



# **PALMERA PROJECTS**

## ANNUAL REPORT 2015

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## A message from the founder

We take a hands on approach to our projects, which sees us on the field many times through the year. I am so blessed by this experience as I meet the most humble and kind people and am reminded why we do what we do!

So many inspire but in 2015 I will never forget Samithra.

At the age of 85, she lives alone, survives on 75 cents a day, with no toilet and no well. To bathe or drink water, she walks far across an overgrown field.

*“Everything I have need of is here. Somehow God provided for me. The only thing that worries me is that during the war I lost my big umbrella. I used to place it on top of the deity at the temple but at the end everything was chaos and I think someone took it.*

*I’m not sure what to do, but I think I will just leave it to God to get it back from the person who took it and stop worrying about it all.”*

In 2015, we launched a three year livelihood program in her village, to make sure the whole community is able to meet their needs and that no one is left out.







We're a group of passionate  
and determined creative problem  
solvers who come together  
to achieve our goal:

**A world where  
no one is left out.**



We do this by connecting small holder farmers and rural entrepreneurs into profitable markets by connecting them with new technologies, new methods, new supplies, better financing options and support people working together to increase their bargaining power in the market place.

In achieving this they can better meet their daily needs and pursue goals important to them.



# In 2015 we supported 126 entrepreneurs to increase their income



Papaya project  
30 farmers supported

What we did:

- Introduced new export crop
- Introduced new water management system – drip irrigations
- Connected to markets



Handicraft project  
23 entrepreneurs supported

What we did:

- Provided advanced training on handicraft design
- Provided mentoring on business management
- Connected to markets



Peanut project  
24 farmers supported

What we did:

- Provided peanut seeds
- Provided training on new agriculture techniques and business management
- Introduced new water management system
- Connected to markets



Dairy farming project  
10 farmers supported

What we did:

- Provided loans for cattle sheds and new types of cattle feed
- Introduced new agriculture techniques like artificial insemination and crossbreeding
- Connected to markets



Village farm project  
23 farmers supported

What we did:

- Provided interest free loans to expand poultry business and start agriculture production
- Provided advanced training and mentorship on business management
- Connected to national and international markets



Toy project  
16 entrepreneurs supported

What we did:

- Provided advanced training on toy design
- Provided mentoring on business management
- Connected to markets





We worked with women like  
Manoranjitham, who is part  
of the papaya project!

She now produces 450kg of papayas  
each week, earning \$150 AUD per month  
- a more than 10 fold increase  
in her income!

*"I have nurtured the seedlings properly,  
participated in training and learned  
many things, like how to use  
the drip irrigation system!"*

*Now the fruits in the trees have matured  
and I have started selling. I use the income  
to meet my family's day to day needs  
and invest in more farming."*

## We supported women like Sathuyavathany

Saththiyavathany is a member of the community handicraft business we are expanding in Kannady.

She, along with the other women she works with, runs this successful business producing woven goods like baskets, hats and string hopper trays.

“I am living alone because my children are married, and I want to be independent for my dignity,” she explains.

My traditional work is palmyra weaving, but I couldn't get any support to invest in my business and grow it enough to earn a good income.

People didn't understand that even a single woman needs to survive.

The increased income means now I can meet my needs, and help my grandchildren.”







But we know that without fulfilment of basic needs, families struggle to start the journey out of poverty.

So a percentage of our work continues to be invested in ensuring basic needs are met.

We focus on clean water and sanitation, which means freedom from water-borne diseases and the ability to go to work and school.



In 2015 we supported 130 people meet their basic needs like Nardraj

Nardraj's spinal cord injury makes all aspects of life a challenge. During the war, his community was displaced to refugee camps and the water and sanitation facilities in his village were destroyed.

*I cannot walk long distances due to my spinal cord problem. Especially during the rainy season, I have faced huge difficulties. Now I have a good quality accessible toilet.*

*My family learnt about hygiene and we haven't had any more health issues related to waterborne diseases.*





We also know that many small holder farmers and rural entrepreneurs struggle to build resilience during times of natural disasters, flooding and droughts.

