

Registered number: 2922108
Charity number: 1037236

**DPI - DEMOCRATIC PROGRESS
INSTITUTE**

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

DPI - DEMOCRATIC PROGRESS INSTITUTE
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	Nicholas Stewart, Q.C., Chair Arild Humlen, Treasurer Priscilla Hayner Jacqueline Muirhead Antonia Potter Prentice Catherine Woollard
Company registered number	2922108
Charity registered number	1037236
Registered office	11 Guilford Street London WC1N 1DH
Chief executive officer	Kerim Yildiz
Independent auditors	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB
Bankers	Barclays Bank plc 27 Regent Street London W1 4UB

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees (who are also directors of the charity for the purposes of the Companies Acts) present their annual report together with the audited financial statements of DPI – Democratic Progress Institute (the Charity) for the year ended 31 December 2020. The Trustees confirm that the Annual Report, which acts as a director's report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the Board and professional advisers on page 1 of the financial statements.

The Board of Directors

The Board that served DPI in 2020 comprised the individuals listed below:

Nicholas Stewart Q.C. (Chair)

Arild Humlen (Treasurer)

Priscilla Hayner

Jacqueline Muirhead

Antonia Potter Prentice

Catherine Woollard

David Petrsek (resigned 13 May 2020)

Structure, governance and management

DPI is registered as a charitable company limited by guarantee and is governed by a Board of Directors. Members of the Board meet at least once per calendar year and usually three or more times. In 2020 there were three Board meetings. They are elected and opted under the terms of the Articles of Association. All members retire at each Annual General Meeting and are eligible for re-election at that time. The Board of Directors are the Trustees of DPI, and overall responsibility for the management of DPI rests with this Board.

Arrangements for setting pay and remuneration of key management personnel are decided upon by the Board and the general policy is to increase staff remuneration to compensate for inflation plus a small incentive increase across the board. Additionally, DPI works with a network of experts and expert bodies which provide advice on the direction and content of the organisation's activities and projects. Members of our Council of Experts provided advice on areas of human rights, constitutional law, transitional justice and truth commissions, international humanitarian law, mediation and conflict resolution. The Council currently comprises:

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Council of Experts

Bertie Ahern, Ireland
Dermot Ahern, Ireland
Prof. Dr Mehmet Asutay, United Kingdom
Prof. Dr. Aşkın Asan, Turkey
Ali Bayramoğlu, Turkey
Christine Bell, Northern Ireland
Cengiz Çandar, Turkey
Oral Çalışlar, Turkey
Ayşegül Doğan
Andy Carl, United Kingdom
Vegard Ellefsen, Norway
Dr. Vahap Coşkun, Turkey
Prof. Salomón Lerner Febres, Peru
Prof. Dr. Fazil Hüsnü Erdem, Turkey
Martin Griffiths, Yemen
David Gorman, Cyprus
Dr. Edel Hughes, Ireland
Prof. Mervyn Frost, United Kingdom
Prof. Dr Ahmet Insel, Turkey
Kezban Hatemi, Turkey
Avila Kilmurray, Northern Ireland
Kadir İnanır, Turkey
Prof. Ram Manikkalingam, Sri Lanka
Bejan Matur, Turkey
Hanne Melfald, Norway
Prof. Monica McWilliams, Northern Ireland
Roelf Meyer, South Africa
Mark Muller, QC, United Kingdom
Prof. John Packer, Canada
Avni Özgürel, Turkey
Jonathan Powell, United Kingdom
Sir Kieran Prendergast, United Kingdom
Rajesh Kumar Rai, United Kingdom
Aleka Kessler (Switzerland)
Sir David Reddaway, United Kingdom
Prof. Dr. Mehmet Ufuk Uras, Turkey
Prof. Dr. Sevtap Yokuş, Turkey

DPI's Network

DPI's main focus continues to be Turkey with its wider network constantly expanding to the Middle East and North Africa through developing relationships and partnerships with local contacts, organisations and expert bodies in Turkey.

DPI engages with and consults this wider network, including the DPI's Council of Experts, regarding its direction, context and activities. DPI uses the following sources to expand its network:

1. Membership of the European Peacebuilding Liaison Office (EPLO) in Brussels which provides with the opportunity to interact with a variety of international civil society organisations.
2. Experts, scholars and universities in Turkey, the Middle East and North Africa (the "Region") which provides access to the latest information about the Region

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3. Turkey Democracy Platform which comprises prominent jurists, entrepreneurs, academics, journalists and other civil society representatives and provides another forum for cooperation and for DPI's work to be disseminated at the highest level.
4. Bar associations and human rights organisations both in the Region and worldwide, which strengthens DPI's legal work
5. Universities in the UK, Europe and Turkey.

The consultation and collaboration with this wider network have enhanced our capacity to reach an even wider audience, providing valuable insight and information. DPI will continue to seek out new relationships and partnerships which improve the organisation's access to first-hand accounts and on-the-ground information relevant to trends and casework.

Risk Management

The risks to which DPI is exposed, under DPI's aims and objectives, are regularly monitored by the Council of Experts and DPI's wider network. DPI continues to implement a risk assessment framework which includes an assessment policy relating to planning stages, travel and implementation of our activities and proposes alternative options should any of the anticipated risks arise. Given the ever-changing dynamics in the Region, it is important to continually assess the associated risks in terms of understanding local dynamics and trends of all our activities. Risk assessment is carried out using desk-based research and face to face evaluation, as well as following a range of sources contribute to this process.

DPI monitors the situation on the ground and any risks are individually addressed and identified through quarterly strategy meetings and ongoing consultations with staff, experts and key contacts with extensive knowledge of the developments taking place in the Region. The Trustees are committed to regular monitoring and evaluation of organisational risk assessment and are satisfied that efficient and effective systems are in place to mitigate exposure to major risks. DPI effectively mitigated risks associated with the Covid-19 pandemic. DPI swiftly created an adapted programme model for online platforms to continue activities and to meet programme objectives. Extensive risk assessment was carried out of DPI premises and guidance provided to staff on how to manage risks in the DPI premises.

