

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 2017

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

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

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**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Trustees present their report and accounts for the year ended 31 December 2017 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) (effective 1st January 2015).

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 2017 the trustees that served during the year were as follows:

Jennifer Clement
Jarkko Tontti (re-elected 28 September 2017)
Kätlin Kaldmaa
Mohamed Sheriff
Anders Heger
Antonio Della Rocca
Teresa Cadete (stood down 28 September 2017)
Margie Orford (re-elected 28 September 2017)
Regula Venske
Ma Thida
Iman Humaydan (elected 28 September 2017)
Elizabeth Hiester (co-opted)
Burhan Sömnez (co-opted)

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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 RR12 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 2017 PEN implemented the third 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.

2017 AT A GLANCE

- The PEN Congress in Lviv in September launched a renewed call for peace in Ukraine, the withdrawal of Russia from occupied Crimea and the east of the country, and showcased debate between Ukrainian and Russian writers united in campaigning for freedom of expression and against authoritarianism.
- Treasurer Jarkko Tontti, Margie Orford and Iman Humyaden were respectively re-elected and elected to the Board of PEN International, Simona Skrabec was re-elected as the Chair of PEN's Translation and Linguistic Rights Committee at the 83rd PEN Congress in Lviv, Ukraine in September 2017.
- The Assembly of Delegates unanimously adopted the Women's Manifesto as 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 Assembly of Delegates unanimously voted for the establishment of four news Centres: PEN Cuba (Habana), PEN St. Petersburg, South India PEN and the Gambia PEN.
- The Translation and Linguistic Rights Committee of PEN International met in Bangalore to support the creation of a new PEN South India assembling writers in Kannada, Konkani, Tamil, Malayalam, Telugu & Urdu.
- PEN officials undertook four high level missions to Turkey, Russia, Tibet Writers in Exile (India) and Israel & Palestine.
- The Palestinian poet Ashraf Fayadh currently serving an eight-year prison sentence in Saudi Arabia and Indian journalists Malini Subramaniam who was recently forced to leave her home due to threats in connection to her work as an investigative journalist received the 2017 Oxfam Novib/PEN Award for Freedom of Expression in The Hague.
- 104 cases of writers at risk were assessed by PEN on behalf of the International Cities of Refuge Network (ICORN) and 29 writers received emergency grants from the PEN Emergency Fund.
- PEN recorded on its Case List freedom of expression violations in over 100 countries of attacks or imprisonment of 212 writers.
- PEN issued 131 calls to action or statements and pursued major ongoing campaigns for individual writers at risk such as Ahmet Sik, Murat Sabuncu, Deniz Yücel, Akin Atalalus, Sahin Alpay and Mehmet Altan and many other

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writers in Turkey; Esono Ebalé, Equatorial Guinée; Swedish Publisher Gui Minhai, China; Nguyen Ngoc Nhu Quynh, Cambodia; Stella Nyanzi, Uganda; Raif Badawi, Saudi Arabia and Sulak Sivaraksa, Thailand, amongst many others.

- Launched PEN's first major global campaign *Make Space* in May 2017 at its Writers in Prison Committee Meeting in Lillehammer, Norway in May 2017, to address issues of exclusion and rising xenophobia as a result of the migrant and refugee crisis by promoting the voice of displacement and exiled writers.
- Campaigned on key dates such as International Mother Language Day, International Poetry Day, International Translation Day, Refugee Day, Day of the Dead, Day of the Imprisoned Writer, International Women's Day, our actions were widely taken up by PEN Centres and by international media;
- PEN International published two reports, *Freedom of Expression in Post-Euromaidan Ukraine: External Aggression and Internal Challenges* – highlighting violations against freedom of expression in country and *Stifling Dissent, Impeding Accountability – Criminal Defamation Laws in Africa*, which illustrates the impact of such laws on writing, investigative journalism and the public's right to know in Africa.
- Six submissions to the Human Rights Council and the Universal Periodic Review on Azerbaijan, Bangladesh, Guatemala, Ghana, Russia and Zambia. Advocated before the African Commission on Human and Peoples' Rights and the PAN African Parliament pressing for the repeal of criminal defamation; Coordinated third party interventions in 10 cases of Turkish journalists before the European Court of Human Rights claiming violations of freedom of expression under the European Convention on Human Rights.
- Supported 28 PEN Centres through the civil society programme (23 civil society projects; 4 capacity building trainings; 9 campaigns for day of the dead; 8 communications projects promoting civil society work; Dissident Blog; and contribution to PEN meetings (3). Benefitting 22,945 people of which 11,703 were women and girls and 11,242 were men and boys

2017 saw enormous challenges to upholding freedom of expressions as attacks on international and national level institutions threatened human rights and the rule of law. Developing new standards and repealing laws inimical to freedom of expression became increasingly difficult in many countries – in particular in Turkey, Hungary, China and Mexico – the year became more about holding the line against these threats as states increasingly slipped into authoritarianism. A positive exception has been that of decriminalizing defamation in Africa as numerous states pledged to repeal these structural threats.

The global picture was stark, the rise of new forms of political populism led to an increase in authoritarian policies with negative consequences for freedom of expression. Citing a range of reasons, including national security, governments are increasingly monitoring and also requiring the take-down of information online, in many cases not only relating to hate speech and content seen to encourage violent extremism, but also what has been seen as legitimate political positioning.

While there has been much discussion of how new media expand freedoms and communications by actors beyond the media, there are also increasing incursions into privacy and an expansion of mass and arbitrary surveillance. These are seen to raise threats to journalistic source protection and to public confidence in privacy, which – through the advocacy of PEN International and partners - the UN has recognized is an enabler of freedom of expression. Furthermore, there have been significant increases in the blocking and filtering of online content and a rising trend of large-scale shutdowns of entire social media websites, mobile networks or national internet access.

PEN International continued to work within an increasingly difficult climate for freedom of expression, a turbulent year in global politics, reflected in the number of attacks against writers recorded by PEN monitored in 2017. The year marked a rise in attacks on female journalists, including the murder, in the heart of the EU of Maltese journalist, Daphne Caruana Galizia; PEN recorded attacks against writers as spokespersons for those who cannot speak out against abuses, as representatives of minorities, as investigators of criminal gangs, and as satirists targeting officials, among others. For this they found themselves targets of state and non-state attacks. The nature of repression of freedom of expression - that offences are often not reported, means that writers may self-censor, making it difficult to document the silencing of writers.

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The 212 cases reported in PEN's 2017 Case List are therefore only a snapshot of what is likely to be a larger phenomenon. Half of the writers on PEN's 2017 case list are serving prison terms, are detained awaiting sentencing or are on trial, a total of 107 cases. Iran, China, Vietnam, Eritrea, Turkey remain, as they have for decades the key incarcerators of writers, many of whom serving sentences spanning several years. China holds 34 writers in prison, including in the Tibet and Xinxiang Autonomous Regions, 46% of the global total.

