INCLUDING TRUSTEES’ REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2022

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WELCOME

The times we are living through will be remembered as one of extreme change and difficulty. A time disrupted by war and rising authoritarianism dividing and polarising citizens. As we emerge from a global pandemic and face the challenges posed by climate change, the populations around the world face the cost of living which is rising beyond historic levels. As an organisation we are resilient and have learnt to respond quickly to remain solvent and relevant in a fast-changing environment.

We act to create the unity of existence and harmony in society. We feel a longing for a peaceful life especially where conflicts continue to pose extreme risks in places like Ukraine, Syria, Palestine, Yemen, Myanmar, Ethiopia and beyond.

While improving the work of our organization, we also strengthen its structure. While discussing our strategy with the Future Plan, which expands our future horizons, we are also working to renew and modernize our Constitution and related documents. We are trying to open more space for the voice and creativity of the youth and to make a breakthrough with that energy.

We know, there is a price to face when we speak truth to power. Yet PEN members and fellow writers across the world continue to speak out, often at great personal risk to themselves and their families as we can see from the closure of PEN Centres, writers forced into exile or imprisoned, and sometimes killed.

Solidarity is our strength. Scores of writers have been released or have seen their situation improved in recent years in part due to our work. The dedication of the PEN membership is a continuous source of inspiration and motivation for us all.

Our life and work is founded in the belief that literature can be a force for good in society.

We succeed and we will continue to make progress as long as we keep on working in solidarity.

I am grateful to the Board of PEN International at large, Committee Chairs, all our fellow members around the world and our dedicated staff at the Secretariat. With the work we achieve together we assure that our mission to promote literature and defend freedom of expression under the most difficult conditions is being realised with a hope of a better future for humanity.

I and my fellow Trustees give sincere thanks to our supporters, partners and volunteers without whom the work reflected in this report would not have been possible.

I wish you a good day, good season and good year wherever you are, and thank you for making PEN International the vital organisation it is today.

5 May 2023

Burhan Sonmez President of PEN International

OBJECTIVES AND ACTIVITIES

International P.E.N. (commonly known as PEN International) is the foremost and largest association of writers which stands at the intersection of culture and human rights. Founded in London in 1921, PEN operates today across five continents through 145 Centres in over 100 countries. 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 persecution by oppressive regimes. 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.

PEN International works to promote the PEN Charter to ensure that people everywhere have the freedom to create literature, to impart information and ideas, to express their views, and to access the views, ideas, and literatures of others. We champion the freedom to write, recognizing the power of literature to transform the world. PEN works closely with a range of literary, cultural and free expression organisations to affect change on issues of common concern. As writers, PEN’s members are uniquely placed to use stories to open minds and encourage dialogue. Our influence reaches leaders and communities – we engage them through creative voices and experience, we unite writers of influence globally to press for a world where writers and freedom of expression for all are fully protected; where languages and literatures are respected and celebrated; and where the free exchange of literatures and ideas build tolerance and understanding within and across borders.

In 2021, PEN International celebrated its Centenary. More than hundred years since its foundation, today PEN International is recognised as a leading international charity and expert on freedom of expression.

PEN International is a non-political organisation which holds Special Consultative Status at the UN and Associate Status at UNESCO.
ACHIEVEMENTS AND PERFORMANCE

The objectives for 2022 followed the organisation’s strategic plan 2020 – 2023, developed through consultations with the Board of Trustees and staff as well as the membership, and adopted at Congress in Manila, Philippines in 2019. PEN International’s overarching goal is to promote and defend freedom of expression, literatures and linguistic diversity, and mutual respect and tolerance across borders. In order to pursue its mission we worked towards four overarching objectives:

**AREAS OF INFLUENCE: WHAT WE’LL CHANGE**
- Improve the situation of writers at risk, who are imprisoned or otherwise persecuted
- Create spaces for literature, language, debate, dialogue, ideas and opinions
- Challenge structural threats to freedom of expression

**OUR HIGHEST PRIORITIES: WHERE WE’LL WORK**
- Promoting Freedom of Expression for women and minority groups
- Countering hate speech
- Promoting Translation and Linguistic Rights

**HOW WE’LL CHANGE AS AN ORGANISATION**
- Strengthen the institutional capacity and sustainability
- Diversify our funding
- Strengthen and refine our civil society programme
- Enhance our communications

**OUR VALUES**
- Solidarity • Expanding understanding • Fostering empathy • Cultural diversity
- Creativity • Accountability • Transparency • Collaboration

**IMPROVING THE SITUATION OF WRITERS AT RISK WHO ARE DISPLACED, IMPRISONED OR OTHERWISE PERSECUTED**

Throughout 2022 we continued to monitor and research violations of freedom of expression against writers and creative across the world. Our research informed advocacy, solidarity actions and enabled the provision of humanitarian assistance including evacuation, relocation and asylum support.

**RESEARCH AND MONITORING**

PEN International’s research and campaigning continued as the world emerged from the COVID-19 pandemic and witnessed the launch of the biggest ground war in Europe since the Second World War in the form of the unjustified assault on Ukraine by the Russian Federation. Conflicts around the world continued to pose extreme risks for those reporting on them especially in Ukraine, Syria, and Ethiopia.

Repressive governments and nonstate actors acting with impunity in weak states marred by corruption and often with territory controlled by armed gangs continued to smear, threaten and attack, and sometimes kill, writers and journalists, seeking to expose these issues, with at least 68 writers and journalists killed or threatened, mostly in the Americas, Europe, Asia Pacific and the Middle East.

States in the Americas continued to see high levels of violence which also translated into high numbers of killings of journalists and writers, with Mexico leading the way as in previous years. British writer Dom Phillips was found dead in Brazil after he had disappeared while investigating the situation of a local Indigenous community. In Myanmar, a chilling return to the use of the death penalty saw writer Ko Jimmy, who had been subject to an arrest warrant following his criticism of the February 2021 coup, among four activists who were executed by the military junta following a sham trial.

As highlighted by PEN International in its resolution passed at its 88th Congress in Uppsala, Sweden, civic space, which has been under threat and shrinking for years, came under renewed pressure, with repressive new laws passed and existing civil society organizations closed down, including several PEN Centres, forced to continue their work in support of the promotion of literature, peaceful debate, education for all and freedom of expression in exile. Other Centres, such as the Montenegrin PEN Centre, came under attack from officials during the year.

Across all regions, including in Bahrain, Bangladesh, Belarus, China, Cuba, Cuba, Iraq, Kuwait, Morocco, Myanmar, Oman, Saudi Arabia, Spain, Sri Lanka, Türkiye, the United Arab Emirates (UAE), the United Kingdom, and Vietnam, writers, journalists, and publishers have continued to be arrested, detained and often imprisoned for vaguely worded offences relating to national security, including ‘giving false information’ and espionage, as well as counterterrorism. Others in Belarus, Guatemala and in the Russian Federation, have faced trumped-up criminal charges, with smear campaigns and spurious sexual assault charges a notable pattern in Morocco. Criminal defamation and liése-majesté laws, which are inherently incompatible with international free expression standards, were also used in many countries to harass or silence writers such as Roberto Saviano in Italy, as well as in Egypt, Malaysia, Peru (where criminal defamation provisions were expanded), and Türkiye. Others were judicially harassed with multiple or repeated lawsuits or onerous restrictions brought by private individuals or government officials for their investigative reporting or commentary on social issues, a phenomenon seen in Azerbaijan, Bangladesh, Belarus, Peru, the Philippines, Türkiye, and Venezuela. French-Turkish sociologist, feminist, writer, and PEN member Pınar Selek continued to face charges of which she had been acquitted four times, an apparent judicial vendetta against her. At the start of the year, as the Omicron COVID-19 variant spread like wildfire across the world, writers in prison once again risked death and ill-health, particularly in countries where denial of adequate medical treatment to prisoners is common. Sadly, despite PEN’s campaigning, prominent writer Baktash Abtin died in Iranian custody due to medical negligence, after authorities denied him urgent medical care following his second infection with COVID-19. Denial of adequate medical care was also a feature of the treatment of imprisoned writers in Morocco.

In Latin America, mainly Cuba, Nicaragua and Venezuela, writers continued to suffer violations from their commentary and participation in protests relating to their governments’ responses to COVID-19.
While most countries had lifted most restrictions on movement in 2022, China continued to operate a ‘zero-COVID’ policy until public discontent at the ongoing restrictions boiled over towards the end of the year. In the wake of rare and widespread demonstrations, dozens were reportedly detained for their participation and the government moved to censor references to demonstrations on social media, including with new regulations.

The continued rise of authoritarianism brought increased censorship of books and content, including online, where the internet and social media continued to be a battle ground for freedom of expression. Book bans – which have happened in the past – are on the rise once more in the USA. Discrimination against minorities, always an easy target when governments wish to create distractions from ongoing political and economic turmoil, reached levels of persecution amounting to crimes against humanity in some countries, with Uyghur writers and journalists among the thousands of victims of state repression in China’s Xinjiang region. The fate of Uyghur academic Rahile Dawut held in secret detention since 2017 remains unknown. In Tibet too, similar methods of cultural assimilation risked eroding mother tongue education, with a number of writers serving long prison terms for their defence of their cultural rights. In Türkiye, many Kurdish writers and journalists are languishing behind bars on trumped-up terrorism charges, including writer and former co-chair of the pro-Kurdish Peoples’ Democratic Party (HDP), Selahattin Demirtaş, despite the European Court of Human Rights twice ruling for his immediate release, as documented by PEN International’s resolution on the repression of Kurdish language and culture in Türkiye.

