

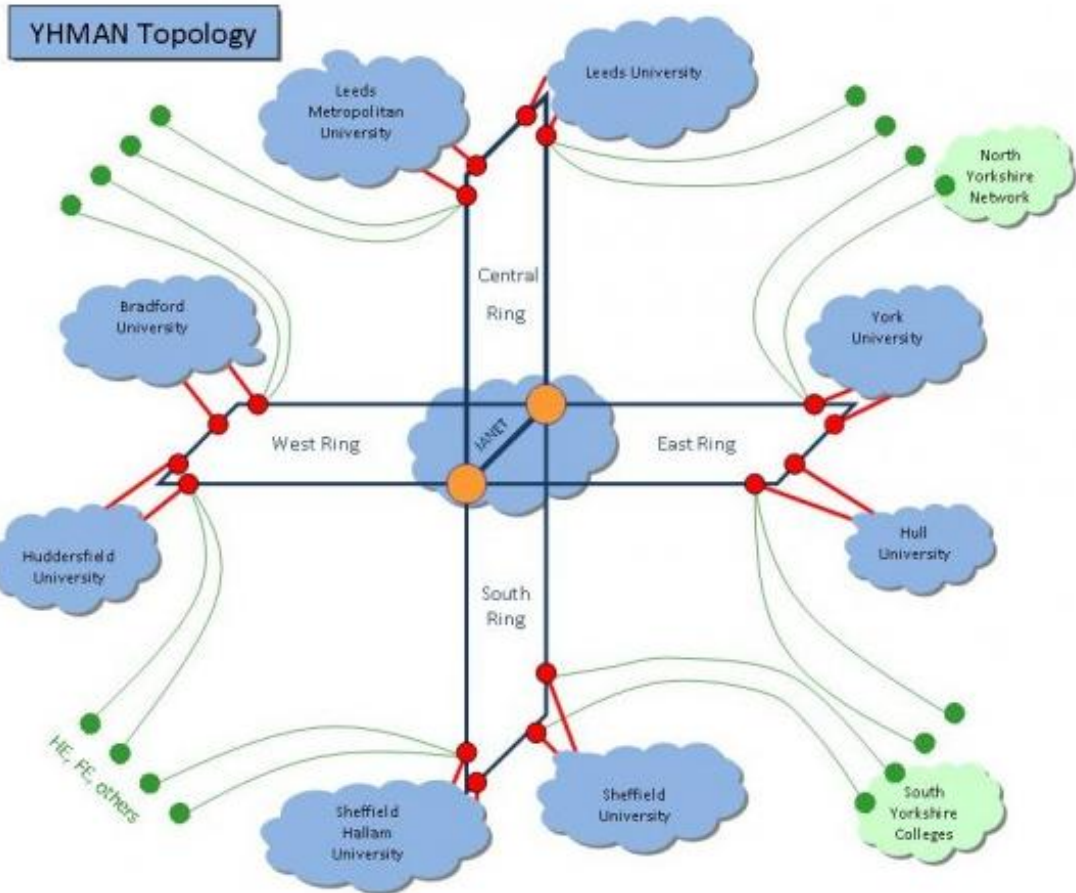


YHMAN Limited

Annual Report 2009

(Insert Picture)
Fibre-Optic Cable?

World-Class, Region-Wide



Some brief details:

- YHMAN Limited, www.yhman.ja.net, is a joint venture company owned by eight universities in the Yorkshire and Humber region with a turnover in 2008/09 of £2.3 million
- YHMAN works in partnership with JANET(UK) to deliver JANET Network Services, www.ja.net/about/index.html, throughout Yorkshire and the Humber
- The YHMAN network currently links 67 organisations throughout the region, comprising higher education institutions, further education colleges, sixth form and specialist colleges, local authority Adult & Community Learning centres, and others
- The network provides high-speed, value-for-money Internet connectivity and associated services
- The network comprises resilient physically diverse cable routes for robust operation

Chairman's Statement



The YHMAN network has continued to develop in 2008/09. It now extends to 67 organisations throughout the region, and more of our FE colleges were provided with bandwidth upgrades from 10Mbps to 100Mbps during the year. A high level of performance was maintained. Network availability was 99.95% over the year as a whole, the same level as in the previous year, and comfortably within the terms of our service level agreement with JANET (UK). The operational management team based at Leeds University has again done an excellent job of supporting the network.

The financial performance of the company was again satisfactory. Turnover in 2008/09 increased to £2.3m compared with £2.2m in the previous year. Profitability for investment fell from £234k in 2007/08 to £149k in 2008/09 as a result of significantly lower interest receivable in the year together with a higher tax charge. The operating profit before interest and taxes was on a level with that of the previous year.

Advantage has been taken of the potential identified in the previous year to extend the collaboration of YHMAN member universities into new areas. With support from the Higher Education Funding Council, a study was commissioned into the feasibility of operating a shared virtual data centre. This concluded that significant saving could be made if this were to be developed, and a subsequent pilot project provided technical proof of concept. A large-scale pathfinder project is now being planned.

