

**Charity Registration No. 1117088**

**Company Registration No. 05683997 (England and Wales)**

**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**  
LEGAL AND ADMINISTRATIVE INFORMATION

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|---|--|
| <b>Trustees</b>                                     | Jarkko Tontti<br>Mohamed Sheriff<br>Anders Heger<br>Ma Thida<br>Antonio Della Rocca<br>Margie Orford<br>Jennifer Clement<br>Regula Venske<br>Kätlin Kaldmaa<br>Iman Humaydan<br>Elizabeth Hiester<br>Burhan Sömnez<br>Ola Larsmo |
| <b>Executive Director and<br/>Company Secretary</b> | Carles Torner  |
| <b>Charity number:</b>                              | 1117088 (England and Wales)  |
| <b>Company number</b>                               | 05683997   |
| <b>Principal address and<br/>Registered Office</b>  | 162-164 Abbey Street,<br>Koops Mill Mews,<br>Unit A,<br>London,<br>SE1 2AN   |
| <b>Auditors</b>                                     | HW Fisher & Company<br>Acre House<br>11-15 William Road<br>London<br>NW1 3ER   |
| <b>Bankers</b>                                      | HSBC Plc<br>74 Goswell Road<br>London<br>EC1V 7DA<br><br>Natwest Bank<br>134 Aldersgate Street<br>PO Box 13309<br>London<br>EC1A 4LD   |
| <b>Solicitors</b>                                   | Bates Wells and Braithwaite<br>2-6 Cannon Street<br>London<br>EC4M 6YH   |

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# **INTERNATIONAL P.E.N. (A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Trustees present their report and accounts for the year ended 31 December 2018 which also contains the directors' report as required by company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charitable company's constitution, the Charities Act 2011 and 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 (FRS102) (as amended for accounting periods from 1 January 2016).

## **Structure, governance and management**

PEN International's governing document is the PEN Charter and its Constitution; PEN International's members are the PEN Centres meeting once a year as the Assembly of Delegates at PEN's annual Congress. Elected officials of PEN International are nominated by at least 2 Centres – nominations and the election process is managed by the Search Committee. Candidates are provided with a job description and are required to submit in writing 500-word (maximum) biography and a signed letter of acceptance of nomination, with a 300-word (maximum) statement of intent, giving an outline of the most pressing issues as the candidate sees them and proposals for action during the period of tenure. The deadline for submission of nominations is 3 months in advance of Congress. Centres eligible to vote must have paid their membership dues to PEN International and each Centre has one vote. The secret ballot is managed and overseen by the Search Committee.

The organisation is managed by its board, which consists of the International President, International Secretary, the Treasurer and nine members elected from among PEN's worldwide membership. Day to day management of the organisation is the responsibility of the Executive Director.

In 2018 the trustees that served during the year were as follows:

Jennifer Clement  
Jarkko Tontti  
Mohamed Sheriff  
Anders Heger (stood down 27<sup>th</sup> September 2018)  
Antonio Della Rocca ( stood down 27<sup>th</sup> September 2018)  
Margie Orford  
Regula Venske (re-appointed 27<sup>th</sup> September 2018)  
Kätlin Kaldmaa  
Ma Thida  
Iman Humaydan  
Elizabeth Hiester (stood down 27<sup>th</sup> September 2018)  
Burhan Sömnez (appointed 27<sup>th</sup> September 2018)  
Ola Larsmo (appointed 27<sup>th</sup> September 2018)

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PEN International's Trustees have been elected at Congress (the annual meeting of the Assembly of Delegates). The responsibilities of the Board of PEN International have been defined by its constitution. PEN International is a registered charity and its Executive Director is responsible for the formal induction and training of the Trustees. In addition to updating the Trustees individually with any requirements from time to time, the Executive Director arranges that Trustees' meetings address changes and responsibilities on a twice yearly basis.

The Board is responsible for setting the organisation's strategy, reviewing and adopting the budget and financial reports. It reviews its risk register once a quarter and reviews and approves PEN International's policies in line with good practice. In 2017 PEN's Women's Manifesto was unanimously adopted by the Assembly of Delegates.

The Executive Director, Carles Torner manages the office supported by a Senior Management team comprised of Deputy Director and Director of International Programmes, Romana Cacchioli, Finance and Administration Director, Anne Muthee; Freedom to Write Programme Director, Ebony Riddell-Bamber (appointed in November 2017) succeeding Ann Harrison who left the organisation in January 2017. The Senior Management Team is responsible for and provides oversight of the delivery of PEN's strategy and programmes, human resources functions and ensuring compliance with Charity Commission guidelines, good governance, budgetary and funding requirements.

**Key Management Personnel**

The President, International Secretary and Treasurer meet confidentially to discuss the performance and achievements of the charity during the year in order to determine suitable remuneration for key management personnel. Their recommendations are then put forward to the Trustees for discussion and approval.

**Objectives and activities**

PEN International is a worldwide association of writers. It was founded in 1921 and is governed under the PEN Charter which was originally passed in 1948 and subsequently amended. It exists to promote friendship, fellowship and intellectual co-operation among writers everywhere, regardless of their political or other views; to fight for freedom of expression and to defend vigorously writers suffering from oppressive regimes. PEN International connects an international community of writers from its Secretariat in London. It is a forum where writers meet freely to discuss their work; it is also a voice speaking out for writers, silenced in their own countries. Through Centres in over 100 countries, PEN operates on five continents. PEN International is a non-political organisation which holds Special Consultative Status at the UN and Associate Status at UNESCO.

The objectives for 2017 were set out in PEN's strategic plan 2015 – 2018 which was developed through consultations with staff and its membership and adopted at Congress in October 2014. In order to pursue our goals of promoting freedom of expression, languages and literatures PEN's three overarching objectives are:

- (1) To increase support to writers at risk, to those who are detained or otherwise persecuted for their opinions expressed in writing – PEN does this by monitoring and reporting on cases, advocacy and campaigning, solidarity actions and through the provision of assistance for securing financial, relocation and asylum support to writers at risk;
- (2) To promote and defend freedom of expression by challenging and exposing threats and barriers – PEN does this through research, supporting legal actions and through targeted advocacy and campaigning before national governments and international human rights bodies; and
- (3) to support its global network of Centres and provide platforms for civil society to creatively and critically assert its right to freedom of expression – PEN does this by promoting literature as an essential avenue for dialogue and exchange of ideas; through strengthening our sub granting programme for Centres in the Global South to run projects which enhance creative and critical thinking skills and give a platform for diverse and often excluded voices, leading to expression and action within civil society;

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### **Criteria for measuring success**

PEN International has a diverse framework for measuring its impact effectiveness. Linked to the organisational log frame, qualitative and quantitative indicators are recorded through tracking tables, case studies, focus groups and questionnaires are used to determine the effectiveness and appropriateness of activities. Our approach aims to be participatory and adaptable in order to understand the impact of PEN's work across the organisation by bringing the voices of writers and members working in a variety of contexts together, to build a comprehensive picture of PEN's work. Lessons learnt, including from achievements and challenges, are fed into planning and to strengthen the work going forward. Meaningful feedback and honest analysis is at the core of our system, as is our means of capturing data which harnesses the strength of PEN as an organisation of writers who can tell stories of change. Programmes are subject to external and independent evaluations when required by funders.

### **Public Benefit**

Article 19 of the Universal Declaration of Human Rights (UDHR) addresses freedom of expression as follows:

"Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers".

The Trustees have considered section 4 of the Charities Act 2011 giving due regard to the charity's responsibility to further its charitable purposes for the public benefit.

International PEN coordinates the activities of PEN Centres across the world in defence of freedom of expression and provides international support, research, policy development and programming to further this aim. The Charity Commission's RRI2 declares: "there is an obvious public benefit in promoting human rights. For individuals whose human rights are thereby secured, the benefit is immediate and tangible. There is also a less tangible, but nonetheless significant, benefit to the whole community that arises from our perception that the fundamental rights of all members of the community are being protected."

### **Risk Identification**

The Trustees are committed to a programme of risk management as an element of its strategy to preserve the charity's assets, ensure its continuity and to protect its employees and its reputation. A key risk register for the charity is reviewed by Trustees at each meeting. It identifies the potential impact of key risks and articulates measures that are in place to mitigate such risks.

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## ACHIEVEMENTS AND PERFORMANCE

'[International PEN is]...a fellowship moved by the hope that one day the work it tries and often manages to do will no longer be necessary'. - Arthur Miller, Former PEN International President

## OVERVIEW

PEN International, established in 1921, is the world's oldest literary and human rights based organisation. The freedom to read and write rests at the heart of all of PEN's work. PEN's activities challenge restrictions to freedom of expression, whether by campaigning for a writer who is imprisoned, promoting translation and exchange between languages, or ensuring young people have access to reading and writing — the tools they need to exercise their freedom of expression and to hold those in power to account.

In 2018 PEN implemented the fourth year of its Strategic Plan undertaking research and advocacy work promoting and defending the right to freedom of expression, around the world. We have continued to monitor and document violations in countries which have some of the most serious freedom of expression restrictions. We have campaigned on behalf of persecuted writers mainly from the creative sector (e.g. novelists, poets, playwrights) and we have advocated for systemic change to improve the framework for freedom of expression with governments and international human rights mechanisms, especially through the UN mechanisms. We have overhauled and improved our Civil Society sub-granting programme and increased support to our network of PEN of Centres running projects extending platforms for expression and dialogue.

## KEY ACHIEVEMENTS IN 2018

- The lives of **92** writers at risk have markedly improved through a range of initiatives including solidarity actions and campaigning, legal interventions and humanitarian assistance
- **15 humanitarian emergency grants** given to individual writers at immediate risk to assist in relocation, to buy essential medicines, and to support other critical needs of writers. PEN's research and advocacy **successfully supported 5 asylum applications from writers threatened with deportation or stranded in refugee camps**
- **14 writers released** from prison in part as a result of PEN's campaigning. In addition **8** writers were acquitted or charges were dropped following international campaigns and **Rapid Action Network Alerts (16)** calling on **20,000 PEN members** to take action on behalf of persecuted writers, involved more than **59** PEN Centres lobbying government officials, writing letters of solidarity and organising vigils and protests, with **52 PEN Centres taking action on social media**
- PEN moved the issue of repealing criminal defamation forward across Africa. **150 African writers and human rights advocates signed a petition** highlighting concerns about the use of defamation laws to silence critics
- **PEN published 5 reports** on the freedom expression situation in Hungary, Russia, India, Turkey and Venezuela, which have been used by PEN members in pressing for changes to repressive policies
- Positive judgements from the European Court of Human Rights in **two cases from Turkey where PEN headed interventions** led to the release of writers Mehmet Altan and Sahin Alpay
- **27,551 young people, writers, journalists, academics, teachers, parents, community members and human rights activists** have been given the opportunity to engage in spaces created by PEN Centres around the world
- **3 digital platforms** supported – **4** issues of the **Dissident Blog** published works from **45 writers** across the globe on challenges to free expression – **Ilkyaz** a literary website for **young writers in Turkey** has published **18 writers between the ages of 10 and 35**, reaching **63 countries** including **2,941 people so far in Turkey** – PEN Eritrea's website **featuring voices of exiled Eritrean writers**

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- Training provided to **16 writers from 8 PEN Centres** across Asia, equipping them with new skills, knowledge and networks.

**PEN Gatherings**

The 84th PEN International Congress closed on 29th October 2018 in Pune, India with a focus on the critical situation for freedom of expression in India, the representation and voices of women in literature and the life and legacy of Mohandas Gandhi and his wife Kasturba. More than 400 writers from over 80 countries gathered in Pune for the annual PEN Congress, for a week of debates, literary events and workshops. The Assembly of Delegates unanimously voted for the establishment of five new Centres PEN Cap Vert, PEN Guinea Bissau, PEN Iraq, PEN Moscow and PEN Perth. Three new **Vice Presidents**, chosen for literary merit were elected by the Assembly: **Ngugi Wa Thiong'o** (Kenya), **Perumal Murugan** (India) and **Nayantara Sahgal** (India).

**Writers for Peace** and **Women Writers** Annual Meetings were held in Bled Slovenia in April 2018 and celebrated the 50<sup>th</sup> Anniversary of the Writers for Peace Committee. In June 2018, PEN International's Translation and Linguistic Rights Committee met for its annual conference in Biel/Bienne, Switzerland. More than 40 delegates from PEN Centres across the world came together to discuss the linguistic situation in their respective countries and their activities to support translation and linguistic rights.

**For women to have free speech, the right to read, the right to write, they need to have the right to roam physically, socially and intellectually**

PEN International, along with its Centres across the globe, has been rising to meet the challenges that women and girls face. In 2018 PEN International launched its **Women's Manifesto**, a set of principles which aim to protect free expression for women by combating and eliminating the silencing of women worldwide, whether through censorship, harassment, or violence. The Manifesto has been a rallying point for both PEN Centres and other organisations to progress the rights of women whether in education, publishing and literature or free expression. Since its launch the manifesto has been the foundation of PEN's partnership with **VIDA: Women in Literary Arts**. In 2018 VIDA announced a new collaboration with PEN – the PEN VIDA Count – to monitor gender disparities in literature through PEN Centres across the globe. The VIDA count highlights imbalances in publishing by collecting data across genre, book reviews and journalistic by-lines, offering a gender-based assessment of the publishing world. PEN's Women's Manifesto has also received the support of many notable figures and organisations, including Her Royal Highness **Princess Nandi** of the Zulu Royal House; First Minister of Scotland, **Nicola Sturgeon**; United Nations Women; and Moomin Characters Ltd.

PEN officials undertook **four high level missions** to Jordan, Venezuela, Hungary and Malta to express solidarity with writers and to research freedom of expression concerns in the countries. A mission to PEN Centres Jordan and Lebanon was undertaken in February. The purpose of the mission was to promote PEN in the region and explore with the Centres how the Secretariat can help strengthen their work. A public meeting was held to discuss freedom of expression issues in both countries and to explore the challenges for writers and translators. Members expressed their enthusiasm for hosting a meeting of writers from the region with a view to growing PEN's influence and presence in the Middle East.

