.

CORPORATE GOVERNANCE

The Board has recently reviewed aspects of the Group’s corporate governance in an effort to meet the requirements of the King II Report’s Code of Corporate Practices and Conduct, which the Group supports. Consequently, all of the board committees have been reconstituted post year-end.

The Board, which subscribes to the values of and accepts the inclusive approach to good corporate governance, is committed to the principles of transparency, integrity and accountability. The Board and individual directors accept their duty and responsibility to ensure that the principles set out in the Code of Corporate Practices and Conduct as defined in the King II Report are observed, where possible, and specifically report on the following:

THE BOARD OF DIRECTORS

The Board, chaired by M Abel, meets regularly and retains full and effective control over the Group. The Board directs and controls the management of the Group, is responsible for strategy and fiscal policy, and is involved in all material decisions affecting the Group. Full details of the board of directors are set out on page 2 of this annual report.

The Board ensures that there is an appropriate balance of power and authority on the Board so that no one individual or block of individuals can dominate the Board’s decision-making process.

The Board reflects a mix of executive, non-executive and independent directors. Independent and non-executive directors provide independent judgement on issues of strategy, performance, resources, transformation, diversity and employment equity, evaluation of performance and standards of conduct. The non-executive directors, furthermore, take responsibility for ensuring that the chairman encourages proper deliberation of matters requiring the Board’s attention.

The Board has a Board Charter, which is available on request. The Board will define levels of materiality, reserving specific power to itself and delegating other matters with the necessary written authority to management. There is a process of control that mitigates

risks and directs the attainment of the Group's objectives. This environment sets the tone of the Group and covers ethics, values, management's philosophy and the competence of employees.

The Board identifies the key risk areas and key performance indicators for the Group. These are regularly updated and reviewed. Full and timely information is supplied to the Board and committee members and they have unrestricted access to all company information, records, documents and property. All directors have access to the advice and services of the Group secretary and there is an agreed procedure by which directors may obtain independent professional advice at the Group's expense, should they deem this necessary. This enhances the Board's decision-making capability and the accuracy of its reporting.

The Group has a policy, established by the Board and implemented by the company secretary, prohibiting dealing in securities by directors, officers and other selected employees for a designated period preceding the announcement of its financial results or in any other period considered sensitive.

BOARD COMMITTEES

The board committees have specific responsibilities, which ensure transparency and full disclosure from the board committees to the Board, except where mandated otherwise by the Board. Board committees are free to take independent outside professional advice, as and when necessary, and will be subject to regular evaluation by the Board to ascertain their performance and effectiveness.

The principal board committees are as follows:

The audit and governance committee

The audit and governance committee comprises CS Seabrooke (Chairman), S Klein and G Magomola. The committee has terms of reference and an audit and governance committee charter, which is available on request. The audit and governance committee will meet regularly with the executive chairman, chief operating officer, chief financial officer and the external and internal auditors, to discuss issues of accounting, auditing, internal controls, financial reporting and corporate governance. The external and internal auditors have unrestricted access to the chairman of the audit and governance committee.

The committee is responsible for reviewing the internal control structures, the financial reporting systems, the functioning of the internal audit department, risk areas, the reliability and accuracy of the financial information provided to management and other users of financial information, whether the Group should continue to use the services of the current external and internal auditors, any

accounting or auditing concerns identified as a result of the internal or external audit, and the Group's compliance with legal and regulatory provisions, its Articles of Association, code of conduct, by-laws and the rules established by the Board.

The audit and governance committee considers whether or not the interim report should be subject to an independent review by the auditor.

The risk committee

The risk committee is chaired by JM Judin and its other members are CS Seabrooke and G Magomola.

The committee is newly formed and has terms of reference as well as a risk committee charter, which is available on request.

Whilst the Board as a whole is responsible for the Group's risk management, it has delegated authority to the risk committee, which will report to the Board at least twice a year. The details of the Group's risk management practices appear on page 19.

The remuneration and nomination committee

The remuneration and nomination committee comprises S Klein (Chairman) and JM Judin. M Abel attends by invitation only. The committee will ensure that the Group's remuneration structures adequately attract and retain talented individuals who will make a contribution to the Group's sustainability. It will recommend compensation strategies, policies and salary packages to support the Group's strategic objectives.

Details of the directors' remuneration are set out on page 43 of the annual report. The committee furthermore ensures that the Group acts in line with relevant labour and associated laws.

The committee is responsible for ensuring that nominees to the Board are not disqualified from being directors and prior to their appointment investigate their backgrounds along the lines of the approach required for listed companies by the JSE Securities Exchange South Africa and under the Bank's Act. The executive directors have service contracts and restraint agreements, where applicable, which have been signed by the relevant executive directors.

The committee annually reviews the Board's required mix of skills and experience and other qualities such as its demographics and diversity in order to assess the effectiveness of the Board, its committees and the contribution of each director. Executive directors are appointed on the basis of skill, experience and level of contribution to and impact on the activities of the Group. Non-executive directors are selected on the basis of industry knowledge, professional skills and experience.

All directors are subject to election by shareholders and will retire by staggered rotation and stand for re-election at least in accordance with the Articles of Association. The names of directors submitted for election or re-election will be accompanied by sufficient biographical information to enable shareholders to make an informed decision in respect of their election.

Non-executive directors are appointed for specified terms subject to re-election and to Companies Act provisions relating to the removal of directors. The re-appointment of non-executive directors is not automatic.

ACCOUNTABILITY AND AUDIT

Going concern

The directors have no reason to believe that the company and the Group will not be a going concern in the year ahead. Accordingly, the annual financial statements are prepared on the going concern basis.

At the interim reporting stage, the directors will consider their assessment at the previous year-end of the Group's ability to continue as a going concern and determine whether or not any of the significant factors in the assessment have changed to such an extent that the appropriateness of the going concern assumption at the interim reporting stage has been affected.

Auditing and accounting

The Board is of the opinion that their auditors observe the highest level of business and professional ethics and that their independence is not in any way impaired.

The Group aims for efficient audit processes using its external auditors in combination with the recently introduced internal audit function and management encourages consultation between external and internal auditors. The co-ordination of efforts will involve, where appropriate, meetings to discuss matters of mutual interest, the exchange of working papers and management letters and reports, and a common understanding of audit techniques, methods and terminology.

Internal control

The directors are responsible for ensuring internal control systems exist that provide reasonable assurance regarding the safeguarding of assets and the prevention of their unauthorised use or disposition, the maintenance of proper accounting records and the reliability of financial and operational information used in the business.

Internal audit function

The internal audit will function under the brief established by executive management and the Board. Internal audit reports to both the Board and executive management, and provides them with reasonable assurance regarding the effectiveness of the Group's corporate governance, risk management processes and system of internal control.

The head of internal audit reports administratively to the executive chairman and the chairman of the audit and governance committee. The internal audit will report at all audit and governance committee meetings.

The internal audit function will assist the Board, directors and management in identifying, evaluating and assessing significant organisational risks to objectives and in providing independent assurance as to the adequacy and effectiveness of related internal controls and the risk management process.

It will assist the directors and management to evaluate the internal controls such as the:

- information systems environment;
- reliability and integrity of financial and operating information;
- efficiency and effectiveness of operations;
- safeguarding of assets; and
- compliance with laws, regulations and controls.

The internal audit is an independent, objective assurance and consulting activity to add value and improve the Group's operations.

It aims to help the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It should provide:

- assurance that the management processes are adequate to identify and monitor significant risks;
- confirmation of the effective operation of the established internal control systems;
- credible processes for feedback on risk management and assurance; and
- objective confirmation that the Board receives the right quality of assurance and information from management and that this information is reliable.

The internal audit function will co-ordinate with the external auditors to ensure proper coverage of financial, operational and compliance controls and to minimise duplication of effort. The internal audit process is continuous so as to identify not only existing and residual risks, but also emerging risks, as well as issues highlighted by the audit committee and senior management. Formal internal audits are conducted annually. This risk assessment will be co-ordinated with the Board's own assessment of risk.

Risk management

The Board is responsible for the total process of risk management, as well as forming its own opinion on the effectiveness of the process, and sets the risk strategy, which is based on the need to identify, assess, manage and monitor risk across the Group, in liaison with the executive directors and senior management. The risk committee has been appointed to assist the Board in reviewing the risk management process and significant risks facing the Group.