So in those times, Palmera continues to play an important role in livelihood provisioning - providing food and meeting other essential needs for households to maintain nutritional levels and save lives during these emergency periods.



In 2015 we supported 2500 people through emergency times in 2015 to meet their daily needs

Kanthiah is a 55 year old fisherman with a disability who lives with his wife, five daughters and two sons. They were one of these families.

*We were displaced by the floods and also lost all our fishing nets and equipment. Fishing was how we made a living.*

*We couldn't earn money during this time and were really struggling for food. The packages given (nutritious food, candles, soap and mosquito coils) was what we needed at time for our survival.*





## In 2015 we intensified efforts on redesigning our program

Working closely with individuals and entrepreneurs is extremely rewarding but through our evaluations and reflections, we were able to identify a key challenge we would face in scaling a resource intensive model.

To address this challenge, in 2015 we launched a 3 year action research project with the sole objective of developing a more effective and scalable approach.

We worked with our local partners and a range of key stakeholders, and in late 2015 incubated the approach through a pilot program which launched our Village 2 Market model.

The model is at the start of its journey and we look forward to sharing much more in 2016!



The Village 2 Market Model has three key pillars to create economic well being:

- 1 Production and market access: The primary focus of the model is on helping the producers more effectively meet the market demand and exploit opportunities to increase their profitability
- 2 Self-Help Groups (SHGs) help producers manage cash flow and accumulate savings from their profits, so that they are more resilient and able to withstand shocks
- 3 Inclusive strategies enable all producers in the village to connect to the profitable sectors

With improved economic well-being families can meet their needs and pursue goals important to them.

Through these interventions, producers in the village work together, improve market relationships, bargaining power, and linkage to profitable markets.

We invest in Inclusive market systems development, so everyone in the village finds a pathway out of poverty:

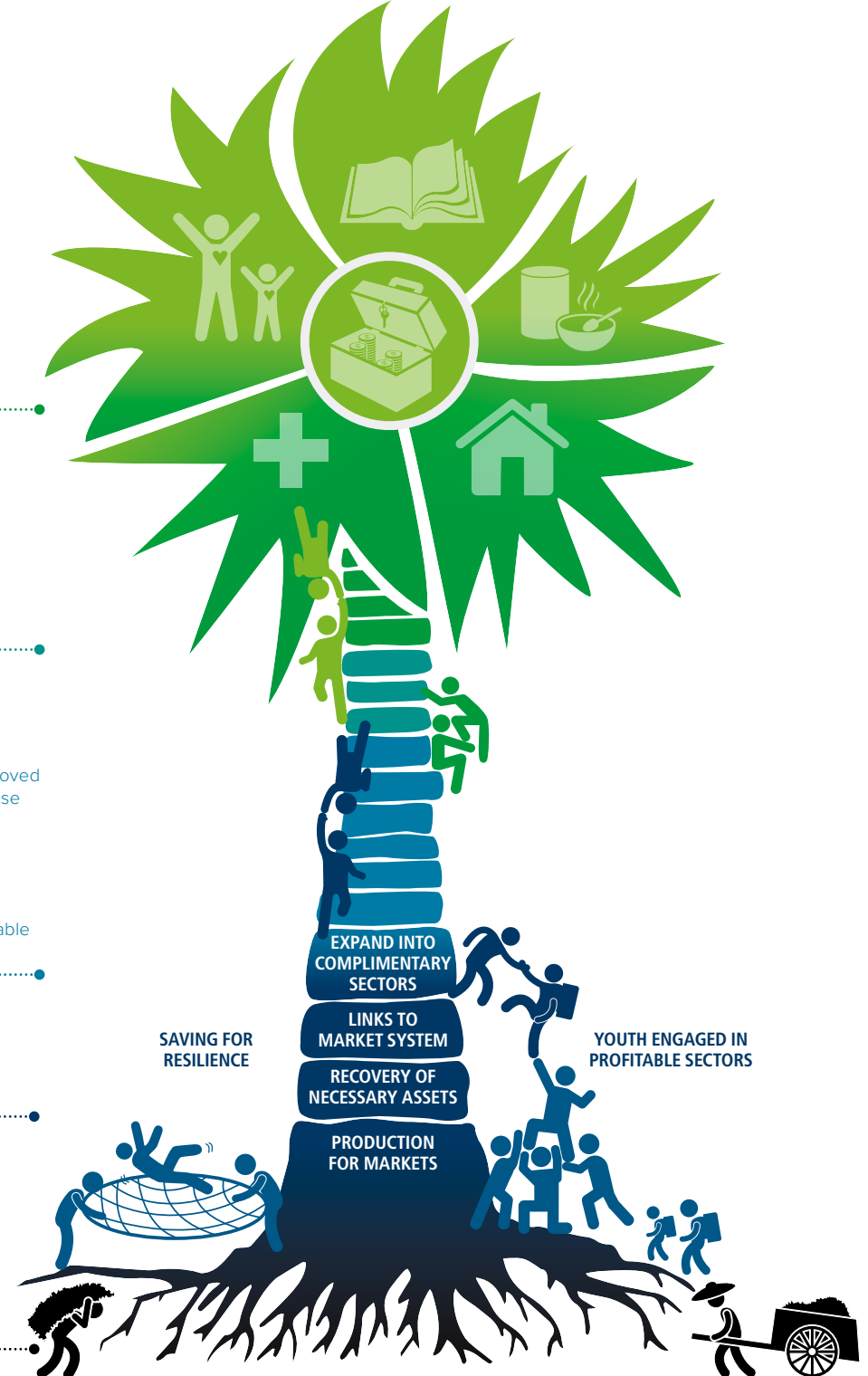
**Increasing income:** Producers increase profits through improved production techniques, and working cooperatively to increase their bargaining power in the market.