Our research reflected a relatively low percentage of women writers persecuted in 2022, which is in many ways a reflection of the structural barriers that women face in pursuing a writing career. Nonetheless, our research demonstrated that when women do achieve their goals of becoming writers, they often face similar forms of persecution as men, whether being killed in relation to their work, in countries including Chile, the Occupied Palestinian Territories and Mexico, or prison sentences such as those imposed on novelist Tsitsi Dangarembga in Zimbabwe, and others in Türkiye, Myanmar and Vietnam. Activists such as Nargess Mohammadi, imprisoned in Iran, saw increased sentences imposed for their writings to document treatment of prisoners. At the same time, women writers also faced specific violations relating to their gender, such as hate and smear campaigns, as demonstrated by the threats received by writers in Puerto Rico and Honduras, or those placed under particular pressure to comply with governmental demands such as threats to arrest and prosecute other women activists in Cuba. The different and disproportionate impact of types of persecution meted out against women writers is an area of work PEN hopes to research in the future.

In 2022, PEN International’s direct support to writers at risk remained as critical as ever. PEN International’s response to deepening complexities at the grass roots movement and the global deterioration in indicators marking free expression over the last few years has required PEN International and its Centres to extend its interventionist lens in more proactive and practical ways.

It has necessitated greater organizational agility, adeptness in institutionally broadening our practical interventions to support writers, as well as coordinated speed between the Secretariat and our Centres, to ensure greater protection to writers who are coming under resounding pressure.

DIRECT SUPPORT

Direct support was provided to 55 writers through emergency grants of up to Euros 2,000 for humanitarian assistance. This includes for example those situations in which a writer needs to flee from their home country, where writers need medication (because of physical and/or psychological abuse, in prison or otherwise), or they are in other kinds of direct danger because of what they have written or published.

In 2022 the number of grants disbursed increased by almost 90% on 2021. The highest number of grants were awarded to writers from Myanmar followed by Ukraine, Türkiye and Uganda.

“We received the money transfer. Thank you again for your help. It is more important than ever for the cultural figures themselves and their families. It will help them considerably, both financially and morally. It is important for them to know that the international community remembers them”

PEN International has supported numerous requests for assistance from at-risk Afghan writers, poets, journalists, and others who now live precariously in neighbouring countries, with many facing risk of refoulement or exploitation due to their illegal residency status. PEN International successfully facilitated the emergency relocation and long-term resettlement of 57 vulnerable Afghans, comprising of PEN Afghanistan members and their families, to Germany and Switzerland. Furthermore, PEN International provided crucial financial support to several additional vulnerable Afghan writers, poets and other cultural workers who could not be relocated.

Overall, evacuation and relocation support was provided to writers from Afghanistan, Cuba, Nicaragua, Uganda – 122 persons including their dependents.

PEN International researched and monitored the cases of 115 writers globally documented in the PEN 2022 Case List. We ran six global campaigns – and published over 100 statements and calls to action on behalf of writers at risk garnering support on key cases and which contributed to the release of 4 writers (Egypt, Iran, Myanmar and Türkiye) and improvement in circumstances for scores more writers at risk.
CREATING NEW SPACES FOR LITERATURE, LANGUAGE, DEBATE, DIALOGUE IDEA AND OPINIONS

PEN provided platforms for debate around pluralism of ideas and perspectives this included – inclusive spaces for minoritized groups particularly women and girls. PEN International has supported Centres initiatives through a rigorous application and evaluation process. These projects vary according to local needs, in which our approach is to support project ideas from the ground up, rather than imposing ideas from the top down.

PEN International has supported PEN Centres through our Civil Society Programme (CSP), to contribute to a dynamic and informed civil society, by creating spaces for creativity and dialogue, where ideas are shared and challenged and where expression in all its forms can flourish. The programme strengthens initiatives, which enhance the participation of women and minorities through campaigns and advocacy, literary events, festivals, and community outreach, educational support programmes, literary and research initiatives. Over the course of 2021 and 2022 PEN Centres in countries such as Argentina, Belarus, Cambodia, Chile, Ecuador, Iraq, Malawi, Sierra Leone, Zimbabwe have focused on themes such as cultural memory, promoting and protecting intangible forms of cultural heritage, access to local literatures, creative writing and critical thinking.

PEN AFRIKAANS – A FLAGSHIP PROJECT

PEN Afrikaans has delivered a short story project comprised of three central components: an online creative writing course, a short story competition, and contributions to initiatives to boost reading and writing at under-resourced schools. PEN Afrikaans has worked to create space for marginalised voices (as project participants) but also in engaging a diverse group of people to present the project (for instance, as course presenters, competition judges, sound producers, etc).

“PEN Afrikaan’s work demonstrates how PEN Centres can embrace PEN’s strategic objectives and implement in powerful ways to the benefit of local historically disenfranchised communities. Our work in driving literary based interventions enables PEN to engage in informed debate to broaden understanding, deepen learning and enhance social cohesion”

The project was driven by PEN’s broader strategic objective of embedding space for diverse literature and writing (in this case in Afrikaans), but also is driven by the broader context in which the government has paid limited attention to supporting creative writing and the arts. In responding to various disparities, the state has deprioritised its focus on the arts essentially meaning that engagement of disenfranchised communities in mainstream arts is at best sporadic.

In its work with under resourced schools in addition to contributing contemporary, well-written and relatable books to reading nooks at five high schools, PEN Afrikaans produced a series of videos in which young writers spoke about the value of reading and writing. These videos are free to use by educators and facilitators dealing with learners at schools. The videos show young writers making an impact and an income from literature, a pipedream to some learners who may be struggling to have their basic needs met.

DIALOGUES ON WAR

On 24 February 2022, the armed forces of the Russian Federation carried out a full-scale invasion of Ukraine. Since then, appalled by the violence unleashed by Russian forces against Ukraine, the international community has been expressing solidarity with writers, journalists, artists, and the people of Ukraine, condemning the invasion and calling for an immediate end to the bloodshed.

Launched by PEN International in March 2022, together with PEN Ukraine, the Ukrainian Institute, and the Ukrainian Institute London, #DialoguesOnWar is a series of conversations with Ukrainian and foreign intellectuals reflecting and sharing their observations on the experience of war – also providing a powerful antidote to Russian propaganda. Over the course of the year 40 episodes of Dialogues were produced reaching an audience of thousands – featuring PEN International President Burhan Sonmez, Vice President Margaret Atwood, Nobel Laureates Orhan Pamuk and Olga Tokarczuk, PEN Ukraine President Andrei Kurkov, and writers Iryna Tsilyk, and Arundhati Roy.

THE INVISIBLE CHILD

Our partnership with the Moomins, Tove Janson’s universal story the Invisible Child has enabled us to take one profound story, to different parts across the world and translate it into over eight indigenous languages.
In enabling primary and secondary aged school children to critically engage in the Invisible Child, PEN Centres have been employing relevant school-based strategies to unpick how dominant societal discourses and ideologies around gender are reproduced through developing their critical thinking skills by developing empathy and fostering tolerance. Through the facilitation, Centres have been working closely with selected groups of children to reflect on their awareness of various gender norms, their understanding of these issues, through revisiting and exploring the Invisible Child text to critically engage and read it build a healthy foundation in response to broader social issues. In presenting the text, Centre facilitators tried to work with the children to show how it connected with their own lives. In exploring the text, facilitators worked closely with the children to demonstrate the nature of power relations through using various exercises. Centres involved: Chiapas (Mexico), Malawi, Sierra Leone and Zimbabwe. In early 2023 Afrikaans (South Africa) and Togo joined the project.

CONGRESS UPPSALA, SWEDEN

The annual PEN Congress offers an opportunity for the entire PEN community to gather and speak about our work, strategize and adopt policy positions, exchange experiences and ideas, celebrate writing in all its forms. Following a hiatus of 3 years due to the global pandemic, PEN held an in-person Congress, hosted in Uppsala by Swedish PEN from 27 September to 1 October 2022 – themed THE POWER OF WORDS – Future Challenges for Freedom of Expression – Congress brought together 381 participants – writers from over 107 PEN Centres.

Over 20 events including in bookshops, libraries, theatres and cultural houses on topics such hate speech, digital surveillance and the importance of freedom of expression and information in relation to climate change, war and post-conflict. Highlights included a powerful keynote speech by acclaimed American novelist and essayist Siri Hustvedt on words as catalyst for creation action, propaganda, destruction, connection, freedom and emancipation; and a debate entitled Ukrainian Literature Set Free which reflected on the depth and complexity of Ukrainian literature - with Ukrainian writers Andrei Kurkov, Lesyk Panasiuk and Daryna Gladun, moderated by literary critic Jenny Aschenbrenner.

