

Company number: 5224240

Charity Number: 1105918

# Omega Research Foundation Ltd

Report and financial statements  
For the year ended 31<sup>st</sup> March 2018

Omega Research Foundation Ltd  
Reference and administrative information  
for the year ended 31<sup>st</sup> March 2018

**Company number** 5224240

**Charity number** 1105918

**Registered office and operational address** Bridge 5 Mill  
22A Beswick Street  
Ancoats  
Manchester  
M4 7HR

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mike Reed	Chair
Clive Bishop	Treasurer
Rick Seccombe	
Maud Grainger	Resigned 20 <sup>th</sup> September 2017
Natalie Wilkins	
Emilia McElvenney	
Josephine Dresner	
Ian Bell	Appointed 20 <sup>th</sup> September 2017
Jevon Clayton	Appointed 20 <sup>th</sup> September 2017

**Company Secretary** Fiona Gorton

**Bankers** The Co-operative Bank plc  
1 Balloon Street  
Manchester  
M60 4EP

The Charity Bank Limited  
Fosse House  
182 High Street  
Tonbridge  
TN9 1BE

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

Omega Research Foundation Ltd  
Trustees' annual report  
for the year ended 31<sup>st</sup> March 2018

The trustees present their report and the audited financial statements for the year ended 31<sup>st</sup> March 2018. Included within the trustees' report is the directors' report as required by company law.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## 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. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. All activities are undertaken to further the organisation's charitable objectives for the public benefit.

The charity's main objectives for the financial year 2017-18 were:

- To complete work on the extended three year project "Towards stronger controls on the supply and use of torture technologies" 80% funded by the European Commission, and to secure further funding from this source;
- To work with Amnesty International and an increasing range of other partners to provide support and case studies 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;

The aims, objectives and activities of the charity are kept under ongoing review by the trustees.

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits arising from the charity's work. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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## **Achievements and performance**

The charity's main activities and resulting benefits are described below. All its activities focus on the charitable objective above, and are undertaken to further Omega Research Foundation's charitable purposes for the public benefit.

### **International controls on the trade in torture equipment**

Following research and advocacy work undertaken by Omega in previous years, EU Trade Commissioner Malmström launched the global Alliance for Torture Free Trade, with the governments of Argentina and Mongolia, at a meeting on the margins of the UN General Assembly in September 2017. The Alliance had 58 participating countries (including all EU member states) at the time of launch and is expected to grow. Omega will continue to be involved, alongside our partner Amnesty International, in promoting effective trade controls through the Alliance.

Omega carried out research and published a report on the manufacture, trade and use of torture equipment in Council of Europe countries, with policy options for effective trade controls. We supported political processes through the Parliamentary Assembly, and the Steering Committee for Human Rights (CDDH) leading to the Committee of Ministers inviting all CoE States to join the Alliance for Torture Free Trade, and also calling on the CDDH to undertake a study on the feasibility of developing CoE measures –including potentially a legal instrument – to regulate this trade.

### **National manufacture, trade and use of torture equipment**

Omega undertook an exploratory investigation into the trade in and use of law enforcement equipment used for torture and other ill-treatment in Organisation for Security and Cooperation in Europe (OSCE) participating states across several regions. The report will form the basis of advocacy actions at OSCE to press for effective torture trade controls by all OSCE member states.

Omega and our Brazilian partner Justiça Global published a joint technical note commenting on a proposed bill allowing prison staff to use electric shock weapons on juveniles in detention in Brazil. The note raised awareness of the bill and highlighted its incompatibility with various international human rights treaties ratified by Brazil. As a result, some amendments were made to the proposed bill.

### **Contributions to other reports and meetings**

Omega continued our close partnership with Amnesty International and contributed research to many reports including the Joint Briefing: Tackling the Trade in Tools of Torture and Execution Technologies.

### **Conventional Arms**

In April 2017, together with the International Peace and Information Service, Omega co-published a second Working Paper on China North Industries Group Corporation, focusing on one member company China North Industries Corporation (Norinco). The report unpicks the complex structure of the company and details its subsidiaries and joint ventures.

### **Strategy**

In the period between the two major European grants, Omega staff and trustees held discussions about future work and strategy, and, along with our partners, prepared for the new project, including agreeing the scope of the work with the European Commission.