Objectives and Activities

Theoretical Framework: DPI's work is underpinned by the Elite Theory model of sociological theory concerning social change. This theory proposes that change can be enacted by targeting those in society who hold positions of power and influencing their positions (currently, particularly on democracy and an eventual resolution process). DPI's work is further supported by the proximity principle, which highlights how repeated interactions build relationships. DPI endeavours to reach a broad cross-section of participants whose power lies in traditional political or parliamentary positions, alongside those influential in journalism, the media, the arts, academia, business and civil society. Balanced with this broad approach is the reunion of particular individuals, including "core group" streams, where evidence indicates that repeated exposure compounds relationship building, here with the anticipated aim of increased interest in coalition building and collaborative thinking.

Projects address conflict resolution through the advancement of human rights, peace and democracy building. This is carried out by creating a platform for participants to meet experts and to draw on comparative studies to analyse and extract lessons from mechanisms used to achieve sustainable peace elsewhere. The work supports the development of a pluralistic political arena capable of generating consensus and ownership over work on key issues surrounding a democratic solution at the political and the local level. Activities are aimed at finding sustainable solutions with the involvement and participation of every level of society, from grassroots organisations to the highest levels of leadership.

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Public Benefit

DPI refers to the Charity Commission's general guidance on public benefit when reviewing the organisation's aims and objectives and in the planning of future activities.

DPI aims to create an atmosphere whereby different parties share knowledge, ideas, concerns and suggestions regarding challenges to peace and democracy in Turkey and the Region. Our work focuses on providing expertise combining research and practical approaches to broaden bases for wider public involvement in promoting peace and democracy building.

Activities in 2020:

Comparative study visits/events: These participatory activities offer comparative learning from international cases and opportunities for constructive interaction with high-level stakeholders from Turkey, often from highly diverse groups who seldom interact in a neutral setting.

Round Table discussions: Held in Turkey and other countries abroad, these meetings are attended by diverse groups of participants and focus on a variety of themes including the role played by women, young people, civil society, media, religious leaders or the business community in conflict resolution processes.

Research and publications: DPI holds assessments meetings which provide individuals who have written research and assessment papers for DPI with the opportunity to discuss their findings and provide further analysis. It is a great opportunity for DPI to also invite individuals who would be able to give a greater analysis of the Region and disseminate their learning and experiences. The analysis and assessment meetings also allow for the strengthening of networks of experts on democratisation.

Charitable Objectives

- a) To promote and protect the rights of people in Turkey, the Middle East and North Africa (the "Region") regardless of race, colour, sex, language, religion, political persuasion or other belief or opinion and people elsewhere in the world who have ties to the Region and who are or have been the victims of contraventions of their human rights and the families of such people and to assist them in gaining redress for their suffering and promoting better future protections.
- b) To assist people who have ties to the Region and who are in need, and who are or have been the victims of contraventions of their human rights and the families of such people in obtaining financial and legal assistance.
- c) To advance education by raising awareness of the situation of people who have ties to the Region throughout the world.
- d) To procure the abolition of torture and other contraventions of human rights of people who have ties to the Region by all lawful means including without limitation providing information and other assistance to states or governments prosecuting torturers and those who conspire with them and to promote peace and democracy.

The Charitable Objectives are met through a set of complementary approaches which in 2020:

- Contributed to the establishment of a structured public dialogue on peace and democracy building.
- Provided opportunities for different parties to draw on comparative studies, analyse and compare various mechanisms used to achieve positive results.
- Supported a public atmosphere of inclusion and frank, structured discussions whereby different parties shared knowledge, ideas, concerns, suggestions and challenges of building and strengthening democracy.
- Strengthened and supported collaboration between academics, civil society and policy-makers.

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- Identified common priorities and developed innovative approaches to participating in and influencing democracy building.
- Promoted and protected human rights regardless of race, colour, sex, language, religion, political persuasion or other belief or opinion.
- Adapted programming swiftly and efficiently for online platforms to continue to meet the objectives during the global pandemic.

These approaches included activities which empowered direct beneficiaries while helping to positively influence discourse and policy objectives around democracy in Turkey and the Region. Through this work, DPI contributed to the promotion and nurturing of democracy, human rights and access to justice. Over the year, DPI brought together a cross-section of participants for activities which empowered individuals and institutions to play a more significant and active role in the decisions that affect their communities. Recognising that strong dialogue and collaboration amongst all sectors of society are necessary to progress towards peaceful conflict resolution, DPI conducted activities to promote this dialogue and cooperation. The work aided governments to fulfil their obligations to international human rights agreements and development plans, while ensuring peace and democracy remain on the international agenda. DPI's complementary approaches included work in 2020 on the following.

Focus Areas:

- 1) Small-Group Expertise Sharing
- 2) Broadening Bases of Engagement and Participation
- 3) Assessment, Analysis and Targeted Advice
- 4) International Law and Human Rights Programme

Focus Area 1. Small-Group Expertise Sharing (Comparative Study Visits/Events, Briefings, Mentoring)

This area of work aims to facilitate collaborative sharing of expertise by encouraging participants to focus attention on commonalities with other conflicts, rather than differences. This unique model helps establish an environment in which potential solutions can be explored with conflict transformation experts who have practical experience, and in which bridges are built between different sides of a conflict. This work is conducted through Comparative Study Visits/Events, as well as briefing and mentoring sessions. It has proven to be a practical and effective tool for creating a space for key actors to achieve long-term, open and democratic cooperation. This approach allows participants to discover and create common points of reference, leading to long term relationship building, which often continues beyond the activity. These activities helped ensure that decision-makers and the wider public were able to access comparative information and examples of steps to achieve peace, democracy and justice in the Region. Decision-makers were able to access a diverse range of information to inform policy proposals. Participants in DPI activities included those receiving strategic briefings and mentoring advice from DPI, who were able to put their new knowledge into practice engaging with experts on topical case studies.