The threats to free speech continue to come from new and long-standing authoritarian governments in the form of new anti-terror laws and extremely invasive surveillance laws, attacks on the media and the proliferation of fake news. PEN campaigned on behalf of dissident writers and those critical of government policies who were intimidated, forced to flee their homes, prevented from working, pressured into self-censorship and, at worst, imprisoned or tortured. PEN has seen a rise in the number writers, particularly from the Middle East and North Africa region, seeking safe refuge and support from the international community. PEN provides support to these persecuted writers in targeted actions, asylum support letters, exile and refuge options, and emergency funding to support those at immediate risk. PEN International is the world's leading association of writers, working to promote literature and defend freedom of expression around the world. Our charter states that PEN members should at all times use what influence they have in favour of good understanding and mutual respect between nations and people; they pledge themselves to do their utmost to dispel all hatreds and to champion the ideal of one humanity living in peace and equality in one world. Faced with the rising xenophobia, hate crimes and climate of fear, these ideals are ever more important.

Missions

Four high level missions of PEN officials were organised through 2017 to express solidarity with writers facing freedom of expression challenges in their countries.

In light of the continuing assault on freedom of expression in Turkey, PEN visited the country in January to demonstrate its support with Turkish writers, victims of freedom of expression violations and to advocate on their behalf before the authorities. The mission also sought to demonstrate solidarity with the Kurdish community as a result of the brutal massacres, persecution, destruction of cultural heritage and repression of Kurdish cultural and arts institutions. The mission was the largest ever undertaken by PEN and was led by Jennifer Clement, International President, Kätlin Kaldmaa, International Secretary, with Presidents Emeritus, John Ralston Saul and Per Wästberg (also member of the Swedish Academy), along with 3 Vice Presidents, PEN Members and staff, publishers and representatives of the Norwegian Judges' Association and International Commission of Jurists.

As well as a large literary event, meetings were held with political parties, diplomatic missions, publishers and journalists from leading newspapers *Cumhuriyet Daily*, *BirGün Daily*, *Agos Daily*, *Evrensel Daily* and *Özgürlükçü Demokrasi Daily*, whom were facing an increasing clampdown, including prosecutions, economic hardship and closure. The national press widely covered the mission's vigil outside Silivri prison, where scores of journalists and writers were being held. A roundtable event was held with a range of stakeholders including local NGOs to explore ways in which PEN could support freedom of expression in Turkey. Discussions revolved around the need for coordinated advocacy work, international media coverage and legal support. Participants praised PEN for their visit and initiative to produce the PEN solidarity newspaper *Derman*, edited by Ege Dünder with contributions from Turkish and Kurdish journalists. A meeting with representatives of the Kurdish community focused on violations, including the prosecution and imprisonment of Kurdish writers, violence against Kurdish women and the crackdown on publishing in the Kurdish language.

In May, International Secretary Kätlin Kaldmaa led a mission with Eugene Schoulgin and Carles Torner to Russia to meet with the St Petersburg PEN Club, the board of Russian PEN and the new Free Word Association. The Free Word Association was recently established by writers who left Russian PEN in protest following contested elections within the Centre. The mission paid tribute to murdered journalist and PEN member Anna Politkovskaya at her grave and held a public poetry reading at the Freedom Festival at the Sakharov Centre and participated in a press conference where the

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Free Word Association's presented its report on freedom of expression in Russia. As a result of the mission, St Petersburg was presented and voted as an independent PEN Centre by PEN's Assembly of Delegates in Lviv (see below).

PEN President Jennifer Clement and Executive Director Carles Torner visited the PEN Tibetan Writers Abroad Centre in Dharamsala, India in April 2017. Meetings were held with several Tibetan institutions in exile namely the Tibetan Parliament and the Library of Tibetan Works and Archive as well as with leading spiritual figures such as the Venerable Tenzin Palmo, the Karmapa, Kirti Rinpoche, Samdhong Rinpoche and His Holiness the Dalai Lama. The Dalai Lama thanked PEN for its support to Tibetan writers in prison and for the Tibetan language and literature, and especially for PEN's welcoming of Tibetan writers in exile to the PEN network. The Dalai Lama also enthusiastically expressed his support of PEN's *Make Space* campaign.

PEN Tibet presented their extraordinary work around smuggling books clandestinely out of Tibet to print them in India, linking their board through Skype meetings and through their newsletter the Tibetan writers' diaspora, researching and campaigning for Tibetan writers in prison and women issues in Tibet, as well as against the systematic replacement of the Tibetan language by Chinese. At a meeting with over sixty members of the Centre, PEN Tibet presented three reports (literary, freedom of expression and linguistic rights/translation).

In October 2017, Jennifer Clement and Carles Torner, visited Haifa, Jerusalem and Tel Aviv, Israel and met with local writers interested in forming a new PEN Centre. During the mission they also met with Palestinian poet DureenTatour who is held under house arrest and prevented from leaving her home in Nazareth, unless under the supervision of a licensed chaperone. She has as a blanket ban on accessing the internet or publishing any of her works.

The mission also met with the Palestinian PEN Centre and other writers in Ramallah with respect to growing the membership of the Centre and its participation and influence in the region. The mission met with the Palestinian Public Prosecutor with respect to the writer Abbad Yahta, stranded in Doha. Yahta's novel *Crime in Ramallah* was banned by the Palestinian Authorities for 'threatening morality and public decency'. As a result of PEN's visit the case against Yahta was dropped, however the ban on his book remains in place. He has since been able to return to Gaza although he is now living in Turkey.

Supporting writers at risk - those who are detained or otherwise persecuted for their opinions expressed in writing.

In 2017 PEN continued to enhance its partnership with the International Cities of Refuge Network (ICORN). PEN's expert opinion on requests for refuge was provided to ICORN on 104 cases of which 82 were men and 24 were women. The notable rise in applications from women writers at risk constitute over a quarter (24) of all applicants to ICORN in 2017. Women constitute a third (19) of all applicants from the MENA region, where the level of risk faced by women writers seeking protection tends to be acute, often arising from family as well as state and non-state actors. Gender has been identified as a key factor in prioritizing urgent cases and is at times a factor in their persecution.

The overwhelming majority of applications continue to come from the Middle East and North Africa (MENA) region, and increase of 50 per cent from 2016, where writers are particularly at risk for reporting on conflict, human rights violations and political turmoil. Writers in Syria continue to seek temporary relocation in large numbers as a result of the conflict which is still ongoing in parts of the country, and to flee the ongoing repressive freedom of expression climate in Iran, which has consistently high numbers of writers in prison and where minorities – in particular Kurdish writers - are amongst those targeted. The critical security situation in northern Iraq – specifically Mosul – Yemen, Egypt and Libya has also led to a corresponding rise in applications from those countries in 2017. No applications were received from writers in the Americas, however we also saw a considerable rise in applications from Europe, requests for assistance from Turkish writers remained high in the wake of the failed coup attempt in July 2016 and the subsequent state of emergency.