In February PEN undertook a mission to Venezuela to meet with writers and journalists as a show of solidarity and to research the deteriorating freedom of expression situation in the country (see below). The mission also met with the Caracas Press Club, prominent human right lawyers, the network of freedom of expression organizations and academics specialized in media freedom. PEN's report was launched presented at the PEN Latin American Network Meeting in Buenos Aires in July 2018.



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In April a PEN International delegation to Hungary met with writers, publishers and civil society actors engaged in promoting literature and free expression and dispelling hate. PEN has repeatedly expressed alarm at the shrinking space for independent press, civil society and the hateful rhetoric and xenophobic speeches made by President Victor Orbán and other members of his party. The mission, also highlighted the damaging impact of the government's xenophobic and anti-migrant rhetoric, which reached fever-pitch during the recent election campaign. A report on freedom of expression in the country was presented at PEN's Congress in September 2018.

An international mission to Malta, comprised of the Committee to Protect Journalists, the European Centre for Press and Media Freedom, the European Federation of Journalists, the International Press Institute, PEN International, and Reporters Without Borders, took place in October 2018, to raise concerns about a lack of justice a full year after the murder of investigative journalist Daphne Caruana Galizia, and to assess press freedom conditions in the country. PEN met with senior government officials, including Prime Minister Joseph Muscat, the Minister for Justice, Culture and Local Government, and Attorney General. The visit reaffirmed PEN's concerns that Malta, a member of the European Union and the Council of Europe, is not complying with its obligations to guarantee and safeguard freedom of expression and press freedom as required by Maltese law and international instruments including the European Convention on Human Rights and the International Covenant on Civil and Political Rights. A meeting with writers, journalists and activists to explore the possibility of organizing a Malta PEN Centre.

#### **Writers at risk**

In a year that saw the doubling of murders of journalists in retaliation for their reporting, PEN International and its member centres added their voices to the protest, issuing statements, staging vigils and joining with other free media organisations to call for justice. 34 retaliatory murders in 2018,

<https://www.theguardian.com/media/2018/dec/19/journalists-death-toll-nearly-doubles-in-2018>, compared with 18 the previous year.

Most high profile among the murders was that of **Jamal Khashoggi, the Saudi journalist brutally murdered in the Saudi consulate in Istanbul in October**. In **Bangladesh**, the murder of **Shahzahan Bachchu**, a 60-year-old publisher, poet and blogger on secular issues was murdered in his home village of Kakaldi on the outskirts of Dhaka is an indication of the dangers that writers who challenge religion continue to face in the country. Bachchu, known for his secularist writings had reported having received many death threats since 2015. He joins the growing list of Bangladeshi secularist writers, publishers and bloggers who have been murdered since 2015 and for whom there has yet to be justice. In **Denmark**, in November, former gang member, **Nedim Yasar**, was shot while getting into his car after a book launch reception at the offices of the Danish Red Cross in Copenhagen. Yasar had been celebrating the release of a book about his life, *Rødder - En Gangsters Udvej* (Roots: A Gangster's Way Out), co-authored with journalist Marie Louise Toksvig. He died the following day, coincidentally the same day his book was published.

**PEN Case List:** PEN International monitored **205** cases of attacks against writers across all world regions in 2018.

The most reported of attacks is of lengthy prison terms, a total of **68 writers in prison** specifically for the practice of their profession or their peaceful activism, representing a third of the total. Almost half of these, 32, have been charged under anti-terror or national security laws. PEN is investigating the cases of 18 more where clarification is needed about the reasons for their detention. In 2018, PEN monitored the cases of 38 women writers who had that year suffered imprisonment, trial and attack for their writings and activism. The relatively small numbers of women featured in PEN's freedom of expression activism is a reflection of the correspondingly low levels of female representation generally among commentators on issues relating to government corruption, crime or in conflict zones, areas that are the most risky for writers in general. Nevertheless, for many women, their gender or, more specifically, their women's rights activism, makes them especially targeted. Around half of the women listed in PEN's case list are in prison, and among these most are held for being part of campaigns for minority rights or general criticism of governments, such as

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in China's **Xinjiang** Region, **Vietnam** and in **Turkey**. Government critics, such as veteran rights activist, writer and founder of PEN **Honduras**, **Dina Meza**, live their lives under constant surveillance, harassment and threat. Crime reporting in most regions is a niche area for women writers. **Maria Josephina Vergina Laurio** a writer in the **Philippines** who blogs on the narcotics trade, has suffered abusive and threatening posts, including threats of rape, leading her to go into hiding. On line abuse is commonly suffered by writers of all sexes when they tackle criminality, with women such as Laurio suffering the added threat of sexual abuse. On-line harassment carrying threats of sexual violence directed towards women is a phenomenon which is thought to be under-reported.

Imprisoned directly or indirectly for their women's rights activism two women writers, **Hatoon al-Fassi** arrested in June 2018 alongside a number of other women's rights campaigners in **Saudi Arabia** and who remained in prison at the end of the year. In Iran, **Golrokh Ebrahimi Iraee** was serving a 30-month sentence (reduced from six years) for her writings condemning the stoning of women. Artist, Kurdish rights campaigner and writer for a women's magazine, **Zehra Doğan** was imprisoned in **Turkey** on a clutch of charges relating to her activism. (see below.

In the **Middle East and North Africa** states continue to forbid certain forms of expression, in particular criticism of religion and political authorities as well writing about sexuality. Governments particularly continue to block or reduce internet services, mainly in response to protests or at the time of political events such as elections. In July 2018, the internet disruption by the National Security Council has prevented Iraqi journalists and activists from reporting the news of peaceful protests against the Iraqi government to the rest of the world. *My.Kali* a digital magazine promoting LGBTQI rights in **Jordan**, continuously blocked since July 2017 by the Jordanian Audio-visual Commission, is just one of the examples of governments preventing and criminalising writings and publications dealing with sexual orientation and sexuality.

The Americas continues to be the region where journalists are at most risk, with **Mexico** continuing to be the most dangerous country of all. PEN joined protests against the murders of nine who had been killed in 2018. In **Nicaragua** government reforms to social security sparked waves of wider anti-government protests. In response, the authorities and pro-government groups launched a campaign of repression, violently attacking, arbitrarily detaining, harassing and bringing charges against the protesters and independent journalists. Others were subjects to smear campaigns, such as that carried out against writers and PEN members Gioconda Belli, Yaser Morazán and Pierre Pierson. As the year drew to a close, the repression showed little signs of abating as the authorities expelled two missions of the Inter-American Commission on Human Rights tasked with monitoring and investigating events.

In **Africa** writers, journalists, and human rights defenders continued to face persecution throughout 2018. Repressive legislation, threats, violence, arbitrary arrest and dubious prosecutions were among the tools that (mainly) state actors used to suppress dissenting voices. In addition to this, there were internet shutdowns and 'social media taxes'. However, there were also some welcome developments. **Eritrea** continues to be a key focus of PEN's work, and one of the most dangerous countries in the world in which to be a journalist or writer. Free expression is in a dire state, and there are currently at least 16 journalists held in circumstances amounting to enforced disappearance, without charge or trial. The 2018 peace deal between Eritrea and **Ethiopia**, the consequent opening of the border between the two countries, and the lifting of UN sanctions against Eritrea gave some hope that the Eritrean regime might itself become more 'open'. However, by the year's end, nothing had changed in Eritrea.

Internet shutdowns, especially around election time or during protests, restricted the free expression of writers, journalists and ordinary citizens of many countries in 2018, including the **Democratic Republic of Congo, Zimbabwe, Chad, Sierra Leone, Sudan** and others. Just one example of the use of laws circumscribing the use of social media is that of academic and women's rights activist **Stella Nyanzi** who was prosecuted under **Uganda's** 2011 Computer Misuse Act for writing rude messages about President Museveni on Facebook; her trial is ongoing and she is still on remand at time of writing. Her fellow Ugandan, the singer **Moses Nsubuga (aka Viboyo)** was also charged under the same legislation in 2018 for allegedly calling the president a "pair of buttocks."

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A string of killings drew international condemnation and raised concerns about media freedom across **Europe and Central Asia**. The numbers of deaths is the highest recorded in the region in recent years, with four of the five murders carried out within the European Union, a stark illustration of the growing hostility, threats and violence faced by writers and journalists. **Slovak** journalist **Ján Kuciak** and his girlfriend Martina Kušnírová were found shot dead after he wrote an article linking politicians to the mafia. Although four individuals were eventually charged with their murder, those who ordered the attack have yet to be brought to justice. **Ukrainian** journalist, anti-corruption activist and rising politician **Kateryna Gandziuk** succumbed to her injuries after being targeted in an acid attack in July. Human rights groups criticized the lack of effective investigation. In **Bulgaria**, journalist **Viktoria Marinova** was found dead on 7 October. She had been raped and murdered. **Turkey** continued to be the biggest jailer of journalists in the world. At least 160 writers and journalists remained behind bars by the end of 2018. On 2 October, aggravated life sentences against writers and journalists, brothers **Ahmet** and **Mehmet Altan** were upheld on appeal, just another of the many examples of Turkey's complete disregard for international protections for freedom of expression to which it has pledged its commitment on the one hand, yet ignores on the other.

In **Russia**, the authorities continued to use anti-extremism legislation to prosecute and convict bloggers for online expression, particularly regarding Russian activity in Ukraine. They refused to free Ukrainian writer and filmmaker **Oleg Sentsov** from jail despite an international campaign for his release. **Kirill Serebrennikov**, one of Russia's most prominent theatre directors, remains under house arrest on allegations of fraud regarding the use of state funds, which he denies. Many artists and intellectuals in Russia have expressed doubts about the grounds for the prosecution, and claim instead that it is politically motivated, framing it in light of the Russian authorities' curbing of dissenting voices. In **Spain**, the authorities used the so-called 2014 'Gag Law' to prosecute summary offences or misdemeanours, such as graffiti, song lyrics and poems, as crimes of terrorism or arms trafficking. On 20 February, the Supreme Court upheld the sentence of rapper **Valtònyc** to three and a half years in prison on charges of insults to the Crown, glorification of terrorism and making threats.

Prosecution remained a key means of silencing dissenting voices in **Asia and the Pacific** in 2018. Across the region, criminal defamation, sedition, obscenity, and national security provisions that provide for long periods of pre-trial detention and heavy prison sentences. While there have been some welcome early releases, these remain exceptions to the norm. Cultural repression intensified in China. Uyghur PEN in moving testimony at PEN's Congress spoke of China's crackdown on Turkic Muslims, largely Uyghurs from the Xinjiang Uyghur Autonomous Region (XUAR), who have been detained *en masse* and without charge in political re-education camps under the pretext of countering religious extremism. Overbroad and vaguely-worded national security provisions are frequently used to stifle dissenting voices in countries such as **China, India, Myanmar** and **Viet Nam**. The case of Burmese writers **Wa Lone** and **Kyaw Soe Oo**, served with seven-year sentences, illustrates how states utilise such legislation in an attempt to prevent investigative reporting on sensitive issues.

**Supporting writers at risk - those who are detained or otherwise persecuted for their opinions expressed in writing.** PEN International has been working at a grassroots level to protect, shelter, and resettle writers at risk globally since the Second World War. PEN's protection work includes research and advice, direct assistance to writers at risk, solidarity actions, international campaigns and advocacy. In partnership with other organisations, PEN can provide small emergency grants, support asylum requests and assist with requests for temporary relocation and access to legal help.

In 2018, PEN work saw some positive outcomes for writers affirming the impact of our campaigning and the importance of solidarity work. PEN carried out strong and consistent campaigning throughout the year, with increased PEN Centre involvement and an increase in the number of positive changes in focus cases compared to recent years. This has corresponded with an influx of new high-profile supporters engaging in PEN's campaigning work and an 8% increase in press engagement.

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**Charges dropped – Writers Released:** As a result of concerted campaigning by our global membership **23 writers** imprisoned or facing criminal charges for solely exercising their right to free expression had charges dropped or were released from prison. Among them academic and writer **Sulak Sivaraksa** accused of Lèse-majesté in **Thailand**, **Chinese poet and artist Liu Xia**, was released from house arrest into exile in Germany; **Vietnamese** blogger and activist **Me Nam (Nguyen Ngoc Nhu Quynh)** released on condition of exile with the remainder of her sentence suspended.

Others have been PEN main cases, such as prominent **Ethiopian blogger and journalist Eskinder Nega**, who was released in February 2018 after spending more than six years in jail serving an 18-year prison sentence on terrorism-related charges. *'Thanks for the tremendous support PEN International gave me during my imprisonment. Each word from PEN was a morale booster not only to me and my family but also to the whole democratic movement in Ethiopia'*. Eskinder Nega, blogger and journalist.

PEN's role in leading third party interventions in two cases before the European Court of Human Rights resulted in the Court ordering the release of writers **Mehmet Altan** and **Sahin Alpay** from prison in Turkey. The court found that the journalists' detention was unlawful under the right to liberty protected by Article 5 (1) of the European Convention. The European Court endorsed the January 2018 ruling of Turkey's Constitutional Court, which held that there was not sufficient evidence to keep the defendants in detention and ordered their release. The rulings are the first by the court in the cases of journalists arrested and detained on charges in relation to the failed 2016 coup attempt in Turkey. They set an important precedent for the other cases of 154 detained journalists in Turkey.