Comparative Study Visits/Events

An in-person CSV was planned to Ireland: 'The Role of Civil Society in Conflict Resolution Processes during Changing and Challenging Times', Dublin and Belfast, 23-27 March 2020. However, this was postponed indefinitely due to the escalation of the Covid-19 pandemic. Comparative Study Visits were successfully adapted for online platforms. The following events took place:

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- Overcoming Challenges During Difficult Times in Conflict Resolution: The Northern Ireland Experience, Online Comparative Study Event, 21 October 2020
- Overcoming Challenges During Difficult Times in Conflict Resolution: The Northern Ireland Experience Part II, Online Comparative Study Event, 26 November 2020

Briefing and Mentoring

DPI provided extensive mentoring and briefing including conducting meetings across Europe and in the Middle East. Throughout the pandemic, the majority of briefing and mentoring activities were successfully adapted for online platforms, although some essential face to face work continued by taking all necessary protective measures. These private meetings are held with key figures in conflict resolution including officials and civil society as well as academia. DPI's focus continues to be on extending dialogue on fundamental issues related to conflict resolution in the Region through sharing knowledge and skills necessary for conflict transformation and peacebuilding. In addition to smaller sessions, DPI organised larger briefing meetings in 2020.

DPI's bilateral mentoring sessions provided important opportunities to discuss matters of interest with small groups and individuals and institutions on democratic processes and human rights. This enabled participants to consider how other examples might be applicable and relevant to the current contexts. These were held with political, civil society and community leaders, as well as with Council of Expert members and other key experts in Europe and Turkey.

Focus Area 2. Broadening Bases of Engagement and Participation (Roundtables)

This area of work provided inclusive platforms for dialogue and increased participation of all sectors of society in democracy building, broadening the bases of support in Turkey for democratic processes. Through seminars, conferences and roundtables civil society groups in Turkey participated effectively at the centre of high-level discussions on future processes. The inclusive approach ensured that peripheral groups, such as women and minorities, were included in conversations about issues that directly affect their lives. DPI's work towards peace and reconciliation has resulted in a wider sense of ownership for long-term, open and democratic dialogue in the Region and has brought about new opportunities for these groups to work more closely together.

Seminars, Conferences, Roundtables

In-Person:

- Youth Engagement in Conflict Resolution Processes: Lessons Learnt from the Turkish Experience with the Wise Persons Council 15 February 2020
- The Role of Women in Conflict Resolution: Reflections on the Turkish Experience III Istanbul, 29 February 2020

Online:

- Peace and Technology Series: Exploring the Opportunities and Growing Impact of Emerging Technologies on Peace and Conflict Resolution Processes, Online, 9 April 2020
- Civil Society Actors in Turkey: Keeping the Dialogue Alive During Challenging Times, Online, 17 April 2020
- Current Situation in Turkey: Government Perspective and Future Vision, with Cevdet Yılmaz, Deputy Chair of AK Party, Online, 27 April 2020
- Opposition's Perspective on the political, social and economic effects of COVID-19 in Turkey, with Pervin Buldan, member of Parliament and co-chair of Peoples' Democratic Party (HDP), Online, 6 May 2020

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- Brainstorming Meeting with Turkey-based Council of Experts, 11 May 2020
- Peace and Technology Series - Exploring the Opportunities and Growing Impact of Emerging Technologies on Peace and Conflict Resolution Processes, Online, 15 May 2020
- The Impact of COVID-19 on the Global and Turkish Economy: Examining the Challenges and Opportunities of this Impact on Peace and Democratisation Processes, Online, 27 May 2020
- Current Situation in Turkey: The Role of Local Government Leaders in Responding to COVID-19 & their Post-Pandemic Strategy, with Fatma Şahin, Mayor of Gaziantep and member of the AK Party, Online, 2 June 2020
- Opposition's Perspective on the Political, Social and Economic Effects of COVID-19 in Turkey, with Temel Karamollaoğlu, Leader of Felicity Party (Saadet), Online, 11 June 2020
- Brainstorming Meeting with Turkey-based Council of Experts, 26 June 2020
- Opposition's Perspective on the Political, Social and Economic Effects of COVID-19 in Turkey' with Ahmet Davutoğlu, President of Future Party, Online, 6 July 2020
- The Role of Women in Conflict Resolution, Online, 15 July 2020
- Current Situation in Turkey: The Role of Local Government Leaders in Responding to COVID-19 & their Post-Pandemic Strategy, with Ayhan Bilgen, co-Mayor of Kars, Online, 17 August 2020
- DPI held a Farewell Event for Ambassador Christian Berger, Head of the EU Delegation to Turkey titled: 'Turkey-EU Relations: Challenges and Opportunities', 25 August 2020
- Current Situation in Turkey: What does opposition think and offer? with Kemal Kılıçdaroğlu, President of Republican People's Party (CHP), Online, 16 September 2020
- Current Situation in Turkey: What does opposition think and offer?, with Ali Babacan, Leader of the Democracy and Progress Party, Online, 13 October 2020
- End of Year Council of Experts Roundtable, 10th December 2020

An in-person Roundtable was planned in Dublin 27-29 March 2020 entitled: 'Lessons Learned from the Turkish Peace Process and Possible Next Steps'. However, this was indefinitely postponed due to the escalation and continuation of the Covid-19 pandemic.

Focus Area 3. Assessment, Analysis and Targeted Advice

Throughout the year, DPI produced a dynamic range of assessments, reports, briefings and media releases which aimed to increase the public's awareness of issues affecting peace in the Region. Through this area of work we have strengthened knowledge of the complex dynamics at work in the conflict and have shared potential solutions with the aim that it will contribute to a long-lasting political resolution to the conflict.

DPI continued to provide advice to policymakers, civil society organisations, academics, journalists, researchers and other individuals and institutions working on issues relevant to peace and democracy in the Region, helping to keep international human rights dialogue informed and abreast of developments.

DPI's assessment comprises an ongoing body of work. The research and evaluation conducted are independent and critically engaged with a suite of issues related to democracy building and conflict resolution. In 2020 the topics of assessments included; new political parties, the Kurdish issue, the role of the opposition in peace processes, the business of peace, the impact of Covid-19 on peace, the EU and conflict transformation processes.