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In addition to applications to ICORN, PEN International works in partnership with the PEN Emergency Fund; this provides one-off grants for a range of emergency assistance measures which include safe passage - flights visa, and travel insurance; medical assistance, and general support towards living expenses. In 2017, 29 writers (5 women and 25 men) benefitted from grants of up to Euros 1250 for emergency assistance, compared to 28 in 2016, 39 in 2015 and 31 in 2014. PEN International provided 19 (5 women and 14 men) asylum support letters and letters in support of refugee status, and coordinated with local PEN Centres to facilitate access to legal advice and accompaniment to court hearings for exiled writers seeking asylum.

Addressing PEN's strategic objectives:

Campaigns and actions on behalf of individual writers

In 2017, PEN International published 131 calls to action (35 RANS and 296 statements), 13 per cent of all statements and 58 per cent of all actions related to cases originating from the Turkey and Middle East region. Information suggests that publicity generated around cases is frequently helpful in limiting torture/ill-treatment, especially in early days of detention. Such actions also serve to alert our membership to key cases and issues of concern. These actions are also often made at the request of family members, who benefit from knowing that their loved ones are not forgotten. Furthermore, writing letters expressing our concerns allows us to hold a state to account with international bodies. A state cannot deny having the pertinent information relating to a case if individuals have taken the time to write to them.

PEN's campaigns highlighted the situation of writers through key dates including Day of Imprisoned Writer on behalf of Ramon Esono Ebalé (Equatorial Guinea); Dareen Tatour (Israel); Cesario Alejandro Félix Padilla Figueroa (Honduras), Zehra Dogan (Turkey), Nguyễn Ngọc Như Quỳnh (Viet Nam) and Razan Zaitouneh (Syria). Day of the Dead 9 Centres (6 of which received funding from PEN International) in the America ran their own events to raise awareness around impunity for murdered writers calling for perpetrators to be brought to justice and for redress for families.

Global Campaign - Make Space

Ngũgĩ wa Thiong'o, the renowned Kenyan writer and language campaigner who has known decades of exile, participated in the launching of PEN first global campaign *Make Space* in May 2017 in the international press, online, and at our launch event in Lillehammer, Norway. The Campaign aims to create opportunities for displaced writers to contribute to, participate in, and access global literatures. Through the campaign we hope to encourage a shift in public discourse that moves away from discriminatory and xenophobic narratives around displacement and towards a global resolve to ensure that displaced communities have their human rights upheld, experiencing a context of empowerment and equity from which to express themselves freely, and in which their cultural heritage and creative output is protected and valued.

Addressing the human rights violations and extreme injustice faced by many displaced people is a central part of *Make Space*. PEN takes inspiration from the belief that words have impact and that as a movement we have a very strong international profile and presence. PEN also has a very powerful support base of writers, whose own reach via the media is extensive and influential. So far in 2017 PEN invested in developing its communications capacity, developing a Campaign brand and a new a unique website with spaces for writers so that articles, poems, and fictional pieces can be published. The *Make Space* website is a central publishing hub for writers' work, as well as hosting video footage; opinion content from writer-refugees; infographics highlighting key facts and promoting learning; and photographs of workshops, seminars, and meetings. The micro site has links to the main website and is shared with PEN supporters via social media. Tools and toolkits, media contacts, and strategies are shared with Centres so that the campaign becomes truly global. Through our extensive networks in the literary industry and amongst writers, we promote the literatures of displaced writers in the international commercial arena including at book fairs & festivals, in publishing houses and newspaper columns. This creative and journalistic output is a key tool in using storytelling to change hearts and minds, and activating the general public to push for policy change.

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PEN International, English PEN, Scottish PEN, PEN Honduras and the Roundhouse London collaborated on a poetry writing project with 16 to 25 year olds exploring themes of home, community, and belonging, along with active writing groups in Trinidad and Abu Dhabi. Capacity-building workshops were aimed at encouraging more young people to join the PEN Centres involved; training Centre staff in delivering projects; and raising the profile of the Centres through public events & media content. The project's focus on poetry collaboration was tested as a pilot activity, testing ways of streamlining PEN International's three year global campaign into our centre' civil society work.

Promoting and defending Freedom of Expression by challenging and exposing threats and barriers through research, supporting legal actions and through targeted advocacy and campaigning.

2017 saw enormous challenges to upholding freedom of expressions as attacks on international and national level institutions threatened human rights and the rule of law. Developing new standards and repealing laws inimical to freedom of expression became increasingly difficult as the focus in many countries – in particular in Turkey, Hungary, China and Mexico – the year became more about holding the line against these threats as states increasingly slipped into authoritarianism. A positive exception has been that of decriminalizing defamation in Africa as numerous states pledged to repeal these structural threats.

The situation for freedom of expression in Turkey remained grave, as counter-terrorism legislation and the prolonged state of emergency are being used to severely restrict fundamental rights and freedoms, stifle criticism and limit the diversity of views and opinions available in the public sphere. Independent mainstream media have been all but silenced. Over 2017, at least 157 journalists, media workers and writers were held in pre-trial detention, making Turkey the biggest jailer of journalists in the world. Most are facing terrorism charges. PEN International has been closely following the criminal trials against journalists, including trial observations of the proceedings in the case against Ahmet and Mehmet Altan and the case against the *Cumhuriyet* journalists, who face terrorism charges as a consequence of their journalistic activities, in clear violation of the right to freedom of expression. Although the proceedings are on-going, it is already evident in light of the flimsy charges and the numerous violations of the right to defence that the accused will not receive a fair trial. Furthermore, PEN International also actively works on the cases against the Academics for Peace, in which over 1200 academics are facing criminal proceedings for having signed a declaration calling for a peaceful resolution to the conflict in the South-East of Turkey. In addition, PEN International throughout 2017 frequently published statements and other appeals in cases of persecuted writers and journalists, and is actively engaged in political and legal advocacy at regional (Council of Europe, European Union) and international (United Nations) level.

Across Eastern Europe and across Central Asia, civil society faced a range of harassment and restrictions. Dozens of individuals were jailed for their peaceful activism and became prisoners of conscience in Belarus and Russia, amid ongoing legislative restrictions on media, NGOs and public assemblies. In Crimea, the *de facto* authorities continued to suppress dissenting opinion. Leaders of the Crimean Tatar community who spoke out against the Russian occupation and illegal annexation of the peninsula faced exile or prison. The primary positive developments in Eastern Europe and in Central Asia involved releases of prisoners of conscience and other long-term prisoners, notably in Uzbekistan. In Azerbaijan, journalists were released; however, new ones took their places in the never-ending policy of repression. In Russia, prisoner of conscience Ildar Dadin – the first and so far only person imprisoned under a recent law criminalizing repeated violation of Russia's draconian restrictions on public assembly – was released and cleared of conviction following a Constitutional Court ruling.