**Building Wealth and Resilience:** developing savings mechanisms to enable families to accumulate a buffer and protect their family from falling back into poverty.

**Inclusion:** Women, youth, people with disabilities and vulnerable poor are empowered to connect to profitable markets.

By harnessing the power of market transactions, producers increase income and build wealth and resilience.

Today because of a range of barriers, 1 billion people who run micro enterprises are excluded from profitable markets. Most live in rural areas, as producers in villages, caught in a web of shared poverty.





In 2015 we all drank a lot of tea in the field working with our local partners and rural entrepreneurs to develop the model!

We are grateful that we have the time to invest in improving the product we deliver, a luxury we know is afforded to grassroots social enterprises. We thank Transform Aid International and the English Foundation for recognising the contribution that Palmera and our local partners can have in our focus country and beyond through Village 2 Markets.



A large group of young people, likely students, are gathered in a hall, cheering and raising their hands. They are wearing white shirts, and some are wearing headbands. The background shows a large hall with arched windows and a high ceiling. The entire image is overlaid with a blue tint.

# OUR PEOPLE

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Our change makers are our local partners who work tirelessly on the ground.

They are either from the village, live in the village or have worked with people from the village for many years.

To support them we have a lean head office team in Australia, supported by volunteers, without whom we couldn't do what we do.

This year we had over 100 volunteers support us in our work!

They provide their expertise on everything from accounting to web design. They taste tested recipes from our cookbook and helped us run our events.







People like Sagar, who supports us  
to work through all our legal stuff!

*It's been great to work with a grass roots  
social enterprise with bold ambitions.*

*I have learnt a great deal in my short time  
so far, and my role always throws up new  
challenges that I would not otherwise  
get exposure to.*





**Tammy Para**

Non Executive/  
Chairperson

*Business Intelligence  
and Performance,  
Mission Australia*



**Ram  
Kangatharan**

Non Executive  
Director

*CEO, Budget Direct/  
Former CFO  
Bank of Queensland*



**Rick Millen**

Non Executive  
Director

*Retired PwC Partner/  
PwC Foundation  
Partner*



**Prakash Wilson**

Non Executive  
Director

*Director of Risk, KPMG*



**Amy Gildea**

Non Executive  
Director

*Principal Consultant,  
International  
Development, Coffey  
International*



**Shar Kangatharan**

Executive Director/  
Donor Relations

*Associate Director,  
Westpac*



**Abarna Raj**

Executive Director

*Founding CEO/  
Strategy consultant,  
Social Ventures  
Australia*

And our Board continue  
to guide all that we do!



