

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 2016

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
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**

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Auditors

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Bankers

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Solicitors

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

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

The Trustees present their report and accounts for the year ended 31 December 2016 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 2016 the trustees that served during the year were as follows:

Jennifer Clement

Jarkko Tontti

Kätlin Kaldmaa (elected 28 September 2016)

Takeaki Hori (stood down 28 September 2016)

Lee Gil-Won stood down 28 September 2016)

Mohamed Sheriff

Anders Heger (re-elected 28 September 2016)

Antonio Della Rocca

Teresa Cadete

Margie Orford

Regula Venske

Ma Thida (elected 28 September 2016)

Elizabeth Hiester

Eric Lax (stood down 28 September 2016)

Burhan Sömnez (co-opted to the Board on 1st October 2016)

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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 2016 policies on Copyright Manifesto and Ethical Fundraising were adopted by the Assembly of Delegates.

The Executive Director, Carles Torner manages the office supported by a Senior Management team comprised of Finance and Administration Director, Anne Muthee; Freedom to Write Programme Director, Ann Harrison and International Programmes Director, Romana Cacchioli, whom was also appointed Deputy Director in January 2016 to provide additional support for the Executive Director. 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 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 2016 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 developed a detailed 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. In 2016 a Learning and Accountability Coordinator was appointed to further develop and embed learning across the organisation so that strategies can be adapted and honed. 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. 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.

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.

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In 2016 PEN implemented the second 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.

2016 AT A GLANCE

- Kätlin Kaldmaa, poet translator and president of PEN Estonia was elected as International Secretary, and Ma Thida, poet and president of PEN Myanmar and Anders Hager were respectively elected and re-elected to the Board of PEN International at the 83rd congress in Orense, Spain. Burhan Sömnez was co-opted to the Board in October 2016.
- Adopted PEN's Copyright Manifesto and Ethical Fundraising policy;
- Omar Hazek, Egyptian writer and librarian, received the 2016 Oxfam Novib/PEN Award for Freedom of Expression but was barred from travelling to The Hague to receive his award.
- 93 cases of writers at risk were assessed by PEN on behalf of the International Cities of Refuge Network (ICORN) an increase of 38% on 2015 numbers.
- In the first 6 months of 2016 PEN monitored freedom of expression violations in over 100 countries and over 1005 cases of writers at risk or in prison. Of those in prison – 232, 82 were released and 25 were conditionally released;
- Issued 35 calls to action and pursued major ongoing campaigns for individual writers at risk such as Narges Mohammadi, Malini Subramaniam, Ashraf Fayadh, Asli Erdogan, Can Dündar and Ahmed Naji.
- Developed theme and tools for PEN's first major global campaign *Make Space* which will launch in May 2017 and will focus on issue of displacement and the migrant and refugee crisis;
- Campaigned on key dates such as Day of the Imprisoned Writer, International Women's Day, International Poetry Day and International Translation Day widely taken up by Centres and by international media;
- Published two reports: *A Fearful Silence* which examines freedom of expression violations in India and *Culture's Oxygen* which examines the condition for minority language creative writing industries in Kenya, Haiti, Serbia and Nigeria with support from UNESCO.
- Made five submissions to the Human Rights Council Universal Periodic Review on Bangladesh, Brazil, India and South Africa and Turkey
- Commissioned research on the impact of criminal defamation legislation on writers in Ghana, Sierra Leone, South Africa, Uganda and Zambia.
- Coordinated widely publicised open letters signed by hundreds of writers including Nobel Laureates and PEN members; in March to President Erdogan, expressing extreme concern about the recent crackdown on freedom of expression in Turkey; and in December to China's President Xi Jinping, expressing serious concern at the Chinese authority's sustained and increasing attack on free expression, calling for the immediate end to China's worsening suppression of fundamental human rights.
- Undertook an independent review of Gender within PEN
- Supported 24 small projects through our civil society programme with 5 - 1 year projects, 19 - 2 year projects, where PEN Centres run projects to promote expression and dialogue in Africa (6), Asia (2), Americas (3), Europe (3), Middle East (1) benefitting 19,915 people of which 10, 135 are women and girls and 9,780 are men and boys.

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In 2016 PEN International continued to work within a challenging climate for freedom of expression, the proved a difficult year for freedom of expression across the globe. With the result of the Brexit referendum, the election of Donald Trump and the rise of right wing populism in Europe, the world has seen a growing climate of fear and a lack of solidarity towards 'the other'. The response to the ongoing refugee crisis, both by states and the public, is one example of this. The threat to free speech has come from new and long-standing governments in the form of new anti-terror laws and extremely invasive surveillance laws, attacks on the media and the proliferation of fake news. Dissident writers and those critical of government policies are being intimidated, forced to flee their homes, prevented from working, pressured into self-censorship and, at worst, imprisoned or tortured. As a result, we have seen a rise in writers from Europe and Central Asia 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 all PEN members do their utmost to promote good understanding and mutual respect between nations; to dispel race, class and national hatreds, and to champion the ideal of one humanity, living in peace in one world. Faced with the rising xenophobia, hate crimes and climate of fear, these ideals are ever more important.

'In times of division between countries, PEN International is one of the rare institutions to keep a bridge constantly open'
Mario Vargas Llosa, President Emeritus, PEN International

Impunity continued for murders and attacks on writers both by non-state actors such as organised crime in Mexico and Honduras or by religious extremists in countries such as Bangladesh and India. Across the world authoritarian governments sought to silence open debate or criticism both off and on-line. For example, lethal government crackdowns saw the continued silencing of independent media in Turkey and Burundi. Writers and journalists have been prosecuted for criminal defamation in countries like Angola and Turkey, or for blasphemy or apostasy in Egypt, Mauritania and Saudi Arabia, and on spurious charges of 'supporting terrorism' in countries such as Ethiopia and Turkey. Ongoing and protracted conflicts in North Africa and the Middle East have contributed to the ongoing outflow of writers fleeing their homelands and seeking refuge. Against this grim back drop, PEN and its members worked to extend their solidarity and support to individual writers and challenged structural and perilous threats to expression and democracy.