Management is accountable to the Board for designing, implementing and monitoring the processes of risk management and integrating it into the day-to-day activities of the Group. The internal audit function is used to provide independent assurance in relation to management's assertions surrounding the effectiveness of risk management and internal control.

The Board decides the Group's tolerance or appetite for risk. The risk committee has the responsibility to ensure that the Group will implement an effective ongoing process to identify risk, and then to activate what is necessary to proactively manage these risks.

Risk management and internal control are practiced by the Group and are embedded in day-to-day activities, where possible.

Risk is also viewed from a positive perspective. The review process also identifies areas of opportunity, such as where effective risk management can be turned to competitive advantage.

The risk committee will make use of generally recognised risk management and internal control models and frameworks in order to maintain a sound system of risk management and internal control to provide reasonable assurance regarding the achievement of organisational objectives.

The risk committee will assess and address *inter alia* physical and operational risk, human resources risk, technology risk, business continuity and disaster recovery, credit and market risk and compliance risk.

The risk committee will identify key risk areas and key performance indicators. These factors will be monitored as part of a regular review of processes and procedures to ensure the effectiveness of its internal systems of control.

Insurance

The operating assets, including various assets owned by lessors, have been insured at a replacement value of R31 million. Key-man policies are held over key executives and liability cover is taken out for fidelity, directors' liability, loss of profits, political risk as well as general and professional liability. The Group reviews its insurances annually in line with its risk averse approach to insurable matters.

RELATIONS WITH SHAREHOLDERS

It is the policy of the Group to pursue dialogue with institutional investors. The Group makes the effort to ensure that information is distributed via a broad range of communication channels having regard for security and integrity while bearing in mind the need that critical financial information reaches all shareowners simultaneously.

The Board accepts its duty to present a balanced and understandable assessment of the Group's position in reporting to stakeholders. Reporting addresses material matters of significant interest and concern to all stakeholders and presents a comprehensive and objective assessment of the Group so that all shareowners and relevant stakeholders with a legitimate interest in the Group's activities can obtain a full, fair and honest account of its performance.

CODE OF ETHICS AND CORPORATE CONDUCT

The Group's Code of Ethics and Corporate Conduct has been designed to ensure good business practices and is reaffirmed by the Primeserv Pledge, which supports every "Primeservian" to:

- demonstrate integrity in everything we do;
- work together to achieve common goals;
- celebrate innovation and cherish performance;
- perform with professionalism, skill and care; and
- exceed our customers' expectations every day.

The Code of Ethics and Corporate Conduct defines the spirit in which the Group conducts business, the Group's responsibilities to its stakeholders and outlines what is acceptable, and unacceptable, practice.

SAFETY, HEALTH AND THE ENVIRONMENT (SHE)

The Board recognises its responsibility for dealing with SHE issues and is in the process of reviewing and implementing, where applicable, systems of internal control to manage SHE risks.

Safety

The Group is committed to preventing workplace accidents and fatalities in terms of the Occupational Health and Safety Act (No 85 of 1993) in South Africa.

Health

The HIV/AIDS pandemic is growing in South Africa and the Group pays particular attention to this disease, without disregarding other diseases that could pose a significant risk.

The environment

The Group acknowledges its legal duties to take reasonable measures, where applicable, to prevent significant pollution or degradation to the environment from occurring, continuing or recurring.

SOCIAL AND TRANSFORMATION ISSUES

The Group, encompassing its operating divisions, has submitted its Employment Equity and Skills Development plans to the relevant authorities and is on track to meet, if not exceed, the required targets.

Employment equity

The Board subscribes to the principles of employment equity and recognises the importance of diversity management. The Group is committed to providing equal opportunities for its employees, regardless of their ethnic origin or gender, as it believes there is a vital contribution to be made by historically disadvantaged individuals.

The Group actively develops its employees so as to empower them to fulfil more senior positions within the Group, thereby reinforcing its diversity and meeting demographic representational requirements.

Skills development

The Board monitors the Group's compliance with the Skills Development Act and ensures that the required plans and reports have been submitted to the relevant authorities.

Primeserv is committed to the growth of its own people, and recognises the need to continually improve the productivity and performance of its divisions through training and development programmes.

Black economic empowerment

Over and above the measures to facilitate empowerment through employment practices, the Group strives to make a significant contribution to black economic empowerment through its procurement and social investment prioritisation and spending. Primeserv's initiatives seek to advance black people economically through job creation, rural development, poverty alleviation and access to finance for the purpose of conducting business.

Primeserv has a strategic alliance with Kgorong Investment Holdings (Proprietary) Limited ("Kgorong"), together with whom it identifies opportunities, develops market strategies and draws on a transfer of skills.

Primeserv has independent operational relationships with Kgorong and South Cape Empowerment Network (Proprietary) Limited. Majority black-owned empowerment entities trading as Bathusi Training (Proprietary) Limited, Bathusi Recruitment (Proprietary) Limited and Thuso Outsourcing (Proprietary) Limited as well as Empvest Outsourcing (Proprietary) Limited have been formed. These empowerment operations will provide similar services and solutions to those offered by the Primeserv divisions, thereby facilitating the transfer of skills and capacity needed to ensure the sustainable capability of each empowerment entity, so as to effectively meet the Group's commitment to transformation.

Social responsibility

Primeserv appreciates that the corporate sector has a responsibility to help uplift disadvantaged communities. In recognition of its responsibilities to the broader South African community, Primeserv has continued its commitment to developing disadvantaged communities through its support of the Section 18A Siyakhula Trust. With the financial and professional support of Primeserv, the Siyakhula Trust continues to build leadership capacity amongst youth in various townships in the Gauteng area.

Primeserv is concerned with the effects of South Africa's socio-economic conditions and believes that investing in youth is a key to resolving some of these challenges in the future. To date, in excess of R1,5 million has been donated by Primeserv into skills training projects and community-based organisations and the Group will continue to seek ways in which it can meaningfully contribute to the further renaissance of South Africa, and all her people.

PRIMESERV GROUP LIMITED

Previously Privest Group Limited
 Incorporated in the Republic of South Africa
 Registration number 1997/013448/06
 Share code: PMV
 ISIN number: ZAE000039277
<http://www.primeserv.co.za>
 email: productivity@primeserv.co.za

SECRETARY AND REGISTERED ADDRESS

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 Bryanston 2021
 PO Box 3008, Saxonwold 2132

SHARE TRANSFER SECRETARIES

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 PO Box 61051, Marshalltown 2107

LEGAL ADVISORS

Edward Nathan & Friedland (Proprietary) Limited

Goldman Judin Maisels Inc

Knowles Husain Lindsay Inc

Peter W Wentzel Attorney

SPONSOR

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 2nd Floor
 100 Grayston Drive
 Sandton 2196
 PO Box 785700, Sandton 2146

MERCHANT BANK

Investec Bank Limited

BANKERS

Absa Bank Limited

FirstRand Bank Limited

Investec Bank Limited

Nedcor Bank Limited

The Standard Bank of South Africa Limited

EXTERNAL AUDITORS

Charles Orbach & Company

Ground floor, Orbach House
 261 Oxford Road
 Illovo 2196
 PO Box 821, Northlands 2116

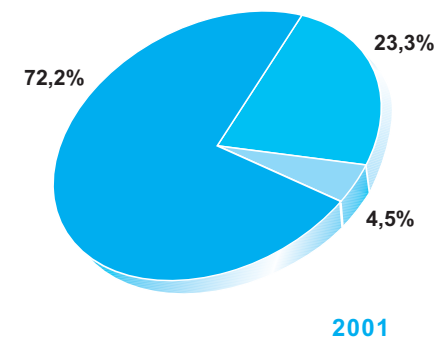
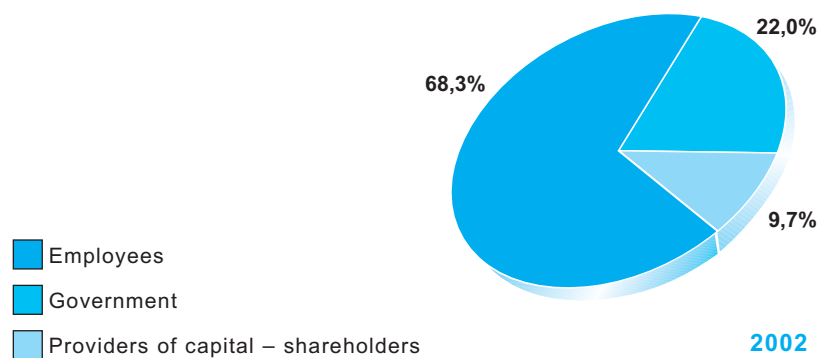
INTERNAL AUDITORS

Nkonki Pierce

Leo Burnett Building
 3 Simba Road
 Sunninghill 2157
 PO Box 1257, Saxonwold 2132

Wealth created is the value created by providing the Group's services. This statement shows how the wealth has been distributed.