**Dareen Tatour, a Palestinian poet**, spent more than two years, first in an Israeli jail, then under house arrest before being released on 20 September 2018. Tatour's conviction is mainly related to a video, which she posted on YouTube, in which she recites one of her poems entitled, 'Qawim ya sha'abi, qawimhum (Resist, my people, resist them)'. She had been the subject to extensive advocacy by PEN members world-wide against what PEN considers to have been a gross denial of Tatour's right to freedom of expression. PEN spoke to Tatour following her release, (watch the video from following link) <https://www.youtube.com/watch?v=BEJVPUZ-JnE>

**Artist and journalist Zehra Doğan was released** from prison in Turkey in early 2019, after serving over five hundred days behind bars. Doğan was sentenced to two years, nine months and 22 days on a charge of 'propagandising for a terrorist organisation' for her work as a painter and journalist. Doğan should not have spent a single day in prison. *I have been receiving your letters for a while. Each letter day, I get so many letters from PEN members and I am engulfed by very beautiful feelings. I suppose in places such as these where everything is banned, only the strength of a single pen they cannot resist and hence give up. However, they are also aware that this is a great force. It is because they know that writing is a magical force that they are left hopeless against it. And I, in your person, enjoy the defeat that those who have jailed me have demonstrated. I can feel myself with you, always and perhaps this is why I never feel helpless. This is thanks to you. Thank you very much for the membership you have granted me.* **Zehra Diyarbakır, E Type Prison**

Doğan's plight gained international attention when she was featured in two PEN campaigns. **Ai Weiwei's** letter to Doğan to mark Day of the Imprisoned Writer generated global media coverage, and led to **Banksy** featuring Doğan in his New York City mural.

*'Zehra Dogan has been released and she finally has her freedom to continue to be an artist and human rights activist. At the same time, we must remember all those political prisoners that still remain in custody across the world. We strongly support them and demand their freedom. We must continue to support the cause of individual freedom, freedom of speech and the work of a free and independent press. We must continue to work together in protecting human rights and human dignity,'* Ai Weiwei, artist and activist.

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**Global Action for persecuted writers Day of the imprisoned writer:** Each year on 15 November, PEN highlights the cases of five persecuted writers, be they imprisoned, facing prosecution or otherwise at risk. The cases are emblematic of the type of threats and attacks faced by writers and journalists around the world. On this day, our Centres and members worldwide stand in solidarity with their colleagues and call on those responsible to end their persecution. PEN highlighted the cases of **Dawit Isaak, Miroslava Breach Velducea, Oleg Sentsov, Shahidul Alam and Wael Abbas** for the Day of the Imprisoned Writer. For the solidarity campaign, PEN secured the support of Arundhati Roy, Tom Stoppard, David Lagercrantz, and Khaled Hosseini in the form of letters to imprisoned writers. All the letters were published by the Times Literary Supplement and Roy's letter to Alam garnered international media attention including wide publication across India and Bangladesh.

**Promoting literature and freedom of expression beyond prison walls: PEN's campaign for the release of Oleg Sentsov:** Emblematic of PEN's campaigning for writers in prison, the campaign for **Oleg Sentsov's** release harnessed the strength of PEN's network and its important and unique role of providing solidarity to writers persecuted for their work by promoting their literature.

Ukrainian writer and filmmaker, Oleg Sentsov, is currently serving a 20-year prison sentence on spurious terrorism charges after a grossly unfair trial by a Russian military court, marred by allegations of torture. Sentsov recently spent 45 days on hunger strike, calling for the release of all Ukrainian prisoners imprisoned in Russia on politically motivated grounds. He ended his strike on October 6<sup>th</sup> 2018, as he feared being force-fed. PEN International believes that Oleg Sentsov is imprisoned because of his opposition to Russia's occupation and illegal "annexation" of Crimea and calls on the Russian authorities to release him immediately.

2018 was a year of consistent global campaigning, raising Sentsov's profile in the literary world and leading to him receiving two prestigious awards. Sentsov was also a focus case for PEN International's Day of Imprisoned Writer in November and was featured as an empty chair in numerous PEN meetings across the world. Hundreds of PEN members from 24 PEN Centres actively called for Sentsov's release by sending appeals to the Russian authorities, organising events, taking part in solidarity campaigns and protests, organising film screenings, coordinating petitions, collating messages of support, and taking part in social media actions. To celebrate Sentsov's 42nd birthday a social media campaign encouraged PEN members and high-profile supporters to tweet messages to the Russian President, Vladimir Putin and share Sentsov's 'birthday card'. Messages of support under the "Keeping Score 2018" banner reached over **27.5 million readers** through Twitter around the time of the World Cup. Hundreds of writers took part in the online campaign, including Stephen Fry (reaching **2.6 million people**), Ken Loach, Neil Gaiman, Elif Safak, and Peter Tatchell. Other well-known supporters of his case include Margaret Atwood, Tom Stoppard, Mike Leigh and Svetlana Alexievitch.

Centre campaigning has been consistent and collaborative. PEN Romania, Czech PEN and Danish PEN held screenings of Sentsov's film, 'The Trial – *The State of Russia Vs Oleg Sentsov*', and Norwegian PEN met with the Russian ambassador in September 2018. To capitalize on a summit held in Helsinki between Donald Trump and Vladimir Putin in July 2018, Finnish PEN and PEN America organised a public event on freedom of expression and literature, highlighting Oleg Sentsov's case. Scores of Finnish writers and musicians attended the event, and read Sentsov's short stories (pictures and video). They were joined by Oleg Sentsov's cousin, Natalia Kaplan. PEN America also made him the recipient of the Freedom of Expression award. Two of our Russian PEN Centres, PEN Moscow and PEN St. Petersburg, sent Sentsov messages from his supporters throughout the year, and since September 2018 PEN Moscow has held a daily protest outside the Presidential Administration in Moscow, with PEN members and other civil society actors on three-hour rotation, showing their support to Ukrainian prisoners, including Sentsov. Alongside its digital campaigning and solidarity actions, PEN International partnered with Uilleam Blacker, at the University of London, to publish original translations of three of Sentsov's short stories, which have been read by more than 10,000 unique visitors to PEN's website. The stories were viewed especially widely in Ukraine, which for the month of July constituted PEN's sixth largest audience.

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By sharing and promoting Sentsov's writing and filmmaking through its network of renowned writers, PEN has ensured that his voice is heard beyond the prison walls, speaking to a wider, more international audience and helping to raise awareness not only of his of plight, but also of the relentless crackdown on of freedom of expression in Russia.

**PEN's protection work continues to be critical in changing the lives of writers persecuted for their writing.**

The **PEN Emergency Fund**, continues to be of crucial importance for assisting writers who have been persecuted and are in acute need. The Fund provides one-off grants of up to 1250 euros for a range of emergency assistance measures which include safe passage – flights, visa fees, travel insurance, medical assistance, and general support towards living expenses. Managed by **PEN Netherlands**, the Fund works closely with PEN International and operates with minimal overhead; the communication lines are short. The money can quickly be transferred to the writers who need it, sometimes on the day of application, and the financial support by the Fund has saved lives. In 2018, **15 humanitarian emergency grants** were provided to individual writers at immediate risk.

The long term needs of writers at risk continues to be an area that PEN wishes to address through regional protection hubs, strengthening the partnership with **ICORN** and growing and further equipping the PEN to provide and support protection initiatives. The number of cases of writers at risk seeking temporary residency presented to PEN for comment in 2018 was **132**, which is **25% increase** on the number presented in 2017.

The highest level of applications (55%) came from the **Middle East and North Africa** region with the greatest proportion coming from Iran, which has consistently high numbers of writers in prison and where minorities – in particular Kurdish writers - are amongst those targeted for peacefully expressing themselves. The number of Iranian writers requesting protection has been consistently high in recent years, and is increasing. Applications to ICORN from Iran accounted for 30% of all cases presented to PEN for comment during the year, and the need for an in-house Persian-speaking specialist is now acute. Elsewhere in the region, writers are particularly at risk for reporting on conflict, human rights violations and political turmoil, and continue to flee **Yemen, Libya, Iraq and Syria** in large numbers. Many Egyptian writers have been imprisoned solely for exercising their right to freedom of expression and their human rights work, and exiled writers in **Egypt** face considerable problems and little protection.

Requests for assistance from **Turkish** writers also remained high in the wake of the failed coup attempt in July 2016. Although Turkey's two-year long state of emergency was lifted on 18 July 2018, a new law enacted on 31 July with the view to continue the fight against terrorism, valid for three years, codified emergency decrees into permanent law. Media pluralism continues to be gravely undermined. At least 160 writers and journalists remained behind bars by the end of 2018 and more than 190 media outlets and publishing houses have been closed down. The situation is also at breaking point for the large numbers of ICORN applicants in exile in Turkey, mostly in southern Turkey, many of whom are without status, unable to work and without hope of resettlement. The suspension of the **UNHCR** resettlement programme by President Trump's Executive Order on 27 January 2017 has adversely affected their situation. PEN has recently learned with alarm that as of September 2018 the Turkish government has taken over UNHCR registration of asylum seekers in Turkey. Although the full impact of this is still unclear, it appears that this is placing certain people at risk of arrest and deportation. Significantly the number of applications from **Bangladesh** have reduced considerably since 2016, however PEN receives regular requests for protection, relocation and financial assistance from Bangladeshi writers in the wake of the killings of several secular bloggers there since February 2015, reflecting the restrictive freedom of expression climate in the country. There are several factors which make it especially difficult to assess risk in certain Bangladeshi cases, and we continue to benefit enormously from the specialist language and research support from **Mojibur Doftori** of Finnish PEN on an ad-hoc voluntary basis.

The increase in demand for PEN's expertise is putting a considerable strain on the protection team's already stretched resources. Going forward, PEN is working with ICORN to address resourcing issues in order to meet the increase in demand, as well as exploring how ICORN can extend its own networks of City partnerships. Currently there are not

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enough cities available to place the number of assessments being completed (**of 100 assessments carried out in 2017 only 22 were placed 12 women and 10 men**).

In order to meet the challenges in placing writers with ICORN and the difficulties of organising safe and timely relocations PEN has been exploring with PEN Centres how they can increasing their support to writers at risk in their own regions. In February 2018 conducted a research mission to **Lebanon** to meet with stakeholders as part of a needs assessment to determine the feasibility of creating a **Make Space protection hub** with the PEN Centre. Whilst there are a large numbers of refugee writers in Lebanon, particularly from **Syria**, most are without status and live in severe economic hardship and insecurity, without hope of resettlement.

The mission concluded that PEN Lebanon, whilst very supportive and enthusiastic, does not currently have capacity to lead such a project. With only a handful of active members, it would not be able to develop a sustainable and effective hub for writers at risk at this time. The mission was nonetheless, successful in building partnerships and meeting writers waiting for ICORN placements.

In order to assist PEN Lebanon to forge new partnerships, PEN met with several NGOs working with Syrian refugees, including the International Refugee Assistance Project (IRAP) which provides free legal assistance, referrals to the UNHCR and alternative pathways to resettlement. Fruitful discussions were held on casework issues, sharing of good practice regarding screening and interviewing traumatised individuals. As a direct result of the meeting, PEN referred to IRAP a case of a Syrian Kurd who has been in Lebanon since 2008, awaiting placement by ICORN or refugee resettlement via the UNHCR. In long-term limbo, unable to work and in medical need as a result of torture, IRAP took up his case with the UNHCR for priority resettlement.

PEN undertook in-depth interviews with a number of approved ICORN applicants living in exile in Lebanon about their needs and their perceived risk. Meeting ICORN applicants, face-to-face, provided an important opportunity to gain first-hand information about the situation on the ground for exiled writers in Lebanon, especially Syrians (11% of ICORN assessments delivered in 2018).

Whilst the trip made it clear that PEN Lebanon is not currently able to take on the Make Space project due to lack of capacity of the Centre. The model which can be adapted to other locations, is currently in the final stages of development with **PEN Uganda**. PEN's protection team continued to develop plans to grow the protection network by bringing Centres together to share their experiences of working with writers at risk. The strategy for PEN's protection work going forward will be further developed by the Protection team, PEN International staff and the Board in March and April 2019.

**Global Action to Defend Free Expression:** PEN's mission to defend free expression compels us to challenge structural threats and repressive policy and practice. PEN has been successful in facilitating writers to participate in international and regional institutions to advocate for repeal of repressive law and practice. In 2018, PEN published five reports to expose violations of free expression in Hungary, India, Russia and Venezuela as well as a comparative report on the stifling impact of Criminal Defamation laws in Africa. Robust research enables PEN to articulate its policy recommendations which we pursue with law makers at the highest level.

**Criminal Defamation laws continue to be applied across the world to silence critics.** The threat of criminal sanctions that such laws provide inevitably deter media investigations into and reporting of issues governments consider sensitive or embarrassing, such as high-level corruption, official malpractice or law-breaking, thereby facilitating official secrecy and undermining accountability. In many cases, where journalists, editors or publishers have refused to be cowed into self-censorship by these criminal defamation laws, they have been subject to arrest, detention, prosecution and long drawn out trials, and sometimes imprisonment for months or even years.

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PEN's work to end the criminalisation of speech has garnered some successes with writers from across the world campaigning for repeal of criminal defamation. In Africa, in particular PEN has been able to move the debate forward on criminal defamation, seeing some strong legislative changes. As highlighted in the external evaluation, the *'area that has probably seen the greatest impact is the work to decriminalise defamation in Africa ... our assessment is that it is really solid work ... sorely needed and based on local partnerships.'* The evaluation recommends that PEN pursues and develops the criminal defamation work, building on the successes and learning.

## Decriminalizing Defamation in Africa

The campaign to decriminalize defamation across Africa saw welcome developments in 2018 and early 2019 as various African countries moved to repeal criminal defamation legislation. In May 2018, criminal defamation was declared unconstitutional by the Supreme Court of Gambia and the High Court of Lesotho; in September 2018, Rwanda also decriminalized defamation when it revised its Penal Code. In February 2019, Liberia decriminalized libel.