All of DPI's publications were translated where appropriate. To enhance accessibility and ensure transparency, publications are available to be downloaded from www.democraticprogress.org and on academia.edu. Publications from 2020 are listed below:

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Assessments and Research in 2020

Assessments

- *Constitutional-Legal Deadlocks and Opportunities for a Prospective Resolution Process in Turkey* by Dr Sevtap Yokus September 2019
- *Political Actors In the Context Of The Kurdish Problem And New Opportunities For A Politics Of Peace* by Ali Bayramoğlu
- *The Business Of Peace: New Political Parties, the Resolution Process and Potential Developments in 2020 in Turkey* by Dr Edel Hughes and Dr Daniel Aguirre November 2019
- *New Political Parties, The Resolution Process And Potential Developments In 2020 In Turkey* by Ferda Balancar January 2020
- *The Role of the Opposition in a Politics of Peace* Ali Bayramoğlu, May 2020
- *The impact of the COVID -19 pandemic on the political, military, and social spheres and the relevance to the ongoing conflict in Turkey* - Ali Bayramoglu, May 2020
- *The EU and Conflict Transformation: Playing A Crucial Role?* – Dr Edel Hughes, May 2020
- *Conflict in Turkey: Context, Applicable Law and the Search for a Solution* – Dr Edel Hughes, May 2020
- *The Impact of COVID-19 on the Global and Turkish Economy: examining the challenges and opportunities of this impact on peace and democratisation processes*, May 2020
- *Opportunities for a Democratic Legal Order Based on Peace in Turkey Following the Covid-19 Pandemic*, Sevtap Yokus, July 2020
- *'Assess the medium and long-term impact and effect of Covid-19 on the ongoing Kurdish resolution process: how will conflict resolution be affected? With reference to the impact on the political and the economic sphere'* Ferda Balancar, July 2020
- *'The Kurdish Issue and the Political Parties in the Current State of Affairs'* Ali Bayramoğlu December 2020

Briefs

Eleven briefs have been distributed in 2020:

- Turkey Brief, March 2020
- Political Response to the Coronavirus Crisis in Turkey, April 2020
- Brief - the Impact of the Coronavirus in Turkey 18 May 2020
- Brief about Political Developments and Coronavirus in Turkey, 3 June 2020
- Brief about Political Developments and Coronavirus in Turkey, 16 June 2020
- Turkey Brief, 9 July 2020
- Turkey Brief, 25 August 2020
- Brief on Increasing Nationalist Discourse, 4 September 2020
- Brief on the resignation of the Turkish Finance Minister, 9 September 2020
- CHP and Kurdish Issue, 1 October 2020
- Turkey Brief, 25 November 2020

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One research paper

- Are Turkey's Minorities Facing a New Wave of Danger? was completed and distributed to selected stakeholders in July 2020

One external evaluation:

- Interim External Evaluation of the project Supporting Inclusive Dialogue at a Challenging Time in Turkey by Mark White of First Call Partners completed in June 2020.

Activity Reports

- Online Roundtable 'Opposition's Perspective on the Political, Social and Economic Effects of COVID-19 in Turkey', Ali Babacan- Leader of the Democracy and Progress (DEVA) Party 13 October 2020
- Online Roundtable 'Opposition's Perspective on the Political, Social and Economic Effects of COVID-19 in Turkey' with Kemal Kılıçdaroğlu, President, Republican People's Party (CHP) 17 September 2020
- Online Roundtable, 'Opposition's Perspective on the Political, Social and Economic Effects of COVID-19 in Turkey' with Temel Karamollaoğlu, Leader of Saadet Party, 11 June 2020
- Online Roundtable, 'The Role of Women in Conflict Resolution' 15 July 2020
- Online Roundtable 'The Impact of Covid-19 on the Global and Turkish Economy: Examining the Challenges and Opportunities of this Impact on Peace and Democratisation Processes' 27 May 2020
- Online Roundtable: Current Situation on Turkey: The Role of Local Government leaders in Responding to Covid 19 and the Post Pandemic strategy with Fatma Sahin. Mayor of Gaziantep, 2 June 2020
- Online Roundtable 'Opposition's Perspective on the political, social and economic effects of COVID-19 in Turkey' with Ahmet Davutoğlu, President of Future Party - 6 July 2020
- Online Roundtable 'Current Situation in Turkey: The Role of Local Government Leaders in Responding to COVID-19 & their Post-Pandemic Strategy Ayhan Bilgen Co Mayor of Kars 17 August 2020
- Online Roundtable 'Current Situation In Turkey: Government Perspective and Future Vision' - Cevdet Yilmaz -
- Online Roundtable 'Peace and Technology Series: Exploring the Opportunities and Growing Impact of Emerging Technologies on Peace and Conflict Resolution Processes (1 and 2)'
- Online Roundtable 'Opposition's Perspective on the political, social and economic effects of COVID-19 in Turkey' with Pervin Buldan Co-Chair of HDP, 6 May 2020
- Online Roundtable 'Civil Society Actors in Turkey: Keeping the dialogue alive during difficult times 17 April 2020
- Roundtable Meeting The Role of Women in Conflict Resolution: Reflections on the Turkish Experience III, Istanbul 29 February 2020
- Roundtable Meeting: Youth Engagement in Conflict Resolution Processes: Lessons Learnt from the Turkish Experience with the WPC, Istanbul 15 February 2020

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Assessment Meetings in 2020

To provide a platform for further understanding of assessments, DPI also hosted assessment meetings in 2020 inviting the authors to present their work and interact with experts in the field. These meetings have served the function of further disseminating information and creating space for evaluating the current situation in Turkey. All meetings were followed by a question and answer session with the speakers. These meetings further contributed to DPI's strategising for the next quarter and helped to maximise the impact of DPI's work. Details of the meetings are below.

An in-person Assessment Meeting with the Turkish journalist Sevilay Yilman entitled 'Briefing and assessment of the current situation in Turkey' took place on 22 January at the DPI office in London. Sevilay relayed her assessment to DPI staff and external stakeholders to review the current situation in Turkey and further reflected on the potential of future work in conflict resolution in Turkey.

DPI held a virtual online assessment meeting on 21 April to discuss Impact of Covid 19 on the political, economic and social situation of Turkey. Cansu Çamlıbel the Editor-in-Chief of the independent online newspaper Duvar in Istanbul, gave her assessment of the current political situation, the impact of Covid-19 in Turkey and future obstacles and opportunities for the resolution process. This meeting was attended by several Turkish stakeholders, DPI staff, EU representatives and international experts.