This hostile discourse also inched westward and found its first legislative expression in Hungary with the adoption of a law effectively stigmatizing NGOs that received foreign funding. PEN intervened at the European Court of Human Rights to uphold the rights of journalists in Hungary working to exercise their rights to freedom of expression in covering the refugee crisis.

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2017 saw an unprecedented crackdown on freedom of expression in China concerns which were raised by PEN statements and actions. The consecration of President Xi Jinping as China's most powerful leader for many years took place against the backdrop of a stifling of freedom of expression and information. Authorities increasingly used "national security" as justification for restriction of human rights and detention of activists; the tactic escalated significantly in the Xinjiang Uighur Autonomous Region (XUAR) where, under the leadership of new regional Communist Party Secretary Chen Quanguo, authorities put new emphasis on "social stability" and increased technological surveillance, armed street patrols and security checkpoints and implemented an array of intrusive policies violating human rights. Authorities set up detention facilities within the XUAR, variously called "counter extremism centres", "political study centres" or "education and transformation centres", in which people were arbitrarily detained for unspecified periods and forced to study Chinese laws and policies. Freedom of expression was under attack across South Asia. Using vague concepts such as "the national interest" as an excuse to silence people, governments targeted journalists, human rights defenders and others for peacefully expressing their beliefs. In Bangladesh the government proposed a new Digital Security Act, which would place even greater restrictions on the right to freedom of expression and impose heavier penalties. In India, the authorities were openly critical of human rights defenders, contributing to a climate of hostility and violence against them. Repressive laws were used to stifle freedom of expression, and journalists and press freedom came under increasing attack.

PEN campaigned on writers affected by the crackdown on dissent in Viet Nam which forced numerous activists to flee the country. Erosion of the space for a free press increased in Myanmar, where journalists and other media workers faced intimidation and at times arrest, detention and prosecution in connection with their work.

Governments across the Middle East and North Africa repressed civil society both offline and online in an attempt to prevent or punish reporting on human rights violations or other criticism directed at them or their allies, often on the pretext that they were combating threats to national security or corruption. They also used excessive force in an attempt to quell protest movements that had taken to the streets.

In Egypt, the authorities enacted a draconian new law that gave them broad powers to dissolve NGOs and provided for five years' imprisonment for publishing research without government permission. The Egyptian authorities also sentenced at least 15 journalists to prison terms on charges related solely to their writing, including publication of what the authorities deemed "false information"; also made efforts to increase their control of expression on the internet; they blocked more than 400 websites, including those of independent newspapers and human rights organizations.

The State of Palestine adopted the Electronic Crimes Law in July, permitting the arbitrary detention of journalists, whistleblowers and others who criticize the authorities online. The law allowed for prison sentences and up to 25 years' hard labour for anyone deemed to have disturbed "public order", "national unity" or "social peace". Several Palestinian journalists and human rights defenders were charged under the law.

Rather than using human rights as a way to secure a more just and sustainable future, many governments fell back on tactics of repression – misusing their security forces and justice systems to silence dissent and criticism; allowing widespread torture and other ill-treatment to go unpunished; and presiding over rampant inequality, poverty and discrimination sustained by corruption and failures in accountability and justice.

Extreme and persistent violence was commonplace in countries including Brazil, El Salvador, Honduras, Mexico and Venezuela. Mexico witnessed a wave of killings of journalists and human rights defenders. Venezuela faced its worst human rights crisis in modern history. Killings of Indigenous people and Afro-descendant leaders in Colombia exposed shortcomings in the implementation of the country's peace process.

In Mexico, human rights defenders were threatened, attacked and killed, with digital attacks and surveillance especially common. During the year, at least 12 journalists were killed – the largest number recorded since 2000 – many in public

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places, with the authorities making no notable progress in investigating and prosecuting those responsible. Victims included prize-winning journalist Javier Valdez, who was killed in May near the office of the newspaper *Ríodoce*, which he founded. It became apparent that a network of people was using the internet to harass and threaten journalists throughout Mexico. Evidence also emerged of surveillance against journalists and human rights defenders, using software that the government was known to have purchased.

PEN was at the forefront of campaigns to repeal structural threats to freedom of expression in 2017. The strength of PEN's influence including in partnership and within coalitions is not just increasing the impact of the work, but also giving PEN International a global, holistic body of learning around strategic advocacy, which is going to be shared with partner organisations and fed into strategic planning going forward.

CRIMINAL DEFAMATION

PEN International and its network of 150 Centres have long led and supported campaigns for the repeal of criminal defamation and the reform of punitive civil defamation laws. PEN International has passed a number of resolutions on the critical issue of decriminalizing defamation, written numerous reports, and continuously monitors the cases of journalists and writers facing criminal defamation charges.

In 2017, a strong focus of PEN's work to repeal structural threats to freedom of expression was the continuation of PEN's project to repeal criminal defamation globally. International human rights instruments and a growing body of international legal opinion clearly state that defamation laws can have a chilling effect on speech, hampering the right to freedom of expression and the right to be informed. PEN's research demonstrates that pernicious laws, which carry severe penalties including imprisonment, are widely used by those in positions of power to silence critics. Politicians and public officials are the actors who most often target and seek to silence their critics with these laws. Around the world, criminal defamation laws introduce disproportionate penalties for the expression of opinion or the publishing of an allegation, and are frequently used to target journalists who uncover corruption or malfeasance and abuse of power by political leaders and state officials. Such laws have a chilling effect on investigative reporters who are conscious of the possibility of serving lengthy prison sentences and leaving them with a criminal record. Members of civil society also face similar reprisals when expressing themselves in the public sphere, including on social media. The result is the stifling of reporting and public debate and difficulty in holding power to account

Despite the growing international consensus that criminal defamation infringes the fundamental right to freedom of expression as expressed by international and regional human rights bodies and mechanisms, prosecutions of journalists and other writers under criminal defamation and insult laws continue in a wide range of countries. In most of Asia, and much of Africa, Latin America and the Middle East, defamation is in some circumstances a crime, as it is in Canada and 23 members of the European Union. Criminal defamation laws are certainly only part of the problem. The abuse of civil defamation laws can cause an equally harmful chilling effect. This is particularly the case when non-pecuniary damages (compensation for emotional suffering) are not capped in law, allowing plaintiffs to request exorbitant sums. PEN campaigned for defamation cases to be handled by civil lawsuits rather than police complaints, so journalists are not threatened with jail for their reporting. Further arguing that the law must afford greater scrutiny for public figures than for private individuals so that the powerful cannot stifle public debate. Lastly that truth must be an absolute defense against allegations of defamation, so that people cannot protect an undeserving good reputation.