Omega continued to receive requests for information and ongoing assistance from human rights defenders and organisations worldwide. We carried out a review of the organisation's Information Technology and data systems, with a view to being more easily able to share information with other

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organisations, and build capacity within civil society around the world. A strategy and fundraising plan have been prepared which will be implemented over the next 2 years.

## Financial review

At the end of the financial year, Omega was in a strong financial position, with total Reserves of £498,939. Of this, £189,651 was held in restricted reserves to be spent during the first year of the European funded project, £120,000 in designated reserves to be released over the following two financial years, and £189,288 in general reserves.

## Fundraising

The long term financial viability of Omega depends on continual fundraising. Omega raises most of its income through grant funding, and has used professional support from Wootton George Consulting in reviewing some grant applications. Wootton George Consulting are NCVO members and are committed to upholding the standards of the Institute of Fundraising. Omega does not conduct individual giving fundraising, and has received no complaints relating to fundraising activity. During the year, Omega found that a joint application with partners in South Africa, Brazil and Indonesia for a further three year grant from the European Instrument for Democracy and Human Rights had been successful. The grant was received in January 2018, with substantive work starting in April 2018. Omega was invited to re-apply for funding from the Oak Foundation, and were successful in securing a further three year grant also starting in April 2018. These grants will go a long way to securing the financial position of the organisation until 2021.

## Reserves policy

Omega holds *Restricted Reserves*, being unspent funding provided for specific projects, and *Unrestricted Reserves* which can be subdivided into Designated Reserves, being the proportion of multi-year core grant funding relating to future years as stated in the grant agreement, and the General Fund.

The trustees have reviewed Omega's Reserves Policy and have come to the conclusion that an upper and lower limit of reserves held in the General Fund should be set bearing in mind the objective of holding such reserves. That is, reserves in the General Fund are intended to underpin the organisation's solvency and the continuity of its operations. However, the size of these reserves should not be excessive. Excessive reserves would lead to resources being idle and unused for long periods.

In relation to the upper limit the trustees have taken into consideration the experience of the last ten years. In that period Omega has received three grants from the European Commission via the European Instrument for Democracy and Human Rights each lasting around three years, with three months between the first two, and fifteen months between the second and third. These grants have typically provided around 70% of the organisation's income. In order to underpin the organisation's solvency during the periods waiting for the next grant receipt or between grants, the trustees consider the holding a maximum reserves in the General Fund of a year of basic operating costs to be reasonable. Currently, basic operating costs are running at around £240,000 per annum - £20,000 per month.

In relation to the lower limit should it become apparent that no further major grant is to be expected from the European Commission or from an alternative grant provider, Omega would need to drastically restructure and reduce its size and scope of operations. The trustees estimate that the costs associated with such a restructuring and reduction would amount to five months of basic operating costs which currently would be around £100,000.

Reserves in the General Fund at the end of 2017-18 stood at £189,288 which is between the target limits of £100,000 to £240,000.

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## Plans for the future

At the start of April 2018, Omega and partners Justiça Global (Brazil), Institute of Security Studies (South Africa), Legal Resources Centre (South Africa) and associates Amnesty International and KontraS (Indonesia) started work on the three year, European funded project, "Establishing effective controls on the use of and trade in torture technologies, as a tool to fight torture and support remedy and reparation".

We will continue working with the European Union and Trade Commissioner Cecilia Malmström on the development of the global Alliance for Torture-Free Trade, and will continue to offer research support to NGOs, researchers and journalists working in our areas of interest; to develop new partnerships with NGOs and funders to strengthen the organisation for the future; and to allow our knowledge and skills to be more widely available to likeminded organisations.

## Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 7<sup>th</sup> September 2004 and registered as a charity on 16<sup>th</sup> September 2004.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

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. The Trustees are also directors and members of the company. Trustees are recruited following the Trustee Recruitment Policy, which states that vacancies should be advertised and applications invited.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

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

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 Board of Trustees also monitors the overall performance and achievements of the organisation. The Omega Research Foundation has a principal staff of six 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.

The trustees are in the process of discussing the Charity Governance Code's principles and recommended practice and making decisions about how these should be applied to the Omega Research Foundation.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31<sup>st</sup> March 2018 was 8 (2017: 7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

At 31 March 2018 Omega employed four full-time research staff, one part-time researcher, and a part-time administrative & finance officer. Omega also had one volunteer during the year. Omega operates a flat management structure, with decisions being taken collectively by staff. All staff are paid at the



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same rate (pro-rata), which is set periodically by the trustees, taking account of inflation and the charity's available resources.

