

Company registered number 5224240
Registered charity number 1105918

Omega Research Foundation Limited

Financial Statements

for the year ended 31st March 2012

Omega Research Foundation Limited

Report of the Trustees for the year ended 31 March 2012

The Trustees present their report and the audited financial statements for the year ended 31 March 2012. They confirm that the financial statements comply with current statutory requirements, the requirements of the Charitable Company's Memorandum and Articles of Association, and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Structure, Governance and Management

The Omega Research Foundation is a registered charity and company limited by guarantee. The organisation's governing documents are a memorandum and articles of association dated 13 July 2004.

The Omega Research Foundation may by ordinary resolution appoint a person who is willing to act as a Trustee and determine the rotation in which any additional Trustees are to retire.

New Trustees go through an induction process and are given the option of training in any aspect of directorship that they feel is necessary.

All Trustees give their time freely. Travel expenses are paid to cover the cost of attending meetings, as detailed at Note 6.

Trustees meet 4-5 times per year and make decisions on the medium and long term aims and activities of the organisation, including: funding strategies; methods of attaining the organisation's objectives; organisational policies; and staffing levels. The Omega Research Foundation has a principal staff of seven to whom the day to day management of the organisation is delegated. This includes project management and financial administration.

The Trustees regularly review the risks to which the Omega Research Foundation is exposed and ensure that adequate systems are in place to manage those risks.

Objectives and Activities

The objects of the Omega Research Foundation are to advance the education of the public in the subject of international peace, human rights and the causes of conflict.

The aims of Omega are:

- To monitor the international trade in military, security and police (MSP) equipment in the pursuit of responsibility, transparency and accountability;
- To provide human rights organisations, the media, key decision-makers and the public with timely and accurate case study information on the MSP trade;
- To work with non-governmental organisations (NGOs) and media agencies to highlight breaches in regulations governing transfers of MSP equipment;
- To provide torture survivor support groups with information that enables them to seek legal redress from the governments and/or companies that produce and trade MSP equipment.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. All activities are undertaken to further the organisation's charitable objectives for the public benefit.

The charity's main objectives for the financial year 2011-12 were:

- To continue work on the three-year project funded by the European Commission researching the trade in 'tools of torture';
- To work with Amnesty International, Saferworld and other partners to provide support and case studies for lobbying and advocacy work around the campaign for an international Arms Trade Treaty; and to provide research and information for lobbying and advocacy activities in strengthening controls on the international trade and use of MSP equipment;
- To continue to work with Mispo.org, maintaining and expanding a photo-database for the recognition and tracing of military, security and police equipment;
- To offer reactive research services to highlight issues of concern in countries in conflict or human rights abuse cases;
- To continue to secure long-term and diversified funding.

Achievements and Performance

During 2011-12 the Omega Research Foundation was successful in pursuing its long-term aims and attaining the objectives established for the year. Highlights include:

- Amendment of Council Regulation (EC) No 1236/2005 'concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment' to ban exports of electric shock sleeves and cuffs and spiked batons, and to require licencing of exports of drugs that could be used for execution by lethal injection
- Publication of "No More Delays: Putting an End to the EU Trade in "Tools of Torture"" – a joint Amnesty International/Omega report
- Launch of www.omegaresearchfoundation.org website, giving information about Omega's work
- Confirmation from Turkey that they have destroyed all CS mortars, following concerns raised by Omega and Bradford University
- Amnesty International use of Mispo.org images for 50th Anniversary celebrations

Research activities

Omega maintained core research activities, including undertaking data-gathering missions in 7 countries. Information obtained on trips, as well as through desktop research, was integrated into the organisation's database and information systems, which now contain records on almost 18,000 military, security and police (MSP) related companies worldwide. This enabled us to provide detailed and timely technical, photographic, and case study evidence for journalists, NGO's and parliamentarians - which was used to highlight breaches of the UK's and EU's export control policy and, through media articles, educate the public about the military, security and police trade.