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

In the first six months of 2016, PEN monitored and researched 1005 cases of writers in prison and attacks across the globe. Of these, 232 writers were in prison of which 27 were women, 18 writers two of whom were women were killed in 2016 at least seven were known to have been killed in connection with their work. The rise of killings and associated impunity was a noticeable trend in Asia that continued in 2016, particularly in Bangladesh and India, and is approaching the levels seen in Latin America where killings and impunity have been the major freedom of expression issue for many years. Well over 250 writers were imprisoned or detained around the world in 2016, over 200 specifically for their writings or their peaceful exercise of freedom of expression. PEN's expert opinion on requests for refuge was provided to the International Cities of Refuge Network (ICORN) on 93 cases an increase of 38% from 2015 (and compared to 50 in 2014). This is attributable to the recruitment of an Arabic speaking protection officer which enabled PEN to increase its capacity to undertake assessments in a more efficient manner. The total number of applications sent through for assessment totalled 89 the overwhelming majority of which came from the Middle East and North Africa region where writers are particularly at risk for reporting on conflict and political turmoil. Furthermore, the grave situation in Turkey led to a steep rise in requests for relocation and financial assistance from writers 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 2016, 28 writers (9 women and 19 men) benefitted from grants of up to Euros 1250 for emergency assistance, compared to 39 in 2015 and 31 in 2014. PEN International provided 12 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.

Campaigns and actions on behalf of individual writers

In 2016, PEN International published 95 calls to action (47 RANS and 21 Actions), 13 per cent of all statements and 58 per cent of all actions released related to cases originating from the Middle East region. However none of our Centres report having received a response from the authorities, it is our belief that such efforts should be continued. 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.

Examples of countries of concern include:

Angola: 2016, PEN continued its campaigning work on Angola, with a focus on the [case](#) of 17 Angolan activists, known as the Luanda Book Club or also the "15+2" who were sentenced to between 2-8 years in prison and fined 50,000 kwanza (around 300 USD) on 28 March 2016, for 'preparatory acts of rebellion' and 'criminal conspiracy'. The activists include writers **Luaty Beirão** (rap musician and social activist, also known as **Ikonoklasta**), **Sedrick de Carvalho** (journalist at independent newspaper Folha 8), **Hitler Jessy CHICONDE**, (rapper and university student) **José HATA**, (rapper and teacher), **Nuno Alvaro DALA** (university lecturer and author), and **Domingos da Cruz** (journalist and author). 13 of the activists were arrested on 20 June 2015 at a meeting in Luanda of the Revolutionary Movement – a group of youth activists advocating for democracy, political change and human rights in Angola. There were concerns about reported breaches of [fair trial standards](#) and several of the activists went on hunger strike to protest delays in the trial as well as their conditions in jail. The United Nations Working Group on Arbitrary Detention (WGAD) concluded in May 2016 that the activists were 'arrested and detained because of the exercise of their freedom of assembly, opinion and expression in violation of Articles 19 and 20 of the Universal Declaration of Human Rights and article 19 and 21 of the International Covenant on Civil and Political Rights'. In June 2016, PEN welcomed news that the activists were granted conditional [release](#) after the Supreme Court upheld a *habeus corpus* petition, requesting that the activists be released pending a decision on their appeal to the Constitutional Court. In line with a new [Amnesty Law](#), which granted a pardon for crimes punished with up to 12 years and committed before November 11, 2015, the activists were granted amnesty in September 2016. Some of the activists are [reportedly](#) appealing this decision, in an effort to clear their names. While he was still in prison, Nuno Dala released his book 'The Political Thought of Young Revus: Speech and Action' ('O Pensamento Político dos Jovens Revús – Discurso e Acção') which he had been working on when he was arrested. While there is currently no PEN Centre in Angola, due to the difficult operating environment for NGOs working on freedom of expression issues, PEN has collaborated closely with African PEN Centres and several Centres have taken up the case, including PEN Canada, who chose Domingos da Cruz, Luaty Beirão, and Sedrick de Carvalho as Honorary Members of their Centre.

As the climate for freedom of expression in **BANGLADESH** continued to deteriorate over the course of 2016, PEN has sought to step up its work in the country. Between January-June 2016, Bangladesh accounted for 8 per cent of the cases recorded in the Asia and the Pacific section of PEN's Case List; including the cases of three murdered free-thinkers, law student [Nazimuddin Samad](#), university professor [Rezaul Karim Siddique](#), and editor of Bangladesh's only LGBT magazine [Roopbaan](#) and leading gay rights activist [Xulhaz Mannan](#). Still more have been attacked. In

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In addition, writers in the country risk imprisonment under the highly-criticised Section 57 of the Information and Communications Technology Act (Amendment), 2013, as well as sedition and criminal defamation provisions. PEN has been particularly alarmed by the case of journalists [Mahfuz Anam](#), who, at the last count, faces at least 79 lawsuits – 62 cases for defamation and 17 for sedition – and a possible cumulative 175 years in prison. PEN is also closely monitoring the case of **Shamsuzzoha Manik**, septuagenarian publisher, arrested in February 2016 following the publication of a book deemed offensive to Islam. He currently faces charges under the ICT Act and a possible 14-year sentence, if convicted. In an event entitled, '[Words Cannot be Killed: Freedom of Expression in Bangladesh](#)' organised by English PEN in February 2016, **Ahsan Akbar**, director of Dhaka Literary Festival, commented on how important PEN's support had been. We were delighted to bring **Tutul**, a publisher from Bangladesh who suffered a near-lethal attack in October 2015, writer and actor **Leesa Gazi** to speak at an event on Bangladesh at the Wilderness Festival in the UK in August.

Brazil came under significant domestic and international scrutiny as the host of the 2016 Olympic Games. Government corruption scandals and political crises, serious economic recession, wide socioeconomic discrepancies within the population, and the billions of dollars spent on sporting events sparked social and political unrest, leading to numerous large-scale protests and demonstrations. Since Brazil hosted the 2014 FIFA World Cup, Brazilian journalists have borne witness to significant violence due to the police's abusive response to the protests, among other causes. Violence against journalists, including killings, continued into 2016. In the first eight months of 2016, three online journalists and bloggers were slain, the same as in the whole of the previous year. According to PEN International's research, of the 25 print and internet journalists and bloggers killed between January 2004 and August 2016, 21 cases (84 per cent) remain unresolved, with none of the perpetrators having been convicted. The Brazilian Association for Radio and Television Journalists, [Abert, reports](#) that non-lethal violence against media professional increased by 62.26% compared to the previous year. This includes physical assaults, verbal offences, threats, censorship and intimidation. Brazil's National Programme for the Protection of Human Rights Defenders lacks the regulatory framework, technical capacity or resources to adequately protect at-risk human rights defenders, including journalists. In April 2014, Brazil emerged as a global champion of digital rights with the passing of the highly progressive Marco Civil da Internet (Civil Rights Framework for the Internet), which safeguards user privacy and protects freedom of online expression. However, since 2015, Brazil has made significant legislative attempts to roll back digital rights. There is continued judicial censorship of online content perceived to defame or violate individuals' privacy through court gag orders, criminal defamation laws and restrictive election laws.