ADDRESSING STRUCTURAL THREATS AND BARRIERS TO FREEDOM OF EXPRESSION

Working with PEN Centres and civil society partners PEN International raised awareness of threats to freedom of expression with the United Nations, the Inter-American Commission on Human Rights and with national level authorities through submissions on Cuba and Nicaragua; campaigns, statements & letters concerning violations of Free Expression in the repression of Kurdish language and culture in Türkiye, Ukraine, Belarus, Russia, Afghanistan, Myannmar, China, Egypt, Palestine, Morocco, Bahrain/Eritrea, Rwanda, Uganda, Zimbabwe, Cuba, Nicaragua, Guatemala and Peru.

The structural barriers faced by women in pursuing a writing career in Ecuador, Guatemala, Honduras, Mexico and Nicaragua were explored in PEN International and UNESCO’s joint report Women Seizing the Word, which found that only 30 per cent of authors in these countries are women. These barriers must be identified and broken down for women to have equal representation in the literary field.

EYE ON NICARAGUA

In responding to tightening repression of civil society in Nicaragua, including closure of our Centre and terminating the PEN Nicaragua website, PEN Nicaragua members, with support from PEN International and other partners (including PEN Argentina, PEN San Miguel and others), established an international observatory called the Eye on Nicaragua, enabling it to recalibrate PEN Nicaragua’s presence but also maintain a lens on continuing restrictions in the country.

PEN International which coordinates the Eye on Nicaragua (and meets every two months) has been vital to breathing momentum into ongoing advocacy efforts. Through the Eye on Nicaragua, and its advocacy efforts in partnership with sister organizations, it has played a critical part in continuing international and regional pressure on the authorities and maintaining public visibility on freedom of expression issues in Nicaragua. It has also been paralleled with efforts to access various mechanisms including the European Union Commission in Nicaragua, the International American Court of Human Rights and specific UN rapporteurs in which PEN International has worked in collaboration to submit individual cases and thematic concerns – driven in part by the intervention of the UN High Commissioner for Human Rights earlier on in the year.

The Assembly adopted 5 resolutions on the critical situation in Cuba, and the war in Ukraine, the repression of Kurdish language and culture in Türkiye, the prosecution and extradition of Julian Assange, and the threats to freedom of expression and protection of civic space.
STRENGTHENING THE INSTITUTIONAL CAPACITY AND SUSTAINABILITY OF PEN, SO THAT THE MOVEMENT IS FULLY REPRESENTATIVE AND RELEVANT

Two new Centres – PEN Sri Lanka and PEN Arman were welcomed to the PEN family at PEN’s Congress, bringing the total number of PEN Centres representing writers across the world to 145. Regula Venske was elected as International Secretary (PEN Germany), and Beatrice Lamwaka (PEN Uganda) and Tanja Tuna (PEN Slovenia) were elected to the Board. Germán Rojas (PEN Chile) was elected Chair, of the Writers for Peace Committee.

MAINSTREAMING GENDER AND DIVERSITY

GENDER AUDIT

In late December 2021 PEN International recruited an independent Consultant to evaluate to what extent gender was integrated into PEN’s organisational culture, policy framework and research lens. In highlighting challenges, it reiterated the need for PEN’s culture to reflect and proactively embrace a flourishing human rights culture, in which the principles of human rights are a “floor, not a ceiling.”

In unpicking the creative tension in PEN and its relationship with the parameters of a human rights-based approach, the auditor was clear that some change in policy and practise was needed internally to ensure PEN falls in line with the practise of mainstream human rights organisations. It also highlighted the tension in how PEN combines the freedom of the imagination and where necessary enforcing the basic standards of human rights.

“In this way, it is unlike other human rights organizations which report and campaign on the experiences of individuals facing violations of their rights: these organizations use words in their advocacy, but do not hold in the same regard the imaginative methods of telling the truth of how humans exist in this world. PEN Gender Audit, Lisa Gormley, May 2022”

In unpicking PENs strengths, it also centred on the identification of violence against women as censorship, which within the human rights world, she acknowledged to be an innovative contribution to mainstream discourse. This analysis by PEN International, the consultant highlights, has been taken up and developed by the UN Special Rapporteur on freedom of expression, in her 2021 report on women’s rights and freedom of expression.

Following on from the audit (in which our novel contribution to understanding censorship was highlighted), PEN International hosted a workshop on gender, censorship, and creativity at Safe Havens to begin comprehending how creativity is impacted by censorship (including violence against women). Going forward, PEN International intends to draft a training course to train staff on how they can adopt appropriate gendered methodological approaches to scrutinising violations against writers and relevant standards within the human rights framework (particularly freedom of expression and the right to culture). This is particularly critical, given the context in which 21 of the 113 cases that we have monitored over the last year as part of our annual case list, are women.

PLANS FOR THE FUTURE

Freedom of expression is a foundational right, on which other rights are dependent. Our response to the evolving nature of threats to this right is driven by external realities. Our barometer of how we need to respond is driven by the writers, our members and their ability to pursue their creative craft, whilst upholding this creative space for others. However, when it is their immediate safety and right to life that is threatened, we are compelled to prioritize this over all our other work so that we remain relevant and credible as a civil society player. Our constant challenge is to reflect and learn from what we do, strategically revisiting our work to ensure that we are maximizing our limited resources. In 2022 we began an internal review of our strategic objectives and undertook a comprehensive PEST and SWOT analysis to help reflect on plans beyond our current programme of work towards a new strategic plan 2024 – 2028.

International P.E.N. 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.

POLICY DEVELOPMENT

At Congress the main contours of a draft sexual harassment policy were presented to delegates – during consultations on the policy over the last few months, PEN International identified gaps in the policy and how to strengthen it, including:

• ensuring a victim centred approach throughout its’ documenting process.
• defining the parameters of PEN International’s interventions as distinct from its local Centres.
• how to support Centres in identifying and implementing their own robust practices which appropriately and consistently support the victims and maintaining impartial protocol.
• the remits of its investigative role and when to refer to external statutory bodies.

In creating ownership around our approach and the need to create a no-tolerance culture within PEN, we are developing a series of training courses on sexual harassment so that members can identify if, name it, and know how to initiate relevant protocols in line with our underlying approach of non-discrimination. Though not definitive, this training will represent the first round of engagement at a global level, with our Centres on how they understand sexual violence and within this, sexual harassment.

Following these workshops, at which we will have two trainers (one from within the region) our Gender lead, will work closely with Centres to ensure they develop tangible guidelines which can be adopted at the local level, and are harmonized with acceptable human rights practise. Once this has been established, we intend to see how we can develop the capacities of beacon centres to become ambassadors of the policy and represent it and the work that has been conducted in subsequent Congresses.
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.”

In 2023, we will updating our core governance practices so that they reflect standard good practice, as well as, a governance system that will improve overall communication. With the help of Clifford Chance (our pro bono Lawyers), we will understand and address the skills and effectiveness needed to maintain board professionalism. As part of the exercise with Clifford Chance, we will update our Governance codes and training curriculum to improve our boards’ readiness to meet their obligations.

**CRITERIA FOR MEASURING SUCCESS**

International P.E.N. has a diverse framework for measuring its impact effectiveness. Linked to the organisational log frame, qualitative and quantitative indicators are recorded through tracking tables, case studies, focus groups and questionnaires. These are used to determine the effectiveness and appropriateness of activities. Our approach aims to be participatory and adaptable in order to understand the impact of PEN’s work across the organisation by bringing the voices of writers and members working in a variety of contexts together, to build a comprehensive picture of PEN’s work. Lessons learnt, including from achievements and challenges, are fed into planning and to strengthen the work going forward.

With PEN Centres participating in our Civil Society Programme, we have sought to build strategic coherency and capacities, we have worked through inclusive and detailed planning (including gender and diversity mapping); cultivating ownership over the work and more broadly strategic outcomes and building the relationship through learning – in which our relationship between the Centres and the Secretariat is constantly being reviewed through learning, transformation and unlearning.

Meaningful feedback and honest analysis is at the core of our system, as is our means of capturing data which harnesses the strength of PEN as an organisation of writers who can tell stories of change. Programmes are subject to external and independent evaluations when required by funders.

**FUNDRAISING STRATEGY FOR BUILDING PEN’S SUSTAINABILITY IN THE LONG TERM**

International P.E.N. saw an increase in the number of individuals contributing to its work in the year. This has led to an increase in regular giving income, though there has been an overall fall in donations from supporters of £101k compared to 2021 as that year saw a significant number of one off major donations due to the centenary. While raising funds from individuals and institutions continues to be our main source of funding to invest in human rights work, income source diversification continues to be critical in the current climate. We plan to do this by focusing on building income from major gift sources, legacies and foundations.

To coincide with our global campaign on Day of the Imprisoned Writer, and to seek funds to meet the growing demands for our support from writers at risk we launched our very first GoFundMe crowdfunding campaign in November 2022. The initiative raised £27k by year end through 98 donations, we attracted around 90 single donations (some gave more than one donation); 25 of these were already known to us (staff/family/members). Importantly we received support from 65 new donors, and their contribution totalled around £15,000 of new income. Voluntary income accounts for much less of our income, although it remains important to our identity and to our sense of partnership with supporters and communities. It is for these reasons that we seek to grow this area of funding.