	12 months 30 June 2002		16 months 30 June 2001	
	R'000	%	R'000	%
WEALTH CREATED				
Gross revenue less cost of sales, services and administration	64 883		95 893	
Net interest expense	(5 936)		(5 790)	
	58 947	100,0	90 103	100,0
DISTRIBUTED AS FOLLOWS:				
Employees				
Salaries and wages and other direct benefits	40 251	68,3	65 056	72,2
Government	12 985	22,0	21 026	23,3
Income tax	2 137	3,6	2 370	2,6
Duties, surcharges and RSC levies	1 385	2,3	2 188	2,4
Employees' taxation	9 463	16,1	16 468	18,3
Providers of capital – shareholders	5 711	9,7	4 021	4,5
Retained to finance future expansion	5 711	9,7	4 021	4,5
Wealth distributed	58 947	100,0	90 103	100
Number of employees at year-end	492		513	



The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and other related information contained in the annual report. The external auditors are engaged to express an independent opinion on the annual financial statements.

To fulfil this responsibility, the Group maintains systems of internal accounting and administration controls designed to provide reasonable assurance that assets are safeguarded and transactions are executed and recorded in accordance with the Group's policies and procedures. The controls and systems provide reasonable assurance that the financial records may be relied upon for the preparation of the annual financial statements.

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice applied consistently throughout the period and are examined by the external auditors in conformity with generally accepted auditing standards.

The auditors' report is set out on page 26.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company or the Group will not remain going concerns in the foreseeable future based on forecasts and available cash resources. The financial statements support the viability of the company and the Group.

The financial statements have been approved by the board of directors and are signed on their behalf by:



M ABEL
Executive Chairman

Johannesburg
28 August 2002



PL GRAY
Chief Operating Officer



JA SPARKE
Chief Financial Officer

I declare that, to the best of my knowledge the company has lodged with the Registrar all such returns as are required of a public company in terms of the Companies Act, 1973, as amended, and that all such returns are true, correct and up to date.



JA SPARKE
Company Secretary

Johannesburg
28 August 2002

TO THE MEMBERS OF PRIMESERV GROUP LIMITED

We have audited the annual financial statements and Group annual financial statements set out on pages 27 to 46 for the year ended 30 June 2002. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with Statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the Group at 30 June 2002 and the results of their operations and cash flows for the period then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.



*Chartered Accountants (SA)
Registered Accountants and Auditors*

Johannesburg
28 August 2002

NATURE OF BUSINESS

Primeserv Group Limited is an investment holding company whose trading activities are conducted through its twelve wholly owned subsidiary companies housed in four divisions, as well as four black economic empowerment joint venture companies. The subsidiaries own and manage human resources solutions businesses, skills training centres, corporate and vocational training operations, recruitment and flexible staffing services as well as skills, labour, wage bureau and human resources logistics outsourcing operations, situated throughout southern Africa.

FINANCIAL RESULTS

The financial results of the company and of the Group are set out on pages 30 to 46 of this report. A review of the Group's results and performance of the business units are contained in the executive chairman's report on pages 4 to 13.

DIVIDENDS

The directors consider the granting of a dividend annually but in the current year, as in the previous year, no dividend has been declared as the Group has elected to use cash resources to reduce gearing and meet additional growth opportunities.

SHARE CAPITAL

There were no changes in the authorised share capital of the company during the period under review. Changes to the issued share capital of the company are detailed in the statement of changes in equity and notes 12 and 13 to the financial statements.

SUBSIDIARY COMPANIES

Details of the company's interest in its subsidiaries are set out on page 46. The contribution to after tax profit of the subsidiaries was R4,9 million (2001: R6,5 million) for the year under review.

REPURCHASE OF SECURITIES

General authority to repurchase further ordinary shares in the company was granted in terms of a special resolution passed by the company's shareholders and registered by the Registrar of Companies on 21 November 2001 ("general authority"). During the financial year under review the company acquired 10 086 704 ordinary shares on the open market. The JSE Securities Exchange of South Africa withdrew the listing of 24 170 216 ordinary shares in terms of the company's share buy-back during the financial period under review.

Subsequent to the financial year-end, the company has acquired a further 5 155 000 shares in the open market in terms of the existing general authority. It is the intention of the directors to proceed with the cancellation of the existing 6 694 784 treasury shares held by a Group subsidiary which is nominated to acquire shares in the holding company.

The directors will seek shareholder approval at the annual general meeting for authority to repurchase further shares of the company.

On approval at the annual general meeting, of the resolutions required to effect any repurchase of securities, the maximum number of shares that the Group may repurchase is limited to 20% of its issued share capital. The maximum premium payable on any repurchase will be limited to 5% above the weighted average middle market price of such shares over the five days immediately preceding the date of repurchase. Such approval is valid until the next annual general meeting, or fifteen months from the date of the approval of the resolution.

In considering any repurchase scheme, the directors will take cognisance that after such repurchase, the company and the Group will, in the ordinary course of business, after the notice of the annual general meeting, for the succeeding twelve-month period be able to pay its debts, the working capital requirements and the ordinary capital and reserves of the company and Group will be adequate and the assets of the company and Group will be in excess of its liabilities.

EMPLOYEE SHARE INCENTIVE SCHEME

The total number of shares which may be purchased and/or in terms of which options may be granted is equivalent to 10% of the issued share capital of the company. At 30 June 2002, 5 596 598 (2001: 5 562 911) shares were held by the Primeserv share incentive scheme for distribution to employees in terms of the scheme. At the date of this report 3 869 120 (2001: 4 262 293) options have been granted and 1 360 000 (2001: 2 000 000) shares have been issued to employees in terms of the rules of the share incentive scheme. The directors use the scheme for the purpose of providing opportunities to employees to participate in the Group's growth and success.

On approval of the resolutions at the forthcoming annual general meeting the:

- number of shares which may be repurchased and/or in terms of which options may be granted will be increased to 20% of the issued share capital; and
- number of shares available to an individual participant under the scheme will be increased to 3,78% of the issued share capital.

DIRECTORATE AND SECRETARY

JA Sparke was appointed a director of the company on 1 February 2002.

RS Scott resigned as company secretary and JA Sparke was appointed company secretary on 1 February 2002.

RS Scott resigned as director during the year. M Abel, PL Gray, JM Judin, S Klein, G Magomola, SA Meltzer and CS Seabrooke were directors of the company throughout the financial year under review. SA Meltzer resigned as director on 20 November 2002.

In terms of the Articles of Association of the company JM Judin, S Klein and JA Sparke retire as directors at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

As at 30 June 2002, the aggregate direct and indirect, beneficial and non-beneficial interests of the directors in the fully paid issued share capital of the company, was 54 996 906 (2001: 51 697 406) shares.

At the date of this report the directors have been granted 3 450 000 (2001: 3 450 000) share options:

- M Abel 2 450 000
- PL Gray 1 000 000

There has been no material change in the directors' interest in the issued share capital between 30 June 2002 and the date of this report.



The names of directors in office at the date of this report are indicated below. The number of meetings attended by each of the directors of the company during the period 1 July 2001 to 30 June 2002 are as follows:

Directors	Number of meetings held	Number of meetings attended
M Abel	4	4
PL Gray	4	4
JM Judin	4	4
S Klein	4	3
G Magomola	4	3
SA Meltzer	4	2
CS Seabrooke	4	4
JA Sparke	2	2

EQUIPMENT AND VEHICLES

The Group acquired equipment and vehicles at a cost of R2,4 million (2001: R4,8 million) during the financial period under review. No major changes in the nature of the equipment and vehicles occurred during this period.

SUBSEQUENT EVENTS

There has been a further repurchase of securities post 30 June 2002 as referred to on page 27. No other facts or circumstances of a material nature have occurred between the accounting date and the date of this report.