In my statement last year I noted the cohesiveness of the national provision of network services to education. This has been called into question by proposals issued at the end of the year under review by JANET (UK) to move towards a direct delivery model for network services in the UK, to be operated by JANET (UK) itself. These proposals clearly imply that the UK MANs, including YHMAN, would no longer have a role or have a diminished role in the JANET IP network provision.

The Board is concerned to see an evidence-based case for such a change, and is continuing to work with JANET (UK), other MANs and with stakeholders to ensure that any changes to the delivery model do not result in either increased costs or poorer services for the community we serve. Whatever the final outcome of these discussions, the Board retains full confidence in the importance of YHMAN Ltd as an effective vehicle for regional collaboration in the information technology field.

Dr Richard Heseltine
Chair of YHMAN Limited
Director of Academic Services and Librarian, the University of Hull

1. Our focus

YHMAN Ltd aims to contribute to the development of education, research and enterprise in the Yorkshire and Humber region through the provision of world class network services, thus underpinning the economic, cultural and social prosperity of those who live, work and study here.

The key aims of YHMAN are as follows:

- To provide network infrastructure and associated services
- To provide a route through to JANET for client organisations
- To act as a channel for regional collaboration

Our principal objectives are:

- To develop and deliver services that are responsive to the priorities of UK educational policy, as articulated in particular by:
 - The Department for Business, Innovation and Skills (BIS),
 - The Higher Education Funding Council for England (HEFCE)
 - The Learning and Skills Council (LSC)
 - The Joint Information Systems Committee (JISC) of the Higher and Further Education Councils
 - The JANET (UK) – provider of the JANET network service
- To contribute to the development of cost effective public sector network services in the Yorkshire and Humber region, working closely with regional government agencies
- To deliver targeted services appropriate to the needs of individual client groups
- To maximise within budget the provision of reliable, resilient services subject to appropriate risk management

We seek to achieve our aims and objectives by:

- Providing core network services together with other closely related support services designed to improve efficiency and effectiveness and lead to lower overall network service charges for participating users
- Maintaining a business development capability which is responsive to the needs of clients and potential clients, and which is fully engaged with other public sector agencies in the region
- Insisting on the highest possible professional standards in the support and development of our network services
- Maintaining a sound financial basis for the operation of the company with provision for future developments

In terms of business conduct and positioning, YHMAN seeks to strike a beneficial balance between being a loose collaborative organisation in which all customers can come together to explore new ideas and initiatives and a more structured commercial business where activities are effectively managed and scrutinised and are subject to full financial disciplines.

2. Our achievements during 2008/09

New links and college mergers during 2008/09 have brought the total number of connections to 67 with a number of existing organisations provided with bandwidth upgrades from 10M to 100M during the year.

Operational reliability was maintained. We achieved 99.95% network availability in 2008/09 following 99.95% in 2007/08, 99.98% in 2006/07 and 99.86% in 2005/06.

A procurement for the upgrade of the North Yorkshire colleges' access was completed in 2008/09 using the NYnet network to provide connection to the YHMAN through a new 1Gbps link in York.

The 2 x 10Gbps links to the JANET network have provided continuity of service throughout the year and a programme of service resilience testing has been implemented.

Support for Internet Protocol version 6 (IPv6) in addition to version IPv4 is provided on the YHMAN network and a number of organisations have registered IPv6 address ranges during the year ready for deployment.

The network design has continued to prove its scalable capacity to meet demanding Internet bandwidth requirements whilst at the same time, and without detriment to other activities, supporting world-ranking research programmes requiring access to distributed high performance computing power, terra-data storage and/or low-latency in data exchange. The net result is that the YHMAN community is able to enjoy a regularly enhanced network service in terms of bandwidth, capability and resilience of service.

With an increasing recognition that shared services in Higher Education could offer potentially significant cost savings for universities, HEFCE funded YHMAN in 2008/09 to progress a feasibility of sharing data centre services. The study concluded that significant saving could be made if a Shared Virtual Data Centre (SVDC) were to offer both physical data centre infrastructure and virtual services to participating universities, which would pay a flat rate for access to a certain number of servers (physical or virtual) for computation and storage. Other services could also be offered including shared application provision and support, shared commodity business processing, and joint service offerings such as finance systems and email. A successful technical proof of concept was conducted in the summer of 2009 demonstrating auto-failover of live services and synchronous data mirroring between a virtual servers based in Sheffield and Leeds - separated by 70km. YHMAN is seeking further funding to progress a large-scale pathfinder project for the SVDC in 2009/10.