CHINA - PEN International has long followed the deteriorating climate for free expression in China – where long-term imprisonment or detention is the norm and arrests of writers, journalists, publishers and civil society activists continues unabated – with concern. Recent crackdowns have taken place not only in Beijing, but in numerous inland and coastal provinces, the Autonomous Regions of Tibet, Xinjiang, and Inner Mongolia, and in the Hong Kong Special Administrative Region. At least 9 members of the independent Chinese PEN Centre (ICPC) are currently imprisoned or detained, while more than 80 members have suffered various forms of harassment, reflecting growing repression of the Centre's activities. Increasingly, free expression has been suppressed not only in mainland China but in Hong Kong. In January 2016, British newspaper *The Sunday Times* reported that an internal Chinese Communist Party document had identified 14 publishing houses and 21 publications in Hong Kong to be "exterminated," an alarming indication of China's hostility towards free expression in Hong Kong and determination to stifle it. Over the past year, five Hong Kong booksellers known for selling books banned on the mainland — **Gui Minhai, Cheung Ji-Ping, Lam Wing-kee, Lee Bo, and Liu Por** — disappeared from Hong Kong and Thailand under mysterious circumstances. Although four of the five men have subsequently returned to Hong Kong, publisher Gui Minhai, a member of ICPC, remains in mainland police custody. Gui Minhai disappeared from his holiday home in Thailand in October. There was no trace of him until he appeared on state-controlled TV in the People's Republic of China three months later. In a televised 'confession', Gui claimed that he had voluntarily surrendered himself to the Chinese authorities over his supposed involvement in a fatal hit-and-run incident which took place in December 2003. Since then he has reportedly not had

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access legal counsel and no contact with his daughter. It is suspected that the true motivation behind his detention is for the distribution of banned books to mainland China. In April 2016, PEN responded to the call of the United Kingdom's Conservative Party Human Rights Commission and submitted a briefing on the climate for free expression in China. PEN's briefing was well-received and in the commission's own report, [The Darkest Moment: The Crackdown on Human Rights in China, 2013-2016](#), directly cites PEN, reflected some of PEN's recommendations. In December PEN issued an open letter signed by hundreds of writers including several Nobel laureates and prominent artist and dissident Ai Wei Wei, which expressed to China's President Xi Jinping, our serious concerns at the Chinese authority's sustained and increasing attack on free expression, calling for the immediate end to China's worsening suppression of fundamental human rights.

The climate for free expression in **Egypt** has deteriorated sharply in recent years and continues to do so, with many journalists, activists and writers in prison or facing trial. PEN campaigned heavily on emblematic cases, such as author and journalist **Ahmed Naji**, who began serving a two-year prison term in February 2016 for 'defaming public morals' in his book *The Use of Life*. He was conditionally released at the end of December, but faces an appeal hearing on 2 April 2017. Naji's case is illustrative of Egypt's increasing crackdown on freedom of expression that has not only targeted journalists and other media outlets, but has been accompanied by restrictions on cultural houses, including several raids on a publishing house and an art gallery in 2015 as well as charges against other writers. A recent civil society law adopted in November 2016 (not yet enacted) severely restricts the work of civil society organisations and many members of civil society organisations face travel bans and other harassment by the authorities. In December, two branches of the Karama community-library network were [shut down](#) by the authorities, though it was unclear as to why. This restrictive environment looks set to continue in 2017 and PEN is monitoring the situation with concern.

The Islamic Republic of **IRAN** continues to pay little attention to its obligations under international human rights law. Despite [President Rouhani's promises to provide greater space for cultural freedom](#), Iran's cultural landscape remains closely monitored and closed, in part owing to the fact that hard-liners remain in control of key state institutions. Censorship of print and digital media remains common. Writers, journalists, musicians and artists continue to face harassment, threats or arrest in connection with their peaceful exercise of free expression. Each year, without fail, the Iran section of PEN's Case List accounts for one of the highest proportions of cases recorded in the Middle East region, with an overwhelming number of those imprisoned or detained (30 of 39 cases monitored between January and June 2016). Detainees are often subjected to ill-treatment, including prolonged periods of solitary confinement. At least 75 per cent of the cases monitored in 2015 had been placed in solitary confinement, some for months on end. Iran's use of prolonged solitary confinement contravenes its obligations under Article 7 of the International Covenant on Civil and Political Rights, to which Iran is a state party. PEN International raised concerns regarding the use of solitary confinement in Iran in its [resolution, passed at PEN's 82nd International Congress in October 2016](#). The resolution, sets PEN's policy position on Iran for the year to come and will be used as an advocacy tool by the secretariat and participating Centres, providing the basis from which we can derive statements, and submissions to the United Nations. The enduring, intractable nature of Iran's international relationships and its perception of the incursion of 'Western' influence has meant that there have been few, if any, opportunities to exert international pressure on the Iranian authorities to bring about long-term change. As such, much of PEN's work has focussed on the individual, with solidarity actions taken by our Centres playing a vital role. Solidarity actions – be they through one-off letter-writing campaigns such as our annual Seasons' Greetings campaign or through longer-term commitment through our honorary membership scheme – are an integral part of PEN's work on behalf on the individual; the bonds created provide invaluable support to the writers themselves, reminding them and their captors that they are not forgotten. We know from the testimony of those imprisoned and their families, that our work has a significant impact on their well-being. In April 2016, Iranian author and filmmaker **Mostafa Azizi** was released following a pardon. His son wrote to PEN saying, "My dad was in tears when he saw the vast breadth of all that organisations like PEN International did for him. It was, without a doubt, these that kept him and us (the family and relatives) going." He continued, "Your work was very, very crucial for my father and for the family from many different angles: It attracted the attention of many in the literary community in Iran and around the world, it made news headlines in top Iranian media...and it reminded my father of the solidarity of people of the

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'pen' (the writing and literary community) that is of special importance to us and it gave all of us soul and hope. We are forever grateful."

HONDURAS: The murder of the award-winning indigenous rights defender **Berta Cáceres** in March 2016 sent shock waves through Honduran civil society and is a serious blow for freedom of expression in the country. Noting that Cáceres used community radio programmes to amplify the Lenca people's struggle against the Agua Zarca hydroelectric dam megaproject, PEN Honduras stated that: *'This disgusting crime is without a doubt a message for dissidents, against humanism, against everything that is not to the liking of the big business and its local servants. They say: We can kill with impunity. No one will ever know who the masterminds and gunmen are... Even though everyone knows who we are.'* Unfortunately, to date, this has proven true: Cáceres' murder remains unsolved, like those of dozens of other human rights defenders and journalists in the country.

Three more journalists have been killed in Honduras bringing the total of journalists killed since 2003 to at least 57, with 93 per cent of them remaining unsolved. Thirty-two journalists were granted support from a new state protection programme between January and June 2016 (over 84 per cent of the total applicants). However, the programme is still suffering from major challenges, including mistrust – particularly on the part of human rights defenders – and an overrepresentation of state (as opposed to civil society) bodies on the mechanism's council. The repression of dissent in the country has also manifested itself via the continued criminalisation of protest. Dozens of students have been prosecuted for taking part in demonstrations against the privatisation of the National Autonomous University of Honduras (UNAH) and calling for greater access to state education and student participation in governance of the university.