Throughout 2018, PEN pursued its work through training and advocacy before African institutions such as the Pan African Parliament (PAP). PEN Centres were invited by the Committee on Human Rights and Justice to run a workshop based around the importance of repealing criminal defamation laws. The delegation met with parliamentarians to present the PEN report *Stifling Dissent, Impeding Accountability: Criminal Defamation Laws in Africa*, which examines in detail the chilling impact that these laws have on freedom of expression generally and on the work of writers and journalists particularly. Some of PEN's African delegates had no experience of engaging with PAP, and so found it a very useful learning experience; the representative from PEN Nigeria said that he learned that working with PAP was more "strategically important in Africa" than he had previously thought. PEN South Africa's representative identified a challenge for future advocacy; this was "the need for further sensitization, since PAP member states currently perceive criminalization as the preferred, most viable and effective means of discouraging defamation." This representative also stressed the importance of "having personally connected with key PAP representatives", whom she said she would "endeavour to bring on board as allies in advancing the cause."

In April 2018, the president of PEN Gambia presented a petition to the **African Commission on Human and Peoples' Rights** (ACHPR), calling on African states to abolish criminal defamation and 'insult' laws. Led by Africa Centres a petition was signed by over 150 African writers and NGOs, including **Ngugi wa Thiong'o, Enoch Meyomese, Adelaziz Baraka Sakin, Ahdaf Soueif, Tsitsi Dangarembga** and **Ismaila Samba Traoré**. The ACHPR welcomed the petition and PEN's oral statement which called on all state parties to explain what steps they were taking to repeal criminal defamation legislation; ensure that defamation was addressed solely as a matter of civil law and that associated fines were not excessive; immediately and unconditionally release all journalists and others detained or imprisoned on criminal defamation charges; and discontinue all prosecutions in criminal defamation cases.

As a result of PEN's support Africa PEN's centres' reported that their ability to conduct research and undertake advocacy had been greatly strengthened. Members from Zambia and Sierra Leone reported that the project had helped raised their centres' profiles, and that, as a result, PEN had become a point of reference in their respective countries on criminal defamation. PEN Sierra Leone had been invited on to radio programmes to discuss the matter and PEN Zambia had been invited to meet with the Minister of Justice on a number of occasions: "The project gave us the confidence to engage with politicians."

More broadly, according the PEN Sierra Leone representative, the project had contributed to an amplification of the voice of civil society: *'Civil society has come together'* around the issue, he said. The representative from PEN Zambia said that the opportunity to engage beyond the domestic level, at a regional and international level, had contributed to a more complete understanding of the problems engendered by the criminalization of defamation. Both representatives stressed the positive impact of engaging with other PEN centres that were involved in the project: *'We knew we were not alone and that we could ask for support from another country if we needed it.'* In the coming year, African PEN Centres will be pursuing their strategy on the issue by strengthening and building new partnerships with journalists' associations, labour unions,



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the film and music industries, social media companies and legal organisations. Going forward PEN members agreed to that PEN's advocacy should continue to focus on regional bodies such as African Union institutions, since, in general terms African leaders were more sensitive to outcomes from regional bodies than from international mechanisms; it was also agreed that there was a need to expand the focus to sub-regional bodies and institutions such as the Economic Community of West African States (ECOWAS) and the South African Development Community (SADC); finally, it was thought potentially useful to consider developing, in coalition with other civil society organisations, an NGO-driven information-sharing platform which could then be used as the basis for joint activities with other organisations on a case-by-case basis.

On 20 June, PEN brought together a global panel at the 38th session of the UN Human Rights Council in Geneva. **Andrew Caruana Galizia, son of a Daphne Caruana Galizia**, assassinated Maltese journalist, opened the panel with a speech describing the impact that the dozens of vexatious defamation suits had on her mother during her lifetime, in particular those initiated by London law firms. **David Kaye, UN Special Rapporteur Freedom of Expression** highlighted the threats and development of defamation laws globally. **Dina Meza, President of PEN Honduras** then described the personal costs of defamation cases, outlining in particular the damage that these cases had for investigative journalism in her country. **Guatam Bhatia, a defamation lawyer and member of PEN Delhi** described the failure to reform defamation in India and the ongoing threats it poses to democracy and free expression in the country. **Dr Danson Kayhana of PEN Uganda** situated defamation laws within the wider repressive legal context in Africa. Finally Jonathan Price, a barrister at Doughty Street Chambers in London and counsel to the Caruana Galizia described the growth of the defamation industry amongst London law firms.

**On the front line of free expression:** As the humanitarian and freedom of expression situation became more acute, PEN visited Venezuela to carry research into the freedom of expression situation in the country with the view to supporting local writers and revitalizing the dormant PEN Centre Through interviews with writer's journalists and NGOs, PEN's report examines the impact of restrictive legislation and severe state repression on freedom of expression. These include the declaration of a new state of exception and economic emergency, which grants extra powers to the executive to repeal human rights through "special and forceful measures"; the passage of the Anti-Hate Law for Tolerance and Peaceful Coexistence; the issuing of a decree authorising government surveillance and censorship online; the refusal to renew the licenses of radio broadcasters, leaving them in legal limbo; the decision by the National Telecommunications Commission to order 54 broadcasters (49 national, 5 foreign) off the air ; more than 70 legal proceedings enacted by the government, among them the recent case of Armando.info. As well as the ongoing restrictions on printing paper have, according to the Venezuela Press and Society Institute forced 35 newspapers to cease circulation in the period 2013-2018.

As a direct result of PEN's work on Venezuela, PEN International and seven other free speech organisations, including PEN America, PEN Mexico and PEN Quebec, filed an *amicus* brief before the Inter-American Court of Human Rights (the IACtHR) in the case of *Tulio Álvarez v Venezuela*. The case concerns the use of criminal legislation, including harsh and wide-ranging penalties, to stifle freedom of expression. Tulio Álvarez, a Venezuelan constitutional lawyer and university professor was criminally convicted of "ongoing aggravated defamation" in respect of a newspaper article alleging the misappropriation of funds from the National Assembly's Workers' and Retirees' Savings Bank. The criminal case against him was brought by a former congressman, and then-president of the National Assembly, who Álvarez had suggested was responsible for the misappropriation of the funds. Álvarez was sentenced to two years and three months in prison in 2005, and disqualified from holding public office. When his sentence of imprisonment was later suspended, he was barred from leaving the country during the probationary period that replaced the suspended prison sentence.

Álvarez took his case to the Inter-American Commission on Human Rights (the Commission), arguing that the Venezuelan state had violated his rights to freedom of expression, fair trial, freedom of movement and his political rights under the American Convention on Human Rights. The Commission found in favour of Álvarez in 2017 and referred the case to

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the IACtHR. In doing so it noted that criminal prosecutions for defamation of public officials and on matters of public interest had become a worrying trend in Venezuela, resulting in intimidation and self-censorship disproportionately affecting freedom of expression.

The amicus brief submitted by MLDI, PEN International, PEN America, PEN Mexico, PEN Quebec, Media Law Resource Center, Fundación para la Libertad de Prensa (FLIP), and Human Rights Watch highlights the increasing international recognition that criminal defamation laws are incompatible with international standards on freedom of expression. The intervention argues that criminalisation of speech should be a measure of last resort in exceptional circumstances, limited to instances of hate speech and incitement to violence, and that criminal defamation laws should be abolished to prevent abuse of such laws, such as in Álvarez's case. Finally, the intervention notes that even civil defamation laws can have a chilling effect on freedom of speech if penalties imposed are overly harsh.

**Speaking truth to power: PEN members from across the globe representing the voices of their country at International and regional bodies.** PEN International's strength lies in its membership's ability to speak truth to power in a unique and engaging way that moves people to think and act differently. Here are some examples of PEN writers who presented on freedom of expression issues at international and regional bodies in 2018.

## **PEN International at the Inter American Court of Human Rights (IACHR)**

**Dina Meza**, president of **PEN Honduras** and **Darwin Gonzalez**, lawyer for PEN Honduras met with the team of **Edison Lanza**, IACHR Special Rapporteur on Freedom of Expression concerning the case of **Julio Ernesto Alvarado**, executive member of PEN Honduras who was granted precautionary measures in 2013 on PEN's request. PEN has been advocating for this case to be referred to the Inter-American Court as a test case on the question of whether a journalist can be suspended from its licenced profession for criminal defamation. The Special Rapporteur has confirmed he will support the case before the Court. In August, the Inter-American Commission on Human Rights conducted a full mission of all commissioners to Honduras where they met with PEN Honduras. The case of *Julio Ernesto Alvarado v Honduras* has now been referred to the Court.

**Presenting freedom of expression concerns and representations to States at the United Nations Universal Periodic Review.** PEN presented 7 Universal Periodic Review reports to the United Nations on focus countries: **Mexico, China and Hong Kong Saudi Arabia, Malta, Eritrea and Ethiopia** resulting in a total of **60 direct recommendations** to states. **12 writers were supported** to speak at international and regional institutions from **Uganda, Nigeria, South Africa, Eritrea, China, Honduras, Zambia, Sierra Leone, Bangladesh, Mexico, Malta** and **Yemen** leading to improved relationships with duty bearers and increased understanding of how to engage with human rights bodies.

**Russia: Nadezda Azhgikhina, PEN Moscow** *I found it extremely useful. It was my first time in the UPR process. In any case it gave diplomats more information about International NGOs cooperation with Russian NGOs, and impression about trends and challenges, cases and faces from Russia. I also think that our focus on culture - and development of International dialogue in culture - was also very important. It will give us more energy and hope in our everyday activities. It is very important to know that we have support. PEN Moscow deals with so many cases, and it is important to know that our voices could be heard internationally.*

**China: Tienchi Martin-Liao, Independent Chinese PEN Centre**, spoke on freedom of expression issues at the China UPR pre session in April 2018. *"During the discussion, a New Zealand diplomat raised his thought and asked the speakers: what can we do more, since Chinese authority does not implement the recommendations from the UPR of 2013? I used the opportunity to speak out the "frustration" and said, this is exact the question which we want to ask UPR and the diplomat missions, what's the use of the recommendations, when the targeted country has only deaf ears for it? Well, we have to continue to deliver the recommendations, somehow it does have some subtle impact to the government - it is the common consent of all."*

8 states raised 52 of PEN's recommendations

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**Eritrea: Daniel Mekonnen, PEN Eritrea in Exile**, presented PEN's UPR at the pre-session in December 2018. *"The one thing I consider different about the UPR process, including the pre-session event, is that it offers a good opportunity in terms of spotlighting major misrepresentations made by the Eritrean Government in its official State Party Report, thereby offering to the States to have a balanced view on the real situation of human rights in Eritrea. For human rights activism, I consider networking one the most important tools that help in advancing a cause. The UPR pre-session on Eritrea was very important in this regard. It helped us make new alliances with like-minded civil society organisations that are willing to help in different ways in infusing additional energy to the momentum of struggle of ending impunity in Eritrea."*

#### **Increasing Spaces for Expression**

PEN International strives to create new spaces for free expression engaging Civil Society using literature as the vehicle to enhance participation in debates around freedom of expression and other rights, to encourage critical thinking and empower those who have no voice. In 2018, PEN Centres continued, to reach new audiences through on line platforms, public events, events in schools, universities and at literary festivals, themes covered at these events included the rise in hate speech, freedom of expression of women, linguistic rights.

#### **PEN Civil Society Programme**

PEN Civil Society programme includes a small grants scheme for its PEN Centres to engage new audiences for free expression, particularly in countries where threats to free expression are curtailing civil society spaces. Since 2015 over 23 PEN Centres have participated in the programme and in 2018, PEN Centres continued to develop and initiate strong and impactful projects across the globe.

PEN Uganda, PEN Philippines and PEN Eritrea added a new dimension to their two-year project; **PEN Uganda** has extended its creative writing workshops to new prisons outside Kampala, **PEN Philippines** is continuing to train teachers of local literatures and to advocate for curriculum change so that the diversity of Philippine literature is taught in schools; and **PEN Eritrea** is empowering the voices of exiled writers (see case study below). **Kurdish PEN, PEN Myanmar, PEN Togo, PEN Guinea** and **Wales PEN Cymru** are supporting young people from diverse background to have the confidence to speak up in public forums leading to increased public awareness of free expression and other rights and encouraging increased cross-community dialogue and understanding.

#### **Inclusive, fertile spaces exist for literature, language, debate, dialogue to flourish, enhancing freedom of expression policy and practice.**

In 2018, 12 PEN Centres created spaces for literature, language, debate, dialogue, ideas and opinions for **27,551** individual young people, writers, teachers, community members, inmates and duty bearers of which **12,537 are female** and **15,014 are male**.

**Kurdish PEN** provided 'talent development workshops' and psychosocial support to **Yiditzi** children and women through creative writing workshops in internally displaced people camps in northern Iraq. The Centre reported: *"We at Kurdish PEN centre and all our partners in this project are privileged to see the positive changes in the skills and abilities of those we have served directly in the project.. [The community has] opened their religious, social and community centres to us]. For example the head of Lalish Community Centre said "Your project is called 'We Are All Ezidies', and we have actually felt this through the approach and practice of all those who have helped in this project..."*

**Wales PEN Cymru** worked with Kurdish communities across Wales, facilitating cultural dialogue and increasing public awareness of the challenges faced by Kurdish people. Feedback from participants who took part in a number of workshops, events and performances was *"I can't believe so many people from so many different ethnic groups like English, Welsh, Kurds all got together"* and *"I have been a part of a project by PEN, everyone knows it is an important organisation and helps oppressed people and our Kurdish language is oppressed, we are oppressed"*.

**PEN Togo** used its grant to successfully break into the Togolese literary landscape, with its innovative and popular creative writing workshops for young people. It will be continuing and expanding its project in 2019. The Centre has been focusing on supporting young writers by linking them up with established Togolese authors, organising 'master classes'

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and writing workshops in schools in the capital Notsè. The project is soon to be expanded to other regions of the country. PEN Togo said, "we are happy to have reached so many young people in such a short time... Our last writing workshop brought together more than 100 students in one room, which was very encouraging. In the near future, we should absorb a large number of young memberships, it will strengthen the gains and build on them."