DPI held its second virtual online assessment meeting of the year on 17 July to discuss 'Current political dynamics in Turkey: Changing Challenges and Opportunities in Domestic Politics'. Hatem Ete the former chief advisor to then Prime Minister Davutoglu and Professor at Yıldırım Beyazıt University in Ankara, gave his assessment. This meeting was attended by some stakeholders, DPI staff and international experts.

DPI held its third virtual online assessment meeting on 28 October to discuss: The Current Situation in Turkey – Looking at Foreign Policy. Sinan Ülger, a visiting scholar from Carnegie Europe & Director of EDAM gave their assessment.

Focus Area 4. International Law and Human Rights Programme

This area of work promotes the indivisibility of human rights, advances the rule of law and defends the rights of some of society's most vulnerable individuals, groups and minorities, thereby safeguarding future generations from further human rights abuses. This work includes the promotion of the rule of law and human rights in the Region through litigation, advocacy and the provision of legal advice to applicants, lawyers and civil society groups. DPI receives the advice and support of international and regionally based pro bono lawyers for its legal activities.

Evaluation

DPI conducts regular evaluations of its systems as an organisation and continued to do so in 2020. DPI closely monitors the situation in the Region and discusses with its advisers to ensure that it is fully aware of all changes which may impact the work of the project. DPI also conducts strategic meetings throughout the year to assess the impact and discuss how programmes will be carried out, as well as Board Meetings and Auditing reviews. DPI held Strategy and Monitoring and Evaluation meetings each quarter of 2020 to discuss programming in relation to the changing situation in the Region. Contributions from advisers were also sought during these meetings for 2020 planning.

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An external evaluation of DPI's work was completed in June 2020 evaluating the efficiency, success and impact of DPI's work since 2018. The evaluation was completed by Mark White of First Call Partners and complemented by a final evaluation due to be carried out in the first quarter of 2021. DPI are pleased with the evaluation's findings and the representation of the impact of the project. The evaluation confirmed that the project implementation, since January 2018, met the evaluation criteria of the Organisation of Economic Cooperation and Development (OECD), and found that the project had been relevant, effective, impactful, efficient, sustainable and coherent, and had added value.

Going forward into 2021, DPI will continue to implement its monitoring and evaluation framework which provides the structure for measuring the impact and reach of our work, with quantifiable data to complement our existing qualitative methods. The outcomes of our work are tracked via several M&E tools, such as participant surveys generating both qualitative and quantitative feedback, but also through social media analyses. Specifically for recurring participants, DPI tracks the cumulative effect of exposure to knowledge by eliciting more in-depth qualitative information for monitoring purposes and using these lessons to enrich future programming.

Voluntary Internship Scheme

A key aim of the internship programme is to provide volunteers with opportunities to develop skills and gain valuable work experience at the start of their professional career, or part-time during university studies. As part of the scheme, DPI continuously looks for ways to offer valuable experiences such as professional networking opportunities and career development guidance to all volunteers, and actively seeks feedback from volunteers to continuously improve the experience.

DPI continued to work in consultation with prominent universities and scholars throughout 2020. DPI continues to enjoy a relationship with various peacebuilding organisations and universities. DPI's internships are aimed at students and graduates from universities across the world whose students wish to gain practical experience of working in conflict resolution and non-governmental international relations. DPI internship opportunities include travel to international conferences; paper publication; casework research; programme implementation and operational work, amongst other tasks and experiences.

The following individuals volunteered with DPI as interns in 2020:

Jade Charbonnier	Jordan Pilcher
Jasien Haridy	Judith Heimbach
Medea Menaz	Emma Chandler
Leonie Schmid	Nikoletta Vasileva
Katerine Guzman	Adriana Rot Laugel
Niklas Steel	Oriola Oyewole
Silvan Lange	Hanna Saunders
Vera Sibilio	Sepehr Hesami
Regina Chung	Aysel Demirci
Burcu Dolanbay	Meghan Taylor
Maya Yalkin	Sophia Stockl

Through their donated time, these volunteer interns made invaluable contributions which helped the organisation achieve its goals.

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Achievements and performance

DPI has continued to create and foster democratic platforms in which realistic solutions are being explored. This formal structure for a constructive, coherent and sustainable discussion on the democratic initiative in Turkey has enabled relevant parties to share knowledge, ideas, concerns and challenges facing the current situation. The focus areas of our work have created opportunities for key actors from across society to work collaboratively towards developing solutions and a vibrant human rights culture conducive to achieving genuine and lasting peace, by providing concrete and consistent direction in terms of conflict resolution.

It became clear in early March that due to the escalation of the COVID-19 pandemic face-to-face meetings were not going to be possible inside or outside Turkey. DPI swiftly and smoothly adapted its programming for online platforms, crucially keeping channels of communication open and keeping the peace agenda moving despite difficult times. Starting on April 9, in 2020 DPI organised 20 online events: 14 roundtables, 2 comparative study events and 4 evaluation meetings. Throughout the year we maintained constant communication with our Council of Expert members in relation to our ongoing assessments of the impact of coronavirus. Despite the movement of activities online, our objectives and indicators in our monitoring and evaluation framework continue to be met.

DPI's reach has continued to expand and diversify. In 2020 DPI has been regularly in contact with political party officials, but the roundtables titled "Current Situation in Turkey: Opposition's/Government's perspective on the political, social and economic effects of COVID-19 in Turkey" allowed us to further start a dialogue about the peace process during a challenging time in Turkey. Party leaders openly discussed issues related to the conflict and conflict resolution as part of the broader challenging times that the country is in and established links between these issues, making conflict resolution a timely topic. The participation in these meetings was extremely high, and both the speakers and the participants appreciated the unique opportunity to engage in conversations in such a diverse context. As well as the members of the international community, people who normally do not have access to high-level politicians, had the opportunity to engage with them and with each other.

The measurable impact of DPI's work is seen through media coverage and social media activity during and following DPI activities. Online events also positively influenced our social media engagements, increasing our public visibility and public debate. Both our English and Turkish social media accounts saw an increase in the number of followers. Single Tweets from some events have been viewed over 25,000 times. In 2020, with the sponsorship of our funders, DPI produced a series of short films about our online activities in 2020. Additionally, participants systematically disseminate the information and knowledge gained from our activities to their constituencies. This is complemented by regular follow-up by DPI which includes attendance at meetings of participants themselves.