A woman and two children are standing on a dirt path in a rural setting. The woman is wearing a red and blue patterned dress and is holding the hand of a young child. Another child is standing next to them. The background is filled with lush green trees and foliage. A wooden fence made of logs and branches is visible on the right side of the path. The text "OUR FUNDRAISERS" is overlaid in white, serif font, with a horizontal line underneath the word "FUNDRAISERS".

# OUR FUNDRAISERS

Palmera does not provide services to a clientele that cannot afford to pay for our needed services and support. In this respect we are not a social business.

We are rather a **social enterprise**. We deliver a social product but work with a clientele that can only partially pay or provide some in kind contribution for the services and support. This means those services are subsidised by you, our donors, who understand that critical initial support for their livelihood will enable a family to stand on their own two feet.

We need sustained funding but do not want to divert our attention from our core activities of developing our model and providing support to our partners on the ground. Given this, we develop deep trusted relationships with our donors to ensure long lasting support, diversify our income streams and grow cost effective funding sources.

We have 7 income streams and although we continue to strengthen each arm, in 2015 our focus was on increasing our regular givers and developing a long lasting merchandise product.



CROWD FUNDING



DO IT YOURSELF PROJECTS



HIGH NET DONOR PROGRAM



REGULAR MONTHLY GIVERS

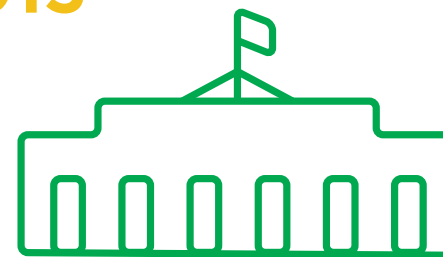


MERCHANDISE



CORPORATE PARTNERSHIPS

OUR FOCUS IN  
**2015**



GOVERNMENT



PALMERA





This year, we doubled the number of ongoing givers who support our projects to 300!

This was all made possible because of you and one of our amazing staff who never gave up – Sivanjana! (She is the girl with the mic)





As part of our strategy to developing a lasting merchandise product, in 2015 we brought you HANDMADE.

So much more than just a cookbook HANDMADE tells the story of 34 women in Sri Lanka, their experiences of war, displacement and rebuilding, through food.

We launched HANDMADE in Sydney, Melbourne and London and our first run was sold out in record time!

We also distributed through corporates who took on HANDMADE as their Christmas gift for employees and clients and we shared HANDMADE through notable retail stores like OXFAM shop.

HANDMADE not only served as a fundraising tool but enabled us to reach new markets and build new relationships to support our work!



PALMERA



Food is their life and  
a language they are at  
ease with. So what better  
way to tell their story than  
through food?

*“She closes her eyes as she remembers  
the sky-high price of flour and the lack  
of cooking facilities. She disciplined herself  
to be more resourceful: the spinach  
vadais went from being a snack  
to their means of survival.*

*She remembers the time she cooked  
a large batch of perfect, crispy dough rings.  
She had just finished draining the oil  
off the ring, when shells began landing,  
some as close as 5 metres away.  
Quickly she abandoned her day’s work  
to take shelter. When quiet descended,  
she emerged to find her perfect vadais  
covered in sand and shrapnel.*

*The next day, she exchanged flour again.  
This time she even made a sambal side with  
coconut and chillies to sell with the vadais.”*

– Malathy’s story, from HANDMADE





We continued to strengthen all our fundraising streams in 2015, including our Do It Yourself events.

MAYA's Rolling Cowley performance to over 1500 patrons raised \$15,000 for our work.