Criminal defamation has been held by the European Court of Human Rights to be a "disproportionate interference with the exercise of . . . freedom of expression," as civil damages are sufficient to redress harm to reputation. EU member states are among the globe's biggest proponents of media freedom and therefore are often referred to as benchmarks for measuring the progress of more restrictive governments. The EU sets an example. And when things are not in order at home, it is more difficult to justify pressing for changes abroad. The existence of archaic laws in the EU makes it easy for other countries to claim that they are following European standards and to reject the criticism of foreign governments,

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international civil society, and local journalists and activists fighting for change. Turkey is amongst the most egregious abuser of Criminal Defamation laws. PEN continued to highlight the breathtaking scope with which criminal defamation laws are abused in Turkey to silence voices critical of the government and limit the free flow of news and information demands urgent action. Turkish President Recep Tayyip Erdoğan has overseen the filing of nearly 2,000 criminal cases of 'insult to the president' against journalists, writers, academics, politicians, university students, teenage schoolchildren and even beauty queens. The result is an entire society afraid to speak its mind.

Through coalition building and representing the issues at the international and regional fora PEN has increased its visibility as a strong voice on freedom of expression in a wide range of demographics. Much of this can be attributed to regional advocacy work to repeal Criminal Defamation across Africa. In order to address this issue of importance to African PEN Centres, PEN partnered with the United Nations Democracy Fund (UNDEF), on a project to build the capacity of writers through training and mentoring to take a lead role as civil society actors to advocate for the repeal of criminal defamation laws in Africa. Alongside training workshops, research was commissioned in four countries - Sierra Leone, South Africa, Uganda and Zambia to demonstrate the impact of such laws on writers seeking to report on issues deemed sensitive by power holders, such as corruption. The research has culminated in a report, *Stifling Dissent, Impeding Accountability – Criminal Defamation Laws in Africa*, also examines the lessons learnt from the successful decriminalisation of defamation in Ghana. The report revealed that the threats of criminal sanctions deter media investigations into and reporting of issues governments consider sensitive or embarrassing. In many cases, where journalists, editors or publishers have refused to be cowed into self-censorship by these laws, they have been subject to arrest, detention, prosecution and long drawn out trials, and sometimes imprisonment for months or even years, leading to a culture of fear. The research has underpinned national and regional level advocacy and participating PEN Centres have tapped into local coalitions that are working on this issue. The report is accompanied by a campaign action, whereby Africa's leading writers petition African leaders to decriminalize libel, insult and defamation.

PEN Centres have been at the heart of these advocacy pushes. Following advocacy training in 2016 and 2017, PEN Zambia presented at the UPR pre session and held advocacy meetings into 2017, positioning themselves as experts on the issue and receiving subsequent opportunities to raise the issues and push recommendations with the authorities. PEN Uganda's coalition partner, the Human Rights network for Journalists, has remarked how useful it has been to have PEN involved, as PEN is able to speak to a different and more varied demographic than other civil society organisations, for example students and literary writers. PEN was very active in the campaign which has now resulted in the promise of repeal in South Africa and a draft Bill was due to be presented before Parliament in May 2016; the Department of Justice later indicated in 2017 that the repeal provisions in the draft repeal bill would be incorporated in a new bill on Prohibiting Hate Crimes and Hate Speech. Journalists were told that they would be given sight of the revised Hate Crimes and Hate Speech Bill after it had been presented to the Cabinet.

At the regional level, PEN has also ensured the issue remained on the agenda at the PAN African parliament (PAP), the legislative body of the African Union. In June and August 2017, PEN and colleagues from PEN South Africa & PEN Zambia met with delegates from PAP in Midrand, South Africa, including the Justice and Human Rights Committee and the Education and Culture Committee, to explore collaboration on the decriminalization of defamation project.

PEN also hosted a panel on decriminalisation at the NGO Forum at the African Commission on Human and Peoples' Rights (ACHPR) in May 2017 with members from the PEN Africa Network. The Chair of the NGO Forum raised the importance of repealing criminal defamation laws during her remarks at the opening of the ACHPR on 8 May 2017. The Special Rapporteur on Freedom of Expression in her closing statement at the ACHPR recommended that states "Repeal criminal defamation laws or insult laws which impede freedom of speech, as stipulated in the African Charter, the Declaration and the Resolution on Repealing Criminal Defamation Laws in Africa (ACHPR/Res.169 (XLVIII) 10)".

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International Advocacy

In 2017, PEN International undertook advocacy and made six submissions to the Human Rights Council and the Universal Periodic Review on Azerbaijan, Bangladesh, Guatemala, Ghana, Russia and Zambia. All PEN submissions can be found on our dedicated webpage.

In March PEN took part in the 34th session of the UN Human Rights Council and coordinated a side event with Article 19 and HRW on justice and journalism, lobbied diplomatic missions and the UN Special Procedures and delivered an oral statement on the degradation of freedom of expression and media freedom in Turkey. In May PEN took the lead in drafting a written statement on the state of freedom of expression in Turkey and organised a side event with the Special Rapporteur on Freedom of Expression David Kaye during the 35th session of the UN Human Rights Council in June. The event was a great success; David Kaye told us how much he relied on PEN's research for his country report.

In September at the OSCE's Human Dimension Implementation Meeting (HDIM), PEN International hosted the new OSCE Special Representative on Freedom of the Media, Harlem Desir, Yonca Sik, wife of detained writer and former English PEN writer in residence, Ahmet Sik and Erol Onderoglu, Turkey correspondent for RSF for a side event on freedom of expression in Turkey for diplomats.

Advocacy continued in relation to Turkey in Strasbourg before the Parliamentary Assembly of the Council of Europe (PACE) and with Thorbjørn Jagland, Secretary General of the Council of Europe, where a letter signed by 23 members of the PEN's high level mission to Turkey urged Council of Europe to hold Turkey to account for violations of freedom of expression and Access to Justice. PEN also signed a Memorandum of Understanding joining the Council of Europe's Platform for the Safety of Journalists. Furthermore, PEN coordinated the *amicus briefs* (third party interventions) on freedom of expression in ten cases of detained Turkish journalists before the European Court of Human Rights, liaising with David Kaye, the UN Special Rapporteur on Freedom of Expression and Nils Muiznieks, the Council of Europe's Commission on Human Rights.

PEN International pursued its strategic objective to support its global network of Centres and provide platforms for civil society to creatively and critically assert its right to Freedom of Expression.

In 2017, we did this by promoting literature as an essential avenue for dialogue and exchange of ideas; through strengthening our sub granting programme for Centres largely 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; and through Centre development visits and capacity building workshops.

PEN held and supported several Civil Society Programme Development Workshops in Oxford (June) and in Malawi, Guatemala and Bangladesh in December. The workshops in Oxford and Malawi brought together representatives from over 20 PEN Centres from around the world to learn from each other's 'Access to education' and 'Empowerment through Literature' projects – all very different in terms of country context and participants, while at the same time similar and relevant in their aims and experiences. The aim of the workshops was to equip and motivate Civil Society Centres with new knowledge, skills and networks to enable them to strengthen their projects. Sessions were participatory and collaborative, with a focus on guiding sharing and learning. Monitoring, evaluation and learning sessions were held at the beginning and end, and interwoven throughout. Issues of governance, financial management including anti-bribery and corruption, project planning with, a specific focus on gender and diversity. Exercises around theory of change explored strategies for both advocacy and campaigning. Each session was supported by resources, a take-away toolkit and facilitator's agendas; to enable participants implement this learning but also train others back in their Centres.