DPI conducted several visits to the Region, and published numerous research papers and reports on thematic topics and numerous briefings of the developments on the ground. The organisation's activities covered the roles of women, business, youth, public engagement, media, the Wise Persons Committee, the private sector and the role of wider civil society in peace and democracy-building, the Kurdish Issue, constitutional issues, and freedom of expression. DPI is the only organisation able to continue to act with experts and stakeholders in the Region to work to prepare stakeholders for an eventual return to the negotiation table and extension of full democratic structures. DPI's International Law and Human Rights Programme carried out activities which underpinned democracy initiatives in the Region.

Despite the deep social polarisation of society currently experienced in the Region, DPI has the unique ability to bring together all relevant actors as a result of our strong foundation, wide contacts network and consistent approach, which allow DPI to actively promote and facilitate dialogue even during the most difficult of times. Our work advances the participation of easily marginalised communities and aims to find solutions to the interrelated issues of human rights, peace and stability.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial Review

Review of financial position

The Charity has a surplus for the year of £116,917. Incoming resources for the year totalled £841,707 of which £839,908 relates to grant income. Due to ongoing economic uncertainties related to Covid-19 leading to reduced availability of grants from governments and governmental organisations, the Charity is continuing to look for new sources of income and to diversify its income base.

At 31 December 2020, the reserves totalled £380,110, all of which are unrestricted.

The Charity also has a reserves policy of maintaining 3-6 months' total expenditure in unrestricted reserves. This will be used if the charity encounters financial difficulties. The Charity aims to build up its reserves so that they are in line with the reserves policy.

Principal funding sources

The Charity is funded by several European Governments – Norwegian Ministry of Foreign Affairs and Irish Department of Foreign Affairs and Trade.

Restrictions on distribution

The Charity has no issued share capital or debentures, hence there are no Directors' interests required in the accounts. Upon dissolution or winding up of the Charity, the assets shall be given or transferred to some similar institution having objects similar to the Charity. Each of its members has undertaken to contribute to the Charity a sum not exceeding £1 in the event of it being wound up while they are members or within one year after they cease to be members.

Tax status

The Charity is entitled to exemption from taxation on income and capital gains to the extent that its funds are applied for charitable purposes.

Plans for future periods

With a focus on thematic topics and due consideration for the regional dimensions, our parallel programmes and activities for 2021-2022 will draw from a unique and well-established political analysis and facilitation of inclusive political dialogue to strengthen democracy-building measures. Programmatic planning will incorporate internal research, as well as knowledge and information from our wider network to ensure that our work is developed and implemented effectively and in response to the changing needs of the Region.

The past year's activities demonstrated that while there are some advantages to online events, there are also some parts of our work that can only or better be addressed in face-to-face meetings. This situation has allowed DPI to consider the possible advantages of having a hybrid programme in the future, combining online and in-person activities in our planning. For now, based on the current situation worldwide and in the United Kingdom, Turkey and Ireland, it seems highly likely that DPI will continue its online activities and limited face to face activities for a while this year. From April onwards, DPI will regularly evaluate the situation and adapt its planning. DPI will follow the advice of concerned governments. Providing that we can ensure the safety and wellbeing of our stakeholders and employees, we would like to organise in-person events as early as possible. We will be also preparing for the possibility of having to continue with online events.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

To strengthen this wider network, DPI will work to expand relationships with international experts, organisations and institutions. We will continue to utilise the Council of Experts and our network of international lawyers. Research and advice carried out will feed into our strategic planning and continue to advance the understanding of conflict resolution and peace-building in the target countries, increasing the public's awareness of issues affecting peace in the Region. With a focus on areas of access to justice, human rights, gender issues and the regional impact of particular models of resolution. The organisation will seek to diversify funding and will continue to aim to build productive partnerships with other individuals and institutions that share or reflect DPI's objectives.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of DPI – Democratic Progress Institute for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (the United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they 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 judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK 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 operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- That Trustee has taken all the steps that ought to have been taken as a Trustee to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**DPI - DEMOCRATIC PROGRESS INSTITUTE
(A Company Limited by Guarantee)**

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees and signed their behalf by:

Nicholas Stewart

Nicholas Stewart QC, Chair

Trustee

Date: 17 June 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DPI - DEMOCRATIC PROGRESS INSTITUTE
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of DPI - Democratic Progress Institute (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 December 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DPI - DEMOCRATIC PROGRESS INSTITUTE
(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 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' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DPI - DEMOCRATIC PROGRESS INSTITUTE
(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the sector and the impact of Covid 19 on financial and operating performance and policies;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with charities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Charities Act and Charities SORP 2019.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These included health and safety regulations, employment law, and environmental regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DPI - DEMOCRATIC PROGRESS INSTITUTE
(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition and classification, management override, the incorrect allocation and "double dipping" of expenditure between restricted funds, occurrence of expenditure and personal expenses being included within the charity's records. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- reviewing revenue recognition and classification on an individual grant basis;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the charity's operations.
- Reviewing the allocation of expenditure between funds on a sample basis.
- Agreeing expenditure on a sample basis to verify validity.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Chandra (Senior Statutory Auditor)

for and on behalf of

Lubbock Fine LLP

Chartered Accountants & Statutory Auditors

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date:

DPI - DEMOCRATIC PROGRESS INSTITUTE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	2	4,943	834,965	839,908	1,080,224
Investments	3	1,799	-	1,799	2,575
Other income	4	-	-	-	6,543
Total income		6,742	834,965	841,707	1,089,342
Expenditure on:					
Charitable activities	5	5,856	718,934	724,790	1,076,431
Total expenditure		5,856	718,934	724,790	1,076,431
Net income					
Transfers between funds	13	886 116,424	116,031 (116,424)	116,917 -	12,911 -
Net movement in funds		117,310	(393)	116,917	12,911
Reconciliation of funds:					
Total funds brought forward		262,800	393	263,193	250,282
Net movement in funds		117,310	(393)	116,917	12,911
Total funds carried forward		380,110	-	380,110	263,193

The notes on pages 24 to 38 form part of these financial statements.

Unless stated in the relevant notes all income and expenditure related to unrestricted funds.