		GROUP		COMPANY	
		30 June 2002 R'000	30 June 2001 R'000	30 June 2002 R'000	30 June 2001 R'000
as at 30 June 2002	Notes				
ASSETS					
Non-current assets		45 338	47 536	2 239	6 276
Equipment and vehicles	6	6 431	10 217	564	337
Intangibles	7	1 278	—	—	—
Investments in subsidiaries	8	—	—	179	4 493
Proceeds due on disposal of business	9	2 411	—	—	—
Deferred tax asset	10	33 762	35 873	40	—
Advance to the share trust	11	1 456	1 446	1 456	1 446
Current assets		100 200	100 396	3 114	3 657
Inventories		437	386	—	—
Trade and other receivables		92 790	93 557	1 455	434
Taxation		171	192	—	—
Cash at bank		6 802	6 261	1 659	3 223
Total assets		145 538	147 932	5 353	9 933
EQUITY AND LIABILITIES					
Capital and reserves		79 214	75 132	32	5 920
Share capital	12	1 321	1 562	1 321	1 562
Share premium	13	1 351	7 823	1 351	7 823
Non-distributable reserve	14	33 762	35 873	40	—
Accumulated profits/(losses)		43 095	35 273	(2 680)	(3 465)
Treasury shares	15	(315)	(5 399)	—	—
Non-current liabilities					
Long-term interest-bearing borrowings	16	1 421	1 934	—	—
Current liabilities		64 903	70 866	5 321	4 013
Trade and other payables		33 045	29 442	5 292	3 985
Short-term interest-bearing borrowings	16	301	490	—	—
Taxation		—	—	28	28
Bank borrowings	17	31 557	40 934	1	—
Total equity and liabilities		145 538	147 932	5 353	9 933
Number of shares in issue at year-end ('000) (net of treasury shares)		130 523	140 610		
Net asset value per share (cents)		61	53		

		GROUP		COMPANY	
		12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
for the year ended 30 June 2002	Notes				
Revenue		532 924	780 753	–	–
Net operating costs/(income)		518 271	757 144	(904)	5 457
Operating income/(loss)		14 653	23 609	904	(5 457)
Net interest (paid)/received		(5 936)	(5 790)	(119)	5 410
Net income/(loss) before exceptional items		8 717	17 819	785	(47)
Exceptional items	1	869	3 764	–	2 449
Restructuring charges		–	7 664	–	–
Net income/(loss) before taxation	2	7 848	6 391	785	(2 496)
Taxation	3	2 137	2 370	(40)	28
Net income/(loss) for the period		5 711	4 021	825	(2 524)
Weighted average number of shares ('000)		138 289	144 713		
Headline earnings per share (cents)	4	4,72	5,11		
Earnings per share (cents)	4	4,13	2,78		

		GROUP		COMPANY	
		12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
for the year ended 30 June 2002	Notes				
Share capital		1 321	1 562	1 321	1 562
Balance at beginning of period		1 562	1 736	1 562	1 736
Prior year to be issued reversed		–	(204)	–	(204)
Shares cancelled		(241)	–	(241)	–
Issued during period		–	30	–	30
Share premium		1 351	7 823	1 351	7 823
Balance at beginning of period		7 823	60 280	7 823	95 022
Prior year to be issued reversed		–	(69 260)	–	(69 260)
Issued during period		–	16 861	–	16 861
Shares cancelled		(6 472)	–	(6 472)	–
Intangible assets and share issue expenses written off		–	(58)	–	(34 800)
Accumulated profits/(losses)		43 095	35 273	(2 680)	(3 465)
Balance at beginning of period		35 273	53 439	(3 465)	39
Prior year adjustment	5	–	(24 937)	–	(980)
Net income/(loss) for the period		5 711	4 021	825	(2 524)
Transferred from non-distributable reserve		2 111	2 750	(40)	–
Non-distributable reserve		33 762	35 873	40	–
Balance at beginning of period		35 873	–	–	–
Prior year adjustment	5	–	38 623	–	–
Movement for the period		(2 111)	(2 750)	40	–
Repurchase of securities		(315)	(5 399)	–	–
		79 214	75 132	32	5 920

	Notes	GROUP		COMPANY	
		12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
for the year ended 30 June 2002					
Cash flows from operating activities		14 669	17 066	1 315	1 218
Income/(loss) from ordinary activities before taxation		7 848	6 391	785	(2 496)
Adjustments		10 211	14 752	363	(2 572)
– net interest paid/(received)		5 936	5 790	119	(5 410)
– non-cash flow items		164	2 423	25	2 464
– depreciation		4 111	6 539	219	374
Operating income/(loss) before working capital changes		18 059	21 143	1 148	(5 068)
Working capital changes		2 551	7 855	286	940
– increase in inventories		(107)	(283)	–	–
– (increase)/decrease in trade and other receivables		(84)	19 159	(1 021)	(434)
– increase/(decrease) in trade and other payables		2 742	(11 021)	1 307	1 374
Cash generated from operations		20 610	28 998	1 434	(4 128)
Net interest (paid)/received		(5 936)	(5 790)	(119)	5 410
Taxation paid	A	(5)	(6 142)	–	(64)
Cash flows from investing activities		(4 049)	(44 962)	(2 880)	(6 113)
Purchase of equipment and vehicles		(2 439)	(4 823)	(471)	(49)
Proceeds on disposal of equipment and vehicles		1 339	789	–	31
Proceeds on disposal of business operations		140	2 315	–	–
Loan to share trust		(10)	(2 430)	(10)	(2 430)
Repurchase of securities		(1 629)	(5 399)	(6 713)	–
Acquisition of/and loans to businesses and subsidiaries	B	(1 450)	(35 414)	4 314	(3 665)
Cash flows from financing activities		(702)	(356)	–	(1 244)
(Repayment)/proceeds from short-term borrowings		(189)	407	–	(1 244)
Repayment of long-term borrowings		(513)	(763)	–	–
Net increase/(decrease) in cash at bank and bank borrowings		9 918	(28 252)	(1 565)	(6 139)
Cash obtained from businesses and subsidiaries acquired/disposed		–	206	–	–
Cash at bank and bank borrowings at beginning of period		(34 673)	(6 627)	3 223	9 362
Cash at bank and bank borrowings at end of period	C	(24 755)	(34 673)	1 658	3 223

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
for the year ended 30 June 2002				
A. TAXATION PAID				
Amount overpaid/(unpaid) at beginning of period	192	(6 330)	(28)	(64)
Amount (charged)/credited to the income statements	(26)	380	–	(28)
Amount (overpaid)/unpaid at end of period	(171)	(192)	28	28
	(5)	(6 142)	–	(64)
B. ACQUISITION OF/AND LOANS TO BUSINESSES AND SUBSIDIARIES				
Tangible and intangible assets	(1 450)	(1 062)	–	–
Fixed assets	–	(501)	–	–
Current assets	–	(426)	–	–
Current liabilities	–	1 495	–	–
Short-term loans	–	83	–	–
Loans receivable and investments in businesses and subsidiaries	–	–	4 314	(3 665)
Cash and bank acquired	–	11	–	–
Net assets and loans acquired	(1 450)	(400)	4 314	(3 665)
Paid for by issue of share capital and outstanding loans	–	(35 014)	–	–
Paid in cash	(1 450)	(35 414)	4 314	(3 665)
C. CASH AT BANK AND BANK BORROWINGS AT END OF PERIOD				
Cash at bank	6 802	6 261	1 659	3 223
Bank borrowings	(31 557)	(40 934)	(1)	–
	(24 755)	(34 673)	1 658	3 223

The annual financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies, which comply with South African Statements of Generally Accepted Accounting Practice and are consistent in material respects with those applied in the previous period.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of the company and all its subsidiaries. The results of any subsidiaries acquired or disposed of during the period are included from the effective dates of acquisition and up to the effective dates of disposal. All material unrealised intercompany profits and transactions are eliminated.

EQUIPMENT AND VEHICLES

Equipment and vehicles are stated at cost less the related provision for depreciation. Depreciation is provided for on the straight-line basis at the following rates which will reduce the book values to estimated residual values over the expected useful lives of the assets:

Computer equipment	33,3%
Motor vehicles	20,0%
Office equipment	20,0%
Furniture, fittings and equipment	10,0% – 33,3%

INTANGIBLE ASSETS

Trademarks and goodwill

Trademarks and goodwill are stated at cost and amortised on a straight-line basis over their anticipated useful lives and are only written down if there is a permanent diminution in value.

INVENTORIES

Inventories, comprising consumables and training materials, are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in, first-out basis.