In Guatemala PEN supported a 3-day workshop with 16 female indigenous community radio journalists. The workshop, organised by PEN Canada and local partners Human Rights Defenders Project and Unidad de Protección a Defensores y Defensoras de Derechos Humano – Guatemala ([UDEFEGUA](#)), followed on from a joint research mission conducted in

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November 2016, and submission to the Universal Periodic Review in March 2017. Over the course of their research, PEN Canada established that there was an urgent need for hands on training and that indigenous women were in particular need owing to the fact that they conduct many of the key newsgathering roles in community radio and indigenous media, but are also at higher risk of threat and assault. The workshop – led by renowned journalists and security was designed to address their physical, digital and psychosocial support needs by providing practical training on such topics as how to analyse day-to-day risk and adopt appropriate countermeasures to improve security, self-defence, first aid and psychosocial support. PEN also facilitated security training with Bangladesh PEN in Bangkok, Thailand with five members of the centre. Participants were trained in digital, physical and psycho-social domains of security training across three days. A fourth day was dedicated to providing participants with basic training in delivering security trainings to other writers in Bangladesh who may be at risk. PEN International is currently exploring options to deliver a more in-depth and enhanced training of for participants who showed good potential.

A PEN Asia Network meeting in Bengaluru, India was held for 9 Centres from Asia Pacific region in April. Presentations included PEN's work on Asia, including advocacy, writers at risk and solidarity work and delegates reported and debated about freedom of expression challenges in their countries. Panels explored issues such as 'Advocating change in repressive environments', 'Writers at Risk' and 'Criminalised speech', with Salil Tripathi, chair of PEN's Writers in Prison Committee, concluding with summary of key concerns arising from the meeting and next steps. Being the host country, lot of space was given to freedom of expression issues in India, in a climate of growing censorship and self-censorship because of the rise of religious and ethnic fundamentalism. There was also time to share about the development of the Make Space campaign in Asia, with India stressing the need to focus on the Adhivasi communities as victims of displacement.

In 2017 the Civil Society sub granting programme supported 28 PEN Centres to run 18 small projects Africa (7), Asia (2), Americas (4), Europe (2), Middle East (2) benefitting more than 22,945 people of which 11,703 were women and girls and 11,242 were men and boys. PEN supported 9 Centres in Latin America to run campaign around Day of the Dead; and 8 Centres to enhance their communications and promote their projects. All projects strove to engage and promote PEN Centres and their concerns as civil society actors effecting change across 3 broad domains: Domain 1 is around SPACES -By creating diverse and fertile spaces for literature, language, ideas, opinions, debate and dialogue to flourish, and creating opportunities for diverse, dissenting and unknown writers to be heard, the PEN International Civil Society Programme seeks to influence public and political spheres; Domain 2 LAW, POLICY AND PRACTICE – Centres seek to identify and articulate areas where law, policy and/or practice need to change, and build their capacity to develop targeted advocacy strategies to affect those changes by providing opportunities and platforms for writers and other stakeholders, to influence policy makers. Doman 3 INSTITUTIONAL CAPACITY, SUSTAINABILITY AND STANDING - Centres seek to build a diverse and engaged membership representative of their context. They are increasing their skills in project planning and management and their ability in running sustainable projects. They will have become part of a strong coalition of civil society actors and be widely seen as a strong voice on freedom of expression issues.

Pen Centres are running a range of projects in schools, universities and prisons, using literature to address freedom of expression concerns, encourage creative writing and critical thinking. 14 PEN Centres completed their projects by end of 2017 and 12 are mid-way through their programmes. Centres supported include PEN Afrikaans, PEN Argentina, PEN Bosnia, PEN Cambodia, Honduras, Kurdish PEN, PEN Myanmar, PEN Nicaragua, PEN Lebanon, PEN Mexico, PEN Philippines, PEN Scotland, PEN Sierra Leone, PEN South Africa, PEN Togo, PEN Uganda and PEN Zambia and Welsh Cymru PEN. In their reporting a majority (18) of PEN Centres projects confirm they are creating inclusive, diverse spaces; to date two centres have reported on changes in law, policy and practice through the programme, many more describe building relationships with policy makers or becoming part of an active coalition. Centres report the need for further support in developing their advocacy plans; all Centres have increased their capacity, standing and sustainability as a result of the programme, though some to a much greater extent than others and those that have increased capacity have had support in the form of training and mentoring, running alongside the Civil Society grant.

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Congress

The 83rd PEN International Congress with the theme *Reclaiming Truth in Times of Propaganda*, was held in September 2017 in Lviv, Ukraine, hosted by PEN Ukraine and in partnership with Lviv City Council and the Lviv UNESCO City of Literature Office. PEN's annual Congress offers an opportunity for the entire PEN community to gather and reflect on our work. Officially, it is the Annual General Meeting (AGM) of the international office of PEN, but its importance extends far beyond this function. The Congress helps us strengthen our networks and connections; reinforce and refine our core principles through discussion, debate and pass resolutions; exchange experiences and ideas and celebrate writing in all its forms.

A comprehensive report – *Freedom of Expression in Post–Euromaidan Ukraine: External Aggression and Internal Challenges* – was launched to highlight violations against freedom of expression in the country and calls on Ukraine to restore an environment in which all citizens can exercise their right to freedom of expression without fear of violence, imprisonment or any other negative repercussions. Public events and debates within the Assembly of Delegates focused on peace building, equality for women and writers in prison. PEN members from over 60 Centres from around the world were joined by writers including Madeleine Thien, Paul Auster, Enoch Meyomesse, Adam Zagajewski, Judith Rodriguez and Andrei Kurkov, leading discussion on propaganda, xenophobia and censorship. The writer and human rights lawyer, Philippe Sands, delivered the opening address about issues of identity, memory, the horrors of war and the birth of modern human rights law.

The key outcomes of sessions included, unanimously passed the PEN International 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. To mark International Peace Day, the Assembly of Delegates of PEN International and writers including Elif Shafak, Svetlana Alexievich, Paul Auster, Andrei Kurkov and Yann Martel released a statement deploring the widening assault of censorship, propaganda and 'fake news' spread to all corners of the world. The Assembly of Delegates unanimously voted for the establishment of four news Centres: PEN Cuba (Habana), PEN St. Petersburg, South India PEN and the Gambia PEN Centre and adopted 18 resolutions – 2 of which were thematic relating to the Death Penalty and, Blasphemy and the suppression of freedom of express; 16 of which raised PEN's concerns and made recommendations on our focus countries.