### **Statement of responsibilities of the trustees**

The trustees (who are also directors of Omega Research Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**Auditors**

Slade & Cooper Ltd 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 provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

The trustees' annual report has been approved by the trustees on 20/11/2018 and signed on their behalf by

A handwritten signature in black ink that reads "Clive Bishop". The signature is written in a cursive style and is underlined with a single horizontal line.

Clive Bishop  
Treasurer



Independent auditors' report  
to the members of  
Omega Research Foundation

**Opinion**

We have audited the financial statements of Omega Research Foundation Limited (the 'charitable company') for the year ended 31 March 2018, 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2018, 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 requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Independent Auditor's Report (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Independent Auditor's Report (continued)**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



*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: *6 December 2018*

Omega Research Foundation  
Statement of Financial Activities  
(including Income and Expenditure account)  
for the year ended 31 March 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>					
Donations and legacies	3	-	-	-	154
Charitable activities	4	150	368,159	368,309	495,304
Investments	5	441	-	441	342
<b>Total income</b>		<b>591</b>	<b>368,159</b>	<b>368,750</b>	<b>495,800</b>
<b>Expenditure on:</b>					
Charitable activities	6	156,856	200,646	357,502	331,399
<b>Total expenditure</b>		<b>156,856</b>	<b>200,646</b>	<b>357,502</b>	<b>331,399</b>
<b>Net income/(expenditure) for the year</b>	8	<b>(156,265)</b>	<b>167,513</b>	<b>11,248</b>	<b>164,401</b>
Transfer between funds		(2,231)	2,231	-	-
<b>Net movement in funds for the year</b>		<b>(158,496)</b>	<b>169,744</b>	<b>11,248</b>	<b>164,401</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		467,784	19,907	487,691	323,290
<b>Total funds carried forward</b>		<b>309,288</b>	<b>189,651</b>	<b>498,939</b>	<b>487,691</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

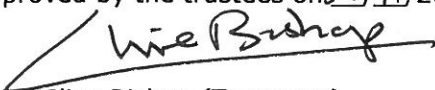
Omega Research Foundation  
Company number 5224240  
Balance sheet as at 31 March 2018

	Note	2018	2017
		£	£
<b>Current assets</b>			
Debtors	13	128,989	207,712
Cash at bank and in hand		493,582	302,254
<b>Total current assets</b>		<b>622,571</b>	<b>509,966</b>
<b>Liabilities</b>			
Creditors: amounts falling due in less than one year	15	(123,632)	(22,275)
<b>Net current assets</b>		<b>498,939</b>	<b>487,691</b>
<b>Total assets less current liabilities</b>		<b>498,939</b>	<b>487,691</b>
<b>Net assets</b>		<b>498,939</b>	<b>487,691</b>
<b>The funds of the charity:</b>			
Restricted income funds	16	189,651	19,907
Unrestricted income funds:			
Designated fund: Long term grants	17	120,000	205,000
General funds	17	189,288	262,784
<b>Total charity funds</b>		<b>498,939</b>	<b>487,691</b>

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 13 to 23 form part of these accounts.

Approved by the trustees on 20/11/2018 and signed on their behalf by:

  
Clive Bishop (Treasurer)

# Omega Research Foundation

## Notes to the accounts for the year ended 31 March 2018

### 1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 section 1A.

Omega Research Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### b Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

No key judgments which the trustees have made which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

#### c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

## Omega Research Foundation

### Notes to the accounts for the year ended 31 March 2018 (continued)

#### **d Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### **e Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

#### **f Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The charity has one designated fund, the long term grants fund, which holds grant income awarded under multi-year grants. This is transferred to the general fund over the life of the grant.

The remaining unrestricted funds are the general funds of the charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity. Some grants which fall into this category are paid in arrears, after expenditure has already occurred, which can leave restricted funds in deficit for short periods of time.

#### **g Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.



## Omega Research Foundation

### Notes to the accounts for the year ended 31 March 2018 (continued)

#### **h Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

#### **i Tangible fixed assets**

Individual fixed assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives. There are currently no fixed assets.

#### **j Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **k Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

# Omega Research Foundation

## Notes to the accounts for the year ended 31 March 2018 (continued)

### **l Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **m Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### **n Foreign currencies**

Transactions entered into in currencies other than sterling are included in the accounts after conversion at the bank rate in force on the transaction date.