FINANCE AGREEMENTS

Assets held under finance agreements are capitalised. At the commencement of the agreement, the cost of the asset is capitalised and the equivalent amount is shown as a liability to the financier. Finance charges are written off over the period of the agreement based on the effective rate of interest.

RETIREMENT BENEFITS

Current contributions to pension and retirement funds operated for employees are based on current service and charged against income as incurred.

REVENUE

Group revenue consists of sales to customers and is stated net of value added taxation. Lecture fees received in advance are recognised over the period of the course. Income received on correspondence courses is recognised immediately and future costs are provided for. Income received on long-term staff supply and training contracts are recognised as it is earned.

DEFERRED EXPENDITURE

Expenditure and prepayments relating to specific sales and the rendering of services at a future date are deferred and matched with the income to which it relates.

TAXATION

Deferred tax is provided at legislated future rates using the balance sheet liability method. Full provision is made for all temporary differences between the tax base of an asset or liability and its balance sheet carrying amount.

Assets are not raised in respect of the deferred tax on assessed losses unless it is probable that future taxable profits will be available against which the deferred tax asset can be realised in the foreseeable future.

Secondary taxation on companies is provided in respect of expected dividend payments net of dividends received or receivable and is recognised as a taxation charge for the year.

FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, trade payables and borrowings. These investments are generally carried at their estimated fair value.

CASH AT BANK AND BANK BORROWINGS

For the purposes of the cash flow statement, cash at bank includes cash on hand, deposits and current accounts held with banks. Bank borrowings include bank overdrafts and other financing borrowings held with the Group's bankers. This represents a change from the previous financial period, as other financing borrowings were treated as short-term loans. There is no effect on net income and the prior year balance sheet and cash flow statement have been restated accordingly.



for the year ended 30 June 2002

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
1. EXCEPTIONAL ITEMS				
Adjustment of acquisition debits	869	1 315	–	–
Impairment of advance to share trust	–	2 449	–	2 449
	869	3 764	–	2 449
2. NET INCOME/(LOSS) BEFORE TAXATION				
Net income before taxation is stated after taking into account the following:				
Income				
Interest received	1 762	3 227	313	5 678
Management fees	–	–	7 450	600
Expenses				
Auditors' remuneration	415	627	231	245
– audit	396	610	228	243
– other services	19	17	3	2
Depreciation	4 111	6 539	219	374
Interest paid	7 698	9 017	432	268
Operating lease rentals	1 587	1 579	27	51
Goodwill amortisation	132	–	–	–
3. TAXATION				
SA normal taxation				
– current	26	–	–	–
– prior year (over)/underprovision	–	(380)	–	28
Deferred taxation	2 111	2 750	(40)	–
	2 137	2 370	(40)	28
	%	%	%	%
Tax rate reconciliation				
Statutory tax rate	30,0	30,0	30,0	30,0
(Over)/underprovision in previous period	–	(5,9)	(35,1)	1,1
Non-deductible and other items	(2,8)	13,0	–	(32,2)
Effective tax rate	27,2	37,1	(5,1)	(1,1)

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
for the year ended 30 June 2002				
4. EARNINGS PER SHARE				
The calculations of earnings per share and headline earnings per share are based on the following:				
Weighted average number of shares in issue ('000)	138 289	144 713		
Earnings	5 711	4 021		
After tax effect of adjustment of acquisition debits	656	920		
Goodwill amortisation	132	–		
After tax effect of loss on sale of assets	23	–		
Impairment of advance to share trust	–	2 449		
Headline earnings	6 522	7 390		
5. PRIOR YEAR ADJUSTMENT				
5.1 Fundamental error				
Debits arising from businesses previously under the management control of vendors prior to the reorganisation of the Group	–	(24 937)	–	(980)
Taxation relief – deferred	–	6 111	–	–
	–	(18 826)	–	(980)
5.2 Change in accounting policy				
Adoption of AC 102 in respect of deferred taxation	–	32 512	–	–
	–	13 686	–	(980)

for the year ended 30 June 2002

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
6. EQUIPMENT AND VEHICLES				
Cost				
Computer equipment	9 000	8 246	293	209
Motor vehicles	2 343	4 629	—	—
Office equipment	1 740	2 033	64	62
Furniture, fittings and equipment	7 533	9 152	506	692
	20 616	24 060	863	963
Accumulated depreciation				
Computer equipment	7 048	5 722	194	165
Motor vehicles	1 518	2 253	—	—
Office equipment	1 321	1 180	42	28
Furniture, fittings and equipment	4 298	4 688	63	433
	14 185	13 843	299	626
Net book value at end of period				
Computer equipment	1 952	2 524	99	44
Motor vehicles	825	2 376	—	—
Office equipment	419	853	22	34
Furniture, fittings and equipment	3 235	4 464	443	259
	6 431	10 217	564	337
Movement for the period				
Net book value at beginning of period	10 217	12 953	337	708
Additions – operations acquired	40	501	—	—
– subsequent purchases	2 439	4 823	471	49
Depreciation	(4 111)	(6 539)	(219)	(374)
Disposals	(2 154)	(1 521)	(25)	(46)
Net book value at end of period	6 431	10 217	564	337
7. INTANGIBLES				
Cost of goodwill and trademarks related to businesses acquired	1 450	—	—	—
Less: Goodwill amortisation	172	—	—	—
	1 278	—	—	—

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
for the year ended 30 June 2002				
8. INVESTMENT IN SUBSIDIARIES				
Shares at cost			2	1
Amounts owing			177	4 492
	–	–	179	4 493
The loans are unsecured, interest-free and no fixed terms for repayment of the loans have been arranged.				
Further information on the subsidiary companies is contained on page 46 of the annual financial statements.				
9. PROCEEDS DUE ON DISPOSAL OF BUSINESS				
Total owing	4 112	–	–	–
Less: Current portion included in trade and other receivables	(1 701)	–	–	–
	2 411	–	–	–
10. DEFERRED TAX ASSET				
Trademark allowances	23 521	27 374	–	–
Assessable losses	9 058	7 592	40	–
Other	1 183	907	–	–
	33 762	35 873	40	–
<i>Reconciliation between deferred tax opening and closing balance</i>				
Deferred tax opening balance	35 873	38 623	–	–
Trademark allowances	(3 853)	(5 138)	–	–
Assessable loss	1 466	1 481	40	–
Other	276	907	–	–
Deferred tax asset at end of period	33 762	35 873	40	–
11. SHARE INCENTIVE SCHEME				
The company has advanced R1 455 797 (2001: R1 446 357) to the Primeserv Group Limited share incentive scheme for the acquisition of 5 596 598 (2001: 5 562 911) Primeserv Group Limited ordinary shares at fair value	1 456	1 446	1 456	1 446

for the year ended 30 June 2002

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
12. SHARE CAPITAL				
<i>Authorised</i>				
500 000 000 ordinary shares of 1 cent each	5 000	5 000	5 000	5 000
<i>Issued</i>				
132 062 743 (2001: 156 232 959) ordinary shares of 1 cent each	1 321	1 562	1 321	1 562
There are 480 600 (2001: 699 382) shares to be issued in respect of shares outstanding in terms of the Primeserv Group Limited share incentive scheme.				
<i>Unissued shares</i>				
The unissued shares totalling 367 937 257 (2001: 343 767 041) of 1 cent each are under the control of the directors subject to the provisions of sections 221 and 222 of the Companies Act and the Listings Requirements of the JSE Securities Exchange South Africa.				
This authority is valid until the next annual general meeting.				
13. SHARE PREMIUM				
Balance at beginning of period	7 823	294 971	7 823	294 971
Premium on shares issued during the year for the acquisition of subsidiaries/businesses	–	(52 399)	–	(52 399)
– prior year to be issued reversed	–	(69 260)	–	(69 260)
– issued	–	16 861	–	16 861
Shares repurchased and cancelled	(6 472)	–	(6 472)	–
Share issue expenses written off	–	(1 932)	–	(1 932)
– cash issues	–	(1 244)	–	(1 244)
– acquisitions	–	(688)	–	(688)
Reduction in share premium	–	(232 817)	–	(232 817)
Total share premium	1 351	7 823	1 351	7 823