ISRAEL - Over the course of 2016, PEN has been active in its support of poet **Dareen Tatour**, a Palestinian citizen of Israel, who is currently facing trial on charges of 'incitement to violence' and 'support for a terrorist organisation' in connection with her poem '[Qawim ya sha'abi, qawimhum \(Resist, my people, resist them\)](#)' and social media activity. Tatour's case was our focus for International Translation Day and Day of the Imprisoned Writer, and has been taken up by many of our Centres. PEN will continue to monitor her case and work on her behalf as her trial unfolds over the course of 2017.

In **NIGERIA** the news of a crackdown against journalist and bloggers was concerning, with reports of the arrest and detention of at least 13 journalists in September, though as of end of December it seems only a few remain in jail and it was unclear how many are facing charges. Some of the cases are criminal defamation and libel cases. In an interview with PEN American Centre, the President of PEN Nigeria, **Tade Ipadeola**, spoke of the surge in the number of incarceration of bloggers and journalists under various provisions of Nigerian law, in particular the threat from the Cyber Security Law (2015), which, under section 26 provides for "cyber stalking." This has been used against at least six investigative journalists and bloggers since coming into effect in 2015. In 2016 there were also several cases of singer songwriters who were harassed due to their song lyrics. There was some good news however- in May 2016, the Nigerian senate was forced to withdraw the **Social Media Abuse Bill**, which has been criticized as infringing on freedom of expression, and it appears to be off the table for good. A Digital Rights and Freedom bill was also introduced in June to protect the rights and freedoms of internet users.

In the **PHILIPPINES** newly elected President **Roderigo Duterte's** assertions raised concerns for freedom of expression and the protection of journalists. Shortly before his inauguration, Duterte identified corrupt journalists as legitimate targets for assassination under his new regime, joining murderers, rapists, drug dealers and drug addicts who deserve the same fate. He has also states that "most of those killed, to be frank, have done something. You won't be killed if you don't do anything" in reference to the high mortality of journalists in his country. The President has also stated that freedom of expression provisions enshrined in the constitution would not necessarily protect a person from violent repercussions for defamation, which remains a criminal offence in the country. Duterte's choice of spokesperson has also angered journalists in the Philippines. **Salvador Panelo**, appointed to the position, was the

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defence lawyer for the Ampatuan family who are accused of killing over 50 people in 2009, 32 of which were journalists.

SAUDI ARABIA –in June 2016, PEN launched its Day of Action for **Saudi Arabia**, highlighting the cases of award-winning activist, editor and blogger **Raif Badawi**, human rights defender **Waleed Abu al-Khair**, and Palestinian-born poet **Ashraf Fayadh**, all of whom are serving long prison terms for exercising their right to free expression. PEN took up the case of Ashraf Fayadh, who had been sentenced to death in Saudi Arabia for alleged apostasy in November 2015. PEN Centres across the globe have come together to hold readings of his poetry, and signed petitions calling for his release, among other actions. In February 2016, PEN learned of the commutation of Fayadh's death sentence to an eight-year prison term. PEN maintains that Fayadh should have been acquitted at this hearing and as such selected his case as one of its five emblematic cases for action on World Poetry Day 2016. PEN will continue to work in coalition with concerned Centres and other NGOs to advocate on Fayadh's behalf.

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

In January 2016, PEN travelled to **INDIA** to follow-up on its 2015 report. The PEN team attended the Jaipur Literature Festival and interviewed 17 authors, activists, journalists, filmmakers, and lawyers in Delhi, Hubli and Jaipur. The mission found a growing culture of intolerance linked to an emerging nationalist discourse has taken root in the country and has become more menacing since 2014. According to PEN's research, the closing space for freedom of expression has led many to self-censor, or at the very least made them closely examine what they choose to write and publish for fear of retaliation. Investigative journalists in areas of conflict, such as Kashmir and Jammu or Chhattisgarh, are particularly vulnerable to attack and harassment as they often find themselves caught in the middle of both state and non-state actors. In both cases, journalists are assumed to be taking sides and are retaliated against accordingly. The mission resulted in the publication of an updated report ***Fearful Silence: The Chill on India's Public Sphere*** designed as a companion-piece to its predecessor – narrowing its scope to focus on cases of film censorship, intimidation of writers and journalists, and online harassment – giving a human face to the plight of writers in India. The publication of the report which paints a sobering picture for the state of free expression in India was covered by many prominent media outlets in India and abroad.

TURKEY - PEN has been actively engaged on the promotion of freedom of expression and literature and the protection of journalists at risk in Turkey for decades. Over the past five years there has been a steady decline in the situation of freedom of expression which PEN has been addressing through the documenting violations through research reports, campaigning through media work and membership actions and advocacy at the national and regional level. PEN's contribution to the protection of freedom of expression in Turkey was honoured in July 2016 when it was a joint recipient with nine other press freedom organisations of the **Turkish Journalists Association (TGC)'s Press Freedom Prize**. The TGC said it was awarding the prize to the groups for the 'unique solidarity unparalleled in the past, it showed against the assaults on press freedom in Turkey, for its efforts to bring to international platforms the violation of rights and for instilling in their Turkish colleagues the feeling that they are not alone.' The country remained a focus for PEN's work in Europe throughout 2016.

Since the imposition of the state of emergency days after the coup attempt of 15 July 2016 (and since extended), Turkey's Council of Ministers has issued numerous decrees, granting the Turkish authorities wide-ranging powers which impose restrictions on freedom of expression which exceed those permissible under international human rights law. Scores of journalists and other writers have been arrested, leaving some 150 behind bars by the end of 2016. Torture in detention – long a concern in Turkey - has been documented. Over 150 media outlets have been closed, leaving over 2,300 journalists and media workers without jobs, and over 330 journalists have had their credentials revoked, with many others facing travel bans and passport confiscation. The scope of the crackdown encompasses almost any media outlet that does not take a pro-government editorial line. In the absence of national and

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intergovernmental pressure on Turkey, the task falls to civil society to press the Turkish authorities, for PEN, this has taken the shape of advocacy missions, media and other campaigning statements, reports, trial observations and international solidarity events with writers. PEN's protection team is also working with writers in exile from Afghanistan, Iran and Syria living in exile in Turkey, awaiting placements in third countries. Many PEN Centres are particularly active in campaigning on Turkey, including **Austrian PEN, English PEN, German PEN, PEN America, PEN Norway, PEN Sweden, PEN Denmark, and Welsh PEN Cymru**. By end of year PEN had issued nine RAN alerts, 1 call to action and 49 press statements.