**PEN Guinea** has been taking books and creative writing workshops to schools and communities that lack resources, encouraging reading and critical debate and delivering creative writing and reading workshops. One of PEN Guinea's workshop facilitators has written a story of change in which a shy, female student is encouraged to take a leadership role – "She encouraged the girls in her school to join the library. And put at the head of each working group a girl. She created with her fellow girls, a newsletter, and began to raise awareness of the members of the Parents Association and friends of her school, for a better involvement of women in the daily management of school affairs"

**PEN Nigeria, PEN Zimbabwe and The Gambia PEN** are running projects aiming to grow their visibility, membership and partnerships through literary and freedom of expression events.

## **PEN Eritrea: Empowering exiled voices**

**PEN Eritrea in Exile**, formed in 2013, has used its civil society seed funding to develop its on line presence through a [website](#) to grow and connect its membership, reach Eritreans across the globe, and to gain credibility as an authoritative voice on freedom of expression issues concerning Eritrea for NGOs, civil society actors and the media. The website, which is visited by around 9,000 visitors each month from more than 125 countries and has become a go to space for organisations including Committee to Protect Journalists, Human Rights Watch and Amnesty International, who have sought out PEN Eritrea's expertise as a result of the rigorous and credible writing and reporting.

Having built a platform for Eritrean voices, the Centre is now running building on their successes through a new project which provides one-to-one mentoring, editorial and moral support through creative writing workshops in Uganda, Israel and, digitally, aiming to empower Eritrean refugee writers to tell their stories. The PEN Centre report that "many talented writers have chosen to keep silent for fear of retribution by the regime in Eritrea while many more lose their bearings due to lack of support in countries where they live." The project shall encourage writing through the workshops and writing contests from which best works shall be selected will be promoted and published in various media. PEN Eritrea considers the project an essential vehicle to provide Eritrea writers with the confidence and the support they need to tell the story of freedom of expression in Eritrea, inspiring and providing hope to younger generations and those whose voices remain repressed in Eritrea under the harsh regime.

**Yirgalem Fisseha Mebrhatu** was the first Eritrean writer to receive support and mentorship through this project. Yirgalem Fisseha is a household name in Eritrea. Arguably one of Eritrea's finest women poets, a radio presenter, and short story writer. She suffered six years of arbitrary detention in the country's most notorious military prison, a fate many Eritrean writers share because of their profession. In February 2009, Radio Bana, where Yirgalem worked was raided by the military who took more than 30 staff members and journalists into custody. The majority were [released after](#) four years, but Yirgalem and five others were released after six years without trial. While in custody, she became an iconic and symbolic figure of those detained unlawfully by the Eritrean regime. Her case was covered by PEN International (and she was included on PEN's [case list](#)), as well as by other organisations such as [RSF](#) and [Index on Censorship](#).

Following her release, left Eritrea in March 2018 and moved to Uganda. As she had to leave her home abruptly without any preparation she was dependent on hand-outs from friends and family; in April 2018 she received a grant from the PEN Emergency Fund for immediate subsistence. With support from PEN Eritrea Yirgalem recorded her tributes to Eritrean writers and journalists still languishing in Eritrean prisons. The recordings were broadcast by two widely known Eritrean radio stations operating in exile; Radio SBS, an Australian-based and UK-based Radio Assena both have extensive audiences including inside Eritrea. Yirgalem's poems and a first-hand account of her experience in prison, were published on [PEN Eritrea's website](#). Each instalment of her account has been viewed nearly 40,000 times, with every part of her story published, she has received hundreds of shares on social media.

In an interview with PEN, Yirgalem commented: "I felt honoured by the immense love and companionship I have received from all corners. Partly I believe I was able to overcome my inherent fear that just being a writer is a potential crime that was widely felt by the young generation of Eritreans. As a writer the honour you receive is not exclusively yours. It motivates generations of writers. This also inspires me to uphold my passion and dedication to the writing profession."

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*'The CSP fund allowed us to stand on our feet and gave us the confidence that we are not alone in this strenuous fight against worst enemy of the free press and free expression.'* PEN Eritrea

**LITERATURE & EXPRESSION – THE VOICE OF YOUNG PEOPLE IN TURKEY**

*İlkyaz*, a literary platform for young voices in Turkey, launched in December 2018, it aims to nurture a non-political, mutually beneficial space in an era besieged by divisions. Ege Dundar, PEN International's Turkey Coordinator, said one of the major concerns for the project was the prospect of slander, troll attacks on social media or harassment. *"Thankfully, we have experienced none such thing. On the contrary, all the feedback has been positive. The website provides a remedy to the continuously and viciously shrinking space for freedom of expression in Turkey, especially since the coup attempt of 2016."*

Since its launch the website has provided an opportunities for 18 writers, nine previously unpublished, between the ages of 10 and 35 to publish their work and receive feedback.

The ethos behind *İlkyaz* is that through translation into English, and where possible other languages, publishing works through the platform across social media as well as with PEN International's global network will nurture young talent and provide inspiration for literary ambitions. As one of our contributors Farabi Orhan delicately put it: *"As of today I saw that my piece was published and I was very honoured. It became a major motivation source for me to write new articles and share what I'm writing. The honorarium that was paid into my account today also became a light of hope for me that one day I can earn my living by being a writer. I thank all of you immensely."*

Wide media coverage from journalists in Turkey, Turkey PEN and PEN International's wider network, has ensured that from the very beginning *İlkyaz* is reaching its target audience - the launch attracted over 3,200 visitors. Since December we have recorded an additional 2.9K visitors which we consider to be significant particularly for a literary portal.

The *İlkyaz* team are now pursuing outreach with schools, to encourage submissions and promote the platform, with young writers groups such as Fanzin Apartmanı and with prominent literary figures in Turkey such as Mine Söğüt, Ece Temelkuran who have expressed their support and agreed to work with us to enhance our platform.

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**The Dissident Blog**

**Swedish PEN's** on line platform for dissident writers - a space where literature otherwise censored is published and providing analysis and comment from those on the front line of repression.

It has never been so easy to publish or make your voice heard as it is today. Through websites, blogs and social media people all around the world have been given new opportunities to freely spread their words. However, at the same time as new doors have opened totalitarian regimes are slowly but surely trying to censor new digital media. Media that contain uncomfortable truths are shut down and writers are silenced by intimidation and reprisals. The Dissident Blog provides a unique space for such voices to be heard.

Working closely with PEN International, the **Dissident Blog (DB)** published total of 45 texts in four editions: # 25 Hungary, 10 texts; # 26 Arabic literature in exile, 11 texts; #27 A room of One's Own, 12 texts; #28 Venezuela, 12 texts.

The Dissident Blog was nominated for the "Cultural magazine of the year" in Sweden, together with four other magazines. It was nominated with the following recognition: "Digitization creates new conditions for spreading messages, opinions, thoughts and ideas to people all over the world. At the same time, there are counter-trends everything from troll manufacturers' spread of alternative facts and false news to more direct gagging at journalists and social debaters who suddenly find themselves in an increasingly totalitarian environment. The Dissident Blog gives those - who do not have the opportunity to describe their time and their reality - a voice."

**2018 saw a significant increase in engagement of the Dissident blog- 12.8% increase in users, 16.99% increase in the number of times people have visited the DB and 17.96% increase of page views (number of visits to a particular page).**

**Doaa Arch, Palestine // Wrote for #27**

*"Perhaps you cannot imagine the meaning of being a woman in this Eastern society, whose women are fighting in every way. I do not receive any support from anywhere. No one pays attention to my presence or what I do, your magazine was the first place I can publish in, and the first place get me appreciation. Thank you for making me in some way alive. You have published an article for me; this is the first true voice in my life. I'm so marginalized here that no one even knows I'm there. I hope to publish some of my poetic poems in your magazine someday. Thanks again"*

**Fedosy Santaella, Venezuela // Wrote for #28**

*"...I am deeply grateful that there are still spaces where freedom of expression is a priority, and where the effort of the collaborators is rewarded, not only with excellent translation and editing, but even with a symbolic payment that means much more than what is worth. That shows the respect that is given to the word, to the writing and to the suffering of many."*

The format of the Dissident Blog is currently under review with an aim to increase its reach and effectiveness as an on line platform for silenced voices. A strategy will be finalised to ensure the Blog is fully integrated with PEN International's work and online presence in 2019.

**STRENGTHENING PEN CENTRES TO BE EFFECTIVE CIVIL SOCIETY ACTORS**

**Knowledge Sharing**

PEN members have come together throughout the year to share their experiences, their success and problems. At PEN's Congress (Pune), at Committee meetings (Bled and Bienne), and through regional network meetings (Buenos Aires), hundreds of PEN writers came together to discuss freedom of expression concerns across the world as well as the challenges they face to counter them. PEN's writers are a volunteer movement, the sharing of experiences and Centre to Centre support is critical to our effectiveness.

**PEN has enhanced its member's leadership skills through exchange visits and bespoke training, on a range of issues from research and advocacy to project planning and greater awareness of gender**

A centre exchange event hosted by PEN Sierra Leone in Freetown, for 5 African PEN Centres enabled PEN Centres to share the experiences and challenges around Centre governance, attracting new members and running projects. PEN Sierra Leone has been part of Civil Society Programme for over 10 years, during which time it has used its grants to

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promote literature in education, creative writing and critical thinking through clubs in over 40 schools in metropolitan and rural areas.

Writes from **Nigeria, The Gambia, Togo, and Zimbabwe** and **Malawi** visited local partners and schools, spoke with teachers and learners to explore the challenges and effectiveness of PEN Sierra Leone's work. Members were impressed by the strength and number of the Centre's partnerships supportive of their projects. PEN Sierra Leone's approach to working with schools, the provision of library books and training for school club facilitators provided rich learning for Centres. The challenges of running a large number of school clubs highlighted the need for greater resources, particularly to enable timely monitoring and evaluation of their work. PEN Sierra Leone's experience in working closely with the State and local NGOs helped inform sister Centres of the importance of working in partnership.

Members of the exchange trip reported that they would be applying the learning from Sierra Leone to their own contexts. *"The trip was very useful for understanding how to deal with struggles in project management and the importance of establishing a partnership networks. The 'Sierra Leonian' example is in that way very instructive."* **Renaud Ayi, PEN Togo Project Coordinator**

### Enhancing skills – developing effective and sustainable programmes

Since 2016 PEN has been developing resources and has designed a bespoke training package to enhance the skills of our members. Project planning: articulating a vision, understanding contexts, mapping outcomes; understanding and analysing impact; running participatory creative writing workshops, fundraising and good governance were the themes addressed at PEN's third workshop for PEN Centres in the Asia region. Hosted by PEN Philippines, 16 PEN members from nine Centres across Asia shared their experiences of running civil society projects with those at the genesis stage of new initiatives. Previous participants in PEN's training **Danson Kahyana**, PEN Uganda, and **Shirley Lua**, project coordinator of Philippine PEN's civil society project facilitated sessions on needs assessments, gender and diversity, participatory monitoring and evaluation tools and project planning.

Participants reported that one of the most useful sessions was on gender *"[one of our key learning] is thinking about gender when planning and engaging with different activities"*. PEN members welcomed the training as noted by PEN's external evaluators: *All the participants and resource-people I spoke to, without exception, were very enthusiastic about these workshops. Participants interviewed used adjectives such as 'inspiring', 'reviving', 'revelatory', 'free of charge' 'accessible'.*

### Gender

PEN's civil society programme has a strong gender component. PEN Centres are required to carry out research into the different needs of their beneficiaries to ensure that they are ensuring participation of a diverse range of people. PEN's gender and diversity training has benefited 35 PEN members from 18 PEN Centres. Trainings are facilitated by PEN members involved in the Civil Society Programme.

PEN Centres are becoming more gender aware, with projects ranging from gender neutral and gender sensitive, to some approaching gender transformative. PEN Guinea, Kurdish PEN and Wales PEN Cymru ran gender sensitive projects which looked at the specific needs of different genders and tailored some of the project activities to those different needs.

*We held an initial meeting with the Kurdish community in Newport, South Wales, to try and establish how we as an organisation could best work with them to support their language and culture. The women at this meeting felt very strongly that they wanted something that was for them and so we concentrated on organising workshops for women. (Wales PEN Cymru)*

*The workshops, consultations with community members, negotiation with other stakeholders and service providers have promoted dialogue and cooperation in society in general but especially the involvement of women in all this was another gain towards changing the concept of the society about the different roles of women in society. (Kurdish PEN)*

PEN Zimbabwe, PEN Nigeria and The Gambia PEN, all displayed a strong understanding of the need to plan project activities with gender needs in mind:

*Throughout its project activities PEN Zimbabwe will adopt a gender transformative approach whereby deliberate effort shall be taken in addressing discriminatory gender norms, stereotypes and unequal relationships. Throughout the project we will ensure that women equally contribute in all key decision making. A platform shall exist where issues that affect female counterparts will be addressed to ensure that there are equal power relationships. We will also organise an event to address the causes of gender discrimination and hierarchy. The event will be incorporated in one of the main events where an open dialogue will be organised to discuss about the women's manifesto. (PEN Zimbabwe)*

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## Showcasing

Seven PEN Centres – PEN Uganda, PEN Philippines, PEN Lebanon, PEN Bosnia & Herzegovina, PEN Zambia, PEN Malawi and PEN Sierra Leone - received small grants to showcase their work through short films. Raising awareness of their work is helping Centres to increase their membership and visibility in their countries and through the PEN Network globally. **PEN's Civil Society YouTube playlist** has been viewed 488 times to date. PEN Centres also improved their websites and their online presence - PEN Myanmar launched [its website](#), in August 2018 and increased its social media engagement, including on Facebook. *'Since this video is presenting PEN's Myanmar's mission and our successful work, it will also spread our message of how literature and advocacy can work together to change society. It will help us to increase our partnerships for promoting and protecting Freedom of Expression. This video's message will also be used to raise awareness of our work with donors to expand PEN Myanmar resources and institutional capacity.'*

## Latin America

In a call to arms made during the Americas Network Meeting in Buenos Aires, PEN International once again appealed to its Centres in Latin America and the Caribbean to participate in an action in solidarity with their fallen colleagues – be they writers or journalists to commemorate the **Day of the Dead**. While PEN International supplied branding and information materials pertaining to writers killed in Mexico, Brazil and Honduras – the strategic focuses of our work for the past 5 years – Centres were encouraged to raise other cases too.