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
for the year ended 30 June 2002				
14. NON-DISTRIBUTABLE RESERVES				
Non-distributable reserves arising from deferred tax asset raised – note 10	33 762	35 873	40	–
15. TREASURY SHARES				
Comprises 1 539 784 (2001: 15 623 296) Primeserv Group Limited ordinary shares purchased in terms of shareholder approval obtained on 21 November 2001	315	5 399	–	–
16. LONG-TERM INTEREST-BEARING BORROWINGS				
Manpower Development Fund	1 383	1 461	–	–
Total owing	1 569	1 552	–	–
Current portion included with short-term loans	(186)	(91)	–	–
The loans are unsecured and repayable in monthly instalments, inclusive of interest, at a fixed rate of 11,75% per annum.				
Finance agreements	38	473	–	–
Total owing	153	872	–	–
Current portion included with short-term loans	(115)	(399)	–	–
The loans are repayable in monthly instalments, inclusive of interest, at rates varying with the prime bank overdraft rate and are secured over relevant equipment and vehicles.				
	1 421	1 934	–	–
Interest-bearing borrowings				
Short-term portion	301	490	–	–
Long-term portion	1 421	1 934	–	–
Total	1 722	2 424	–	–
Borrowing powers				
In terms of the company's Articles of Association, the borrowing powers of the company are unlimited.				

for the year ended 30 June 2002

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
17. BANK BORROWINGS				
Invoice finance	27 638	37 752	–	–
The finance is secured over the book debts of Primeserv ABC Recruitment (Proprietary) Limited, African Recruitment Manpower (Proprietary) Limited and Primeserv Employee Solutions (Proprietary) Limited, and bears interest at the prime bank overdraft rate plus 0,5% per annum. It is repayable on collection of the book debts, subject to a 25% retention margin of total debt financed in this manner.				
Bank overdrafts	3 919	3 182	1	–
	31 557	40 934	1	–

18. DIRECTORS' REMUNERATION

The remuneration paid to directors of the company, whilst in office, during the year ended 30 June 2002 can be analysed as follows:

	Directors' fees	Remuneration	Bonuses	Other benefits**	Total R'000
Executive directors	–	2 901	–	320	3 221
M Abel	–	1 459	–	149	1 608
PL Gray	–	798	–	92	890
RS Scott	–	414	–	52	466
JA Sparke	–	230	–	27	257
Non-executive directors	204	–	–	–	204
JM Judin	40	–	–	–	–
S Klein	40	–	–	–	–
G Magomola	40	–	–	–	–
SA Meltzer	40	–	–	–	–
CS Seabrooke	44	–	–	–	–
	204	2 901	–	320	3 425

**Other benefits include retirement funding and medical aid benefits.

The remuneration of RS Scott and JA Sparke was only for a period of the financial year under review for which they served as directors.

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
for the year ended 30 June 2002				
19. CONTINGENT LIABILITIES				
Secondary tax on companies that would be payable if all retained earnings were distributed by way of a dividend	4 788	3 919	–	–
Guarantees issued by bankers to various companies and government bodies	1 197	1 569	146	1 569
The company and its fellow subsidiaries have signed surety to FirstRand Bank Limited in favour of its fellow subsidiaries for debtors, financing and normal banking facilities granted. The net amount outstanding in the subsidiaries in respect of these facilities at year-end is R31 765 710.				
20. FINANCIAL INSTRUMENTS				
<i>Interest rate risk</i>				
As part of the process of managing the company's interest rate risk, interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.				
<i>Credit risk</i>				
The company maintains cash, cash equivalents and short-term investments with various financial institutions. The company's policy is designed to limit exposure with any one financial institution and ensures that the company's cash equivalents and short-term investments are placed with high credit quality financial institutions.				
Credit risk with respect to trade receivables is disbursed due to the large number of customers and the diversity of industries serviced. The company performs credit evaluations of its customers and, where available and cost effective, utilises credit insurance.				
21. RETIREMENT BENEFITS				
The Group presently contributes to defined contribution retirement benefit plans, being pension funds governed by the Pension Funds Act, 1956, which due to the nature of the funds do not require actuarial valuations.				
The Group has no obligations to fund post-retirement medical benefits.				
22. RELATED PARTY TRANSACTIONS				
Arm's length trading transactions occur between subsidiaries and divisions within the Group companies and are reversed on consolidation of the accounts. Transactions between the holding company, its subsidiaries and associated companies relate to fees and interest and these are reflected as income in the company's income statement.				
23. CAPITAL COMMITMENTS				
The Group does not have any material capital commitments planned or actual for the forthcoming year.				

	GROUP		COMPANY	
	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000	12 months 30 June 2002 R'000	16 months 30 June 2001 R'000
for the year ended 30 June 2002				
24. LEASE COMMITMENTS				
Future operating lease charges for premises, vehicles and equipment				
Payable within one year				
– premises	3 882	2 127	478	154
– vehicles and equipment	802	633	19	13
	4 684	2 760	497	167
Payable thereafter				
– premises	5 201	2 511	1 290	–
– vehicles and equipment	1 339	1 025	5	24
	6 540	3 536	1 295	24
25. SEGMENTAL ANALYSIS				
Revenue				
Corporate and organisational services	49 980	67 557		
Staffing services	482 944	713 196		
	532 924	780 753		
Net income before taxation				
Corporate and organisational services	212	1 927		
Staffing services	7 636	4 464		
	7 848	6 391		

	Issued share capital R	Portion held directly or indirectly by holding company %	Book value of shares R	Amount owing by subsidiaries	
				30 June 2002 R'000	30 June 2001 R'000
Primeserv Corporate Solutions (Proprietary) Limited	100	100	100	(3 048)	(3 159)
Primeserv Training (Proprietary) Limited	100	100	100	(1 242)	(4 093)
Primeserv ABC Recruitment (Proprietary) Limited	100	100	100	397	(887)
Primeserv Employee Solutions (Proprietary) Limited	100	100	100	4 580	7 535
African Recruitment Manpower (Proprietary) Limited	160	100	160	(285)	(303)
Primeserv Productivity Services (Proprietary) Limited	100	100	100	25	5 399
Priserv (Proprietary) Limited	100	100	100		
Primeserv Recruitment (Proprietary) Limited	100	100	100		
Ibiza Trading 7 (Proprietary) Limited	100	100	–		
Thuso Outsourcing (Proprietary) Limited	100	70	70	(250)	–
Empvest Outsourcing (Proprietary) Limited	1 000	48,2	482		
Privest International Limited	30	100	30		
Privest Recruitment ABC International Limited	20	100	20		
Bathusi Training (Proprietary) Limited	100	49	49		
Bathusi Recruitment (Proprietary) Limited	100	49	49		
Apgeest Limitada	100	100	100		
			1 660	177	4 492

NOTES

The Solutions division operates in Primeserv Corporate Solutions (Proprietary) Limited.

The Training division operates in Primeserv Training (Proprietary) Limited, Ibiza Trading 7 (Proprietary) Limited and Bathusi Training (Proprietary) Limited.

The Recruitment division operates in Primeserv Employee Solutions (Proprietary) Limited, Thuso Outsourcing (Proprietary) Limited, Primeserv Recruitment (Proprietary) Limited (formerly Priserve (2001) (Proprietary) Limited) and Bathusi Recruitment (Proprietary) Limited.

The Outsourcing division operates in Primeserv Employee Solutions (Proprietary) Limited, Primeserv ABC Recruitment (Proprietary) Limited, African Recruitment Manpower (Proprietary) Limited, Privest International Limited, Privest Recruitment ABC International Limited, Empvest Outsourcing (Proprietary) Limited and Apgeest Limitada.

Primeserv Productivity Services (Proprietary) Limited is the subsidiary nominated to acquire shares in the holding company.