### **o Pensions**

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note 9. The costs of the defined contribution scheme are included within staff costs in note 6, and are allocated between funds in proportion to the allocation of staff time.

The money purchase plan is managed by TPT Retirement Solutions (previously The Pensions Trust) and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan a pension fund which is then converted into a pension upon the employee's normal retirement year age when eligible for a state pension. The total expense ratio of the plan is 0.69% and this is deducted from the investment fund annually. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions. The contributions outstanding at the year-end were £1,599.

## **2 Legal status of the charity**

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office address is disclosed on page 1.

# Omega Research Foundation

## Notes to the accounts for the year ended 31 March 2018 (continued)

### 3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Donations	-	-	-	154
<b>Total</b>	-	-	-	154
<i>Total by fund 31 March 2017</i>	154	-	154	

### 4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
European Commission grant	-	318,159	318,159	255,884
Oak Foundation grant	-	50,000	50,000	55,000
Sigrid Rausing Trust	-	-	-	180,000
Other income from charitable activity	150	-	150	4,420
<b>Total</b>	150	368,159	368,309	495,304
<i>Total by fund 31 March 2017</i>	184,420	310,884	495,304	

### 5 Investment income

	Unrestricted £	Restricted £	2018 £	2017 £
Income from bank deposits	441	-	441	342
	441	-	441	342

# Omega Research Foundation

## Notes to the accounts for the year ended 31 March 2018 (continued)

### 6 Analysis of expenditure on charitable activities

	Total 2018 £	Total 2017 £
Staff costs	177,735	202,157
Accommodation	8,818	8,089
Publishing (including websites)	5,938	4,237
Travel	14,474	13,406
Training provision	-	5,403
Research	6,200	43,458
Fundraiser's fees	734	1,198
Share of grant relating to partner organisations	104,216	-
Governance costs (see note 7)	11,079	8,355
Support costs (see note 7)	28,308	45,096
	<hr/>	<hr/>
	357,502	331,399
	<hr/>	<hr/>
	2018 £	2017 £
Restricted expenditure	200,646	328,065
Unrestricted expenditure	156,856	3,334
	<hr/>	<hr/>
	357,502	331,399
	<hr/>	<hr/>

### 7 Analysis of governance and support costs

	Support £	Governance £	Total 2018 £
Catering & venue hire for meetings	-	521	521
Staff costs	10,330	6,416	16,746
Office costs	12,174	710	12,884
Audit fees	-	3,432	3,432
External evaluation	4,591	-	4,591
Recruitment costs	1,213	-	1,213
	<hr/>	<hr/>	<hr/>
	28,308	11,079	39,387
	<hr/>	<hr/>	<hr/>

The charity has one activity and therefore support costs are not apportioned.

# Omega Research Foundation

## Notes to the accounts for the year ended 31 March 2018 (continued)

### 8 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2018 £	2017 £
Auditor's remuneration - audit fees	2,352	1,900
Auditor's remuneration - grant audit	1,080	-
	<hr/>	<hr/>

### 9 Staff costs

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	172,866	194,839
Social security costs	14,555	16,472
Pension costs	7,060	7,194
	<hr/>	<hr/>
	194,481	218,505
	<hr/>	<hr/>

#### Allocated as follows:

Charitable activities	177,735	202,157
Support costs	10,330	11,457
Governance costs	6,416	4,891
	<hr/>	<hr/>
	194,481	218,505
	<hr/>	<hr/>

No employee has employee benefits in excess of £60,000 (2017: Nil).

The average number of staff employed during the period was 6 (2017: 7).

The average full time equivalent number of staff employed during the period was 4 (2017: 5).

Omega operates a flat management structure, with decisions being taken collectively by staff. The key management personnel of the charity comprise the trustees and the staff team. The total employee benefits of the key management personnel of the charity were £194,481 (2017: £211,311).

## Omega Research Foundation

### Notes to the accounts for the year ended 31 March 2018 (continued)

#### 10 Trustee remuneration and expenses, and related party transactions

Neither the management committee nor any persons connected with them received any remuneration during the year (2017: Nil).

One member of the management committee received travel and subsistence expenses during the year totalling £39. (2017: Nil).

Aggregate donations from related parties were Nil (2017: Nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2017: Nil).

