

Operating and financial review

Other operations KeyLand's expansion through selected joint ventures continues, while Loop has also grown by attracting several new clients.

KeyLand Developments

Turnover from continuing activities was ahead of last year at £10.1m (2001: £8.3m), with operating profit more than 50% ahead, at £3.6m (2001: £2.3m). This was despite a general easing of demand and delays in the planning process.

KeyLand's development through selected joint ventures continues to provide a solid platform for expansion.

KeyLandmark is a joint venture with Landmark and GMI and the first building, Ailsa House, was completed in January 2002. Whitehall Landing is a joint venture with S Harrison Developments to develop a site for 148 new homes in Whitby. KeyLand Gregory, a joint venture with Gregory Properties is primarily an office development at Centurion Park in York.

KeyLand's other major development at Mid Point continues to attract significant interest.

Prospects for 2002 are encouraging with a number of major brownfield housing development sites due to come to the market.

Loop

From the established base of its successful contract with Yorkshire Water, the past year has been a time of real growth for the business. New clients have enabled the company to develop first hand experience in a number of public sector segments from local government to the emergency services.

Loop continues to provide services under the contract secured last year with the National Blood Service, for which Loop operates an outbound calling service reminding donors of their appointments. Working with the Wales Tourist Board, Loop will be handling up to 200,000 calls a year, ranging from answering customer enquiries about events and activities throughout Wales, to booking holiday accommodation.

Work for Merseyside Fire and Civil Defence Authority started in March 2002 contacting over 500,000 households in Merseyside to offer a free home fire safety check. Loop has also secured a contract with Lewisham Borough Council to provide the contact centre services required for a pilot project matching house hunters to council properties, and with DIY giant B&Q to operate a threefold service relating to the company's range of power tools.

Loop received recognition for its role in Yorkshire Water's outstanding customer service record. The company has won a number of awards, which highlight its innovative and reliable service, including Investor in People and ISO9001. In 2001 Loop was also runner up in the European Customer Service Awards and the National Customer Service Awards.

Waste Recycling Group

The group holds a major shareholding in Waste Recycling Group plc (WRG). In the group's accounts, 46% of WRG's results for the year ended 31 December 2001 are shown as a share of associates' results. The group's share of turnover was £129.3m (2001: £80.6m) and share of operating profit £18.5m (2001: £15.0m) after goodwill amortisation of £3.3m (2001: £3.3m).



01 KeyLandmark A joint venture with Landmark and GMI. A 1.75 hectare site at Turnberry Park, located at Junction 27 of the M62, creating a high class office environment. The first building, Ailsa House, a 2,490 sq.m. three storey office, was completed to time and cost in January 2002. Currently 50% has been let to the Compass Catering Group, with strong interest being shown in the remainder. An application for detailed planning permission for the next phase is shortly to be submitted with the total development providing 8,360 sq. m. on completion.

03 Recruitment Loop employs more than 600 people at its sites in Bradford and Bangor. Staff benefit from a number of innovative working patterns from home-working to an annual hours scheme which enables Loop to answer the fluctuating and seasonal needs of its clients whilst staff are assured of a regular salary. 2001 saw the recruitment of Loop's first graduate trainees.

02 New contracts The three year contract with the Wales Tourist Board (WTB), means Loop will be employing around 25 local people at their new multi-media, web-enabled site based in Bangor, North Wales. Staff will be responsible for providing support services to tourism businesses, managing their information in WTB's new online VisitWales database.

04 Whitehall Landing A joint venture with S Harrison Developments. This development of 1.75 hectares of the former Whitehall Shipyard in Whitby, will provide 148 much needed new homes. Great care has been taken to ensure the development is sympathetic to the character and local heritage of the town. Supported by the planning authority, the scheme will give a boost to the local economy.

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