The result was the engagement of several centres that have not previously participated, including: PEN Haiti, PEN Guadalajara, PEN Venezuela, and Cuban Writers in Exile PEN. The events ranged widely from public installations featuring the building of altars, public readings, protests, processions, roundtables, and debates with audiences ranging from 30 – to estimates of 1,000 at **PEN San Miguel's** public installation and information stall in the heart of the city. Several Centres saw the event as an opportunity to raise the profile of the Centre after a period of inactivity – such as **PEN Guadalajara**, whose event was attended by at least 200 writers, journalists, academics and others interested in the Centre's work, and **PEN Haiti**, whose 30-person audience was made up of largely young people and representatives of non-traditional media – or to profile other issues central to their national context – such as access to information in **Puerto Rico** or indigenous language in **Chile**.

PEN Haiti's president commented that their event was particularly significant to announce the Centre's resurgence and reiterate its commitment to freedom of expression, and build connections with its audience and the media. Our Centres in **Venezuela** and **Nicaragua** used the opportunity to shine a spotlight on the deteriorating climate for freedom of expression in their own countries and to show that they are not alone in these experiences. PEN Nicaragua's event was covered in the independent media in the country, including on the radio. Both PEN Venezuela and PEN Nicaragua established close working relationships in with other key civil society actors in the field of freedom of expression to host their events – partnerships that will be essential if they are to withstand the current political upheaval in their respective countries. **PEN Honduras'** event counted on the attendance of over 40 journalists, human rights defenders and an EU representative. The Centre's president remarked that while impunity is a critical issue for the country, it is little-discussed. The event served to raise the profile of the issue in the media and sparked debate.



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### **FINANCIAL REVIEW**

#### **INCOME**

International PEN is grateful to its donors for their generous support in assuring its income of £2,220,079 during 2018 (2017 - £1,581,131) to allow it to pursue its aims. The Unrestricted income in 2018 was £555,191, an increase of 39% on 2017, while the restricted income was £1,664, 888, an increase of 41% on 2017. The increase in income compared to 2017 was mainly due to an individual donation of £762,750. International PEN is extremely grateful for this donation; 33% of which will go towards PEN International Centenary in 2021, 33% towards PEN's work of defending writers and literature and 34% towards long term reserves to ensure PEN's continued financial stability. Other principal restricted funding sources for 2018 include Sida, the Norwegian Ministry of Foreign Affairs, the International Cities of Refuge Network (ICORN), Evan Cornish Foundation, and the Banyan Trust amongst others. The funds from these donors go towards our research and policy work, civil society projects and the defence of writers at risk.

Our main sources of unrestricted income are the membership dues and the subscriptions to our Circles.

#### **Member dues**

Membership dues are paid by centres and individuals, the dues contribution of our centres to the work of PEN International is essential – it not only helps support PEN's work internationally but demonstrates the commitment of PEN members to support its important work world-wide. At present, the community of PEN, through the dues collected by centres and the publishers, writers and readers circle contributes one third of the budget of PEN International. Centres pay their membership dues on a yearly basis to PEN International according to the numbers within their own membership. Each individual member of PEN pays dues both to the local centre and to PEN International. The contribution of Centre dues is made according to the GDP of the country, in according to four categories: \$19, \$14.5, \$8 and \$5 respectively per member per year

#### **Circles**

These are the Publishers, Writers, Readers and Screen Circles.

The Readers and Screen Circle income increased in 2018. However, there was a decrease in the Publishers and Writers Circle's income. The Trustees recognise the need to grow this basis of unrestricted income and have put plans in place to grow the Circles in 2019.

#### **EXPENDITURE**

The total expenditure in the year was £1,690,485 (2017 - £1,568,590). The increase in expenditure was due to the increase in 2018 of charity activities in the civil society programme, investment in communication and fundraising. During the year, £1,647,065 (2017 - £1,562,125) was spent on charitable activities and £43,420 (2017 - £6,465) on fundraising.

#### **RESERVES POLICY**

The Trustees recognise the need to hold sufficient reserves to allow protection of core activities in the event of any income shortfalls to implement long-term strategic programmes and enable PEN International to carry out its essential projects.

The policy aims to have sufficient free reserves to enable PEN International to cope with fluctuations and to hold at least the equivalent of three months' operating cost expenditure (£335,340).

Total reserves at 31 December 2018 were £1,028,394 (2017: £472,244) Restricted reserves held in 2018 were £656,436 (2017: £166,420) and unrestricted reserves were £371,958. Of this £15,590 were designated reserves while the free reserves were £356,368 (2017: £291,498).

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Restricted reserves are those funds that have been received for particular purposes and projects, and are shown in detail in note 16. The final surplus in 2018 allowed the free reserves to meet the target level implied by the current reserves policy, which seeks to build reserves up to three months' operating expenditure. The Finance Subcommittee of the board will continue to monitor closely the reserves position with quarterly reviews during 2019.

**Grant-making**

International PEN makes sub-grants to PEN Centres under the Civil Society Programme. These are small grants that allow PEN Centres to engage new audiences for free expression especially in countries where these freedoms are curtailed. In 2018, 23 PEN Centres received a grant. The total of the sub-grants was £116,336.

**Volunteers**

International PEN is immensely grateful to the volunteers who contribute to our campaigns and communications work as well supporting our International programmes team with media monitoring on freedom of expression issues. Their skill, time and dedication helps us achieve our goals while offering them an opportunity to learn and gain experience in a field of work that has growing relevance in our world today.

**KEY RISKS AND UNCERTAINTIES**

**Risk of persecution of PEN members and writers we assist for their work in the organisation or for support provided.**

The safety of PEN members and writers is always a key priority. We always obtain consent before we carry out any campaigning or advocacy on behalf of members or writers. We work in close collaboration with the PEN Centre and or writer. We carry out a risk assessment before a mission and have developed a comprehensive risk assessment policy.

**Risk of not meeting unrestricted fundraising targets**

A large percentage of our income is from statutory sources, therefore the need to increase the unrestricted funding. The Board takes strong lead in fundraising with the aim of increasing our unrestricted funding by expanding the Publishers, Writers, Readers and Screenwriters Circles.

New funding streams of legacy and crowd funding will be explored in 2019. We have engaged a fundraising consultant to pursue our major donor strategy (including corporate giving).

**Dramatic change in international support for freedom of expression**

The weakening of international standards on freedom of expression pose a huge problem with the threat of major countries weakening of international support for human rights generally.

There is a rise in intolerance, xenophobia and misogyny which may lead to less public support for our cause. Our Campaigns and advocacy are to be more focused and underpinned by robust research – our Global campaign to address rise in intolerance while seeking to diversify our funding sources especially with organisations who support our cause

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**Plans for the future**

PEN's overarching goal is to promote and defend freedom of expression and to promote languages and literatures worldwide. In pursuing our strategic plan we hope to deliver a step change in which PEN has the capacity to coordinate and sustain effective civil society programmes throughout the PEN network and in a scale and with an impact that PEN's programmes attract on going, sustaining support from a variety of funding sources at both the local and international levels.

The forecast for PEN in 2019 is however positive. PEN is committed to pursuing its donor plan, with support from an experienced fundraiser to develop a strategy to attract support from high net worth individuals thereby increasing unrestricted funding through the promotion of the PEN Circles, the development of new partnerships with individuals, trusts, foundations and institutions such as the Dutch Foreign Ministry, the European Commission and in Germany, France, Nordic countries and North America.

**Disclosure of information to auditors**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

**Auditors**

The auditor H W Fisher & Company, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

On behalf of the Board of Trustees



**Jarkko Tontti**  
Treasurer

*Helsinki 28th March 2019*

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charity's trustees (who are also the directors of International PEN for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 (Statement of Recommended Practice);
- make judgements and 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 Charity will continue in business.

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

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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INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF INTERNATIONAL P.E.N

**Opinion**

We have audited the accounts of International PEN (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities including Income & Expenditure, the Balance Sheet, the Statement of Cash Flows and notes to the accounts, 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 FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources for the period 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity'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 accounts are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF INTERNATIONAL P.E.N

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

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

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the trustees, who are also 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 accounts, the trustees are responsible for assessing the charity'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

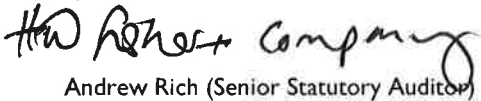
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF INTERNATIONAL P.E.N

**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.



Andrew Rich (Senior Statutory Auditor)

for and on behalf of H W Fisher & Company  
Chartered Accountants  
Statutory Auditor  
Acre House  
11-15 William Road  
London  
NW1 3ER

31st March 2019

**INTERNATIONAL P.E.N.  
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE  
ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

|  | Note  | Unrestricted<br>funds | Designated<br>funds | Restricted<br>funds | Total<br>funds<br>2018 | Total<br>funds<br>2017 |
|--|-------|-----------------------|---------------------|---------------------|------------------------|------------------------|
|  |       | £                     | £                   | £                   | £                      | £                      |
| <b>Income</b>                                |       |                       |                     |                     |                        |                        |
| Donations and legacies                       | 3     | 378,701               | -                   | 610,200             | 988,901                | 207,231                |
| Charitable activities                        | 4     | 176,490               | -                   | 1,054,688           | 1,231,178              | 1,373,900              |
| <b>Total income</b>                          |       | 555,191               | -                   | 1,664,888           | 2,220,079              | 1,581,131              |
| <b>Expenditure on:</b>                       |       |                       |                     |                     |                        |                        |
| <i>Cost of raising funds:</i>                |       |                       |                     |                     |                        |                        |
| Fundraising and publicity                    |       | 43,420                | -                   | -                   | 43,420                 | 6,465                  |
| <i>Expenditure on charitable activities:</i> |       |                       |                     |                     |                        |                        |
| General advocacy and support                 | 5     | 294,439               | 3,600               | 1,044,740           | 1,342,779              | 1,306,153              |
| Writers in prison                            |       | 187,635               | 2,291               | 114,360             | 304,286                | 255,972                |
| <b>Total expenditure</b>                     |       | 525,494               | 5,891               | 1,159,100           | 1,690,485              | 1,568,590              |
| <b>Net income/ (expenditure)</b>             |       | 29,697                | (5,891)             | 505,788             | 529,594                | 12,541                 |
| Gross transfers between funds                | 16/17 | 8,617                 | 7,155               | (15,772)            | -                      | -                      |
| <b>Other gains / (Losses)</b>                | 21    | 26,556                |                     |                     | 26,556                 | (19,928)               |
| <b>Net movement in funds</b>                 |       | 64,870                | 1,264               | 490,016             | 556,150                | (7,387)                |
| <b>Reconciliation of funds:</b>              |       |                       |                     |                     |                        |                        |
| Total funds brought forward                  |       | 291,498               | 14,326              | 166,420             | 472,244                | 479,631                |
| <b>Total funds carried forward</b>           |       | 356,368               | 15,590              | 656,436             | 1,028,394              | 472,244                |



**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE  
ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

|  | Note  | Unrestricted<br>funds | Designated<br>funds | Restricted<br>funds | Total<br>funds<br>2017 | Total<br>funds<br>2016 |
|--|-------|-----------------------|---------------------|---------------------|------------------------|------------------------|
|  |       | £                     | £                   | £                   | £                      | £                      |
| <b>Income</b>                                |       |                       |                     |                     |                        |                        |
| Donations and legacies                       | 3     | 207,231               | -                   | -                   | 207,231                | 183,222                |
| Charitable activities                        | 4     | 192,235               | -                   | 1,181,665           | 1,373,900              | 1,218,092              |
| <b>Total income</b>                          |       | <b>399,466</b>        | <b>-</b>            | <b>1,181,665</b>    | <b>1,581,131</b>       | <b>1,401,314</b>       |
| <b>Expenditure on:</b>                       |       |                       |                     |                     |                        |                        |
| <i>Cost of raising funds:</i>                |       |                       |                     |                     |                        |                        |
| Fundraising and publicity                    |       | 6,465                 | -                   | -                   | 6,465                  | 5,823                  |
| <i>Expenditure on charitable activities:</i> | 5     |                       |                     |                     |                        |                        |
| General advocacy and support                 |       | 251,270               | 4,099               | 1,050,784           | 1,306,153              | 985,772                |
| Writers in prison                            |       | 107,181               | 2,411               | 146,380             | 255,972                | 267,155                |
| <b>Total expenditure</b>                     |       | <b>364,916</b>        | <b>6,510</b>        | <b>1,197,164</b>    | <b>1,568,590</b>       | <b>1,258,750</b>       |
| <b>Net income/ (expenditure)</b>             |       | <b>34,550</b>         | <b>(6,510)</b>      | <b>(15,499)</b>     | <b>12,541</b>          | <b>142,564</b>         |
| Gross transfers between funds                | 16/17 | 19,953                | 2053                | (22,006)            | -                      | -                      |
| <b>Other gains / (Losses)</b>                | 21    | <b>(19,928)</b>       |                     |                     | <b>(19,928)</b>        | <b>52,662</b>          |
| <b>Net movement in funds</b>                 |       | <b>34,575</b>         | <b>(4,457)</b>      | <b>(37,505)</b>     | <b>(7,387)</b>         | <b>195,226</b>         |
| <b>Reconciliation of funds:</b>              |       |                       |                     |                     |                        |                        |
| Total funds brought forward                  |       | 256,923               | 18,783              | 203,925             | 479,631                | 284,405                |
| <b>Total funds carried forward</b>           |       | <b>291,498</b>        | <b>14,326</b>       | <b>166,420</b>      | <b>472,244</b>         | <b>479,631</b>         |

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


**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**  
 BALANCE SHEET AS AT 31 DECEMBER 2018

Company registration number: 05683997

|  | Note | 2018             |                  | 2017           |         |
|--|------|------------------|------------------|----------------|---------|
|  |      | £                | £                | £              | £       |
| <b>Fixed assets:</b>                           |      |                  |                  |                |         |
| Tangible assets                                | 13   |                  | 15,590           |                | 14,326  |
| <b>Current assets:</b>                         |      |                  |                  |                |         |
| Debtors  | 14   | 232,487          |                  | 163,836        |         |
| Cash at bank and in hand                       |      | 899,249          |                  | 487,436        |         |
| <b>Total Current assets</b>                    |      | <b>1,131,736</b> |                  | <b>651,272</b> |         |
| <b>Liabilities:</b>                            |      |                  |                  |                |         |
| Creditors: Amounts falling due within one year | 15   | (118,932)        |                  | (193,354)      |         |
| <i>Net current assets or liabilities</i>       |      |                  | <b>1,012,804</b> |                | 457,918 |
| <i>Total assets less current liabilities</i>   |      |                  | <b>1,028,394</b> |                | 472,244 |
| <b>Total net assets or liabilities</b>         |      |                  | <b>1,028,394</b> |                | 472,244 |
| <b>The funds of the Charity:</b>               |      |                  |                  |                |         |
| Restricted income funds                        | 16   |                  | 656,436          |                | 166,420 |
| Designated funds                               | 17   |                  | 15,590           |                | 14,326  |
| Other charitable funds                         |      |                  | 356,368          |                | 291,498 |
| <i>Total unrestricted funds</i>                |      |                  | <b>371,958</b>   |                | 305,824 |
| <b>Total funds</b>                             | 18   |                  | <b>1,028,394</b> |                | 472,244 |

The notes at pages 33 to 48 form part of these accounts.

