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

**INTERIM RESULTS FOR THE
 SIX MONTHS ENDED
 31 DECEMBER 2002**



Introduction

The Group's products and services are provided through its two business segments: Corporate and Organisational Services, comprising the Solutions and Training divisions, and Staffing Services, which is made up of the 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 logistics outsourcing operations.

Financial Review

The Group's results reflect its focus on quality business and investment in the balance sheet and Primeserv brand.

The balance sheet shows strong improvement with interest-bearing borrowings lowered to R22,2 million from R34,5 million in 2001. Cash flow for the period increased to 2,2 cents per share (2001: 0,45 cents per share).

Revenue, operating profit and net income attributable to shareholders were all reduced, as expected, in line with the efforts to streamline revenues in the Outsourcing division so as to achieve better margins and stronger cash flows. Tough trading conditions in the Solutions, Training and Recruitment divisions further contributed to the decreased operating profit. Headline earnings per share were as a result down by 19,8% on the comparable period.

Operational Review

The Group's operations are cyclic with the first half historically weaker than the second.

Corporate and Organisational Services

The Solutions division produced poor results. Corrective measures taken have resulted in a more effective unit capable of future profits.

The Training division made progress during the period with a satisfactory result from its technical training unit.

Staffing Services

The Recruitment operation experienced severe trading conditions resulting in a loss for the first half of the financial year. Whilst the unit is not expected to make a positive contribution in the coming period, this will not have a material impact on the Group's second half performance.

The Outsourcing division's ongoing improvement in performance is expected to continue in the second half. Emphasis has remained on streamlining sales to achieve improved margins, stronger cash collection and the entrenchment of long-term client service contracts.

Brand strategy

Primeserv continues investment in its single brand identity and positioning through an integrated marketing campaign aimed at creating differentiated awareness of and preference for the Primeserv range of products and services.

Empowerment

The Group is committed to black economic empowerment (BEE) principles and has made strides on this front. Primeserv will in the next few months be launching a new BEE initiative aimed at delivering economic empowerment at an operational level. This will represent true empowerment of the Group's staff as well as genuine skills and equity transfer.

Accounting policies

The interim financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The accounting policies are consistent with those used in the previous financial year, except the adoption of AC133 - Financial Instruments - Recognition and Measurement. This has had no material impact and therefore no adjustments have been made.

The Group adopted Circular 7/2002 - Headline Earnings, issued by the South African Institute of Chartered Accountants. The prior year's earnings have been adjusted accordingly.

Dividend

It is the Group's practice to consider dividends at the end of the financial year only.

Outlook

Conditions in the human resources sector remain challenging. The Group is a leading provider of integrated HR services and remains positioned to benefit from economic improvements. Primeserv continues to seek growth opportunities that match the long-term, single brand strategy of the Group.

For and on behalf of the board

M Abel

Executive chairman

PL Gray

Chief operating officer

JA Sparke

Chief financial officer

Johannesburg
5 March 2003

e-mail: productivity@primeserv.co.za

Share code: PMV

ISIN number: ZAE 0000 39277

Directors

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

Registered address

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Transfer secretaries

Computershare Investor Services Limited
70 Marshall Street,
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(P.O. Box 62391, Marshalltown, 2107)



INCOME STATEMENT

	Unaudited 6 Months ended 31 Dec 2002 R'000	Unaudited 6 Months ended 31 Dec 2001 R'000	Audited 12 Months ended 30 June 2002 R'000
Revenue	246 191	291 133	532 924
Operating profit	6 443	9 403	18 896
Exceptional items	-	-	869
Depreciation	1 506	2 267	4 111
Goodwill amortisation	71	4	132
Net income before interest	4 866	7 132	13 784

Net interest paid	2 363	3 450	5 936
Net income before taxation	2 503	3 682	7 848
SA normal taxation	738	1 204	2 137
Net income attributable to shareholders	1 765	2 478	5 711
Reconciliation of headline earnings			
Net income attributable to shareholders	1 765	2 478	5 711
Goodwill amortisation	71	4	132
Headline earnings	1 836	2 482	5 843
Weighted average number of shares in issue ('000)	129 523	140 610	138 289
Earnings per share (cents)	1,36	1,76	4,13
Headline earnings per share (cents)	1,42	1,77	4,23



SEGMENTAL ANALYSIS

	Unaudited 6 Months ended 31 Dec 2002 R'000	Unaudited 6 Months ended 31 Dec 2001 R'000	Audited 12 Months ended 30 June 2002 R'000
Revenue			
Corporate and organisational services	30 717	19 806	49 980
Staffing services	215 474	271 327	482 944
	246 191	291 133	532 924
Net income before taxation			
Corporate and organisational services	538	990	212
Staffing services	1 965	2 692	7 636
	2 503	3 682	7 848



ABRIDGED CASH FLOW STATEMENT

Unaudited 6 Months ended 31 Dec 2002	Unaudited 6 Months ended 31 Dec 2001	Audited 12 Months ended 30 June 2002
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	R'000	R'000	R'000
Operating activities	4 290	1 180	14 669
Investing activities	(1 415)	(555)	(4 049)
Financing activities	(20)	13	(513)
Net increase in cash at bank and interest-bearing borrowings	2 855	638	10 107
Cash at bank and interest-bearing borrowings at beginning of the period	(25 056)	(35 163)	(35 163)
Cash at bank and interest-bearing borrowings at end of the period	(22 201)	(34 525)	(25 056)
Weighted average number of shares ('000)	129 523	140 610	138 289
Cash flow per share (cents)	2,20	0,45	7,31



BALANCE SHEET

	Unaudited 31 Dec 2002 R'000	Unaudited 31 Dec 2001 R'000	Audited 30 June 2002 R'000
ASSETS			
Non-current assets	43 383	44 583	45 338
Equipment and vehicles	5 646	8 212	6 431
Intangibles	1 207	256	1 278
Proceeds due from disposal of business	2 060	-	2 411
Deferred tax asset	33 024	34 669	33 762
Share incentive scheme	1 446	1 446	1 456
Current assets	93 672	129 582	100 200
Inventories	601	627	437
Trade and other receivables	87 740	108 260	92 790
Taxation	96	197	171
Cash at bank	5 235	20 498	6 802
Total assets	137 055	174 165	145 538
EQUITY AND LIABILITIES			
Capital and reserves	79 866	77 610	79 214
Non-current liabilities	1 400	1 948	1 421
Current liabilities	55 789	94 607	64 903
Trade and other payables	28 353	39 584	33 045
Short-term borrowings	3 220	5 207	301
Bank borrowings	24 216	49 816	31 557
Total equity and liabilities	137 055	174 165	145 538
Number of shares in issue at end of period ('000)	124 986	140 610	130 523
Net tangible asset value per share (cents)	37	31	35
Net asset value per share (cents)	64	55	61


STATEMENT OF CHANGES IN EQUITY

	Unaudited 6 Months ended 31 Dec 2002 R'000	Unaudited 6 Months ended 31 Dec 2001 R'000	Audited 12 Months ended 30 June 2002 R'000
Balance at beginning of period - as previously shown	79 214	75 132	75 132
Repurchase of securities	(1 113)	-	(1 629)
Net income for the period	1 765	2 478	5 711
Balance at end of the period	79 866	77 610	79 214