MAYA mentors young artistic talent to create life on stage through drama, dance and music.

MAYA say their main inspiration was to help make a direct contribution to the livelihoods of the local dairy farmers and their community, and also connect with their cultural heritage.



A group of children are sitting outdoors, looking towards the camera. In the foreground, a large yellow plastic water container is visible. The children are of various ages and are dressed in casual clothing. The background is a plain, light-colored wall.

# OUR OPERATIONS

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## We completed our journey towards accreditation

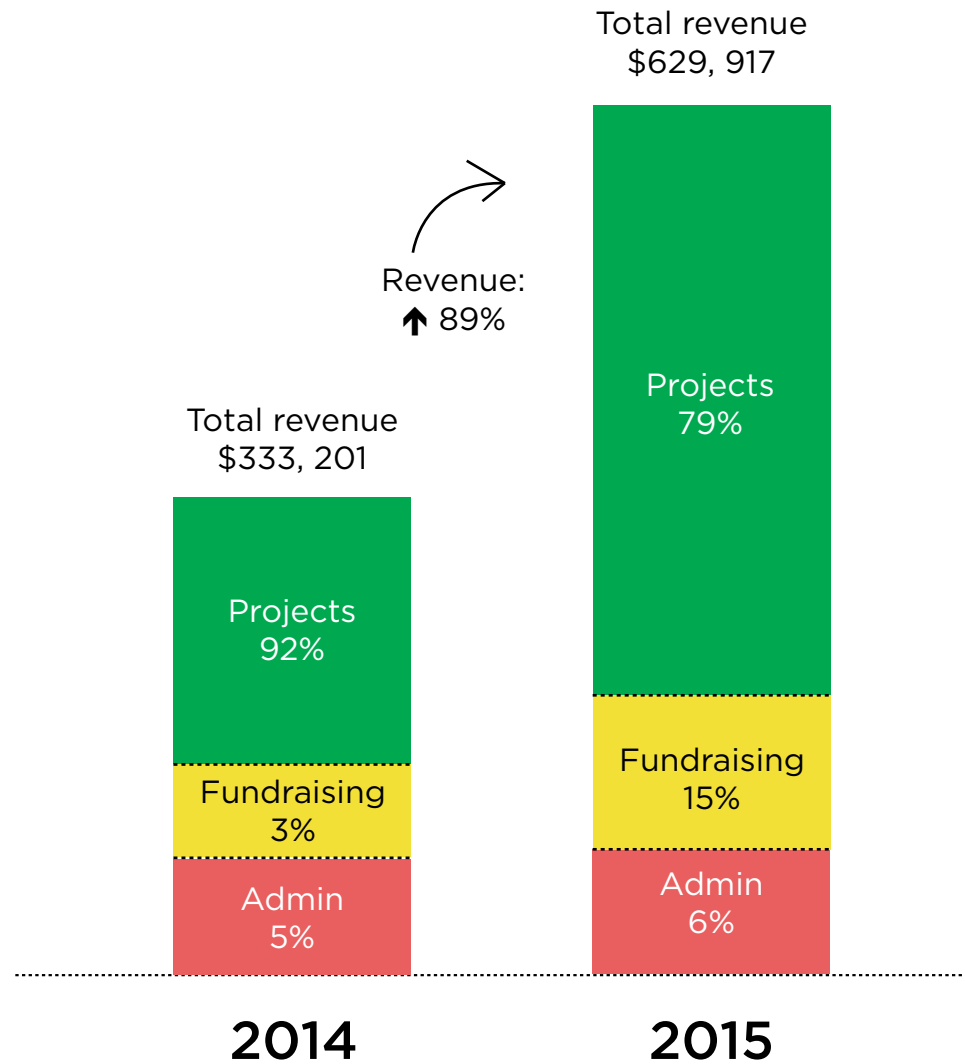
Countless hours and hard work paid off for us this year when we became one of only 50 international agencies to be accredited by the Australian Government.