The situation in the South East of Turkey for the Kurdish population was an increasing preoccupation for PEN in 2016. Following the breakdown in the peace talks between the Kurdistan Workers' Party (PKK) and Turkish Government in 2015, a curfew and effectively a total media blackout was imposed in late 2015. In February 2016, the offices of **Kurdish PEN** in Diyarbakir were attacked and destroyed during a curfew – PEN [called](#) for an investigation but those responsible have not been identified. In response to the deteriorating situation, In April 2016, we organized an important and symbolic solidarity meeting in Diyarbakir between members of **Kurdish PEN and PEN Turkey**, with representatives of PEN International entitled **PEACE: How and for Who?** which, called for an end to hostilities by all sides and for a culture of peace to prevail. A report on the meeting, followed by debates around the crackdown in South East Turkey resulted in a [declaration](#) calling for the protection of the Kurdish minority in Turkey. The committee also decided to sign on to a petition of 1400 academics, demanding the ending of the curfew, the suspension of deportations and murders, and a cessation of the infringement of the national laws. At the UN Human Rights Council in June 2016, PEN coordinated a joint written statement under item 4, highlighting our concerns at the situation of restricted access and reporting to the South East in the context of the incursion by the military. The situation in Turkey's south-east was also a main topic of the **Writers for Peace Committee** meeting in Bled, Slovenia.

Criminal Defamation: In **Africa** PEN International pursued its work on advocacy around decriminalisation of defamation laws. Following the **Konaté** judgement of the African Court of Human Rights in December 2014, PEN decided to undertake concerted action on this issue as African countries are among the worst offenders in using such laws to restrict legitimate criticism and investigative journalism. Our African Centres also identified criminal defamation as one of the main constraints they face. PEN received funding from UNDEF to build skills for writers from African PEN centres through training and mentoring to take a lead role as civil society actors working alongside other partners to advocate for the repeal of criminal defamation laws. In 2016 PEN commissioned research in four focus 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. PEN also commissioned a case study to learn the lessons from Ghana which had repealed criminal defamation some years ago. This research is intended to underpin advocacy at national and regional levels. In 2016 PEN successfully held two workshops, one in Johannesburg in March and another in Kampala in September, supporting Centres to develop strategies for research and advocacy. The meeting in Johannesburg brought together representatives from 17 African Centres where we explored in-depth the topic of criminal defamation. Angolan writer **Rafael Marques de Morais** spoke passionately about his experience of criminal defamation, which galvanized Centres to take action on the issue. After the meeting Centres reported being better equipped to tackle advocacy issues, undertake research and had an increased knowledge of criminal defamation. In September **PEN Uganda** hosted a workshop in Kampala at Makerere University for Centres participating in the project as well as some of the Eastern and Southern African Centres, the workshop focused on further honing skills in advocacy and developing tools and skills around monitoring and evaluation.

Over the course of 2016, PEN International monitored the cases of fourteen writers and journalists facing lawsuits connected to criminal defamation and/ or insult in 7 countries in the **Americas**. In the vast majority of these cases, the writers were targeted for their journalistic and editorial work. On [World Press Freedom Day](#), PEN International called on the Peruvian authorities to decriminalise defamation and to review the convictions and sentences of all writers and journalists convicted of criminal defamation with a view to overturning them. The move came in the light of PEN monitoring three cases of defamation in the country over the course of 2016. PEN was delighted to observe that the

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courts overturned the convictions of **Rafo León** and former editor of the Lima-based daily newspaper *Diario 16*, **Fernando Valencia Osorio**, who was initially convicted of defaming former president Alan García.

International advocacy at the United Nations

In 2016, PEN International undertook advocacy and made five submissions to the Human Rights Council and the Universal Peer Review on Bangladesh, Brazil, India and South Africa and Turkey. All PEN submissions can be found on our dedicated webpage. In June, PEN led a coalition of NGOs to submit a written statement under item four at the United Nations Human Rights Council. Furthermore, PEN's **Writers in Prison Committee Chair, Salil Tripathi**, gave an oral statement before the council. In response to the worsening spiral of violence PEN called for the thorough investigation of the murders of bloggers, publishers, academics, civil society activists and religious minority figures and for those responsible to be brought to justice. PEN also called for an end to the culture of impunity for human rights abuses, whether committed by state or non-state actors; for adequate protection for all dissenting and minority voices, however controversial, particularly those who have been publicly targeted for attack; and for the Government of Bangladesh to abolish all forms of censorship, repeal unduly restrictive laws, and allow the free dissemination of information in line with international human rights standards.

Following PEN submission to the UPR in 2015, the uptake of PEN's recommendations on **Myanmar** by recommending states was strong and PEN welcomed the high level of specificity therein, for example, Belgium's recommendation relating to the Media Law in line with PEN's recommendations: Review the News Media Law and the Printing and Publication Enterprise Law of 2014, in consultation with media representatives, in order to bring it in conformity with international standards regarding freedom of expression (Belgium); 10 states – The Netherlands, Norway, Uruguay, Latvia, Belgium, New Zealand, France, Sweden, Luxembourg and Estonia – made specific recommendations on amending free expression provisions and in relation to the release from detention and the safety of journalists. Belgium, Austria, Latvia and Ghana recommended a review of The New Media law in line with PEN's recommendations relating to publishing in the country. While PEN acknowledges the significant reform that Myanmar has made since its previous UPR serious challenges remain. PEN was disappointed that Myanmar did not accept many of the recommendations by member states to reform existing and newly-adopted laws that illegitimately restrict the right to freedom of expression, including media freedom. PEN is particularly alarmed at the continued arrests and arbitrary detention of protesters, Internet users and journalists and the pervasive impunity relating to violations of freedom of expression. We will be working with PEN Myanmar to press the government to implement the recommendations that were accepted.

Following the joint submission by PEN International and Freemuse with PEN Lebanon, the UPR of **Lebanon** in March 2016 was understandably dominated by recommendations relating to refugees and migrant rights. Ultimately there was just one recommendation, from Israel, to "Take concrete steps to assure freedom of expression and to guarantee the protection of peaceful protesters (Israel)." PEN and Freemuse were therefore disappointed at the lack of recommendations relating to freedom of expression and artistic expression.

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 2016, we did 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; and through Centre development visits and PEN's International Congress.

The Civil Society sub granting programme supported PEN Centres to 24 small projects to promote expression and dialogue in Africa (6), Asia (2), Americas (3), Europe (3), Middle East (1) benefitting more than 19,915 people of which 10,135 are women and girls and 9,780 are men and boys. Projects contributing to ensuring that civil society expresses itself creatively and critically, enhancing freedom of expression policy and practice. Project are working

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toward 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 will influence public and political spheres; Domain 2 **LAW, POLICY AND PRACTICE** – Through the Civil Society programme, Centres will be able 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. The Centre will participate and provide opportunities and platforms for writers and other stakeholders, to influence policy makers. Domain 3 **INSTITUTIONAL CAPACITY, SUSTAINABILITY AND STANDING** - Through the Civil Society programme, Centres will build a diverse and engaged membership representative of their context. They will increase 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.