Priserv (Proprietary) Limited is dormant.

for the year ended 30 June 2002

	2002	2001
SECURITIES EXCHANGE PERFORMANCE		
Year-end closing market price of ordinary shares (cents)	28	26
High closing market price of ordinary shares (cents)	32	200
Low closing market price of ordinary shares (cents)	12	17
Volume of shares traded (million)	27,8	66,3
Value of shares traded (R'000)	5 115	30 180
NUMBER OF SHARES IN ISSUE		
Opening balances	156 232 959	153 158 657
Closing balances	132 062 743	156 232 959
Market capitalisation at year-end (R'000)	36 978	40 621

ABRIDGED PRO FORMA ANNUALISED FINANCIAL RESULTS SUMMARY

based on the reviewed results as published on 28 August 2002

	12 months ended 30 June 2002 R'000	Annualised pro forma 12 months ended 30 June 2001 R'000	% change	16 months ended 30 June 2001 R'000
Revenue	532 924	585 565	(9)	780 753
Operating profit	18 764	22 611	(17)	30 148
Net income before taxation	7 848	4 793	64	6 391
Net income attributable to shareholders	5 711	3 016	89	4 021
Headline earnings	6 522	5 525	18	7 390
Headline earnings per share (cents)	4,72	3,82	24	5,11
Earnings per share (cents)	4,13	2,08	99	2,78

at 30 June 2002

	Number of shareholders	Number of shares held	% shareholding
PORTFOLIO SIZE			
1 – 50 000 shares	736	4 962 929	3,7
50 001 – 500 000 shares	61	10 647 203	8,1
500 001 – 5 000 000 shares	41	62 093 491	47,0
over 5 000 000 shares	5	54 359 120	41,2
	843	132 062 743	100,0
CATEGORY			
Directors (beneficial, non-beneficial, direct and indirect) and management*	69	69 429 977	52,6
Nominee companies and schemes	20	36 485 753	27,6
Individual and other corporate bodies	754	26 147 013	19,8
	843	132 062 743	100,0
INTERESTS GREATER THAN 5%			
PIC Nominees (Proprietary) Limited		39 335 595	29,8
SD Nominees (Proprietary) Limited		18 386 270	13,9
Standard Corporate Merchant Bank Limited Custody Account		15 929 509	12,1
Old Mutual Nominees (Proprietary) Limited		7 776 672	5,9
		81 428 046	61,7
SHAREHOLDER SPREAD			
Total non-public shareholders*	69	69 429 977	52,6
Public shareholders	774	62 632 766	47,4
	843	132 062 743	100,0

Primeserv Group Limited is committed to ownership opportunities in the company by management and staff. To this end, a schedule of the shareholding of management and staff is available on request to all shareholders of Primeserv Group Limited. The Primeserv Group Limited share incentive scheme endeavours to provide ownership opportunities to as many qualifying Primeserv management and staff as possible.

**Non-public shareholders include the directors' beneficial, non-beneficial, direct and indirect shareholding, companies controlled by the directors and the voting pool.*

Notice is hereby given that the fourth annual general meeting of the shareholders of Primeserv Group Limited (previously Privest Group Limited) will be held in the Cambridge Room, Protea Hotel Balalaika, Maude Street, Sandton at 09:00 on Wednesday, 5 February 2003, for the following:

To consider and if deemed fit, to pass the following special and ordinary resolutions:

AS ORDINARY RESOLUTIONS

1. To receive and consider the annual financial statements and Group financial statements for the year ended 30 June 2002.
2. To re-elect as directors JM Judin, S Klein and JA Sparke, all of whom retire by rotation and being eligible offer themselves for re-election in terms of the company's Articles of Association.
3. To authorise the Remuneration and Nomination Committee to determine the remuneration of the directors for the year ended 30 June 2002.
4. To authorise the directors to determine the remuneration of the auditors for the year ended 30 June 2002.
5. To appoint Deloitte & Touche as auditors for the ensuing year.
6. That, subject to not less than 75% of the shareholders of the company being present in person or by proxy and entitled to vote at the annual general meeting at which this ordinary resolution number 6 is to be considered, voting in favour thereof, the directors of the company be and are hereby authorised by way of a general authority to issue all or any of the authorised but unissued ordinary shares in the capital of the company for cash as they in their discretion deem fit, subject to the following limitations:
 - this authority shall not extend beyond the date of the next annual general meeting of the company or the date of expiry, being 15 (fifteen) months from the date of this general meeting, whichever is the later;
 - a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of ordinary shares in issue prior to such issue;
 - the securities will be of a class already in issue;
 - issues in terms of this authority will not exceed 15% in the aggregate of the number of ordinary shares in the company's issued share capital in any one financial year;
 - in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30-day period prior to the date that the price of the issue is determined or agreed by the directors of the company; and
 - any such issue will be made to public shareholders only, as defined by the JSE Securities Exchange South Africa ("JSE"), and such issue may not constitute a related transaction, as defined by the JSE.
7. That the authorised but unissued share capital of the company be placed at the disposal and under the control of the directors of the company and the directors are hereby authorised and empowered to allot, issue and otherwise dispose thereof to such person or persons and on such terms and conditions at their discretion subject to the provisions of the Act.
8. That the Privest Group Limited Share Trust is amended as follows:
 - By the change of the name of the trust from "Privest Group Limited Share Trust" to "Primeserv Group Limited Share Trust" and the substitution of the word "Privest" with the word "Primeserv" wherever it appears in the trust deed.
 - By the amendment of clause 14 of the trust deed by substituting for the words "10 185 000 (ten million one hundred and eighty five thousand)" the words "26 412 548 (twenty six million four hundred and twelve thousand five hundred and forty eight)" and for the words "10 (ten)" the words "20 (twenty)".

The reason for the resolution is to bring the provisions of the share trust deed in line with Schedule 14, paragraph 14.11, subsection(d) of the JSE Securities Exchange of South Africa Listings Requirements.

- By the amendment of clause 15.3 of the trust deed by substituting for the words “1 500 000 (one million five hundred thousand)” the words “5 000 000 (five million)” and by substituting the words “1,47% (one comma four seven percent)” the words “3,78% (three comma seven eight percent)”.

The reason for this resolution is to increase the number of shares which may be available to an individual participant under the terms of the share scheme.

AS SPECIAL RESOLUTIONS

9. Special Resolution Number 1

“Resolved that the company or a subsidiary of the company, be and is hereby authorised, by way of a general authority, to acquire shares issued by the company in terms of sections 85 and 89 of the Companies Act, 1973 (Act 61 of 1973), as amended, (“the Act”) and in terms of the rules and requirements of the JSE Securities Exchange South Africa (“JSE”), being that:

- any such acquisition of ordinary shares shall be implemented on the open market of the JSE;
- this general authority shall only be valid until the company’s next annual general meeting; provided that it shall not extend beyond fifteen months from the date of passing of this special resolution number 1;
- when the company has cumulatively repurchased 3% of the number of a class of shares in issue on the date of passing of this special resolution number 1 (“the initial number”), and for each 3% in aggregate of the initial number of that class of shares acquired thereafter, an announcement in compliance with the JSE’s Listings Requirements must be published as soon as possible and not later than 8:30 on the business day following the day on which the relevant threshold is reached or exceeded, and the company’s sponsor shall, prior to the company entering into the market to repurchase the shares, provide the JSE with the written working capital statement required in terms of the JSE’s Listings Requirements;
- in determining the price at which ordinary shares issued by the company are acquired by it or its subsidiary in terms of this general authority, the maximum price at which such shares may be acquired will be 10% above the weighted average of the market value for such shares for the five business days immediately preceding the date of repurchase of such shares;
- any general repurchase by the company of its own shares shall not, in aggregate in any one financial year, exceed 20% of the company’s issued share capital of that class as at the date of passing of this special resolution number 1.”

The reason for and effect of special resolution number 1 is to grant the company a general approval in terms of the Act for the acquisition of shares of the company. Such general authority will provide the Board with the flexibility, subject to the requirements of the Act and the JSE, to repurchase shares should it be in the interests of the company at any time while the general authority exists. This general approval shall be valid until the earlier of the next annual general meeting of the company, or its variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not be extended beyond fifteen months from the date of the passing of this special resolution.

The directors of the company will only utilise the general authority to re-purchase company shares to the extent that the directors, after considering the effects of a maximum purchase, are of the opinion that:

- the company and the Group will be able in the ordinary course of business to pay its debts for a period of twelve months after the date of the notice of the annual general meeting;
- the assets of the company and the Group will be in excess of the liabilities of the company and the Group for a period of twelve months after the date of the notice of annual general meeting. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
- the adequacy of the ordinary capital and reserves of the company and the Group for a period of twelve months after the date of the notice of the annual general meeting; and
- the adequacy of working capital of the company and the Group for a period of twelve months after the date of the notice of the annual general meeting.

10. Special Resolution Number 2

“Resolved that the company amend its Articles of Association by the abrogation in their entirety of the existing articles and the substitution in respect thereof of the articles tabled at the meeting and initialled by the Chairman for identification purposes.”

The reason for and effect of this special resolution is to amend the articles to generally update the articles in line with current legislation.

11. Ordinary Resolution Number 9

That any director of the company or the company secretary be and is hereby authorised to sign all documents and do all acts which may be required to carry into effect the special resolutions contained in the notice of annual general meeting incorporating this ordinary resolution.