We have reviewed and strengthened our fundraising proposition and case for support to show the impact fundraised income can have on human rights. International P.E.N.’s strength lies in the fact that it is a global movement of people who stand up for freedom of expression and human rights.

International P.E.N follows a set of six fundraising principles, which we use to guide our fundraising policy and strategy. These principles lay out our commitment to our supporters and members:

- Our fundraising respects and protects our independence, and mission
- We fundraisin with integrity
- We work in partnership with those who support us
- We value and respect our supporters
- We fundraise with courage
- We are transparent in our fundraising and use of funds

Our fundraising activity complies with all relevant legislation and regulation, including the UK General Data Protection Regulation and the Privacy and Electronic Communications Regulations 2003. We also comply with the Code of Fundraising Practice.

**ORGANISATIONAL UPDATE**

In 2022 PEN International was able to stabilise its situation following several years of financial challenges aggravated by the global pandemic. A series of deep cuts to our operations including redundancies, and reduction in working hours as well as efforts to streamline and prioritised our work has enabled the organisation to end the year on a more promising footing. In 2022 most staff returned to their normal hours a time when the onslaught on freedom of expression plummeted to unforeseen depths.

“We have an inspiring mission and so our work is inspiring ... people are supportive, and solidarity exists [in the team] ... but work overload can impact this.”

PEN International successfully sought a 3 year accreditation by Investors in People, who have over the last year held in depth consultations with staff.
‘We are pleased to accredit PEN International; this small team of deeply committed, skilled and knowledgeable people have come through a difficult period and have strong aspirations for the development of PEN, the team and themselves. We understand that financial constraints have limited what can be done to better resource PEN’s work and develop capability. But this has not stopped incremental improvements in governance, communication and engagement, and the development and improvement of business processes. And the recommendations made in our last assessment have been acted upon or are in progress.’

We operate a pay and reward policy that aims to attract and retain the best talent needed to take forward our ambitious strategic objectives globally. We ensure that all elements of pay are fair and transparent and easily understood by our employees. We periodically undertake benchmarking exercises, using established salary surveys, to help set our pay rates.

International P.E.N. is a Living Wage accredited employer, meaning all our staff and contractors are paid at least the Living Wage. We aim to develop a well-led workforce within the organisation that is structured for good performance and supports continuous improvement and staff well-being.

Our regular staff meetings which bring colleagues together to discuss strategy were very well received; people welcomed the connectivity this offered the remote working team and the opportunity for collaboration. Following on from the review of our work, the sharing of challenges is being used to reset priorities and help people create realistic work programmes. Addressing workload and encouraging healthy work boundaries will be fundamental priorities.

Communication needs further work as it does in most organisations, let alone one which is spread thinly across multiple international locations and communities. Leadership and management development is a recognised priority and the clarification of the respective operational and strategic roles of the board and the leadership team is a welcome development for the wider team.

We will streamline HR processes by developing a more integrated IT system, which staff are using. There are several policies we are developing with a training and implementation plan to include Trustees and staff to improve our workplace culture.

**MOVING PEN INTERNATIONAL OPERATIONS ONLINE**

In late 2022 following consultation with staff, the Board of Trustees took the decision to take PEN International operations online. In light of staff continuing to work remotely, and to further PEN’s financial resilience the Board decided to make additional savings and to relinquish PEN’s office in Central London. Whilst we hope this will be a short-term necessity, the savings will enable PEN to build its financial resilience.

The decision to move to online operations was reached after consulting sister organisations which had experience of creating digital offices. Learning shared has helped PEN International to plan how to keep employees engaged and mitigate isolation of working remotely through convening of regular in person meetings to encourage sharing and learning, retain motivation and organisational culture.

We invested in technology improvements to support fully remote working and meetings more effectively with a blend of in-person (if needed) and online participation.

**GRANT-MAKING**

Grant-making continues to be a core aspect of our charitable work. During the year, majority of our civil society grant activities were done virtually with little travel and few in-person activities. We awarded a total of £95k in grants through our civil society programme (CSP) (2021: £150k). Grants to Europe included £68k to Svenska PEN for the PEN/Opp.

Grants-making allocated by continent:

- Africa – £18k
- Americas – £9k
- Europe - £68k

**FINANCIAL REVIEW**

The Trustees of International P.E.N. present their Annual Report and financial statements for the year ended 31 December 2022 under the Charities Act 2011, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019).
Despite the decrease in turnover, after interest charges and investment performance the overall surplus on unrestricted funds for the year was £6k (2021: £14k). In 2022, we continued to face a challenging investment market, our net investment performance wasn’t favourable in the year. Positively, we are now seeing a bounce back in investment performance in quarter one of the new financial year.

In the year, we incurred centenary expenditure of £9k (2021: £39k) consisting of website cost and book cost of sales.

We maintained a stable cash position in the year. We have mitigated some risk to our income-earning activities by implementing a broad business full cost recovery model with diversified income streams.

We anticipate that we will have more unrestricted donations and grant commitments in place to meet the future costs of our programmes and it is not expected that we will have any issues with working capital over the next 12 months as the Trustees have mobilised their efforts on fundraising. A decision was made by the Board to develop a Philanthropic Advisory Group (PAG), giving us the opportunity to increase our income.

We maintain sufficient reserves to enable us to fulfil the objectives of the organisation. These reserves are held in a combination of both fixed and current assets including an investment portfolio managed on the board’s behalf by our investment managers Swissquote.

RECOGNISED INCOME

International P.E.N. is grateful to its donors for their generous support in assuring its income of £1,539k during 2022 (2021: £1,784k), a decrease of 14% over the previous financial year. The unrestricted income in 2022 was £584k, an increase of 13% on 2021, while the restricted income was £955k a decrease of 25% on 2021 (due to centenary donations).

Other principal restricted funding sources for 2022 include Sida, the Norwegian Ministry of Foreign Affairs, Fritt Ord Foundation, Sigrid Rausing, National Endowment for Democracy and the Banyan Tree Foundation.

The funds from these donors go towards our research and policy work, civil society projects and the defence of writers at risk.

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Providing value for money is vital for any charity. Ensuring that we don’t compromise on quality while ensuring we get as much as we can for our money, means spending less, spending well and spending wisely. A focus on value for money is an objective that all staff are now aware of. Every role has a requirement to think about the value for all orders they are placing, questioning costs they believe to be too high, and getting multiple quotes for purchases.

By looking at value for money we want to make sure that:

- What we do is relevant and leads to benefits for our centres (spend wisely)
- How we work is efficient and effective, so we don’t waste time or money (spend less)
- We get a good return from what we spend and make wise choices (spend well)

### EXPENDITURE

Total expenditure was £1,475k (2021: £1,803k), a decrease of 18%. Expenditure was tightly controlled throughout the year to try to achieve an overall surplus to rebuild reserves and future sustainability. The main items that make up this amount include:

- Total staffing costs (including recruitment, training and consultant) 64%;
- Centenary costs including staffing 1%;
- Overall support costs, administration, finance, communications (core costs) 35%.

Employment costs remained by far the highest single item, totalling £758k (directly employed staff and consultants).

### EXPENDITURE: JANUARY 2022 TO DECEMBER 2022

- £600k / 41%
- £590k / 40%
- £55k / 4%
- £43k / 3%
- £14k / 1%
- £95k / 6%
- £67k / 5%
- £14k / 1%

**Centre Engagement**  
**Writers in Prison**  
**Board & Governance**  
**CSP Grant**  
**CSP Activities**  
**Contemporary Expenses – Funded from Reserves**  
**Dissident Blog**  
**Support**

### NET SURPLUS

The overall financial result for the year ended 31 December 2022 shows a surplus on unrestricted funds of £6k compared to a surplus of £14k in 2021. In 2023, we will continue to focus on increasing our business resilience, stability and financial sustainability, while also working to rebuild our reserves and manage risks.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

PEN is a charity that was first set up in 1921. Since 2006, the activities of PEN have been undertaken through a charitable company, limited by guarantee. International P.E.N.’s governing document is the PEN Charter and its Constitution; International P.E.N.’s members are the PEN Centres meeting once a year as the Assembly of Delegates at PEN’s annual Congress.

We have a Board of up to 10 Trustees which includes the International President, International Secretary, and the International Treasurer:

- elected officials of International P.E.N. are nominated by at least 2 Centres;
- nominations and the election process is managed by the Search Committee; and
- two additional co-opted members are openly recruited by the other Trustees against a skills-needs audit.

The Board is responsible for setting the organisation’s strategy, reviewing and adopting the budget and financial reports.

The Search Committee of the Assembly of delegates oversees trustee recruitment.

Candidates are provided with a job description and are required to submit in writing a biography and a signed letter of acceptance of nomination, with a statement of intent. The deadline for submission of nominations is 3 months in advance of Congress. Centres eligible to vote must have paid their membership dues to International P.E.N. and each Centre has one vote. The secret ballot is managed and overseen by the Search Committee.