14 Civil Society projects that were approved to start immediately based on their application in 2015 – were half way through their project cycle in 2016. Pen Centres currently implementing their second year of programming include **PEN Afrikaans, PEN Argentina, PEN Bosnia, PEN Cambodia, PEN Honduras, PEN Myanmar, PEN Nicaragua, PEN Lebanon, PEN Philippines, PEN Sierra Leone, PEN South Africa, PEN Uganda** and **PEN Zambia and Welsh Cymru PEN**. In 2016 the programme also supported projects with small grants to **Central AsiaPEN, PEN Mexico, PEN Guinee, Kurdish PEN, PEN Slovenia, PEN Mali, PEN Zimbabwe, PEN Eritrea in exile and English PEN**; however these are still in planning or early implementation phases. PEN has been working to develop a framework to determine where its projects have been achieving impact and why it is happening in these areas, as well as where they are not yet achieving what they said they would, and what can be learnt for improvement. In their reporting a majority of PEN Centres projects 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.

Gender Review

Our President **Jennifer Clement** and Board member **Margie Orford**, with the **Women Writers Committee** supported the development and implementation of a gender review. The review was identified as necessary during PEN strategic planning in 2014 and which underscored PEN's commitment to better meeting the demands imposed upon us by the increasing global threats to women's freedom of expression. PEN commissioned an independent consultant to carry out an organisation wide consultation into the role of women and the barriers women writers face. The report highlight key area of concern in relation to discrimination in the work place and publishing, violence and abuse particularly on line; lack of educational opportunities for the girls child as a form of censorship and an inequality within some PEN Centres around women's roles and participation in decision-making. A range of recommendations were made and PEN is working to improve its understanding of how best to respond to the needs of our women members and to achieve gender mainstreaming across programmes and campaigns. PEN is currently developing a **Women's Manifesto**, a code of conduct as well as an action plan to mainstream gender in all of PEN's work as well as identify main themes for campaigning.

Congress

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. Held in September 2016 with the theme **Building Literary Bridges** – Congress was hosted by **Galician**

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PEN in the small city of Ourense, and was attended by 185 writers and intellectuals, from over 60 countries around the **world**. Holding the Congress in this Lusophone region of Spain highlighted the commonalities which exist between so many of the European linguistic and literary traditions. Throughout the week, panels spoke before the Assembly of Delegates, prompting discussion on such varied topics as '**Literature as a tool of Empowerment**' and the role of gender-based violence in suppressing freedom of expression. The invaluable opportunity for knowledge sharing which Congress represents was particularly clear during a panel discussion of PEN's protection work. Focusing on the tools available to centres directly involved in individual protection cases for writers at risk, the presentations touched on financial support mechanisms, visa acquisition strategies as well as best practices and case studies, followed by discussion on how these various tools could be applied to different contexts. Many delegates came away from the panel inspired to grow this work within their own Centres. We held a [commemoration](#) of the life of **Anna Politkovskaya**, a prominent journalist and PEN member murdered in Russia, shortly before the 10th anniversary of her assassination, with a speech by International President **Jennifer Clement**. As a valuable opportunity to highlight our campaigning work, we featured an 'Empty Chair' on each day of the Congress, including **Asli Erdogan**, a novelist imprisoned in Turkey. In addition, over 20 resolutions were passed, elections were held, PEN's **Copyright Manifesto** and **Ethical Fundraising** policy were adopted and **PEN Togo** was formally welcomed into PEN International.

In March 2016 PEN held its **Translation and Linguistic Rights Committee** meeting in Johannesburg, South Africa where a focus was on linguistic diversity and translation in Africa, including promoting and publishing literature in African languages and the importance of mother tongue education. There was a debate on the research report **Cultures' Oxygen** undertaken by PEN International for UNESCO about publishing and "minority" languages in **Kenya, Nigeria, Haiti and Serbia**. Kenyan Writer **Ngũgĩ wa Thiong** sent a message to Committee members about the report: "I am glad to see PEN taking a lead in the promotion of Literature in African language. (...)The deprivation of African languages as carriers of information, knowledge in the areas of the arts, science and technology, and modernity, is one of the major causes of Africa underdevelopment. African languages are still spoken by the majority. So to deprive those languages of books is to deny the majority access to information, knowledge they so much need in their struggle to transform their environments for human needs. (...)To reverse this trend, major interventions are needed at the level of political will, education policy, and resource reallocation. But whatever, the publisher is a crucial part of that reversal and, positively, part of the renaissance of Africa. Africa needs a grand creative partnership of the State, the Publisher, the Writer and the bookseller.' **Simona Škrabec**, director of the research, gave a presentation of the key findings and led the discussion with delegates around the conclusions, and recommendations. The Committee also discussed ways to promote the **Quebec Declaration on Literary Translation and Translators** approved at the 81st PEN International Congress in Quebec, 2015.

FINANCIAL REVIEW

The principal restricted funding sources for 2016 were Sida, the Norwegian Ministry of Foreign Affairs, the Clifford Chance Foundation, the Organisation Internationale de la Francophonie, the International Cities of Refuge Network, the Fritt Ord Foundation, the European Cultural Foundation, UNESCO and UNDEF amongst others. Income totalled £1,401,314 and expenditure £1,258,750.

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. 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. An overhaul of our membership dues collecting process over the course of this year means we hope to have an increase in membership dues for 2016.

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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. The publishers Circle continued to grow with new members – Companhia das Letras and Norstedts Förlagsgrupp. We hosted first 'Publishers Circle Breakfast' at the London Book Fair 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.

The Writers Circle, launched in 2015, grew to 24 members –and one of its members, Turkish novelist **Burhan Sönmez**, was co-opted as member of the Board following the Ourense congress with the perspective of promoting the circles and increasing their involvement in the decision-taking processes of PEN International. The Readers Circle was launched at the beginning of the year and it grew constantly month by month specially among young readers and students. In the second half of the year contacts were developed with screenwriters, actors and directors in several countries with the perspective of launching a Screen & Stage Circle of PEN International in 2017.

A fundraising subcommittee within the board of PEN International was created at the board meeting after the Quebec Congress. It started to work immediately, creating the structure and the campaigning program for a new Readers Circle. The preparations for PEN's Readers Circle were made for its launching in January 2016. Plans are underway for a Screen & Stage Circle to be launched in June 2017, with the initial participation of directors, screenwriters and actors from Europe and the Americas.