Omega continued to develop its long-standing relationship with the Amnesty International-International Secretariat MSP team and Amnesty's global network of country sections, providing research and consultancy on MSP issues as well as for the Control Arms campaign working towards an international Arms Trade Treaty.

Omega provided research support to, and worked with a range of other organisations during the year, including the UN Special Rapporteur on Torture, the UN Working Group on Mercenaries¹, the Council of Europe's Committee for Prevention of Torture, Saferworld (UK), the Institute for Security Studies (South Africa), Small Arms Survey (Switzerland), the Campaign Against Arms Trade (UK), Federation of American Scientists (US), the Rights Practice (UK) and the Geneva Academy of International Humanitarian Law and Human Rights.

Omega staff presented papers at three international conferences – the International Law Enforcement

¹ Full name "The Working Group on the use of mercenaries as a means of violating human rights and impeding the exercise of the right of peoples to self-determination"

Forum for Minimal Force Options and Less-Lethal Technologies, the 6th European Symposium on Non-Lethal Weapons, and the South African Public Order Policing Conference.

Work to monitor Council Regulation (EC) No 1236/2005 'concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment' continued. Following the publication of a joint report by Omega and Amnesty International; "From Words to Deeds: Making the EU Ban on the Trade in 'Tools of Torture' a Reality" in March 2010, a further joint report, "No More Delays: Putting an End to the EU Trade in Tools of Torture" was published in November 2011 and presented to Commission officials and EU Member States. As a result of our report and pressure from other organisations the Regulation was amended in December 2011 to include drugs that could be used for execution by lethal injection on the list of items needing an export licence, and to ban exports of electric shock sleeves and cuffs, and spiked batons.

Omega continued working with South African NGO the Institute for Security Studies, producing submissions to the South African Department of Correctional Services on the revision of the B Orders (the regulations governing the use of force in places of detention) and several submissions to the South African Portfolio Committee on Correctional Services. We also provided training and on-going support to the Judicial Inspectorate on Correctional Services to enable them to identify and document the misuse of less lethal and restraint equipment in South African correctional centres.

Work with media

Omega continued to work with a range of print and TV media, enabling us to highlight particular technologies of concern and raise public awareness of human rights abuses as well as publicise our research findings to the wider public.

The ongoing civil unrest and associated repression in the Middle East and North Africa saw Omega's resources used intensively to monitor, identify and take action on equipment used to suppress protest. This work led to articles in the Independent (about UK manufactured tear gas used in Egypt) and the Guardian (about US manufactured tear gas exports to Egypt), as well as extensive coverage in the US regarding exports of tear gas to Egypt and Bahrain, amongst others.

Omega produced a "Quick Guide to Photography" for the Centre for Investigative Journalism, and a "Guide to Gathering Information in the Field" which has been distributed to NGOs including Campaign Against Arms Trade and Saferworld for circulation around their networks and to specific activists in the MENA region, to help journalists and human rights defenders know what sort of information we find useful for research and advocacy.

Research for advocacy and campaigning

Case studies compiled by Omega were used by Control Arms partners, other NGOs and parliamentarians to make the case for a tough, effective and legally-binding international arms control regime.

Omega's work was also used in the following Amnesty International reports and briefings:

- Bloodied but Unbowed: Unwarranted State Violence against Bahraini Protesters
- Arms for Internal Security: Will they be covered by an Arms Trade Treaty?
- Out of Control: The case for a complete overhaul of enforced removals by private contractors
- Arms transfers to the Middle East and North Africa: Lessons for an effective Arms Trade Treaty

And also in an independent report to the EU Presidency "Rhetoric or Restraint? Trade in Military Equipment under the EU Transfer Control System", and the "Small Arms Survey Yearbook".