3. Connected Organisations

YHMAN services were delivered to the following organisations during 2008/09:

Askham Bryan	Leeds Metropolitan University
Barnsley College	Leeds WEA
Barnsley ACL	Longley Park 6th Form College
Bishop Burton College	New College Pontefract
Bradford College	North Lindsey College
Bradford ACL	Northern College
Calderdale College	Northern School of Contemporary Dance
Calderdale ACL	Notre Dame 6th Form College
Craven College	Pennine Camphill Community (Wakefield)
Dearne Valley College	Rotherham College of Arts & Technology
Doncaster College	Scarborough 6th Form College
Doncaster College for the Deaf	Selby College
Doncaster MDC ACL	Sheffield College
East Riding College	Sheffield Hallam University
East Riding ACL	Sheffield Teaching Hospitals
Franklin College	ShIPLEY College
Greenhead College	St Peter's School, York
Grimsby Institute of F & HE	Swarthmore College
Henshaws College for the Blind	Thomas Rotherham College
Huddersfield New College	Leeds Trinity and All Saints
Hull CC ACL	University of Bradford
Hull College	University of Huddersfield
John Leggott College	University of Hull
Joseph Priestly College	University of Leeds
Kirklees College (Dewsbury)	University of Sheffield
Kirklees College (Huddersfield)	University of York
Leeds City College (Park Lane Campus))	Wakefield College
Leeds City College (Technology Campus)	Wilberforce College
Leeds City College (Thomas Danby Campus)	Wyke College
Leeds College of Art and Design	York College
Leeds College of Building	York ACL
Leeds College of Music	York St John University
	Yorkshire Coast College

4. Corporate governance

YHMAN Limited is a joint venture company owned by eight universities in the Yorkshire and Humber region and has been providing Internet services since 1998. The Board of Directors comprises representatives from each of the shareholder universities in our region. Secretariat and financial management services are currently provided by specialists from the University of Leeds.

The Directors during the year were as follows:

- Mr G Bell (University of Bradford)
- Mr D Speake (University of Sheffield)
- Mr C Coghill (University of Leeds)
- Ms S Final (University of York)
- Mr B Hackett (University of Huddersfield)
- Ms B Colledge (Leeds Metropolitan University)
- Dr R Heseltine (University of Hull)
- Mr R Lee (to 5/09) / Mrs Aline Hayes (from 5/09) (Sheffield Hallam University)

The company operates under a number of service level agreements with suppliers and customers and measures performance against agreed standards. The principal sub-contractor is the University of Leeds which provides operational management of the network through a dedicated technical team.

The company has robust risk management and disaster recovery policies approved by the Board and a Disaster Recovery Team has been appointed. The Board is confident that business continuity arrangements in the event of a major incident or disaster affecting the operational service of the regional network are appropriate and sufficient. For reassurance of the robustness of the plans, the Board appointed Marsh to run a desk-top test in April 2009 to investigate its capability against 'read world' scenarios. The business continuity plan performed well and the suggested improvements have been incorporated into the revised Plan. Technical and Business Risk Registers are reviewed by the Board on an annual basis. 2008/09 also saw a successful external audit of YHMAN procurement procedures.

5. Financial Report 2008/09

Funding for YHMAN comes mainly from the Higher Education Funding Council for England, channelled via JANET (UK). This funding, which is regulated under a JANET partner agreement with JANET(UK), provides funds to meet the running costs of the cable and telecommunications circuits, network equipment, and some funds to meet the costs of the technical and operational staff needed to run the service.

Over the year the turnover of YHMAN Ltd was approximately £2.3m, of which just under £2.2m came from JANET (UK). The remainder of the funding comes primarily from subscriptions paid by the shareholding universities.

PROFIT AND LOSS ACCOUNT – YEAR ENDED 31 JULY 2009

	2009 £	2008 £
TURNOVER	2,300,869	2,188,136
Cost of sales	(2,043,617)	(1,930,639)
GROSS PROFIT	257,252	257,497
Administrative expenses	(130,260)	(127,911)
OPERATING PROFIT	126,992	129,586
Interest receivable	48,959	110,942
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	175,951	240,528
TAX ON PROFIT ON ORDINARY ACTIVITIES	(26,473)	(6,450)
RETAINED PROFIT FOR THE FINANCIAL YEAR	149,478	234,078

BALANCE SHEET AT 31 JULY 2009

	£	2009 £	£	2008 £
FIXED ASSETS				
Tangible assets		549,687		688,466
CURRENT ASSETS				
Debtors: amounts falling due within one year	574,483		352,664	
Investments	2,150,000		1,997,642	
Cash at bank and in hand	1,217,551		26,856	
		3,942,034		2,377,162
CREDITORS: amounts falling due within one year	(2,405,314)		(1,078,227)	
NET CURRENT ASSETS		1,536,720		1,298,935
TOTAL ASSETS LESS CURRENT LIABILITIES		2,086,407		1,987,401
CREDITORS: amounts falling due after more than one year		(541,220)		(591,692)
NET ASSETS		1,545,187		1,395,709
CAPITAL AND RESERVES				
Called up share capital		6		6
Profit and loss reserve		1,545,181		1,395,703
SHAREHOLDERS' FUNDS		1,545,187		1,395,709

These accounts have been prepared in accordance with the provisions relating to small companies under section 246 of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective June 2005). These financial statements were approved by the Board of Directors on xx/xx/xx.



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