What this means is that the Australian Government has confirmed that what we do and how we do it meets the highest standards in the country!

It also means that we are now part of a handful of recognised international agencies that receive foreign aid funding.







## Our bottom dollar

Palmera is focused on incubating an effective livelihood model so our effort at the moment is directed on product design, rather than scale. This means the impact of our work cannot be measured purely by the money raised.

We are proud in FY2015 to have increased our income by 89% from FY2014 which has enabled us to increase our impact.

These are long term supporters who invest in running of our business so we can continue to do what we do!

## ACFID code compliant financial statements

for the year ended 31 December 2015.

This summary financial report is in accordance with the requirements set out in the ACFID Code of Conduct (Code).

The report has been derived from and is consistent with the financial statements for the full financial year ended 31 December 2015.

For further information on the Code please refer to the ACFID website [www.acfid.asn.au](http://www.acfid.asn.au)

A copy of the full financial statements for the year ended 31 December 2015 is available upon request by emailing [hello@palmera.org](mailto:hello@palmera.org)

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

Revenue	Notes	2015 \$	2014 \$
<b>Donations &amp; Gifts</b>			
> Monetary		480,664	295,948
> Non-monetary	1	-	-
<b>Grants</b>			
> Department of Foreign Affairs & Trade		84,900	36,431
Earned Income	2	64,353	1,022
<b>Total Income</b>		<b>629,917</b>	<b>333,201</b>
<b>Expenditure</b>			
<b>International Aid &amp; Development Program Expenditure</b>			
> Funds to International Programs		(227,222)	(134,484)
> Research Costs		(85,264)	-
> Program Support Costs		(60,571)	(19,901)
<b>Fundraising Costs</b>		(69,850)	(4,819)
<b>Accountability &amp; Administration</b>		(29, 416)	(7, 550)
<b>Non-monetary Expenditure</b>	1	-	-
<b>Total Expenditure</b>		<b>(472,323)</b>	<b>(166,754)</b>
<b>Excess/Shortfall of Revenue over Expenditure</b>		<b>157,594</b>	<b>166,647</b>

### Notes:

1. Non-Monetary Income and Expenditure - International Programs: The non-monetary value of the work carried out by our volunteers working directly on international aid and development programs has been valued at \$17,169 (2014 \$73,786). Volunteers' services have been valued in accordance with the Department of Foreign Affairs and Trade's Recognised Development Expenditure guidelines (March 2015) by applying an hourly rate from the relevant Department of Foreign Affairs and Trade Enterprise Agreement to the number of hours contributed, as recorded by each volunteer.
2. Earned Income comprises of revenue earned from the sale of HANDMADE, Palmera's cookbook



P A L M E R A



## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

Assets	2015 \$	2014 \$
<b>Current Assets</b>		
Cash and Cash Equivalents	514,850	272,817
Trade & Other Receivables	1,019	-
<b>Total Current Assets</b>	<b>515,869</b>	<b>272,817</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	-	-
<b>Total Non-Current Assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>515,869</b>	<b>272,817</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and Other Payables	(85,459)	-
<b>Total Current Liabilities</b>	<b>(85,459)</b>	<b>-</b>
<b>Non-Current Liabilities</b>		
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>(85,459)</b>	<b>-</b>
<b>Net Assets</b>	<b>430,410</b>	<b>272,817</b>
<b>Equity</b>		
Retained surplus	430,410	272,817
Reserves	-	-
<b>Total Equity</b>	<b>430,410</b>	<b>272,817</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Retained surplus \$	Total \$
<b>Balance at 31 December 2013</b>	<b>106,170</b>	<b>106,170</b>
Excess/ Shortfall of Revenue over Expenses	166,647	166,647
<b>Balance at 31 December 2014</b>	<b>272,817</b>	<b>272,817</b>
Excess/ Shortfall of Revenue over Expenses	157,593	157,593
<b>Balance at 31 December 2015</b>	<b>430,410</b>	<b>430,410</b>

## TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES FOR YEAR ENDED 31 DECEMBER 2015

	Cash available at beginning of Financial Year \$	Cash raised during Financial Year \$	Cash disbursed during Financial Year \$	Cash available at end of Financial Year \$
<b>SLCDF</b>		169,800	82,385	87,415
<b>Action Research</b>		90,000	77,030	12,970
<b>FOSDOO</b>		60,335	54,228	6,107
<b>YGRO</b>	497	25,020	25,517	-
<b>ADT</b>	1,802	10,000	11,802	-
<b>WANT</b>	8,543	7,225	15,768	-
<b>CACM</b>	25,605	-	25,605	-
<b>Friends</b>	8,538	-	8,538	-

### Notes:

1. SLCDF - Funds for this project received from The Department of Foreign Affairs and Trade
2. Action Research - Funds for this project were received from Transform Aid International and the English Foundation
3. FOSDOO, YGRO, ADT, WANT, CACM and FRIENDS - Funds for these projects were received from public campaigns

Palmera Projects  
ABN 54 135 781 118

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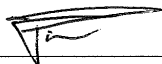
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALMERA PROJECTS

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Palmera Projects, the directors declare that:

1. The ACFID Code Compliant financial statements are consistent with the statutory audited financial statements of Palmera Projects for the year ended 31 December 2015.
2. The full financial statements and notes, as set out on pages 6 to 18:
  - a. comply with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*;
  - b. give a true and fair view of the financial position of Palmera as at 31 December 2015 and of its performance for the year ended on that date.
3. In the directors' opinion there are reasonable grounds to believe that Palmera will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Tamara Pararajasingham (Chair)

Dated this 29th day of April 2016

Report on the ACFID Code Compliant Financial Statements

The accompanying ACFID code compliant financial statements of Palmera Projects, comprising the Statement Of Profit Or Loss And Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Table of Cash Movements for Designated Purposes for the year ended 31 December 2015, and abbreviated explanatory notes, are derived from the statutory audited full financial report of Palmera Projects for the year ended 31 December 2015. We have expressed a qualified opinion on those statutory audited financial statements on our report date 14<sup>th</sup> April 2016.

The ACFID code compliant financial statements do not contain all the disclosures required by applicable Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012. Reading the summary financial statements is not a substitute for reading the audited full financial report for Palmera Projects.

*Responsibility for the ACFID code compliant financial statements*

The directors of Palmera Projects are responsible for the preparation and presentation of the ACFID code compliant financial statements, and the basis of preparation is appropriate for the purpose in which they have been prepared in accordance with the Australian Council For International Development (ACFID) Code of Conduct.

*Auditor's responsibility*

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to report on Summary Financial Statements*.

*Auditor's Opinion*

In our opinion, the ACFID code compliant financial statements derived from the audited full financial report of Palmera Projects are consistent, in all material respects, with the audited financial statements from which it was derived. However, ACFID code compliant financial statements should be read in conjunction with our audit report on the statutory full financial reports which contain a qualified audit opinion.



Auditor's signature:

Address: Suite 28-29, 1-5 Jacobs street  
Bankstown NSW 2200

Dated this 26th day of APRIL 2016



## Accountability and accreditation

Along with our accreditation with the Australian Government, we also ensure the highest standards of accountability and transparency as a member of the Australian Council for International Development (ACFID).

This is demonstrated by our full commitment to the ACFID Code of Conduct.

We welcome any feedback on this report or our operations and conduct.

Please send any feedback to  
Company Secretary, Palmera Projects,  
57 Chalmers Road, Strathfield, NSW 2135

Complaints relating to a breach of the ACFID Code of Conduct by an ACFID member can be made to the ACFID Code of Conduct Committee via [www.acfid.asn.au/code-of-conduct/complaints-and-compliance-monitoring](http://www.acfid.asn.au/code-of-conduct/complaints-and-compliance-monitoring)





In every small business you can find a cash box – for us it represents the income that we support.

In 2015 you supported so more than we could imagine. We hope you continue and grow your support so we can truly live in a world where no one is left out!