Committee Meetings

The newly formed South India Centre hosted the Translation and Linguistic Right Committee (TLRC) in Bengaluru at the Indian Institute of Human Settlements (IHS), under the theme 'Together through Language Exchange.' The meeting was devoted to debates around how to develop the creative writing industry in marginalized languages and how to ensure language rights in different political and social contexts. More than forty people participated directly in the sessions of the Committee debates and evening programs with films and panels with Indian authors who write in languages such as Tamil, Urdu, Kannada, Malayalam, Konkani or Telugu.

The Women Writers Committee (WWC) and Writers for Peace Committee (WfP) met in Bled, Slovenia in May 2017. Following fruitful debates in each Committee, they approved draft resolutions on the Death Penalty and on Hate Speech. The Peace Committee also proposed the creation of a Peace Prize of PEN International. The committee devoted a session to the situation in the Balkans and proposed guidelines for action.

PEN's Writer's in Prison Committee (WiPC) held its biannual meeting in partnership with ICORN in Lillehammer, Norway in May 2017, under the theme 'In Other Words'. The meeting featured a wide range of highly successful and well-received panels, workshops and literary events featuring writers in exile, PEN members, cultural actors and representatives from partner organisations. At the opening of the conference, PEN President Jennifer Clement and Kenyan writer Ngũgĩ wa Thiong'o launched the 'Make Space' campaign for writers in exile and displaced communities (see above). Literary events included, the Bjørnson lecture given by Kamila Shamsie: 'You couldn't make this up'; 'A journey into exile'- Ngũgĩ wa Thiong'o; Guantanamo diary live - Mohammedou Ould Slahi and the PEN debate: 'Free

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Expression in a Post-Truth World', with participation of Ma Thida (PEN Myanmar), William Nygaard (PEN Norway) and Halya Coynash (PEN Ukraine). Freedom of expression front line reports on Mexico, Bangladesh and Syria were also presented. PEN ran a series of workshops on protection with speakers from the ICORN and PEN networks as well as external partners in the field. The workshops, entitled 'The Landscape of Protection', 'The Landscape of Relocation', and 'A Safe Return?', explored the best practices of protection, the challenges of temporary relocation, and possibilities to support writers and artists at risk to return to their country or region more safely.

FINANCIAL REVIEW

PEN International is grateful to its donors for their generous support in assuring its income of £1,581,131 during 2017 (2016 - £1,401,314) to allow it to pursue its aims. The increase in income compared to 2016 was mainly due to £29,000 increase in membership dues and £151,000 increase in grants. The principal restricted funding sources for 2017 were Sida, the Norwegian Ministry of Foreign Affairs, the Clifford Chance Foundation, the Open Society Foundation, the International Cities of Refuge Network, the Fritt Ord Foundation, and UNDEF amongst others.

The total expenditure in the year was £1,568,590 (2016 - £1,258,750). The increase in expenditure was due to the increase in 2017 of charity activities in the civil society programme, investment in communication and fundraising. During the year, £1,562,125 (2016 - £1,252,927) was spent on charitable activities and £6,465 (2016 - £5,823) on fundraising.

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 the local centre and to PEN International. An increase in the contribution of Centres dues was agreed by the Assembly of Delegates at Congress Lviv in September 2017. 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.

In line with PEN's donor plan developed in conjunction with our strategic plan 2015- 2018, PEN prioritised extending its unrestricted funding base through our Circles and donations from high net worth individuals. In order to pursue this strategy, fundraising Consultant Sheila Bailey was appointed to assist the organisation in October 2017. The publishers Circle continued to grow with a new member. PEN hosted its annual 'Publishers Circle Breakfast' at the Frankfurt Bookfair to engage current members in our work and harness their support and perspective on new opportunities as well as on freedom of expression threats within publishing. Jennifer Clement and Carles Torner reported on PEN's programme 2017 including Congress Lviv. The meeting was attended by Asli Erdogan, Can Dündar and Burhan Sönmez, who spoke about PEN's mission to Turkey in January 2017; a rich debate about the need for continuity in PEN's commitment to freedom of expression in Turkey ensued. The resolution on Hungary approved at the Lviv congress was presented to the publishers followed by a long conversation with two publishers from Libri Kiadó, based in Budapest. The circle supported the idea of PEN International organizing a mission to Hungary in 2018 with the support of the Hungarian Publishers Association. At the end of the book fair, the Carles Torner represented PEN at the German Booksellers Peace Award ceremony which was given to Margaret Atwood, vice-president of PEN International.

The Writers Circle, launched in 2015, grew to 26 members, and include Catherine Banner, Nina George and Hakan Günday. PEN's Readers Circle continued to grow steadily and in mid-December 2017, PEN's Stage and Screen Circle was launched in Los Angeles and started to collect its first members in California, Mexico, Canada and Spain. An event is planned for May 2018, under the auspices of Clifford Chance to encourage the participation of a broad range of directors, screenwriters and actors from across Europe. Plans for other regions will be developed through the course of 2018.

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The Finance Subcommittee of the board continue to review the reserves position with plans in place to grow the reserves in 2018 in order to ensure PEN International's financial stability and sustainability.

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 (£295,019).

Total reserves at 31 December 2017 were £472,244 (2016: £479,631) Restricted reserves held in 2017 were £166,420 (2016: £203,925) and unrestricted reserves were £305,824. Of this £14,326 were designated reserves while the free reserves were £291,498 (2016: £256,923).

Restricted reserves are those funds that have been received for particular purposes and projects, and are shown in detail in note 16. The free reserves were less than 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 2018.

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 2018 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. The launching of the new Screen & Stage Circle will also increase the unrestricted funding of the organisation and contribute to its financial stability.

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

Heikkinen 28th March 2018

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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 2017 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 2017 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 accounts are prepared is consistent with the accounts; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

INTERNATIONAL P.E.N.
(A COMPANY LIMITED BY GUARANTEE)
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 accounts 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 company is not entitled to claim exemption from preparing a strategic report due to it being a member of an ineligible group.

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 accounts 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 accounts 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 accounts 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

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.

H W Fisher & Company
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 2017

INTERNATIONAL P.E.N.

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 2017

Company registration number: 05683997

	Note	2017		2016	
		£	£	£	£
Fixed assets:					
Tangible assets	13		14,326		18,783
Current assets:					
Debtors	14	163,836		140,695	
Cash at bank and in hand		487,436		550,016	
Total Current assets		651,272		690,711	
Liabilities:					
Creditors: Amounts falling due within one year	15	(193,354)		(229,863)	
<i>Net current assets or liabilities</i>			457,918		460,848
<i>Total assets less current liabilities</i>			472,244		479,631
Total net assets or liabilities			472,244		479,631
The funds of the Charity:					
Restricted income funds	16		166,420		203,925
Designated funds	17		14,326		18,783
Other charitable funds			291,498		256,923
<i>Total unrestricted funds</i>			305,824		275,706
Total funds	18		472,244		479,631

The notes at pages 25 to 36 form part of these accounts.