To transact any other business as may be transacted at an ordinary general meeting.

Any member entitled to vote at the annual general meeting may appoint a proxy or proxies to attend, speak and vote in his stead and the person/persons so appointed need not be a member/members of the company.

If you are a certificated or own name dematerialised shareholder and unable to attend the annual general meeting of ordinary shareholders to be held in the Cambridge Room, Protea Hotel Balalaika, Maude Street, Sandton on 5 February 2003 at 09:00 and wish to be represented thereat, you should complete and return the attached form of proxy in accordance with the instructions therein. If you have dematerialised your shares with a Central Securities Depository Participant (“CSDP”) or broker you must arrange with them to provide you with the necessary authorisation to attend the annual general meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or broker.

A proxy form is enclosed for use at this fourth annual general meeting. Proxy forms should be forwarded to reach the transfer secretaries not later than 48 hours before the time fixed for the meeting.

As more than 20% of the company’s issued securities are in the hands of the public, as defined by the JSE, the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this meeting is required for ordinary resolution number 6 to become effective.

By order of the board



JA SPARKE

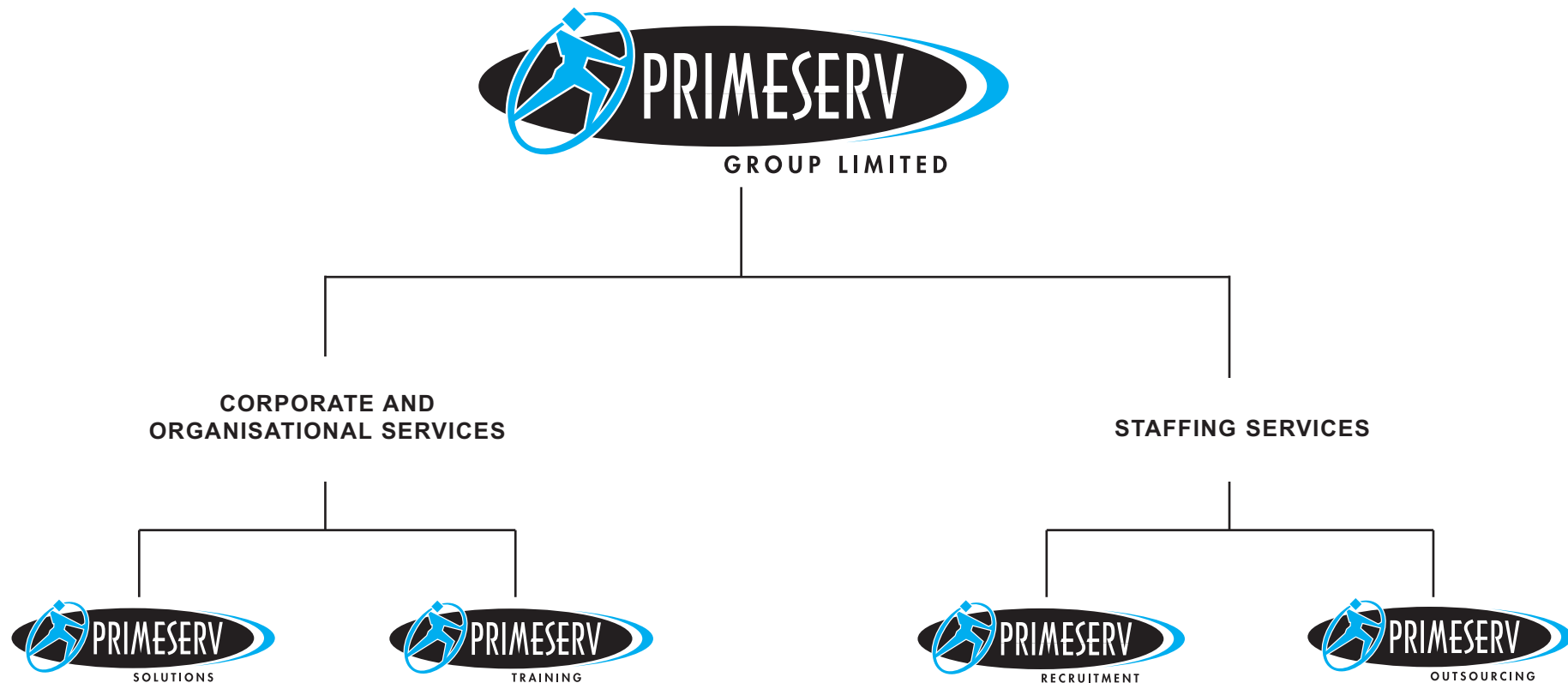
Company Secretary

Johannesburg

17 December 2002

FINANCIAL YEAR-END	30 June 2002
REPORTS ON PROFIT STATEMENTS AND MEETINGS	
Reviewed results published	August 2002
Annual report published	December 2002
Annual general meeting	5 February 2003
NEXT FINANCIAL YEAR-END	30 June 2003
REPORTS ON PROFIT STATEMENTS AND MEETINGS	
Half-year interim report to be published	February 2003
Audited results to be published	September 2003
Annual report to be published	October 2003
Annual general meeting	November 2003





Group operational trade names and trademarks

- ABC International • ABC Recruitment • African Recruitment Manpower (ARM) • Business Enterprises South Africa (BESA) • Chamdor • Chebo • CV Online
- Contract Staff Hire • David Heath • David Heath Search and Recruitment • Executive Task Force • Hampton College • Home Study College • HR Training • Humanitas
- Integrated Marketing Information Group (IMIG) • Interplace Recruitment • Joblock • Labour Law Group • Manufacturing and Technical Skills Institute (MTSI)
- Marjorie Levy and Associates • Mech Elect • Natalie Stoltz & Associates • Percon • Personnel Performance (PP) • Peter Adendorff Associates • Phenix
- Select Personnel • Selected Manpower Services (SMS) • Stafflink • Stanford Business College • Thami • VE Training • Working World

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people performance
performance productivity
productivity people
performance people
productivity people



Primeserv Group Limited

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

Share code: PMV • ISIN Number: ZAE000039277 • ("Primeserv")

For the use by ordinary shareholders of Primeserv ("ordinary shareholders") for the fourth annual general meeting of Primeserv to be held in the Cambridge Room, Protea Hotel Balalaika, Maude Street, Sandton at 09:00 on Wednesday, 5 February 2003 ("the annual general meeting").

I/We

(Name/s in block letters)

being the registered holder/s of ordinary shares in Primeserv, appoint (see note 1, overleaf).

1. or failing him/her

2. or failing him/her

3. the chairman of the annual general meeting as my/our proxy to act for me/us and on my/our behalf at the general meeting which will be held for the purpose of considering, and if deemed fit, with or without modification, eleven resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2, overleaf).

	Number of votes (1 vote per ordinary share)		
	For	Against	Abstain
Resolution number 1			
Resolution number 2			
2.1 JM Judin			
2.2 S Klein			
2.3 JA Sparke			
Resolution number 3			
Resolution number 4			
Resolution number 5			
Resolution number 6			
Resolution number 7			
Resolution number 8			
Special resolution number 1			
Special resolution number 2			
Resolution number 9			

Signed at _____ on _____ 2003

Signature _____ Assisted by me (where applicable)

NOTES TO THE PROXY FORM

1. An ordinary shareholder is entitled to appoint a proxy (who need not be a member), to attend, speak and vote at the annual general meeting in his stead.
2. An ordinary shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that ordinary shareholder in the appropriate box/es provided.
3. Any alteration made to this form of proxy must be initialled.
4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form.
5. This form of proxy must be signed by all joint shareholders.
6. Proxy forms must be lodged with the transfer secretaries, Computershare Investor Services Limited, 70 Marshall Street, Marshalltown 2001 (PO Box 61051, Marshalltown 2107), to be received not later than 48 hours before the time fixed for the meeting.
7. *If you have not dematerialised your shares or you have dematerialised your shares and selected own name registration in the sub-register.*
You may either attend the general meeting in person or complete and return the form of proxy in accordance with the instructions contained therein to the transfer secretaries.
8. *If you have dematerialised your shares through a CSDP or broker and registered them in a name other than your own name.*
If you have already dematerialised your shares you may advise your CSDP or broker of your voting instructions on the proposed resolutions. However, should you wish to attend the general meeting in person, you will need to request your CSDP or broker to provide you with the necessary authority in terms of the custody agreement entered into with the CSDP or broker.