Signed:

  
 Jarkko Tontti  
 Trustee

*Witnessed 28th March 2019*

Approved by the trustees on:

*28th March 2019*

**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

|   | Note      | 2018<br>£      | 2017<br>£       |
|---|-----------|----------------|-----------------|
| <b>Cash flows from operating activities:</b>                              |           |                |                 |
| <b>Net cash provided by (used in) operating activities</b>                | <b>19</b> | <b>418,968</b> | <b>(60,527)</b> |
| <b>Cash flows from investing activities:</b>                              |           |                |                 |
| Purchase of tangible fixed assets   |           | (7,155)        | (2,053)         |
| <b>Net cash provided by investing activities</b>                          |           | <b>(7,155)</b> | <b>(2,053)</b>  |
| <b>Change in cash and cash equivalents in the reporting period</b>        |           | <b>411,813</b> | <b>(62,580)</b> |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |           | <b>487,436</b> | <b>550,016</b>  |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |           | <b>899,249</b> | <b>487,436</b>  |

# **INTERNATIONAL P.E.N.**

## **(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

### **I Accounting Policies**

The principal accounting policies adopted, judgements 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) (as amended for accounting periods commencing from 1 January 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 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.

#### **b) Critical accounting judgments and estimation uncertainty**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The trustees do not believe there to be any judgements or estimates critical to the financial statements.

#### **c) Preparation of the accounts on a going concern basis**

We have set out in the Trustees' report a review of financial performance and the charity's reserves position (pages 22-23) and we have a reasonable expectation that we have the resources to continue in operational existence for the foreseeable future. We believe there are no material uncertainties that call into doubt the charity's ability to continue as a going concern. The accounts have therefore been prepared on the basis that the charity is a going concern.

#### **d) Income**

Income from donations and 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.

The value of services provided by volunteers has not been included in these accounts. Gifts in kind are included where the sum can be accurately estimated.

Unrestricted income is deferred when this is received and relates to a period following the year end. Restricted income is deferred only when this relates wholly to a future period, as specified by the funder.

# **INTERNATIONAL P.E.N.**

## **(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

### **I Accounting Policies (Continued)**

#### **e) Fund accounting**

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

Designated funds are donations where the donor has not specified a use, but the trustees have allocated these donations to specific projects being undertaken by the Charity.

Restricted funds are donations where 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.

#### **f) 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:

- Costs of raising funds comprise the costs of attracting voluntary income and the costs of fundraising.
- Expenditure on charitable activities includes the costs of the delivery of its activities and services for its beneficiaries.
- 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.

Rental costs under operating leases are charged against income on a straight line basis over the term of the lease.

#### **g) Allocation of support costs**

All support costs are allocated activities based on the time spent on those by staff.

#### **h) Tangible fixed assets**

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

#### **Asset Category**

|                  |                      |
|------------------|----------------------|
| Office equipment | 25% reducing balance |
|------------------|----------------------|

The policy with respect to impairment reviews of fixed assets is that these assets are inspected regularly for any impairment and any defect remedied so as to maintain the current value.

#### **i) Pensions**

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

# **INTERNATIONAL P.E.N.**

## **(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

### **I Accounting Policies (Continued)**

#### **j) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts.

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.

#### **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 exchange**

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

#### **o) PEN Centres**

PEN Centres are not treated as branches of International P.E.N. They are independently governed organisations.

#### **p) Grants**

International P.E.N makes grants to PEN Centres. Grants are recognised as expenditure at the point which an unconditional commitment is made.

### **2 Legal status of the Charity**

International P.E.N (or "the Charity") is a company limited by guarantee incorporated in England and Wales. The registered office is 162-164 Abbey Street, Koops Mill Mews, Unit A, London, SE1 2AN.

**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**3 Income from donations**

|           | <b>Unrestricted<br/>funds</b> | <b>Designated<br/>funds</b> | <b>Restricted<br/>funds</b> | <b>Total<br/>funds</b> | <b>Total<br/>funds</b> |
|-----------|-------------------------------|-----------------------------|-----------------------------|------------------------|------------------------|
|           | <b>2018</b>                   | <b>2018</b>                 | <b>2018</b>                 | <b>2018</b>            | <b>2017</b>            |
|           | <b>£</b>                      | <b>£</b>                    | <b>£</b>                    | <b>£</b>               | <b>£</b>               |
| Donations | 378,701                       | -                           | 610,200                     | 988,901                | 207,231                |

|           | <b>Unrestricted<br/>funds</b> | <b>Designated<br/>funds</b> | <b>Restricted<br/>funds</b> | <b>Total<br/>funds</b> | <b>Total<br/>funds</b> |
|-----------|-------------------------------|-----------------------------|-----------------------------|------------------------|------------------------|
|           | <b>2017</b>                   | <b>2017</b>                 | <b>2017</b>                 | <b>2017</b>            | <b>2016</b>            |
|           | <b>£</b>                      | <b>£</b>                    | <b>£</b>                    | <b>£</b>               | <b>£</b>               |
| Donations | 207,231                       | -                           | -                           | 207,231                | 183,222                |

**Donations to unrestricted funds:**

|                          | <b>2018</b>    | <b>2017</b>    |
|--------------------------|----------------|----------------|
|                          | <b>£</b>       | <b>£</b>       |
| Individual contributions | 214,974        | 27,656         |
| PEN centre contributions | 153,251        | 167,075        |
| Gifts in kind            | 1,622          | -              |
| Other income             | 8,854          | 12,500         |
|                          | <b>378,701</b> | <b>207,231</b> |

**Donations to restricted funds:**

|                          | <b>2018</b>    | <b>2017</b> |
|--------------------------|----------------|-------------|
|                          | <b>£</b>       | <b>£</b>    |
| Individual contributions | 610,200        | -           |
|                          | <b>610,200</b> | <b>-</b>    |

**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**4 Income from charitable activities**

|                                  | <b>Unrestricted</b> | <b>Restricted</b> | <b>Total</b>     | <b>Total</b>     |
|----------------------------------|---------------------|-------------------|------------------|------------------|
|                                  | <b>funds</b>        | <b>funds</b>      | <b>funds</b>     | <b>funds</b>     |
|                                  | <b>2018</b>         | <b>2018</b>       | <b>2018</b>      | <b>2017</b>      |
|                                  | <b>£</b>            | <b>£</b>          | <b>£</b>         | <b>£</b>         |
| Grants receivable                | 4,139               | 1,054,688         | 1,058,827        | 1,196,062        |
| Publishers Circle                | 137,816             | -                 | 137,816          | 150,711          |
| Writers Circle                   | 14,560              | -                 | 14,560           | 20,437           |
| Readers Circle                   | 5,104               | -                 | 5,104            | 3,600            |
| Screen Circle                    | 14,871              | -                 | 14,871           | 3,090            |
| Other charitable activity income | -                   | -                 | -                | -                |
|                                  | <b>176,490</b>      | <b>1,054,688</b>  | <b>1,231,178</b> | <b>1,373,900</b> |

|                                  | <b>Unrestricted</b> | <b>Restricted</b> | <b>Total</b>     | <b>Total</b>     |
|----------------------------------|---------------------|-------------------|------------------|------------------|
|                                  | <b>funds</b>        | <b>funds</b>      | <b>funds</b>     | <b>funds</b>     |
|                                  | <b>2017</b>         | <b>2017</b>       | <b>2017</b>      | <b>2016</b>      |
|                                  | <b>£</b>            | <b>£</b>          | <b>£</b>         | <b>£</b>         |
| Grants receivable                | 14,397              | 1,181,665         | 1,196,062        | 1,046,649        |
| Publishers Circle                | 150,711             | -                 | 150,711          | 146,961          |
| Writers Circle                   | 20,437              | -                 | 20,437           | 13,844           |
| Readers Circle                   | 3,600               | -                 | 3,600            | -                |
| Screen Circle                    | 3,090               | -                 | 3,090            | -                |
| Other charitable activity income | -                   | -                 | -                | 10,638           |
|                                  | <b>192,235</b>      | <b>1,181,665</b>  | <b>1,373,900</b> | <b>1,218,092</b> |

| Restricted funds:                     | <b>2018</b>      | <b>2017</b>      |
|---------------------------------------|------------------|------------------|
|                                       | <b>£</b>         | <b>£</b>         |
| Norwegian Ministry of Foreign Affairs | 55,464           | 60,197           |
| ICORN                                 | 88,000           | 88,000           |
| SIDA                                  | 870,810          | 748,695          |
| Commonwealth Foundation               | -                | 16,000           |
| Other Income                          | 13,554           | -                |
| Fritt Ord Foundation                  | -                | 28,052           |
| Open Society Foundation (OSF)         | -                | 14,520           |
| Natur and Kultur                      | -                | 45,664           |
| Evan Cornish Foundation               | 7,000            | 10,000           |
| Banyan Tree Foundation                | 19,860           | 19,919           |
| UNDEF                                 | -                | 85,375           |
|                                       | <b>1,054,688</b> | <b>1,116,422</b> |



**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**5 Analysis of expenditure relating to general advocacy and support**

|                                | <b>2018</b>      | 2017      |
|--------------------------------|------------------|-----------|
|                                | £                | £         |
| Staff costs                    | <b>552,680</b>   | 492,641   |
| Sub-grants to PEN Centres      | <b>116,336</b>   | 83,957    |
| Other centre development costs | <b>492,572</b>   | 574,130   |
| Support costs (note 6)         | <b>181,191</b>   | 155,425   |
|                                | <b>1,342,779</b> | 1,306,153 |

**Analysis of expenditure relating to writers in prison**

|                        | <b>2018</b>    | 2017    |
|------------------------|----------------|---------|
|                        | £              | £       |
| Staff costs            | <b>179,661</b> | 146,684 |
| Other costs            | <b>9,322</b>   | 17,862  |
| Support costs (note 6) | <b>115,303</b> | 91,426  |
|                        | <b>304,286</b> | 255,972 |

Expenditure was £1,690,485 (2017: £1,568,590) of which £525,494 was unrestricted (2017: £358,451), £1,159,100 was restricted (2017: £1,197,164) and £5,891 was designated (2017: £6,510).

Expenditure on raising funds includes staff costs of £6,457 (2017: £4,074), consultancy fees of £36,750 (2017: £nil) and other costs of £214 (2017: £2,391).