#### 11 Government grants

The government grants recognised in the accounts were as follows:

	2018 £	2017 £
European Commission 1	15,721	255,884
European Commission 2	302,438	-
	<hr/>	<hr/>
	318,159	255,884
	<hr/>	<hr/>

The first European Commission grant is the final payment to cover 80% of costs on the project "Towards stronger controls on the supply and use of torture technologies", which ran until May 2017. The second is the initial payment to cover 79% of costs on the project "Establishing effective controls on the use of and trade in torture technologies, as a tool to fight torture and support remedy and reparation" on which substantive work started on 1st April 2018. Most of this second grant was therefore unspent at the year end (see note 16).

#### 12 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 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.

# Omega Research Foundation

## Notes to the accounts for the year ended 31 March 2018 (continued)

### 13 Debtors

	2018 £	2017 £
Grants receivable	120,000	205,000
Prepayments and accrued income	8,989	2,712
	<hr/>	<hr/>
	128,989	207,712
	<hr/>	<hr/>

Grants receivable consists of the second and third years' payments on a 3 year grant from the Sigrid Rausing Trust. These amounts are held in the Long term grants designated fund (see note 17). The amounts recoverable in more than one year is £60,000 (2017: £60,000).

### 14 Cash at bank and in hand

	2018 £	2017 £
Short term deposits	141,191	80,733
Cash at bank and on hand	352,391	221,521
	<hr/>	<hr/>
	493,582	302,254
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### 15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	3,182	4,877
Short term compensated absences (holiday pay)	9,692	8,994
Other creditors and accruals	104,216	2,280
Taxation and social security costs	6,542	6,124
	<hr/>	<hr/>
	123,632	22,275
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# Omega Research Foundation

## Notes to the accounts for the year ended 31 March 2018 (continued)

### 16 Analysis of movements in restricted funds

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2018 £
European Commission 1	19,907	15,721	(35,628)	-	-
European Commission 2	-	302,438	(115,018)	2,231	189,651
Oak Foundation	-	50,000	(50,000)	-	-
<b>Total</b>	<b>19,907</b>	<b>368,159</b>	<b>(200,646)</b>	<b>2,231</b>	<b>189,651</b>

<b>Previous reporting period</b>	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
European Commission	8,899	256,102	(298,116)	53,022	19,907
Oak Foundation	(42,021)	55,000	(12,979)	-	-
<b>Total</b>	<b>(33,122)</b>	<b>311,102</b>	<b>(311,095)</b>	<b>53,022</b>	<b>19,907</b>

#### Name of restricted fund

#### Description, nature and purposes of the fund

European Commission 1	Funding for the project "Towards stronger controls on the supply and use of torture technologies"
European Commission 2	Funding for the project "Establishing effective controls on the use of and trade in torture technologies, as a tool to fight torture and support remedy and reparation".
Oak Foundation	Matched funding to cover up to 20% of the project "Towards stronger controls on the supply and use of torture technologies", and to continue the work beyond the timeframe of the European Commission funding.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity. Some grants which fall into this category are paid in arrears, after expenditure has already occurred, which can leave restricted funds in deficit for short periods of time.

# Omega Research Foundation

Notes to the accounts for the year ended 31 March 2018 (continued)

## 17 Analysis of movement in unrestricted funds

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	As at 31 March 2018 £
General fund	262,784	591	(156,856)	82,769	189,288
Designated fund: Long term grants	205,000		-	(85,000)	120,000
	<u>467,784</u>	<u>591</u>	<u>(156,856)</u>	<u>(2,231)</u>	<u>309,288</u>
<b>Previous reporting period</b>	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	As at 31 March 2017 £
General fund	211,412	4,698	(20,304)	66,978	262,784
Designated fund: Long term grants	145,000	180,000	-	(120,000)	205,000
	<u>356,412</u>	<u>184,698</u>	<u>(20,304)</u>	<u>(53,022)</u>	<u>467,784</u>

<b>Name of unrestricted fund</b>	<b>Description, nature and purposes of the fund</b>
General fund	The free reserves after allowing for all designated funds
Long term grants fund	Income from multi-year core grants, currently from the Sigrid Rausing Trust (3 year grant starting in the current year) and the Joseph Rowntree Charitable Trust (3 year grant ending in the current year), to be transferred to the general fund over the life of the grant, following the grant agreement.

## 18 Analysis of net assets between funds

	General fund £	Long term grants fund £	Restricted funds £	Total £
Net current assets/(liabilities)	189,288	120,000	189,651	498,939
Total	<u>189,288</u>	<u>120,000</u>	<u>189,651</u>	<u>498,939</u>