International P.E.N.’s Trustees have been elected at Congress (the annual meeting of the Assembly of Delegates). The responsibilities of the Board of International P.E.N. have been defined by its constitution. Trustees can serve up to two three-year terms of office.
Delivery of our charitable vision and purpose is primarily dependent on the performance and efforts of our staff, which is the largest single element of charitable expenditure. We aim to recruit, subject to experience, towards the lower point within a salary band, providing scope to reward for excellence and growth within the role. We do not employ interns without pay. We pay at least the London Living Wage for all our staff and are committed to encouraging our suppliers do the same.

PEN evaluates each post against other posts in PEN and market comparators to arrive at salary rates based on a consistent and transparent process, designed to offer a fair pay framework for all salary assessments and decisions. The pay structure is reassessed on an annual basis. All staff confirmed in post are subject to regular performance conversations, at least annually but quarterly is strongly encouraged. As part of our HR review and staff engagement, we have been awarded an Investors In People accreditation indicating a step in the right direction to enhance our workforce.

We are still in the process of implementing our current governance structure as a basis to develop and monitor a newly developed governance framework, Trustees recruitment, Trustees induction, Code of Conduct.

Our Centres are legal members of our limited company, playing an important legal formal and informal role in our work. PEN Centres are voices for literature and freedom of expression in their respective countries.

A full list of current Centres is available on our website (https://pen-international.org/centres) or by request.

International P.E.N. is committed to upholding its organisational culture in line with the seven overarching principles of the Charity Governance Code 2017: Organisational Purpose; Leadership; Integrity; Decision Making and Controls; Board Effectiveness; Diversity; and Openness and Accountability.

The Executive Director manages the office supported by a Senior Management team comprised of Finance, HR and Administration 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 Charity Commission guidelines, good governance, budgetary and funding requirements.

The list of trustees who served during the year and up to the date of approval of the financial statements has been provided below:

**TRUSTEES**

- Burhan Sonmez, President/Chair
- Iman Humaydan, Deputy Chair
- Eric Lax, International Treasurer
- Regula Venske, International Secretary (appointed 7 Oct 2022)
- Kätlin Kaldmaa, International Secretary (departed 7 Oct 2022)

**ELECTED TRUSTEES**

- Beatrice Lamwaka (appointed 7 Oct 2022)
- Danson Sylvester, Kahyana (departed 7 Oct 2022)
- Francis, David Warwick
- Jose Gabriel Seisdedos
- Olo Larsmo
- Salli Tripathi
- Tanya Tuma (appointed 7 Oct 2022)

Trustees are not paid.

New Trustees are introduced to PEN with a formal induction programme. We also provide on-going training, based on periodic skill assessments.

The names of all those who are currently Trustees or who served as a trustee during the year to 31 December 2022 are set out above. Further information on our current Trustees is available on our website (https://www.pen-international.org/who-we-are).

The Trustees delegate the day-to-day running of PEN to the Executive Director (ED). The work of the ED is guided by three sub-committees of the Board, each one chaired by a Trustee:

- **Finance Committee**: oversees the management of risk and finance and supervises the appointment of independent auditors;
- **Fundraising Committee**: develops and monitors the fundraising strategy of the organisation, partnership building and long-term sustainability; and
- **Centres Committee**: analyses the situation of all PEN Centres, intervenes in centre disputes, prepares new PEN Centres’ candidatures to be presented at the assembly of delegates for approval, proposes dormancies and closures of centres to the assembly, and deregistering centres who have ceased to exist.

As part of our Human resource development and staff remuneration, PEN is committed to ensuring that we pay our staff fairly and in a way that ensures we attract and retain the right skills in order to have the greatest impact in delivering our charitable objectives.

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RISK AND INTERNAL CONTROLS

Risk management is an integral part of our governance. We identify and address our key strategic risks in order to mitigate their likelihood and impact. There are two levels to the risk and assurance process. Our strategic risk approach is designed to identify the key risks which could prevent P.E.N. from achieving its strategic objectives. It also identifies the assurance processes which we have in place to mitigate these risks and any outstanding actions around these assurance processes.

We also have considered operational risks which underpin the strategic risk framework, dealing with a greater number of potential risks at a more detailed level.

This continues to be done at a Board and senior staff level by maintaining an organisational Risk Register that identifies the key organisational risks.

The Trustees continue to review the risks facing PEN, the controls in place and the effectiveness of mitigating actions. International P.E.N. has a risk register which records risks and how they are mitigated, including (but not limited to) our income, assets, management, staff, partners and beneficiaries, reputation, financial controls and governance. This risk assessment process identifies the strategies that are already in place to minimise risks, along with any further actions that may be required to mitigate them. The Trustees delegate risk management to the Executive Director and Finance, HR and Administration Director.

PEN has a comprehensive insurance policy, reviewed annually, and currently provided by Aston Lark Insurance. The Trustees consider all aspects of risk and assurance and are supported in this by the work of the Finance Audit and Risk Sub-Committee.

The major strategic risks of P.E.N., together with plans and strategies in managing these risks, are shown in the table below.

<table>
<thead>
<tr>
<th>RISK</th>
<th>CURRENT MITIGATING ACTIONS</th>
</tr>
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</table>
| Financial Stability  
Funding targets not met. (delivering the strategy in a way that safeguards our financial sustainability) | • Board take strong lead in fundraising and new fundraising strategy  
• Continued outreach to publishers to increase membership of Publishers’, Writers and Screenwriters Circles  
• New funding streams legacy and crowd funding explored  
• Head of Development to continue pursuing Trusts and Major Donor fundraising strategy  
• In discussions with Sida as we complete funding cycle (end 2023) and prepare for new bid 2024 - 2028 |
| People and Development  
Effectiveness of Senior Management Team (SMT) | • SMT review of roles and responsibilities review of JD as untenable workloads and weak organisational processes reasons for departures of Directors with support from INTRAC  
• Consultations with the Union  
• Board approve process for recruitment and their involvement |
| Reputational  
Reputational damage due to politicisation or Centres acting contrary to the PEN Charter | • Centre Development strategy for problematic PEN Centres  
• Board/SMT take action/missions to engage with Centres whose message is out of line with PEN Charter and human rights norms. Monitoring of Centres – review for closure of dormancy |
| Strategy and Operational Delivery  
Dramatic change in international support for freedom of expression demotivation and slows the PEN’s ability to deliver its goals. | • Campaigns and advocacy to be more focused and underpinned by robust research – and strong media campaigns  
• Ensure that individual writers/Centres can advocate on issues of concern to them both at national and international levels – dialogue and debate needed more than ever – role of the writer as thought leader to counter push of authoritarianism  
• Build relations with key actors in human rights and culture fields and allies at the national level |
| Strategy and Governance  
Effectiveness of International Board and Committees | • Board now taking lead in strategy setting including the process  
• Board positions under 3 year election cycle  
• At least two in person Board meetings per year  
• Co-opt members (2) of the Board under review |
| Operational Delivery  
Analysis of risk for local PEN Centres organizing events prior, during and after the event. Analysis of risk of unintended harm/negative effects for local partners of PEN missions (common risk analysis of conflict dynamics with other NGOs for common missions) | • Risk assessment in context for each PEN meeting/mission, including unintended negative effects for staff & local Centres  
• Consultation with Centres & NGO partners prior to PEN missions taking into account conflict dynamics  
• Collaboration with UN bodies in context of meetings in areas of concern for freedom of expression |
INVESTMENT POLICY

The Trustees commissioned Swissquote as our broker during the year. At present, we have investment of £82k (2021: £242k) held with the company.

In making any financial investment, P.E.N’s policy requires consideration of:

- **Minimisation of risk**: The overall investment objective of PEN International is to maximize the return on invested assets while minimizing risk and expenses. PEN International seeks to achieve this through prudent investing and planning, as well as through the maintenance of a diversified portfolio.
- **Liquid risk**: Invested funds to be kept liquid to allow them to be called upon as necessary.
- **Balancing income and capital returns**: The assets should be managed to at least maintain the real capital value of the funds invested, whilst generating a sustainable level of investment income to support the current charitable activities.

As part of our financial strategy, we are looking to create a policy for longer term investment of PEN’s reserves in order to spread risk and ensure PEN’s financial sustainability.

At 31 December 2022, the only form of investment held by P.E.N. was funds held with Swissquote in mutual bonds and single securities, included in the accounts within fixed assets.

INVESTMENT POLICY

The Trustees are aware of International P.E.N.’s contract term with Sida coming up for review. At the end of 2022, PEN International completed the third of a four-year programme of support from the Swedish International Development Agency (Sida). During 2022 PEN International maintained strong links with its most significant institutional supporter. The annual review meeting with Sida was held in January 2023 to discuss PEN’s work in 2022 – the meeting was very positive and feedback from Sida was very encouraging on the progress of PEN’s work. The trustees are confident that sufficient funding will be continued at the same level with Sida and other funders to support our current level of activities in the future.

As part of the going concern assessment by the Trustees, they have reviewed our financial position and financial forecasts, taking into account the level of reserves and cash, the effects of the pandemic, the cost-of-living increase and our systems of financial control and risk management.