**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**6 Analysis of support costs and governance costs**

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs include payments to the Auditors of £13,200 (2017: £13,200) and other financial services of £1,560 (2017: £1,560). Having identified its governance costs, the remaining support costs together with the governance costs are all allocated against the charitable activities based on the time spent on those activities.

| Support costs                 | <b>General<br/>advocacy<br/>and<br/>support<br/>2018<br/>£</b> | <b>Writers<br/>in prison<br/>2018<br/>£</b> | <b>Total<br/>2018<br/>£</b> | <b>Total<br/>2017<br/>£</b> |
|-------------------------------|--|---|-----------------------------|-----------------------------|
| Staff costs                   | 45,179   | 28,750                                      | 73,929                      | 56,724                      |
| Depreciation                  | 3,600  | 2,291                                       | 5,891                       | 6,510                       |
| Rent and occupancy            | 66,973   | 42,619                                      | 109,592                     | 93,031                      |
| Office supplies and equipment | 8,064  | 5,132                                       | 13,196                      | 9,091                       |
| Other Costs                   | 20,553   | 13,079                                      | 33,632                      | 21,662                      |
| Governance costs (see below)  | 36,822   | 23,432                                      | 60,254                      | 59,833                      |
|                               | <b>181,191</b>   | <b>115,303</b>                              | <b>296,494</b>              | <b>246,851</b>              |

| Governance costs | <b>General<br/>advocacy<br/>and<br/>support<br/>2018<br/>£</b> | <b>Writers<br/>in prison<br/>2018<br/>£</b> | <b>Total<br/>2018<br/>£</b> | <b>Total<br/>2017<br/>£</b> |
|------------------|--|---|-----------------------------|-----------------------------|
| Staff costs      | 9,613  | 6,117                                       | 15,730                      | 13,636                      |
| Audit fees       | 8,067  | 5,133                                       | 13,200                      | 13,200                      |
| Board meetings   | 9,674  | 6,157                                       | 15,831                      | 19,244                      |
| Other costs      | 9,468  | 6,025                                       | 15,493                      | 13,753                      |
|                  | <b>36,822</b>  | <b>23,432</b>                               | <b>60,254</b>               | <b>59,833</b>               |

**INTERNATIONAL P.E.N.**  
**(A COMPANY LIMITED BY GUARANTEE)**  
 NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

| Support costs                 | General<br>advocacy<br>and<br>support<br>2017<br>£ | Writers<br>in prison<br>2017<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|-------------------------------|--|-----------------------------------|--------------------|--------------------|
| Staff costs                   | 35,715   | 21,009                            | 56,724             | 74,849             |
| Depreciation                  | 4,099  | 2,411                             | 6,510              | 6,403              |
| Rent and occupancy            | 58,575   | 34,456                            | 93,031             | 91,779             |
| Office supplies and equipment | 5,724  | 3,367                             | 9,091              | 6,412              |
| Other Costs                   | 13,639   | 8,023                             | 21,662             | 9,598              |
| Governance costs (see below)  | 37,673   | 22,160                            | 59,833             | 69,762             |
|                               | <b>155,425</b>                                     | <b>91,426</b>                     | <b>246,851</b>     | <b>258,803</b>     |

| Governance costs | General<br>advocacy<br>and<br>support<br>2017<br>£ | Writers<br>in prison<br>2017<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|------------------|--|-----------------------------------|--------------------|--------------------|
| Staff costs      | 8,586  | 5,050                             | 13,636             | 9,780              |
| Audit fees       | 8,311  | 4,889                             | 13,200             | 13,200             |
| Board meetings   | 12,117   | 7,127                             | 19,244             | 16,835             |
| Other costs      | 8,659  | 5,094                             | 13,753             | 29,947             |
|                  | <b>37,673</b>                                      | <b>22,160</b>                     | <b>59,833</b>      | <b>69,762</b>      |

**7 Net (expenditure) for the year**

This is stated after charging:

|                         | 2018<br>£      | 2017<br>£      |
|-------------------------|----------------|----------------|
| Depreciation            | 5,891          | 6,510          |
| Auditor's remuneration  | 13,200         | 13,200         |
| Operating lease rentals | 83,712         | 84,058         |
|                         | <b>102,803</b> | <b>103,768</b> |

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 NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel.**

|                       | <b>2018</b>    | 2017    |
|-----------------------|----------------|---------|
|                       | £              | £       |
| Wages and salaries    | <b>715,013</b> | 618,284 |
| Social security costs | <b>76,800</b>  | 64,321  |
| Pension               | <b>36,644</b>  | 31,154  |
|                       | <b>828,457</b> | 713,759 |

|  | <b>2018</b> | 2017 |
|--|-------------|------|
|  | No.         | No.  |
| Number of employees who earned from £60,000 to £69,999 | 1           | 1    |
| Number of employees who earned from £80,000 to £89,999 | 1           | 1    |

The key management personnel of the Charity comprise the Trustees, the Executive Director, Director of International Programmes, Director of Advocacy and Communications and the Director of Finance and Administration. Remuneration of key management personnel was £289,821 (2017: £208,680).

**Trustee Expenses:** None of the trustees received any remuneration during the year, but the Trustee Board (Six members) were reimbursed a total of £2,703 (2017: £943.57) travel and subsistence expenses. The total expenses incurred by the Trustees in the discharge of their duties and paid to third parties was £27,743 (2017: £31,810).

Number of **volunteers** was 4 (2017: 7). Volunteers assist with campaigns and communications, supporting the International programmes team with media monitoring on freedom of expression issues

**9 Staff Numbers**

The average monthly head count was 19.50 staff (2017: 18.5) and the average monthly number of full time equivalent employees (including casual and part time staff) during the year were as follows:

|                       | <b>2018</b> | 2017   |
|-----------------------|-------------|--------|
|                       | Number      | Number |
| Charitable activities | <b>18</b>   | 17     |
| Fundraising           | -           | -      |
| Governance            | <b>1.5</b>  | 1.5    |
| Support               | -           | -      |
| Total                 | <b>19.5</b> | 18.5   |

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**10 Pension and other post-retirement benefit commitments**

The Charity operates a defined contribution 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.

|   | 2018          | 2017   |
|---|---------------|--------|
|   | £             | £      |
| Contributions payable by the company for the year | <b>36,644</b> | 31,154 |

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The expense has been allocated to restricted and unrestricted expenditure on the same basis as wages and salaries.

**11 Related party transactions**

There were no related party transactions in the year (2017: £nil).

**12 Corporation tax**

As a charity, International P.E.N. is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the Charity, during the year or the previous year.

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NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

**13 Tangible fixed assets**

|                               | <b>Office<br/>Equipment<br/>£</b> |
|-------------------------------|-----------------------------------|
| <b>Cost:</b>                  |                                   |
| As at 1 January 2018          | 42,219                            |
| Additions                     | 7,155                             |
| Disposals                     | (1,249)                           |
| <b>As at 31 December 2018</b> | <b>48,125</b>                     |
| <b>Depreciation:</b>          |                                   |
| As at 1 January 2018          | 27,893                            |
| On disposals                  | (1,249)                           |
| Charge for year               | 5,891                             |
| <b>As at 31 December 2018</b> | <b>32,535</b>                     |
| <b>Net book value</b>         |                                   |
| <b>As 31 December 2018</b>    | <b>15,590</b>                     |
| As at 31 December 2017        | 18,783                            |

All assets are used for charitable purposes.

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NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

**14 Debtors**

|                                | <b>2018</b>    | 2017    |
|--------------------------------|----------------|---------|
|                                | £              | £       |
| Trade debtors                  | <b>3,308</b>   | 37,398  |
| Other debtors                  | <b>217,900</b> | 120,225 |
| Prepayments and accrued income | <b>11,279</b>  | 6,213   |
|                                | <b>232,487</b> | 163,836 |

**15 Creditors: amounts falling due within one year**

|                                    | <b>2018</b>    | 2017    |
|------------------------------------|----------------|---------|
|                                    | £              | £       |
| Trade creditors                    | <b>47,298</b>  | 130,682 |
| Taxation and social security costs | <b>21,620</b>  | 19,514  |
| Other creditors                    | <b>16,234</b>  | 10,571  |
| Accruals and deferred income       | <b>33,780</b>  | 32,587  |
|                                    | <b>118,932</b> | 193,354 |

There was £17,905 of deferred income brought forward, released during the year was £17,905. Deferred income at the balance sheet date was £18,172

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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**16 Analysis of charitable funds**

**Analysis of movements in restricted funds (2018)**

|  | <b>Balance<br/>as at 1<br/>January<br/>2018</b> | <b>Incoming<br/>resources</b> | <b>Resources<br/>expended</b> | <b>Transfers<br/>to<br/>Unrestricted<br/>Funds</b> | <b>Funds as<br/>at 31<br/>December<br/>2018</b> |
|--|---|-------------------------------|-------------------------------|--|---|
|  | <b>£</b>  | <b>£</b>                      | <b>£</b>                      | <b>£</b>   | <b>£</b>  |
| Writers in Prison Committee (WIPC)                             | 33,576  | 114,860                       | (114,360)                     | -  | 34,076  |
| Swedish International Development Cooperation Agency (SIDA)    | 23,416  | 870,809                       | (878,454)                     | (15,772)   | -   |
| Centre Development   | 101,802   | 13,555                        | (93,208)                      | -  | 22,149  |
| Norwegian Ministry of Foreign Affairs (NMFA)                   | 7,626   | 55,464                        | (51,400)                      | -  | 11,690  |
| Individual Donation (£610,200 towards the following 3 Areas) : |   |                               |                               |  |   |
| (i) PEN International Centenary                                | -   | 203,400                       | (21,678)                      | -  | 181,722   |
| (ii) Defence of Writers & Literature                           | -   | 203,400                       | -                             | -  | 203,400   |
| (iii) Long Term Reserves                                       | -   | 203,400                       | -                             | -  | 203,400   |
|  | <b>166,420</b>                                  | <b>1,664,888</b>              | <b>(1,159,100)</b>            | <b>(15,772)</b>                                    | <b>656,436</b>                                  |

**Analysis of movements in restricted funds (2017)**

|   | <b>Balance<br/>as at 1<br/>January<br/>2017</b> | <b>Incoming<br/>resources</b> | <b>Resources<br/>expended</b> | <b>Transfers</b> | <b>Funds as<br/>at 31<br/>December<br/>2017</b> |
|---|---|-------------------------------|-------------------------------|------------------|---|
|   | <b>£</b>  | <b>£</b>                      | <b>£</b>                      | <b>£</b>         | <b>£</b>  |
| Writers in Prison Committee (WIPC)                          | 42,650  | 145,970                       | (146,379)                     | (8,665)          | 33,576  |
| Swedish International Development Cooperation Agency (SIDA) | 88,469  | 748,695                       | (813,748)                     | -                | 23,416  |
| Schools & Creativity  | 2,620   | -                             | -                             | (2,620)          | -   |
| Centre Development  | 67,312  | 226,802                       | (200,977)                     | 8,665            | 101,802   |
| Norwegian Ministry of Foreign Affairs (NMFA)                | 2,874   | 60,198                        | (55,446)                      | -                | 7,626   |
|   | <b>203,925</b>                                  | <b>1,181,665</b>              | <b>(1,216,550)</b>            | <b>(2,620)</b>   | <b>166,420</b>                                  |



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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**16 Analysis of charitable funds - Analysis of movements in restricted funds (continued)**

WIPC- The mobilisation of communication and support in opposition to the infringement of freedom of expression.

SIDA- Support for regional programmes for PEN centres and support for capacity and outreach in London.

Centre Development- Supporting exchanges mainly between the African centres. The transfer (£15,772) relates to board costs included in support costs but actually charged to SIDA in the year- hence the transfer of the same from SIDA (restricted funds) to unrestricted funds.

NMFA- Support for the work of the Writers in Prison Committee in the Middle East, Asia and North Africa.

Individual donation – Support of the defence of writers and literature, PEN Centenary work, and to strengthen PEN's long term reserves.

**17 Analysis of movements in designated funds**

|                      | Balance as<br>at 1<br>January<br>2018<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Funds as at<br>31<br>December<br>2018<br>£ |
|----------------------|--|----------------------------|----------------------------|----------------|--|
| Fixed Assets<br>Fund | 14,326                                     | -                          | (5,891)                    | 7,155          | 15,590                                     |
|                      | <b>14,326</b>                              | <b>-</b>                   | <b>(5,891)</b>             | <b>7,155</b>   | <b>15,590</b>                              |

**Analysis of movements in designated funds**

|                      | Balance as<br>at 1<br>January<br>2017<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Funds as at<br>31<br>December<br>2017<br>£ |
|----------------------|--|----------------------------|----------------------------|----------------|--|
| Fixed Assets<br>Fund | 18,783                                     | -                          | (6,510)                    | 2,053          | 14,326                                     |
|                      | <b>18,783</b>                              | <b>-</b>                   | <b>(6,510)</b>             | <b>2,053</b>   | <b>14,326</b>                              |

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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

The fixed assets fund represents the net book value of fixed assets in the balance sheet. Transfers between funds represent the adjustment of the fixed asset fund to match the net book value.

**18 Analysis of net assets between funds**

|                                 | <b>Unrestricted<br/>funds<br/>2018<br/>£</b> | <b>Designated<br/>funds<br/>2018<br/>£</b> | <b>Restricted<br/>funds<br/>2018<br/>£</b> | <b>Total<br/>2018<br/>£</b> |
|---------------------------------|--|--|--|-----------------------------|
| Tangible fixed assets           | -  | 15,590                                     | -  | 15,590                      |
| Current assets                  | 385,700                                      | -  | 746,037                                    | 1,131,737                   |
| Creditors of less than one year | (29,332)                                     | -  | (89,601)                                   | (118,933)                   |
|                                 | <u>356,368</u>                               | <u>15,590</u>                              | <u>656,436</u>                             | <u>1,028,394</u>            |

**Analysis of net assets between funds**

|                                 | <b>Unrestricted<br/>funds<br/>2017<br/>£</b> | <b>Designated<br/>funds<br/>2017<br/>£</b> | <b>Restricted<br/>funds<br/>2017<br/>£</b> | <b>Total<br/>2017<br/>£</b> |
|---------------------------------|--|--|--|-----------------------------|
| Tangible fixed assets           | -  | 14,326                                     | -  | 14,326                      |
| Current assets                  | 312,154                                      | -  | 339,118                                    | 651,272                     |
| Creditors of less than one year | (20,656)                                     | -  | (172,698)                                  | (193,354)                   |
|                                 | <u>291,498</u>                               | <u>14,326</u>                              | <u>166,420</u>                             | <u>472,244</u>              |

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NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**19 Reconciliation of net movement in funds to net cash flow from operating activities**

|  | <b>2018</b>     | 2017     |
|--|-----------------|----------|
|  | £               | £        |
| Net movement in funds                        | <b>556,151</b>  | (7,387)  |
| Add back depreciation charge                 | <b>5,891</b>    | 6,510    |
| Decrease (increase) in debtors               | <b>(68,652)</b> | (23,141) |
| (Decrease) increase in creditors             | <b>(74,422)</b> | (36,509) |
| <b>Net cash used in operating activities</b> | <b>418,968</b>  | (60,527) |

**20 Commitments under operating leases**

|                                       | <b>2018</b>    | 2017    |
|---------------------------------------|----------------|---------|
|                                       | £              | £       |
| Within one year - property            | <b>84,000</b>  | 84,000  |
| Between two and five years - property | <b>63,000</b>  | 147,000 |
| Within one year - other               | <b>2,100</b>   | 2,100   |
| Between two and five years - other    | <b>1,504</b>   | 3,604   |
|                                       | <b>150,604</b> | 236,704 |

**21 Other gains / (Losses)**

This is Currency Exchange Gain from translating monetary assets denominated in foreign currencies at the exchange rate ruling at the balance sheet date.