Nonetheless, funding continued to pose an overarching challenge to the pursuit of our goals for 2016. As a result we erred on the side of caution and paired back on some activities such as travel and participation at international meetings in order to meet the growing demands in our protection work. ICORN agreed an increase in funding to support the role of an Arabic speaking Protection Officer which significantly increased our capacity to address this growing area of our work.

The final surplus in the 2016 budget has allowed PEN International to increase its reserves and recover from previous year deficit. The Finance Subcommittee of the board has been following closely this evolution and, in order to ensure PEN International's financial stability and sustainability, has monitored the growth of PEN reserve fund.

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 2016 were £479,631 (2015: £284,405). Restricted reserves held were £203,925 (2015: £116,999) and unrestricted reserves were £275,706 of this £18,783 were designated reserves while the free reserves were £256,923 (2015: £147,231).

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 2017.

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Plans for the future

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

The forecast for PEN in 2017 is however positive. PEN is committed to pursuing its donor plan, pro bono support from an experienced fundraiser is helping PEN 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 institution's 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.

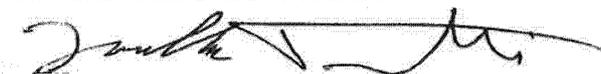
Disclosure of information to auditors

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

H W Fisher & Company were re-appointed auditors to the charity and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting in 2017.

On behalf of the Board of Trustees



Jarkko Tontti

Trustee

28th March 2017

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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 AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL P.E.N.

We have audited the accounts of International PEN for the year ended 31 December 2016 set out on pages 20 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement on page 17, the trustees, who are also the 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.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2011.

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

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

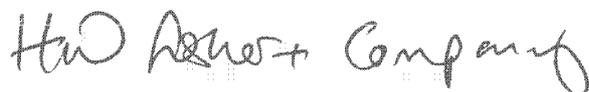
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



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

29/3/17

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

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted funds	Designated funds	Restricted funds	Total funds 2016	Total funds 2015
		£	£	£	£	£
Income						
Donations and legacies	3	182,880	-	342	183,222	323,873
Charitable activities	4	179,867	-	1,038,225	1,218,092	983,451
Total income		362,747	-	1,038,567	1,401,314	1,307,324
Expenditure on:						
<i>Cost of raising funds:</i>						
Fundraising and publicity		5,823	-	-	5,823	4,569
<i>Expenditure on charitable activities:</i>						
General advocacy and support	5	196,870	3,262	785,641	985,772	1,003,023
Writers in prison		117,989	3,141	146,025	267,155	344,781
Total expenditure		320,682	6,403	931,665	1,258,750	1,352,373
Net income/Expenditure)		42,065	(6,403)	106,902	142,564	(45,049)
Transfers between funds	16/17	14,965	5,011	(19,976)	-	-
Other gains / (Losses)	21	52,662			52,662	
Net movement		109,692	(1,392)	86,926	195,226	(45,049)
Reconciliation of funds:						
Total funds brought forward		147,231	20,175	116,999	284,405	329,454
Total funds carried forward		256,923	18,783	203,925	479,631	284,405

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

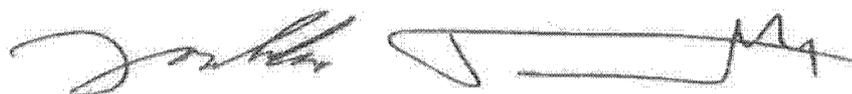
INTERNATIONAL P.E.N.
(A COMPANY LIMITED BY GUARANTEE)

Company registration number: 05683997

BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016		2015	
		£	£	£	£
Fixed assets:					
Tangible assets	13		18,783		20,175
Current assets:					
Debtors	14	140,695		189,519	
Cash at bank and in hand		550,016		375,804	
Total Current assets		690,711		565,323	
Liabilities:					
Creditors: Amounts falling due within one year	15	(229,863)		(301,093)	
<i>Net current assets or liabilities</i>			460,848		264,230
<i>Total assets less current liabilities</i>			479,631		284,405
Total net assets or liabilities			479,631		284,405
The funds of the Charity:					
Restricted income funds	16		203,925		116,999
Designated funds	17		18,783		20,175
Other charitable funds			256,923		147,231
<i>Total unrestricted funds</i>			275,706		167,406
Total funds	18		479,631		284,405

The notes at pages 23 to 34 form part of these accounts.



Jarkko Tontti
Trustee

Approved by the trustees on: 28th March 2017

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Total Funds 2016 £	Total Funds 2015 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	19	179,223	148,574
Cash flows from investing activities:			
Purchase of tangible fixed assets		(5,011)	(18,269)
Net cash provided by (used in) investing activities		(5,011)	(18,269)
Change in cash and cash equivalents in the reporting period		174,212	130,305
Cash and cash equivalents at the beginning of the reporting period		375,804	245,499
Cash and cash equivalents at the end of the reporting period		550,016	375,804

INTERNATIONAL P.E.N.

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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 Trustee's report a review of financial performance and the charity's reserves position (pages 14-15) 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 2016

I Accounting Policies (Continued)

e) Fund accounting

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

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

Restricted funds are donations where the donor has specified are to be solely used for particular areas of the Charity's work or for specific projects being undertaken by the Charity.

f) Expenditure and irrecoverable VAT

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

- Costs of raising funds comprise the costs of attracting voluntary income and the costs of fundraising.
- Expenditure on charitable activities includes the costs of the delivery of its activities and services for its beneficiaries.
- Other expenditure represents those items not falling into any other heading.

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

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

g) Allocation of support costs

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

h) Tangible fixed assets

All assets costing more than £500 are capitalised.

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

Asset Category

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

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

i) Pensions

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

INTERNATIONAL P.E.N.

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016

3 Income from donations

	Unrestricted funds	Designated funds	Restricted funds	Total funds	Total funds
	2016	2016	2016	2016	2015
	£	£	£	£	£
Donations	182,880	-	342	183,222	323,873

Donations to unrestricted funds:

	2016	2015
	£	£
Individual contributions	31,044	40,924
PEN centre contributions	138,711	120,748
Gifts in kind	-	100,000
Other income	13,125	51,227
	182,880	312,899

Donations to restricted funds:

	2016	2015
	£	£
PEN centre contributions	-	-
Individual contributions	342	9,650
Writers in Prisons committee centre contributions	-	1,324
Gifts in kind	-	-
	342	10,974

International PEN received Gifts in-kind from Clifford Chance in the form of legal assistance and general advocacy.