The trade in 'tools of torture'

Omega continued work on our three-year European Commission (EC) funded project titled "Developing International Controls on the Trade and Use of Torture Equipment". This project includes: monitoring and internationalising the EC 'Torture Trade' regulation; the trade in training and techniques of torture and repression; Asia as the major proliferator of technologies of concern; new technologies such as less lethal weapons; guidance and training through the Mispo.org website for monitoring and identifying equipment used in torture; and developing a guide to 'equipment and the

appropriate use of force' for law enforcement trainers. Progress on these various sub-projects is reported below. This project had originally been due to end at 31st March 2012, but was extended to 31st July 2012.

Training

Omega provided training to many organisations worldwide during the year, including:

- Official monitors of places of detention (National Preventative Mechanisms, or NPMs) from Council of Europe states
- Representatives from Local Non-Governmental Organisations in Georgia and Armenia working on issues surrounding torture prevention, survivors of torture and human rights monitoring
- Members of the UK Working Group on Arms Export Controls in preparation for the ATT negotiations – some of this training was then repeated by trainees in New York
- Amnesty International staff, lobbyists and researchers from around the world, meeting to plan activities for the campaign for an international Arms Trade Treaty.

The "Visual Guide to Military Security and Police Equipment", a training and reference resource developed in the previous year by Omega and Mispo.org, was printed and distributed widely (both in hard copy and as a PDF file), within Amnesty International, to many of the organisations attending Omega's training during the year and to other relevant NGOs and activists. Omega is aiming to produce an interactive version to be available online and as a smart-phone/tablet app.

Mispo.org photo database

Omega staff continued to contribute to Mispo.org, a web based image database of military, security and police equipment run by Mispo.org Ltd. Images obtained by Omega staff are hosted on the site enabling the identification of equipment used in conflict zones or for repression, by human rights researchers worldwide.

Omega website

During the financial year, Omega engaged external website developers to create the first Omega website, which carries information on the work being done and publications in which Omega research has been used. There are also secure areas of the site where participants on Omega training courses can access training materials, and where selected researchers or journalists can access particular case study information.

Plans for the future

The majority of our work for the first part of the year falls under our EC funded project 'Developing International Controls on the Trade and Use of Torture Equipment', with completion of the project due in July 2012. This project was previously due to end in March 2012, but an extension was agreed with the EC. Following the completion of the project and all associated reporting, staff will work on plans for the following 3 year period and fundraise to support this work, including preparation of a further bid for EC funds. We will continue to offer research support to NGOs, researchers and journalists working on our areas of interest.

Staff

At 31 March 2012 Omega employed four full-time research staff, two part-time researchers, a part-time administrative & finance officer, as well as a casual member of staff for administrative tasks. Of these, only the casual member of staff changed during the year.

Financial Review

Omega aims to maintain minimum reserves equivalent to three months' operating costs for the purposes of restructuring the organisation in the event of cessation of grant funding – currently slightly over £80,000; plus six months' project costs on the European Commission work to cover pre-financing and cash-flow between expenditure and grant receipts, when relevant. At the end of the year there were only four months of EC work remaining, at an anticipated cost of around £100,000, making the

closing reserves position of £190,694 in line with the policy.

During 2011-12, Omega staff continued to fundraise for Omega's work. Omega was awarded a grant of £150,000 over three years by the Joseph Rowntree Charitable Trust, starting on 1st April 2012.

The EC made a Call for Proposals for further funding in May 2012, and Omega submitted a Concept Note under this Call. However the timetable for consideration of these proposals has been delayed. If this application is successful it is unlikely to commence before the final quarter of 2013. The trustees and staff are confident that further EC funding will be offered. The trustees and staff have spent time developing plans for accessing alternative sources of funds, and opportunities for reducing costs with a view to maintaining the continuing operation of Omega in the period leading to the award of further EC funding and beyond. The trustees are confident that the implementation of these plans will enable the charity to continue for the foreseeable future, albeit with reduced capacity for a time. In the long term, Omega should emerge with a broader funding base than previously, which should make the organisation more resilient to future funding uncertainty. Consequently, the trustees consider it appropriate to continue to adopt the going concern basis for the accounts.