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	9	17,673	12,921
Current assets			
Debtors	10	20,867	261,421
Cash at bank and in hand		884,392	1,450,876
		<u>905,259</u>	<u>1,712,297</u>
Creditors: amounts falling due within one year	11	(542,822)	(1,462,025)
Net current assets		<u>362,437</u>	<u>250,272</u>
Total net assets		<u>380,110</u>	<u>263,193</u>
Charity funds			
Restricted funds	13	-	393
Unrestricted funds	13	380,110	262,800
Total funds		<u><u>380,110</u></u>	<u><u>263,193</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

Nicholas Stewart

Nicholas Stewart, Q.C., Chair
Trustee
Date: 17 June 2021

The notes on pages 24 to 38 form part of these financial statements.

DPI - DEMOCRATIC PROGRESS INSTITUTE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	15	(559,572)	527,812
Cash flows from investing activities			
Dividends, interests and rents from investments		1,799	2,575
Purchase of tangible assets		(8,711)	-
Net cash (used in)/provided by investing activities		(6,912)	2,575
Change in cash and cash equivalents in the year		(566,484)	530,387
Cash and cash equivalents at the beginning of the year		1,450,876	920,489
Cash and cash equivalents at the end of the year	16	884,392	1,450,876

The notes on pages 24 to 38 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

DPI - Democratic Progress Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling, which is the functional currency of the charity, and are rounded to the nearest £.

1.2 Going concern

The charity is reliant upon grants from worldwide governments and governmental organisations, as well as from other charitable organisations, to meet its running costs.

The extent of the impact of the coronavirus ("COVID-19") outbreak on the operational and financial performance of the charity will depend on future developments, including the duration and spread of the outbreak, related advice and restrictions and the impact of COVID-19 on the financial markets and the global economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the global economy are impacted for an extended period, then our results may be adversely affected. This could have an impact on the ability of the charity to cover its running costs and the ability of funders to make future grants available.

The trustees are currently in talks with existing and potential future funders to ensure that funding that has been / will be provided to the charity can be used to cover running costs during the COVID-19 outbreak where the actual project being funded has been postponed. The trustees are confident that the funders will agree to cover running costs.

After considering revised expenditure forecasts for 2021/2022 and beyond in addition to funding that has already been secured, the trustees consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustment which would result if there were insufficient funds available in respect of the Charity's operations.

1.3 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. 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 and principal place of business is 11 Guilford Street, London, WC1N 1DH.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

1.6 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grant income is recognised upon acceptance of the grant. Where grants specify the period the activities and the costs to which they relate, they are recognised as income over that period as the associated costs which give rise to the entitlement to the income are incurred.

No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Donations are recognised on a receipts basis. Investment income is recognised on an accruals basis. In light of uncertainty as to the recovery of awards of costs in legal cases, these are not reflected until the funds have been remitted to the United Kingdom and the charity can demonstrate that it is entitled to retain the funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.7 Expenditure

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Charitable activity costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.8 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 institution with whom the funds are deposited.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office and computer equipment - 20% straight line

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.11 Debtors

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

1.12 Cash at bank and in hand

Cash at bank and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.13 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.14 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Grants and associated income	4,943	834,965	839,908

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Grants and associated income	3,656	1,076,568	1,080,224

The charity is funded by a number of Charitable Trusts, Foundations and European Governments.

Included in the grant income above is £10,010 (2019: £89,410) from Department of Foreign Affairs and Trade, Ireland.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	1,799	1,799
	<u>1,799</u>	<u>1,799</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest receivable	2,575	2,575
	<u>2,575</u>	<u>2,575</u>

4. Other incoming resources

	Total funds 2020 £
Rental income	-
	<u>-</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Rental income	6,543	6,543
	<u>6,543</u>	<u>6,543</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Strategic Human Rights Litigation, Advocacy and Monitoring	4,000	53,087	57,087
Small Group Expertise Sharing	-	235,432	235,432
Research, Assessment and Targeted Advice	1,856	194,448	196,304
Broadening Bases of Engagement and Participation	-	235,967	235,967
	<u>5,856</u>	<u>718,934</u>	<u>724,790</u>

	Restricted funds 2019 £	Total funds 2019 £
Strategic Human Rights Litigation, Advocacy and Monitoring	63,575	63,575
Small Group Expertise Sharing	470,712	470,712
Research, Assessment and Targeted Advice	214,246	214,246
Broadening Bases of Engagement and Participation	327,898	327,898
	<u>1,076,431</u>	<u>1,076,431</u>

Summary by expenditure type

	Staff costs 2020 £	Other costs 2020 £	Total funds 2020 £
Strategic Human Rights Litigation, Advocacy and Monitoring	-	57,087	57,087
Small Group Expertise Sharing	125,488	109,944	235,432
Research, Assessment and Targeted Advice	125,489	70,815	196,304
Broadening Bases of Engagement and Participation	125,487	110,480	235,967
	<u>376,464</u>	<u>348,326</u>	<u>724,790</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

5. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type (continued)

	Staff costs 2019 £	Other costs 2019 £	Total funds 2019 £
Strategic Human Rights Litigation, Advocacy and Monitoring	-	63,575	63,575
Small Group Expertise Sharing	117,152	353,560	470,712
Research, Assessment and Targeted Advice	117,151	97,095	214,246
Broadening Bases of Engagement and Participation	117,151	210,747	327,898
	351,454	724,977	1,076,431

6. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Strategic Human Rights Litigation, Advocacy and Monitoring	11,233	45,854	57,087
Small Group Expertise Sharing	189,579	45,854	235,433
Research, Assessment and Targeted Advice	150,451	45,853	196,304
Broadening Bases of Engagement and Participation	190,113	45,853	235,966
Total 2020	541,376	183,414	724,790

Included within support costs are premises costs of £75,526 (2019 - £101,191), general office expenses of £38,611 (2019 - £16,866) and professional fees of £69,276 (2019 - £57,414).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

6. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Strategic Human Rights Litigation, Advocacy and Monitoring	19,707	43,868	63,575
Small Group Expertise Sharing	426,844	43,868	470,712
Research, Assessment and Targeted Advice	170,378	43,868	214,246
Broadening Bases of Engagement and Participation	284,030	43,868	327,898
Total 2019	900,959	175,472	1,076,431

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts (governance)	9,600	9,600
Fees payable to the Charity's auditor in respect of: Audit-related assurance services	1,740	14,184

8. Staff costs

	2020 £	2019 £
Wages and salaries	336,541	314,029
Social security costs	33,138	31,509
Contribution to defined contribution pension schemes	6,785	5,916
	376,464	351,454

Key management personnel remuneration for the year totalled £139,218 (2019 - £113,698).

