

Other operations

Loop and KeyLand continue to make an important contribution to the group's performance.

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01 Sunday Times award Its official! Loop is named by the Sunday Times as being one of the best companies to work for in 2003.

02 Whitehall Landing A team from York Archaeological Trust - one of the world's leading authorities on the Vikings - was commissioned to explore Whitehall Landing site prior to the commencement of building work.



Service, a fresh direction



KeyLand Developments

KeyLand had a strong second half year as anticipated in the interim results statement. Turnover (including share of associates) was ahead of last year at £12.8m (2002: £10.1m) with operating profit 19% ahead at £4.3m (2002: £3.6m). This reflects the continued high demand for prime development land.

The primary source of revenue continues to be through the development of major brownfield housing development sites. Three significant properties were successfully brought to the market during the year with numerous smaller, high margin properties supplementing the results.

KeyLand's office park development at Mid Point between Leeds and Bradford continues to attract strong interest. The 2002/03 financial year saw the completion of two office buildings, one being pre let to Car Care Plan Ltd. The second building, Aquarius House, is now being let. Prospects overall for 2003/04 remain encouraging.

In addition to its primary activities, KeyLand has participated in selected joint venture developments. KeyLand will continue to concentrate its resources primarily upon the development of the surplus property assets of Yorkshire Water.

Loop Customer Management

Loop's turnover increased to £17.3m (2002: £16.0m), including £1.8m (2002: £0.9m) from external contracts, continuing the trend of steady growth to date. Loop's contribution to group operating profit also increased to £0.4m (2002: £0.2m).

Loop continued to deliver high standards of service to Yorkshire Water's customers, including excellent results in the customer response and debt collection measures monitored by Ofwat.

Service to Loop's expanded client list continued by implementing a contract with the Merseyside Fire and Civil Defence Authority, helping them with their initiative to save lives through a programme of fire prevention measures.

Loop also successfully won an inbound scheme for London Borough of Lewisham, taking calls from customers who are calling in response to the local housing association's weekly newsletter. The contract with National Blood Service expanded by handling outbound calls for the North Wales region from Loop's Parc Menai offices in Bangor.

The company's recent placements in the Sunday Times '100 Best Companies to Work For 2003' and in the Financial Times '50 Best Workplaces in the UK 2003' recognises the success of our approach, that excellent standards of customer service is inextricably linked with retention of experienced and enthusiastic employees working in a supportive environment.

Waste Recycling Group

2002 was a year of consolidation for Waste Recycling Group plc (WRG) during which business conditions worsened. WRG reported increased depreciation charges and exceptional items of £15.4m in its results for the year ended 31 December 2002. The group's share of turnover increased to £138.0m (2002: £129.3m) and the group's share of operating profit, before exceptional items, was £16.2m (2002: £18.5m). The group's share of the exceptional items, which amount to £4.4m after taxation, has been reported separately in the group profit and loss account and has been excluded from the group's reported adjusted earnings per share figures.

Kelda announced on 27 March 2003 that it had entered into an exclusivity agreement, for the period until 5 June 2003, with Terra Firma regarding the sale of its share at a price not less than 285p per share. WRG announced that it was in talks with the same third party and that discussions were continuing which may or may not lead to an offer for the company. Subsequent to the signing of the 2002/03 accounts on 9 June 2003 WRG announced a recommended offer from Terra Firma for 267.5p per share to be effected by a scheme of arrangement.