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

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

4 Income from charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Grants receivable	14,694	1,031,955	1,046,649	760,408
Publishers Circle	146,961	-	146,961	145,492
Writers Circle	13,844	-	13,844	49,223
Other charitable activity income	4,368	6270	10,638	28,328
	179,867	1,038,225	1,218,092	983,451

Included within grants receivable are the following:

	2016 £	2015 £
Unrestricted funds:		
Corporate donation	14,354	11,458
Freedom House	-	6,408
	14,354	17,866
Restricted funds:		
Norwegian Ministry of Foreign Affairs	63,100	22,155
ICORN	88,000	66,000
SIDA	609,964	454,236
Commonwealth Foundation	14,000	30,000
OIF	4,484	7,031
Company Donations	50,000	50,000
Other Income	6,270	-
UNESCO	8,709	23,753
Fritt Ord Foundation	23,711	29,090
Prince Claus Foundation	-	3,150
Natur and Kultur	55,623	-
Other foundations	-	24,689
Evan Cornish Foundation	10,000	-
Foreign and Commonwealth Office	-	12,872
Banyan Tree Foundation	24,478	-
UNDEF	61,028	-
Solidarity Contributions	-	13,780
European Cultural Foundation	-	5,786
	1,019,367	742,542

INTERNATIONAL P.E.N.

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

5 Analysis of expenditure relating to general advocacy and support

	2016	2015
	£	£
Staff costs	434,920	400,020
Centre developments	387,903	284,863
Support costs (note 6)	162,949	218,140
In kind services	-	100,000
	<hr/> 985,772	<hr/> 1,003,023
	<hr/> <hr/>	

Analysis of expenditure relating to writers in prison

	2016	2015
	£	£
Staff costs	157,981	164,227
Other costs	13,321	44,318
Support costs (note 6)	95,853	136,236
	<hr/> 267,155	<hr/> 344,781
	<hr/> <hr/>	

Expenditure was £1,258,750 (2015: £1,352,373) of which £320,682 was unrestricted (2015: £588,216), £931,665 was restricted (2015: £756,142) and £6,403 was designated (2015: £8,015).

Expenditure on raising funds includes staff costs of £5,059(2015: £2,798) and other costs of 763 (2015: £1,771).

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

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016 £	Writers in prison 2016 £	Total 2016 £	Total 2015 £
Staff costs	47,127	27,722	74,849	62,764
Depreciation	4032	2,371	6,403	8,015
Rent and occupancy	57,787	33,992	91,779	119,989
Office supplies and equipment	4,037	2,375	6,412	15,776
Consultancy	-	-	-	12,378
Other Costs	6,043	3,555	9,598	54,975
Governance costs (see below)	43,924	25,838	69,762	80,479
	162,949	95,853	258,803	354,376

Governance costs	General advocacy and support 2016 £	Writers in prison 2016 £	Total 2016 £	Total 2015 £
Staff costs	6,158	3,622	9,780	19,359
Audit fees	8,311	4,889	13,200	7,500
Board meetings	10,600	6,235	16,835	28,231
Other costs	18,855	11,092	29,947	25,389
	43,924	25,838	69,762	80,479

7 Net (expenditure) for the year

This is stated after charging:

	2016 £	2015 £
Depreciation	6,403	8,015
Auditor's remuneration	13,200	8,000
Operating lease rentals	84,610	78,865
	104,213	94,880

INTERNATIONAL P.E.N.

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

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

	2016 £	2015 £
Wages and salaries	604,333	557,969
Social security costs	62,869	57,519
Pension	23,704	33,680
	690,906	649,168

The key management personnel of the Charity comprise the trustees and Executive Director. One employee earned between £70,000 and £80,000. Remuneration of key management personnel was £78,988 (2015: £76,684).

9 Staff Numbers

The average monthly head count was 19.50 staff (2015: 13.5) and the average monthly number of full time equivalent employees (including casual and part time staff) during the year were as follows:

	2016 Number	2015 Number
Charitable activities	18	12
Fundraising	-	-
Governance	1.5	1.5
Support	-	-
Total	19.5	13.5

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.

	2016 £	2015 £
Contributions payable by the company for the year	23,704	33,680

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 2016

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 £473 (2015: £2,352) 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 2016	35,155
Additions	5011
Disposals	-
As at 31 December 2016	40,166
Depreciation:	
As at 1 January 2016	14,980
On disposals	-
Charge for year	6,403
As at 31 December 2016	21,383
Net book value	
As 31 December 2016	18,783
As at 31 December 2015	20,175

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 2016

14 Debtors

	2016	2015
	£	£
Trade debtors	1,544	2,148
Other debtors	120,111	170,688
Prepayments and accrued income	19,040	16,683
	140,695	189,519

15 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	61,807	21,917
Taxation and social security costs	17,854	14,383
Other creditors	41,215	35,696
Accruals and deferred income	108,988	229,097
	229,863	301,093

There was £91,748 of deferred income brought forward. Deferred income at the balance sheet date was £95,295.

16 Analysis of charitable funds

Analysis of movements in restricted funds

	Balance as at 1 January 2016 £	Income £	Expenditure and transfers £	Internal fund transfers £	Funds as at 31 December 2016 £
Writers in Prison Committee (WIPC)	54,423	146,189	(146,024)	(11,938)	42,650
Swedish International Development Cooperation Agency (SIDA)	21,376	609,964	(542,871)	-	88,469
Festivals	(715)	-	-	715	-
Schools & Creativity	2,620	-	-	-	2,620
Centre Development	39,261	219,314	(202,486)	11,223	67,312
Norwegian Ministry of Foreign Affairs (NMFA)	34	63,100	(60,260)	-	2,874
	116,999	1,038,567	(951,641)	-	203,925

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

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Schools & Creativity- Support for regional programmes for PEN centres in Africa.

Centre Development- Supporting exchanges mainly between the African centres. The transfer represents expenditure allocated to unrestricted funds in 2015 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 2016 £	Income £	Expenditure £	Transfers £	Funds as at 31 December 2016 £
Fixed Assets Fund	20,175	-	(6,403)	5,011	18,783
	20,175	-	(6,403)	5,011	18,783

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	-	18,783	-	18,783
Current assets	313,087	-	377,624	690,711
Creditors of less than one year	(56,164)	-	(173,699)	(229,863)
	256,923	18,783	203,925	479,631

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

NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2016

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

	2016	2015
	£	£
Net movement in funds	195,225	(45,049)
Add back depreciation charge	6,403	8,015
Loss/(profit) on disposals	-	4,553
Decrease (increase) in debtors	48,824	(31,166)
(Decrease) increase in creditors	(71,229)	212,221
	<hr/>	<hr/>
Net cash used in operating activities	179,223	148,574
	<hr/>	<hr/>

20 Commitments under operating leases

	2016	2015
	£	£
Within one year - property	-	-
Between two and five years - property	315,000	399,000
Between two and five years - other	11,501	13,657
	<hr/>	<hr/>
	326,501	412,657
	<hr/>	<hr/>

21. Other gains / (Losses)

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