The average number of persons employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Average number of employees	11	10

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

8. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

For the purposes of the Department of Foreign Affairs and Trade, Ireland grant, no employee received total remuneration over €60,000 (£53,353).

During the current or prior year no Trustee received remuneration, other benefits or reimbursement of expenses.

9. Tangible fixed assets

	Office and computer equipment £
Cost or valuation	
At 1 January 2020	37,853
Additions	8,711
At 31 December 2020	<u>46,564</u>
Depreciation	
At 1 January 2020	24,932
Charge for the year	3,959
At 31 December 2020	<u>28,891</u>
Net book value	
At 31 December 2020	<u>17,673</u>
At 31 December 2019	<u>12,921</u>

10. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	19,228	15,265
Prepayments and accrued income	1,639	246,156
	<u>20,867</u>	<u>261,421</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	39,825	41,730
Other creditors	197,455	5,964
Accruals and deferred income	305,542	1,414,331
	<u>542,822</u>	<u>1,462,025</u>
	2020 £	2019 £
Deferred income		
Deferred income at 1 January 2020	1,373,298	921,275
Resources deferred during the year	64,476	1,373,298
Amounts released from previous periods	(1,164,584)	(921,275)
	<u>273,190</u>	<u>1,373,298</u>

The deferred income balance is in relation to restricted grant income received during the year which has been set aside for projects in 2021. Included within deferred income is £64,476 (2019 - £nil) received from Department of Foreign Affairs and Trade, Ireland during the year.

12. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at amortised cost	<u>19,228</u>	<u>250,432</u>
	2020 £	2019 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>269,632</u>	<u>86,025</u>

Financial assets measured at amortised cost comprise of trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, accruals and other creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Unrestricted funds					
General Funds	262,800	6,742	(5,856)	116,424	380,110
Restricted funds					
Strategic Human Rights, Litigation, Advocacy and Monitoring	393	290,349	(174,318)	(116,424)	-
Small Group Expertise Sharing	-	197,070	(197,070)	-	-
Research, Assessment and Targeted Advice	-	153,941	(153,941)	-	-
Broadening Bases of Engagement and Participation	-	193,605	(193,605)	-	-
	393	834,965	(718,934)	(116,424)	-
Total of funds	263,193	841,707	(724,790)	-	380,110

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Balance at 31 December 2019 £
Unrestricted funds				
General Funds	250,026	12,774	-	262,800
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds				
Strategic Human Rights, Litigation, Advocacy and Monitoring	256	63,712	(63,575)	393
Small Group Expertise Sharing	-	470,712	(470,712)	-
Research, Assessment and Targeted Advice	-	214,246	(214,246)	-
Broadening Bases of Engagement and Participation	-	327,898	(327,898)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	256	1,076,568	(1,076,431)	393
	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<hr/> <hr/> 250,282	<hr/> <hr/> 1,089,342	<hr/> <hr/> (1,076,431)	<hr/> <hr/> 263,193

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

13. Statement of funds (continued)

Restricted funds

Restricted projects are funded by a number of Charitable Trusts, Foundations and European governments.

Strategic Human Rights Litigation, Advocacy and Monitoring activities include assistance of victims of torture and ill treatment, promoting of human rights for everybody who lives in the Kurdish regions and elsewhere, training and seminars to educate local lawyers and to prepare cases for submission to the ECHR.

Small Group Expertise Sharing activities include comparative study visits, briefings and mentoring for key stakeholders.

Research, Assessment and Targeted Advice activities are carried out to assist with other charitable activities.

Broadening Bases of Engagement and Participation activities include seminars, conferences and roundtables aimed at key stakeholders and influencers in the solution process in Turkey.

Transfer of funds

Restrictions placed on certain funds were satisfied during the year resulting in a transfer of £116,424 (2019 - £nil) from restricted to unrestricted funds.

14. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	17,673	-	17,673
Current assets	436,370	468,889	905,259
Creditors due within one year	(73,933)	(468,889)	(542,822)
Total	380,110	-	380,110

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	12,921	-	12,921
Current assets	347,014	1,365,283	1,712,297
Creditors due within one year	(97,135)	(1,364,890)	(1,462,025)
Total	262,800	393	263,193

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	116,917	12,911
Adjustments for:		
Depreciation charges	3,959	3,230
Dividends, interests and rents from investments	(1,799)	(2,575)
Decrease in debtors	240,554	21,536
(Decrease)/Increase in creditors	(919,203)	492,710
Net cash provided by/(used in) operating activities	(559,572)	527,812

16. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	884,392	1,450,876
Total cash and cash equivalents	884,392	1,450,876

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Analysis of changes in net debt

	At 1 January 2020	Cash flows	Other non- cash changes	At 31 December 2020
	£	£	£	£
Cash at bank and in hand	1,450,876	(570,443)	3,959	884,392
	<u>1,450,876</u>	<u>(570,443)</u>	<u>3,959</u>	<u>884,392</u>

18. Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £6,785 (2019 - £5,916). Contributions totalling £2,610 (2019 - £888) were payable to the fund at the balance sheet date and are included in creditors.

19. Operating lease commitments

At 31 December 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	81,259	85,225
Later than 1 year and not later than 5 years	306,000	387,259
	<u>387,259</u>	<u>472,484</u>

The total lease payments recognised as an expense during the year were £77,032 (2019 - £80,213). Included within the lease payments recognised as an expense during the year is a reduction in rent of £9,563 resulting from the COVID-19 pandemic.

20. Related party transactions

There were no related party transactions in the current or prior year.

21. Post balance sheet events

The extent of the ongoing coronavirus ("COVID-19") outbreak on the financial performance of the Charity will depend on future developments, including the duration and spread of the outbreak and related restrictions and the impact of COVID-19 on the overall economy, all of which are highly uncertain and cannot be predicted.