Omega Research Foundation Limited

Report of the Trustees for the year ended 31 March 2012

Statement of Trustees' responsibilities

Company Law requires the trustees, who are the company's directors, to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the income and expenditure of the charitable company for that period. In preparing the accounts the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees, who are directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors, each of the trustees certify that:

- so far as they are aware, there is no relevant information of which the auditors are unaware;
- as directors of the company they have taken all necessary steps to be aware of information which would be relevant for audit purposes and have communicated them to the auditors.

Company status

The company is limited by guarantee and all members have agreed to contribute a sum not exceeding £1 in the event of a winding-up. The number of guarantees at 31st March 2012 was 6.

Auditors

Slade & Cooper Limited were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small entities.

Approved by the Trustees and signed on its behalf by:



..... Clive Bishop (Trustee and Director)

21 November 2012
..... Date

Independent Auditor's Report

Independent Auditor's Report to the members of Omega Research Foundation Limited

We have audited the financial statements of Omega Research Foundation Ltd for the year ended 31 March 2012, which comprise the Statement of Financial Activities (including the income and expenditure account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

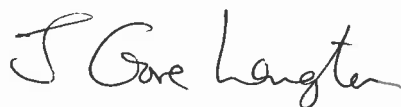
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Independent Auditor's Report (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



James Gore-Langton FCCA DChA

Senior Statutory Auditor

for and on behalf of

Slade & Cooper Limited
Statutory Auditors
Green Fish Resource Centre
46-50 Oldham Street
Manchester
M4 1LE

Date: 4 December 2012

Omega Research Foundation Limited
Statement of Financial Activities (Income and Expenditure Account)
for the year ended 31 March 2012

	Note	Unrestricted funds £	Restricted funds £	2012 £	2011 £
Incoming resources					
Grants	2	70,000	195,343	265,343	281,443
Fees		21,726	-	21,726	18,651
Bank interest		273	59	332	406
Other income		25	-	25	50
Total incoming resources		92,024	195,402	287,426	300,550
Resources expended					
Salaries	5	32,776	218,120	250,896	216,837
Premises		-	7,245	7,245	6,012
Office equipment		-	326	326	33
Administration		6,266	12,292	18,558	11,277
Telephone		-	1,206	1,206	1,110
Insurance		-	3,625	3,625	2,903
Bank charges		6	83	89	80
Research		25	15,399	15,424	12,126
Audit and accountancy		-	2,640	2,640	2,280
Travel		430	21,858	22,288	22,088
Governance		-	800	800	1,073
Total resources expended		39,503	283,594	323,097	275,819
Net incoming/(outgoing) resources for the year	3	52,521	(88,192)	(35,671)	24,731
Transfer between funds		(78,924)	78,924	-	-
Net movement in funds		(26,403)	(9,268)	(35,671)	24,731
Funds at 31 March 2011		196,365	30,000	226,365	201,634
Funds at 31 March 2012		£ 169,962	£ 20,732	£ 190,694	£ 226,365

All of the charity's operations are classed as continuing.

Movements on reserves and all recognised surpluses or deficits are shown above.

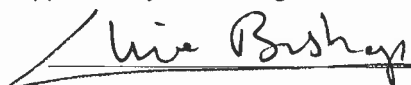
Omega Research Foundation Limited
Company no. 4224240

Balance Sheet
as at 31 March 2012

	Note	2012		2011	
		£	£	£	£
Current assets					
Debtors	7	13,353		18,719	
Cash at bank and in hand		189,808		220,478	
		203,161		239,197	
Creditors: amounts falling due in less than one year	8	(12,467)		(12,832)	
Net current assets			190,694		226,365
Total assets less current liabilities			£ 190,694		£ 226,365
Reserves					
Unrestricted funds			169,962		196,365
Restricted funds	9		20,732		30,000
			£ 190,694		£ 226,365

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 as applicable to small companies.