Signed:



Jarkko Tontti
Trustee



Heikki 28th March 2018

Approved by the trustees on:

INTERNATIONAL P.E.N.
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	19	(60,527)	179,223
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,053)	(5,011)
Net cash provided by investing activities		(2,053)	(5,011)
Change in cash and cash equivalents in the reporting period		(62,580)	174,212
Cash and cash equivalents at the beginning of the reporting period		550,016	375,804
Cash and cash equivalents at the end of the reporting period		487,436	550,016

INTERNATIONAL P.E.N.
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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) (effective 1 January 2015) - (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.

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 15-16) 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

All incoming resources are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary resources are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.

The 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.

Investment income is included when receivable.

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 2017

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
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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 2017

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

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.

2 Legal status of the Charity

The Charity is constituted as a company limited by guarantee.

INTERNATIONAL P.E.N.
(A COMPANY LIMITED BY GUARANTEE)
 NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2017

3 Income from donations

	Unrestricted funds	Designated funds	Restricted funds	Total funds	Total funds
	2017	2017	2017	2017	2016
	£	£	£	£	£
Donations	207,231	-	-	207,231	183,222

Donations to unrestricted funds:

	2017 £	2016 £
Individual contributions	27,656	31,044
PEN centre contributions	167,075	138,711
Other income	12,500	13,125
	207,231	182,880

Donations to restricted funds:

	2017 £	2016 £
Individual contributions	-	342
	-	342

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

NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2017

4 Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
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
	192,235	1,181,665	1,373,900	1,218,092

Included within grants receivable are the following:

	2017 £	2016 £
Unrestricted funds:		
Corporate donation	13,564	14,354
	13,564	14,354
Restricted funds:		
Norwegian Ministry of Foreign Affairs	60,197	63,100
ICORN	88,000	88,000
SIDA	748,695	609,964
Commonwealth Foundation	16,000	14,000
OIF	-	4,484
Company Donations	-	50,000
Other Income	-	6,270
UNESCO	-	8,709
Fritt Ord Foundation	28,052	23,711
Open Society Foundation (OSF)	14,520	-
Natur and Kultur	45,664	55,623
Evan Cornish Foundation	10,000	10,000
Banyan Tree Foundation	19,919	24,478
UNDEF	85,375	61,028
	1,116,422	1,019,367

INTERNATIONAL P.E.N.
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

5 Analysis of expenditure relating to general advocacy and support

	2017 £	2016 £
Staff costs	492,641	434,920
Centre developments	658,087	387,903
Support costs (note 6)	155,425	162,949
	<hr/> 1,306,153	<hr/> 985,772

Analysis of expenditure relating to writers in prison

	2017 £	2016 £
Staff costs	146,684	157,981
Other costs	17,862	13,321
Support costs (note 6)	91,426	95,853
	<hr/> 255,972	<hr/> 267,155

Expenditure was £1,568,590 (2016: £1,258,750) of which £358,451 was unrestricted (2016: £320,682), £1,197,164 was restricted (2016: £931,665) and £6,510 was designated (2016: £6,403).

Expenditure on raising funds includes staff costs of £4,074 (2016: £5,059) and other costs of £2,391 (2016: £763).

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

NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2017

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. 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	General advocacy and support 2017 £	Writers in prison 2017 £	Total 2017 £	Total 2016 £
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
	155,425	91,426	246,851	258,803

Governance costs	General advocacy and support 2017 £	Writers in prison 2017 £	Total 2017 £	Total 2016 £
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
	37,673	22,160	59,833	69,762

7 Net (expenditure) for the year

This is stated after charging:

	2017 £	2016 £
Depreciation	6,510	6,403
Auditor's remuneration	13,200	13,200
Operating lease rentals	84,058	84,610
	103,768	104,213

INTERNATIONAL P.E.N.
(A COMPANY LIMITED BY GUARANTEE)
 NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017	2016
	£	£
Wages and salaries	618,284	604,333
Social security costs	64,321	62,869
Pension	31,154	23,704
	713,759	690,906

	2017	2016
	No.	No.
Number of employees who earned from £60, 000 to £69,999	1	nil
Number of employees who earned from £80,000 to £89,999	1	nil

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 £208,680 (2016: £244,040).

9 Staff Numbers

The average monthly head count was 18.50 staff (2016: 19.5) and the average monthly number of full time equivalent employees (including casual and part time staff) during the year were as follows:

	2017	2016
	Number	Number
Charitable activities	17	18
Fundraising	-	-
Governance	1.5	1.5
Support	-	-
Total	18.5	19.5

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.

	2017	2016
	£	£
Contributions payable by the company for the year	31,154	23,704

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

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

NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2017

11 Related party transactions

None of the trustees (or any persons connected with them) received any remuneration during the year, but the Trustee Board (three members) was reimbursed a total of £943.57 (2016: £473) travel and subsistence expenses.

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.

13 Tangible fixed assets

	Office Equipment £
Cost:	
As at 1 January 2017	40,166
Additions	2,053
Disposals	-
As at 31 December 2017	42,219
Depreciation:	
As at 1 January 2017	21,383
On disposals	-
Charge for year	6,510
As at 31 December 2017	27,893
Net book value	
As 31 December 2017	14,326
As at 31 December 2016	18,783

All assets are used for charitable purposes.

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

NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2017

14 Debtors

	2017	2016
	£	£
Trade debtors	37,398	1,544
Other debtors	120,225	120,111
Prepayments and accrued income	6,213	19,040
	163,836	140,695

15 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	130,682	61,807
Taxation and social security costs	19,514	17,854
Other creditors	10,571	41,215
Accruals and deferred income	32,587	108,988
	193,354	229,863

There was £95,295 of deferred income brought forward, released during the year was £95,295. Deferred income at the balance sheet date was £17,905.

16 Analysis of charitable funds

Analysis of movements in restricted funds

	Balance as at 1 January 2017	Incoming resources	Resources expended	Transfers	Funds as at 31 December 2017
	£	£	£	£	£
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)	0
Centre Development	67,312	226,802	(200,977)	8,665	101,802
Norwegian Ministry of Foreign Affairs (NMFA)	2,874	60,198	(55,446)	-	7,625
	203,925	1,181,665	(1,216,550)	(2,620)	166,420

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

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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 represents expenditure allocated to unrestricted funds in 2017 rather than restricted funds.

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

17 Analysis of movements in designated funds

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

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

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
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)
	291,498	14,326	166,420	472,244

INTERNATIONAL P.E.N.
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017	2016
	£	£
Net movement in funds	(7,387)	195,225
Add back depreciation charge	6,510	6,403
Decrease (increase) in debtors	(23,141)	48,824
(Decrease) increase in creditors	(36,509)	(71,229)
	<hr/>	<hr/>
Net cash used in operating activities	(60,527)	179,223
	<hr/>	<hr/>

20 Commitments under operating leases

	2017	2016
	£	£
Within one year - property		-
Between two and five years - property	231,000	315,000
Between two and five years - other	5,704	11,501
	<hr/>	<hr/>
	236,704	326,501
	<hr/>	<hr/>

21. Other gains / (Losses)

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