As a result of this and an ongoing review of operational and staffing costs, the Trustees believe that we are well placed to manage operational, financial and cost of living risks successfully.

We have started discussions with Sida on another long-term strategic partnership to ensure the continuation of Sida support beyond 2023. As part of this process, we have agreed with Sida to conduct an internal audit of our processes, controls and systems in October 2023 as the first of our consultation.

The management has determined that the actions that it has taken are sufficient to mitigate the uncertainty around any reduced level of funding and has therefore prepared the financial statements on a going concern basis as it has a reasonable expectation that P.E.N. will continue in operational existence for the foreseeable future.

TREASURY POLICY

The Trustees set aside available funds from our income to pay for anticipated costs. The Trustees also set aside a small amount each year, when income is strong, to allow for some flexibility in periods of economic downturn. In order to protect our charitable projects from the loss of short-term funding, a target for a minimum level of reserves has been set at three months’ grants receipts and expenditure for project delivery.

Undesignated reserves amounted to £51k as at 31 December 2022. This is below target for the year. However, the shortfall in funds has been built into a strategic financial recovery modelling for the next three years. This policy is reviewed every year.

RESERVES POLICY

Like many other charities P.E.N has a reliance on a small number of income sources. It is important that, however unlikely it may be that these sources all suddenly cease, we plan to hold sufficient reserves to meet our obligations and needs. In this respect, P.E.N remains positive in building resilient reserves that are strong and healthy.

The Trustees set aside available funds from our income to pay for anticipated costs and for planned designated activities.

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 International P.E.N. to carry out its essential projects.

The policy aims to have sufficient free reserves to enable International P.E.N. to cope with fluctuations and to hold at least the equivalent of three months’ budgeted operating cost expenditure.

Total reserves at 31 December 2022 were £546k (2021: £488k). Restricted reserves held in 2022 were £471k (2021: £415k) and unrestricted reserves were £75k. Of this £24k were designated reserves while the reserves were £51k (2020: £45k).

The value of net assets in future years is projected to reduce/increase in the light of budgeted deficits/surplus and investment in our financial strategy. However, P.E.N remain strong as a ‘going concern’.

Restricted reserves are those funds that have been received for particular purposes and projects and are shown in detail in note 16.

Even though general fund is low, we are still able to meet our free reserves 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. This policy is reviewed every year.
STATEMENT OF TRUSTEES’ RESPONSIBILITIES 2022

The Trustees (who are also directors of International P.E.N. for the purpose of company law) are responsible for preparing the report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

• select suitable accounting policies and then apply them consistently;
• observe the methods and principles in the Charities SORP;
• make judgments and 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; and
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and regulations made thereunder.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 the financial statements may differ from legislation in other jurisdictions.

FUNDRAISING

Our Head of Development ensures we follow best practice for charitable fundraising, active participation in fundraising regulation and compliance with the most recent codes of conduct. We continue to regularly review our policies and processes to check they are periodically refreshed, in particular with reference to our ongoing major fundraising campaign as part of our centennial.

In particular, P.E.N.:

• ensures adherence to the Code of Fundraising Practice;
• employs due diligence to ensure that significant financial contributions from, and partnerships and agreements with, individuals and organisations comply with legal, ethical and best practice regulations and guidance;
• does not use professional fundraisers;
• ensures that the charity’s fundraising practice complies with all data protection regulations and best practice guidance.

VOLUNTEERS

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

AUDITOR

Our auditor, HW Fisher LLP, has indicated a willingness to continue in office and it is proposed that the firm be re-appointed as auditor for the ensuing year.

DISCLOSURE OF INFORMATION TO AUDITOR

In so far as each of the Trustees is aware:

• there is no relevant audit information of which the charitable company’s auditor is unaware; and
• each of the Trustees has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the Trustees

Burhan Sonmez
President

Eric Lax
Treasurer

05 May 2023
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OPINION

We have audited the financial statements of International P.E.N (the ‘charity’) for the year ended 31 December 2022 which comprise the statement of financial activities, the statement of financial position, the cash flow statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

• give a true and fair view of the state of the charitable company’s affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

• the information given in the report of the board of trustees, which includes the directors’ report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements;
• the directors’ report included within the report of the board of trustees have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

As explained more fully in the statement of trustees’ responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP; FRS 102, Charities Act 2011, Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing documentation such as the charity’s board minutes, and correspondence with solicitors, for discussions of irregularities including fraud.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted, designated and restricted funds.
- Obtaining third-party confirmation of material bank balances.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

USE OF OUR REPORT

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company’s members those matters we are required to state to them in an 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 the charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Rich (Senior Statutory Auditor) for and behalf of HW Fisher LLP Chartered Accountants Statutory Auditor Acre House 11-15 William Road London, NW1 3ER 05 May 2023
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STATEMENT OF FINANCIAL ACTIVITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>General funds £'000</th>
<th>Designated funds £'000</th>
<th>Restricted funds £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and legacies</td>
<td>3</td>
<td>438</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>4</td>
<td>146</td>
<td>955</td>
<td>1,101</td>
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<tr>
<td>Total income</td>
<td></td>
<td>584</td>
<td>-</td>
<td>955</td>
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<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of raising funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on fundraising and publicity</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Expenditure on charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General advocacy and support</td>
<td>5</td>
<td>455</td>
<td>4</td>
<td>840</td>
</tr>
<tr>
<td>Writers in prison</td>
<td>5</td>
<td>112</td>
<td>-</td>
<td>59</td>
</tr>
<tr>
<td>Total expenditure on charitable activities</td>
<td></td>
<td>567</td>
<td>4</td>
<td>899</td>
</tr>
<tr>
<td>Total expenditure</td>
<td></td>
<td>572</td>
<td>4</td>
<td>899</td>
</tr>
<tr>
<td>Net gain / (loss)</td>
<td>23</td>
<td>(6)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total net (income)/expenditure before transfers</td>
<td>6</td>
<td>(4)</td>
<td>56</td>
<td>58</td>
</tr>
<tr>
<td>Transfers between funds</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net (income)/expenditure after transfers/Net movement in funds</td>
<td>6</td>
<td>(4)</td>
<td>56</td>
<td>58</td>
</tr>
<tr>
<td>Reconciliation of funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances brought forward at 1 January 2022</td>
<td>45</td>
<td>28</td>
<td>415</td>
<td>488</td>
</tr>
<tr>
<td>Balances carried forward at 31 December 2022</td>
<td>19</td>
<td>61</td>
<td>24</td>
<td>471</td>
</tr>
</tbody>
</table>

All gains and losses recognised in the year are included on the Statement of Financial Activities. The accompanying notes form part of these financial statements.
## STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>Note</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>13a</td>
<td>11</td>
</tr>
<tr>
<td>Investment</td>
<td>13b</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>93</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock</td>
<td>124</td>
<td>129</td>
</tr>
<tr>
<td>Debtors</td>
<td>14</td>
<td>206</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>235</td>
<td>228</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>565</td>
</tr>
<tr>
<td><strong>Creditors:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>amounts falling due within one year</td>
<td>15</td>
<td>(112)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>453</td>
</tr>
<tr>
<td><strong>Total assets less creditors</strong></td>
<td></td>
<td>546</td>
</tr>
<tr>
<td><strong>The funds of the charity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17, 18, 19</td>
<td>Unrestricted funds</td>
<td></td>
</tr>
<tr>
<td>Other charitable funds</td>
<td>51</td>
<td>45</td>
</tr>
<tr>
<td>Designated funds</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total unrestricted funds</strong></td>
<td></td>
<td>75</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td>471</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td></td>
<td>546</td>
</tr>
</tbody>
</table>

Approved by the Trustees on 5 May 2023 and signed on their behalf

Eric Lax, Treasurer
Burhan Sonmez, President

## CASH FLOW STATEMENT

<table>
<thead>
<tr>
<th>Note</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash outflow from operating activities</strong></td>
<td>20</td>
<td>(141)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to acquire fixed assets</td>
<td>13a</td>
<td>(1)</td>
</tr>
<tr>
<td>Disposal of Investment</td>
<td>141</td>
<td></td>
</tr>
<tr>
<td>Payments to acquire investments</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Cash withdrawn from portfolio</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td><strong>Total capital Income/Expenditure</strong></td>
<td></td>
<td>148</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalent in the reporting period</strong></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the reporting period</strong></td>
<td></td>
<td>228</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the reporting period</strong></td>
<td></td>
<td>235</td>
</tr>
<tr>
<td><strong>Comprising:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>235</td>
<td>228</td>
<td></td>
</tr>
</tbody>
</table>
1. ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The accounts have been prepared in accordance with the charity’s Memorandum and Articles of Association, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £. The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments at fair value. The principal accounting policies adopted are set out below.

1.2 GOING CONCERN

The Trustees are aware of International P.E.N.’s contract term with Sida coming up for review. At the end of 2022, PEN International completed the third of a four-year programme of support from the Swedish International Development Agency (Sida). During 2022 PEN international maintained strong links with its most significant institutional supporter. The annual review meeting with Sida was held in January 2023 to discuss PEN’s work in 2022 – the meeting was very positive and feedback from Sida was very encouraging on the progress of PEN’s work. The trustees are confident that sufficient funding will be continued at the same level with Sida and other funders to support our current level of activities in the future.