Approved by the Management Committee and signed on their behalf:



Clive Bishop

21st November 2012

Date

Omega Research Foundation Limited

Notes to the accounts for the year ended 31 March 2012

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. They have been applied consistently during the year.

a Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006 and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005), and the Financial Reporting Standard for Smaller Entities (effective April 2008).

b Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

c Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

d Resources expended

Expenditure is recognised on an accrual basis when a liability is incurred.

Omega Research Foundation Limited
Notes to the accounts
for the year ended 31 March 2012 (continued)

1 Accounting policies (continued)

e Tangible fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. Individual fixed assets costing £2,000 or less are not capitalised. There are currently no fixed assets.

f Pensions

The company is a member of the Pensions Trust, a multi-employer scheme. It is not possible to identify the assets and liabilities of the scheme relating to the company, and the scheme is accounted for as a defined contribution scheme. The pension cost shown represents contributions payable by the company on behalf of its employees.

g Cash flow statement

The charity has taken advantage of the exemption in Financial Reporting Standard 1 from preparing a Cash Flow Statement on the grounds that it is a small entity.

2 Grants

	Unrestricted £	Restricted £	Total 2012 £	2011 £
European Commission	-	189,391	189,391	181,443
Joseph Rowntree Charitable Trust	30,000	-	30,000	60,000
Sigrid Rausing	40,000	-	40,000	40,000
Network for Social Change	-	5,952	5,952	-
	<hr/>	<hr/>	<hr/>	<hr/>
	70,000	195,343	265,343	281,443
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3 Net incoming resources

This is stated after charging the following:

		2012 £	2011
Auditor's remuneration	- audit	2,250	1,680
	- grant audit	390	600
		<hr/> <hr/>	<hr/> <hr/>

Omega Research Foundation Limited
Notes to the accounts
for the year ended 31 March 2012 (continued)

4 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

5 Staff costs

Staff costs during the year were as follows:

	2012 £	2011 £
Wages and salaries	219,725	190,022
Social security costs	22,412	18,597
Pension costs	8,760	8,218
	<hr/>	<hr/>
	£ 250,897	£ 216,837
	<hr/> <hr/>	<hr/> <hr/>

The average number of employees (full-time equivalents) during the year was 6 (2011:6).

No employees earned over £60,000 per annum.

6 Trustees' remuneration and expenses

Neither the trustees nor any persons connected with them received any remuneration during the year.

Four trustees received travel and subsistence expenses during the year of £358.90 (2011: £505).

7 Debtors

	2012 £	2011
Debtors	8,202	11,654
Prepayments	5,151	7,065
	<hr/>	<hr/>
	£ 13,353	£ 18,719
	<hr/> <hr/>	<hr/> <hr/>

Omega Research Foundation Limited
Notes to the accounts
for the year ended 31 March 2012 (continued)

8 Creditors: amounts falling due in less than one year

	2012 £	2011
Sundry creditors and accruals	6,334	6,990
Taxation and social security	6,133	5,842
	<hr/>	<hr/>
	£ 12,467	£ 12,832
	<hr/> <hr/>	<hr/> <hr/>

9 Restricted funds

	As at 1 April 2011	Incoming resources	Outgoing resources	Transfers	As at 31 March 2012
	£	£	£	£	£
European Commission	30,000	189,450	(283,594)	78,924	14,780
Network for Social Change	-	5,952	-	-	5,952
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£ 30,000	£ 195,402	£ (283,594)	£ 78,924	£ 20,732
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

European Commission - Funding for the project "Developing International Controls on the Trade and Use of Torture Instruments"

Network for Social Change - Funding for the project "Developing Media and Civil Society actors' capabilities in documenting equipment used in human rights violations: A Middle East Focus" - May 2012

10 Analysis of net assets between funds

All funds are represented by net current assets.