As part of the going concern assessment by the Trustees, they have reviewed our financial position and financial forecasts, taking into account the level of reserves and cash, the effects of the pandemic, the cost-of-living increase and our systems of financial control and risk management.

As a result of this and an ongoing review of operational and staffing costs, the Trustees believe that we are well placed to manage operational, financial and cost of living risks successfully.

We have started discussions with Sida on another long-term strategic partnership to ensure the continuation of Sida support beyond 2023. As part of this process, we have agreed with Sida to conduct an internal audit of our processes, controls and systems in October 2023 as the first of our consultation.

The management has determined that the actions that it has taken are sufficient to mitigate the uncertainty around any reduced level of funding and has therefore prepared the financial statements on a going concern basis as it has a reasonable expectation that P.E.N. will continue in operational existence for the foreseeable future.

1.3 CRITICAL ESTIMATES AND JUDGEMENTS

International P.E.N.’s significant accounting policies are stated in this note. Not all of these significant accounting policies require the Trustees to make difficult, subjective, or complex judgements or estimates.

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

1.4 INCOME

Income other than grant income is recognised at the fair value of the consideration received or receivable for goods and services provided. Fair value takes into account settlement discounts allowed on services.

Income from donations and grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably.

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

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

1.5 GRANTS RECEIVED

Where grants are received for specific purposes they are credited to the restricted funds of International P.E.N. Grants that are awarded for a specific period are recognised in the SOFA in that period.

1.6 GRANTS PAYABLE

Grants payable as cash are accounted for in the period in which they are approved. Grants awarded to centres of International P.E.N. are accounted for upon approval.

1.7 BASIS OF ALLOCATION OF SUPPORT COSTS

Staff and other support costs are allocated to the various activities of International P.E.N. based upon the direct staff costs involved in delivering direct charitable activities and on the estimated time devoted to the governance of PEN.

1.8 DEFINED CONTRIBUTIONS PENSION SCHEME

Employer contributions to PEN’s defined contribution Pension Scheme are charged to the SOFA on an accruals basis.

1.9 FUND ACCOUNTING

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

Designated funds have been allocated to specific projects by the trustees.

Restricted funds are donations where the donor has specified to be solely used for particular areas of the Charity’s work or for specific projects being undertaken by the Charity.
1.10 EXPENDITURE AND IRRECOVERABLE VALUE ADDED TAX

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.

1.11 VOLUNTEERS

International P.E.N. provides volunteering opportunities in a number of its activities. The work performed by the volunteers is well-appreciated and is explained in the Report of the board of trustees. No financial appraisal of the value of volunteering is included within these financial statements.

1.12 TANGIBLE FIXED ASSETS

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:

<table>
<thead>
<tr>
<th>ASSET CATEGORY</th>
<th>DEPRECIATION METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment</td>
<td>25% reducing balance</td>
</tr>
<tr>
<td>Fixtures &amp; Fittings</td>
<td>25% reducing balance</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>25% reducing balance</td>
</tr>
</tbody>
</table>

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.

All assets costing more than £500 are capitalised.

1.13 INVESTMENT

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Gains and losses on the disposal of investment assets are calculated as the difference between historical and market values.

1.14 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.

1.15 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.

1.16 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.

1.17 OTHER FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments. The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Except for fixed asset investments, basic financial instruments are recognised as the amount payable or receivable when the instrument is first recognised together with any subsequent transaction costs but modified in respect of trade debtors for an assessment of potential bad debt.

1.18 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. Where trustees hold restricted funds in foreign currency, gains and losses on foreign exchange are borne by unrestricted funds to maintain restricted gifts at their original value.

1.19 PEN CENTRES

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

1.20 RESTRICTED FUNDS

Project grants: Grants that are received for specified purposes are credited to a restricted fund. Expenditure that is attributable to such grants is charged directly to the fund in the statement of financial activities.

1.21 DESIGNATED FUNDS

Fixed Assets: The balances on the funds represent our fixed asset portfolio. The capital costs of asset that are met from PEN’s own resources are represented by designated funds. Depreciation is charged directly against the fund in the statement of financial activities.
2. **LEGAL STATUS OF THE CHARITY**

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

3. **INCOME FROM DONATIONS & LEGACIES**

<table>
<thead>
<tr>
<th>Source</th>
<th>2022 Unrestricted funds (£'000)</th>
<th>2022 Restricted funds (£'000)</th>
<th>Total (£'000)</th>
<th>2021 Unrestricted funds (£'000)</th>
<th>2021 Restricted funds (£'000)</th>
<th>Total (£'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations and legacies</td>
<td>438 £'000</td>
<td>438 £'000</td>
<td>438 £'000</td>
<td>408 £'000</td>
<td>408 £'000</td>
<td>816 £'000</td>
</tr>
</tbody>
</table>

**DONATIONS TO UNRESTRICTED FUNDS:**

<table>
<thead>
<tr>
<th>Source</th>
<th>2022 (£'000)</th>
<th>2021 (£'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual contributions</td>
<td>276</td>
<td>227</td>
</tr>
<tr>
<td>PEN centre contributions</td>
<td>162</td>
<td>165</td>
</tr>
<tr>
<td>CJRS grants</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>438</td>
<td>408</td>
</tr>
</tbody>
</table>

**DONATIONS TO RESTRICTED FUNDS:**

<table>
<thead>
<tr>
<th>Source</th>
<th>2022 (£'000)</th>
<th>2021 (£'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations to restricted funds:</td>
<td>-</td>
<td>131</td>
</tr>
<tr>
<td>Individual contributions</td>
<td>-</td>
<td>131</td>
</tr>
</tbody>
</table>

4. **INCOME FROM CHARITABLE ACTIVITIES**

<table>
<thead>
<tr>
<th>Source</th>
<th>2022 (£'000)</th>
<th>2021 (£'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants receivable</td>
<td>-</td>
<td>933</td>
</tr>
<tr>
<td>Publishers Circle</td>
<td>108</td>
<td>108</td>
</tr>
<tr>
<td>Written Circle</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Readers Circle</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Centenary – book sales</td>
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<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>146</td>
<td>955</td>
</tr>
</tbody>
</table>

**RESTRICTED FUNDS:**

<table>
<thead>
<tr>
<th>Source</th>
<th>2022 (£'000)</th>
<th>2021 (£'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norwegian Ministry of Foreign Affairs</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>ICORN</td>
<td>-</td>
<td>88</td>
</tr>
<tr>
<td>SIDA</td>
<td>696</td>
<td>842</td>
</tr>
<tr>
<td>NED</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>UNESCO</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Fritt Ord Foundation</td>
<td>33</td>
<td>21</td>
</tr>
<tr>
<td>Derek Moore Foundation</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Sigrid Rausing</td>
<td>120</td>
<td>-</td>
</tr>
<tr>
<td>Evan Cornish Foundation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Banyan Tree Foundation</td>
<td>38</td>
<td>28</td>
</tr>
<tr>
<td>PEN America</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>933</td>
<td>1,062</td>
</tr>
</tbody>
</table>

**ANALYSIS OF EXPENDITURE RELATING TO GENERAL ADVOCACY AND SUPPORT**

<table>
<thead>
<tr>
<th>Source</th>
<th>2022 (£'000)</th>
<th>2021 (£'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>448</td>
<td>726</td>
</tr>
<tr>
<td>Sub-grants to PEN Centres</td>
<td>95</td>
<td>150</td>
</tr>
<tr>
<td>Other centre development costs</td>
<td>290</td>
<td>256</td>
</tr>
<tr>
<td>Support costs (note 6)</td>
<td>457</td>
<td>271</td>
</tr>
<tr>
<td>Centenary – book costs</td>
<td>9</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,299</td>
<td>1,442</td>
</tr>
</tbody>
</table>

5. **ANALYSIS OF EXPENDITURE RELATING TO WRITERS IN PRISON**

<table>
<thead>
<tr>
<th>Source</th>
<th>2022 (£'000)</th>
<th>2021 (£'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>59</td>
<td>226</td>
</tr>
<tr>
<td>Other costs</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Support costs (note 6)</td>
<td>112</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>171</td>
<td>341</td>
</tr>
</tbody>
</table>
6. ANALYSIS OF SUPPORT COSTS AND GOVERNANCE COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs include payments to the auditor of £33,000 (2021: £16,000) and other financial services of £4,000 (2021: £nil).

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.

<table>
<thead>
<tr>
<th>SUPPORT COSTS</th>
<th>General advocacy and support</th>
<th>Writers in prison</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2022</td>
<td>2022</td>
</tr>
<tr>
<td>Staff costs</td>
<td>70</td>
<td>20</td>
<td>90</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Rent and occupancy</td>
<td>69</td>
<td>20</td>
<td>89</td>
</tr>
<tr>
<td>Office supplies and equipment</td>
<td>10</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Other Costs</td>
<td>218</td>
<td>44</td>
<td>262</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GOVERNANCE COSTS</th>
<th>General advocacy and support</th>
<th>Writers in prison</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2022</td>
<td>2022</td>
</tr>
<tr>
<td>Staff costs</td>
<td>133</td>
<td>27</td>
<td>160</td>
</tr>
<tr>
<td>Audit fees</td>
<td>31</td>
<td>6</td>
<td>37</td>
</tr>
<tr>
<td>Other costs</td>
<td>54</td>
<td>11</td>
<td>65</td>
</tr>
<tr>
<td>Governance costs</td>
<td>218</td>
<td>44</td>
<td>262</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AUDITOR’S REMUNERATION</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory audit</td>
<td>33</td>
<td>15</td>
</tr>
<tr>
<td>Non audit service</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

7. NET (EXPENDITURE) FOR THE YEAR

<table>
<thead>
<tr>
<th>THIS IS STATED AFTER CHARGING:</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease rentals</td>
<td>95</td>
<td>96</td>
</tr>
</tbody>
</table>

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>£60,000 and £69,999</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>£70,000 and £89,999</td>
</tr>
<tr>
<td>Social security costs</td>
<td>£90,000 and £99,999</td>
</tr>
<tr>
<td>Pension</td>
<td>£100,000 and £109,999</td>
</tr>
</tbody>
</table>

5. ANALYSIS OF EXPENDITURE RELATING TO GENERAL ADVOCACY AND SUPPORT

The key management personnel of the Charity comprise the Trustees, the Executive Director and the Director of Finance, HR and Administration. Remuneration of key management personnel was £208,000 (2021: £291,000).

Trustee Expenses: None of the trustees received any remuneration during the year, but the Trustee Board (two members) were reimbursed a total of £3,000 (2021: £59) travel and subsistence expenses.

The total expenses incurred by the Trustees in the discharge of their duties and paid to third parties was £6,000 (2021: £69). However, two Trustees from our board donated £117,000 towards our core activities.

Number of volunteers was 3 (2021: 1). Volunteers assist with centenary project, supporting the International programmes team with media monitoring on freedom of expression issues.
9. STAFF NUMBERS

The average monthly head count was 14 staff (2021: 19) and the average monthly number of full-time equivalent employees (including casual and part time staff) during the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable activities</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Fundraising</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Governance</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Support</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>13</strong></td>
<td><strong>17</strong></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions payable by the company for the year</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>43</td>
</tr>
</tbody>
</table>

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

11. RELATED PARTY TRANSACTIONS

During the year, donations without conditions from Trustees totalled £117,000. At the year end, there were no other disclosable related party transactions.

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.

13a. TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Office Equipment</th>
<th>Fixtures &amp; Fittings</th>
<th>Computer Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Cost:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1 January 2022</td>
<td>20</td>
<td>2</td>
<td>33</td>
<td>55</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(11)</td>
<td>(11)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December 2022</td>
<td><strong>20</strong></td>
<td><strong>2</strong></td>
<td><strong>23</strong></td>
<td><strong>45</strong></td>
</tr>
<tr>
<td>Depreciation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1 January 2022</td>
<td>17</td>
<td>1</td>
<td>22</td>
<td>40</td>
</tr>
<tr>
<td>On disposals</td>
<td>-</td>
<td>-</td>
<td>(10)</td>
<td>(10)</td>
</tr>
<tr>
<td>Charge for year</td>
<td>1</td>
<td>-</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December 2022</td>
<td><strong>18</strong></td>
<td><strong>1</strong></td>
<td><strong>15</strong></td>
<td><strong>34</strong></td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As 31 December 2022</td>
<td>2</td>
<td>1</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December 2021</td>
<td><strong>3</strong></td>
<td><strong>1</strong></td>
<td><strong>11</strong></td>
<td><strong>15</strong></td>
</tr>
</tbody>
</table>

All assets are used for charitable purposes.

13b. INVESTMENTS

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation</td>
<td></td>
</tr>
<tr>
<td>At 1 January 2022</td>
<td>242</td>
</tr>
<tr>
<td>Additions</td>
<td>1</td>
</tr>
<tr>
<td>Disposal</td>
<td>(141)</td>
</tr>
<tr>
<td>Realised and unrealised gains/losses</td>
<td>(11)</td>
</tr>
<tr>
<td>Movement in cash</td>
<td>(9)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
</tr>
<tr>
<td>As at 31 December 2022</td>
<td>82</td>
</tr>
<tr>
<td>As 31 December 2021</td>
<td>242</td>
</tr>
</tbody>
</table>

International P.E.N. holds investment funds with Swissquote which are mutual funds for bonds and equities. These funds are single securities for bonds in Global and Euromarkets issues but no US domestic issues, with all investments generating daily liquidity.
14. DEBTORS

Bad debt provisions are based upon the debtor balances on individual accounts. There has been no change in the basis of calculation during the year.

15. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

Deferred income at the balance sheet date was £2k which represent PayPal donations received.

16. FINANCIAL INSTRUMENTS

17. ANALYSIS OF RESTRICTED FUNDS

*This fund is overdrawn as expected in 2022. However, we expect donations received in 2022 to reduce the deficit.
17. ANALYSIS OF FUNDS (Continued)

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

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

Centre Development - Supporting exchanges mainly between the African centres.

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

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

18. ANALYSIS OF MOVEMENT IN DESIGNATED FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Balance as at 1 January 2022</th>
<th>Resources expended</th>
<th>Transfers</th>
<th>Funds as at 31 December 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Donation</td>
<td>13</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28</strong></td>
<td><strong>(4)</strong></td>
<td>-</td>
<td><strong>24</strong></td>
</tr>
</tbody>
</table>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds 2021</th>
<th>Designated funds 2021</th>
<th>Restricted funds 2021</th>
<th>Total 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>-</td>
<td>15</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>82</td>
<td>242</td>
</tr>
<tr>
<td>Current assets</td>
<td>108</td>
<td>13</td>
<td>444</td>
<td>565</td>
</tr>
<tr>
<td>Creditors of less than one year</td>
<td>(57)</td>
<td>-</td>
<td>(55)</td>
<td>(112)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15</td>
<td>15</td>
<td>242</td>
<td>488</td>
</tr>
</tbody>
</table>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net movement in funds</td>
<td>58</td>
<td>(22)</td>
</tr>
<tr>
<td>Add back depreciation charge</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Decrease/(increase) in stock</td>
<td>5</td>
<td>(129)</td>
</tr>
<tr>
<td>(Increase)/Decrease in debtors</td>
<td>(10)</td>
<td>12</td>
</tr>
<tr>
<td>Decrease/(increase) in creditors</td>
<td>(210)</td>
<td>189</td>
</tr>
<tr>
<td>Loss on disposal of fixed asset</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Unrealised (gain)/loss on investment</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td><strong>(141)</strong></td>
<td>56</td>
</tr>
</tbody>
</table>
21. ANALYSIS OF CHANGES IN NET DEBT

*This fund is overdrawn as expected in 2022. However, we expect donations received in 2022 to reduce the deficit.

22. COMMITMENTS UNDER OPERATING LEASES

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year - property</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>84</td>
</tr>
<tr>
<td>Between two and five years - property</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21</strong></td>
<td><strong>98</strong></td>
</tr>
</tbody>
</table>

23. NET GAIN / (LOSS)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency exchange gain</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>(3)</td>
</tr>
<tr>
<td>Realised and unrealised gains/losses on investment</td>
<td>(11)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(4)</strong></td>
<td><strong>(3)</strong></td>
</tr>
</tbody>
</table>

REFERENCE AND ADMINISTRATIVE INFORMATION

TRUSTEES
- Burhan Sonmez, President/Chair
- Iman Humaydan, Deputy Chair
- Eric Lax, International Treasurer
- Regula Venske, International Secretary (appointed 7 Oct 2022)
- Kätlin Kaldmaa, International Secretary (departed 7 Oct 2022)

ELECTED TRUSTEES
- Beatrice Lamwaka (appointed 7 Oct 2022)
- Danson Sylvester, Kahyana (departed 7 Oct 2022)
- Francis, David Warwick
- Jose Gabriel Seisedos
- Ola Larsmo
- Salil Tripathi
- Tanya Tuma (appointed 7 Oct 2022)

EXECUTIVE DIRECTOR
- Romana Cacchioli

COMPANY SECRETARY
- Emmanuel Asamoah FCCA/MBA/MSc

SENIOR MANAGEMENT TEAM
- Romana Cacchioli, Executive Director
- Emmanuel Asamoah FCCA/MBA/MSc, Finance, HR & Administration Director

ADMINISTRATIVE INFORMATION

Charity number
- 1117088

Company number
- 05683997

Registered office
- 162-164 Abbey Street, Koops Mill Mews, Unit A, London, SE1 2AN

Independent auditors
- HW Fisher LLP
  Acre House
  11-15 William Road
  London, NW1 3ER

Bankers
- HSBC Plc
  74 Goswell Road
  London, EC1V 7DA

Principal solicitors
- Bates Wells and Braithwaite
  2-6 Cannon Street
  London EC4M 6YH

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