

Palmera Projects

ABN 54 135 781 118

Financial Report for the year ended
31 December 2021

DIRECTORS' REPORT

The directors present their report together with the financial statements of Palmera Projects (“**Palmera**” or the “**Company**”) for the financial year ended 2021.

1. Directors

The names of each person who has been a director during the year and to the date of this report are:

Tamara Pararajasingham
Abarna Suthanthiraraj
Ram Kangatharan
Richard Millen
Megan Donnelley
Shane Nichols
Praveena Karunaharan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. See details on each director in Section 5 below.

2. Principal Activities

The principal activity of Palmera is the provision of aid for humanitarian projects overseas.

3. Objectives

Palmera currently has a 5 year Board approved strategy in place (2021 – 2025). Palmera’s aim by 2025 is to best serve the needs of those in its country of focus through its core market based village model, “Village2Markets”, and support an enabling environment for livelihood participation. In line with its strategy, Palmera will have proven the effectiveness of our core model, generated recognition of its approach and scaled its work in country with flexibility for adoption in other countries. This will be effectively supported by a strong organisation with the right people, streamlined operations & resource effective funding.

4. Operating Result

The deficit from ordinary activities amounted to \$110,305

5. Information on Directors

All members of the Board of Directors of the Company (the “**Board**”) are not remunerated for their services on the Board. The members of the Board as at the date of this report are:

Tamara Pararajasingham

BCom (Accg), MDevelopment Studies

Chairperson

Non-executive Director

Tamara Pararajasingham was appointed to the Palmera Board in January 2014 and has also served as the Chairperson since that time.

Tamara is the Head of Social Impact at Uniting NSW/ACT. She has both corporate experience in accounting and finance and international development experience which includes field work in Sri Lanka, India and Cambodia. Within Australian civil society organisations, Tamara’s role has included evidence-based program design, program evaluation (including impact measurement), improving reporting in compliance, risk and financial management, business planning, development of impact investment products and transactions.. Tamara shares a profound connection with the values, vision and mission of Palmera, having been one of its original co-founders.

Abarna Suthanthiraraj

Palmera Projects
ABN 54 135 781 118

BCom, LLB

Chief Executive Officer & Founding Director

Abarna Suthanthiraraj is the Chief Executive Officer of Palmera. She was appointed to the Board in March 2009 and continues to serve on the Board.

Abarna is the founding Director of Palmera Projects and has set up and assisted numerous social businesses in Sri Lanka and Cambodia. In her role, she has also been responsible for the development of the fundraising strategy and continues to work to engage a network of volunteers to deliver Palmera's social objectives. Her NGO experience is supported by over a decade of experience in corporate sustainability. Abarna was formerly a Strategy Consultant for Social Venture Australia, working with clients to increase their social impact. Prior to that, she held the role of head of Sustainability, Diversity and safety at Leighton Holdings. Prior to this, Abarna was involved with advising numerous listed companies and government bodies on sustainability, policy and risk at PwC in their sustainability team.

Ram Kangatharan

BCom, LLB

Non-Executive Director

Ram Kangatharan was appointed to the Palmera Board in January 2014.

Ram is the Managing Director and Chief Executive Officer of the Auto & General Group Asia Pacific. He previously served as the Chief Financial Officer and Chief Operating Officer of Bank of Queensland Ltd. Ram is also a non-executive director on the Board of Health in Kind and Corporate Ambassador for Act for Kids in Australia. Ram brings with him a wealth of management, finance and leadership expertise to the Palmera board.

Richard Millen

MA Hons Jurisprudence (Law), CA

Non-Executive Director

Rick Millen was appointed to the Palmera Board in December 2014.

Rick is a qualified Chartered Accountant and was a partner of PwC for 18 years. He led the Advisory Practice of PwC for 3 years and was responsible for the Corporate Responsibility agenda of PwC in Australia for 6 years and globally for 3 years. Rick has long been an active participant in the not for profit sector and currently sits on the board of Australia for UNHCR and served on the board of Youth Off the Streets for 10 years. Rick's strong background in Corporate Responsibility and especially his involvement in building the PwC Foundation provides invaluable expertise to assist Palmera in this growth phase.

Megan Donnelley

BCom

Non-Executive Director

Megan Donnelley was appointed to the Palmera Board in October 2016.

Megan has spent her entire career on the front line of diverse and pioneering businesses. She's worked in both startups and corporate venture teams, taking responsibility for the full product lifecycle. Her roles span CEO / Head of Product at RadFrame (enterprise SaaS), Senior Product Manager at Redballoon (e-commerce), Lead Product Manager for Scentre Group's new venture (WhatsMine) and Director of Product and Design at Fusion Labs supporting innovation teams at many ASX top 100 including Westpac, TAL, Suncorp and Telstra. As one of the first team members of Car Next Door, she also helped grow peer-to-peer car-sharing from a single suburb in Sydney to a national network.

She has accumulated a unique understanding of how Agile, Lean Startup and Design Thinking practices work in both tech startups, and corporate environments.

Her passion also extends to social enterprise. She is a Director on Palmera's board helping the NFP increase the number of people with access to sustainable livelihoods. She founded the RARE Program (Remote and Rural Enterprise) at the University of Sydney which supports remote and indigenous social enterprise, and worked closely with the private and public sector to develop a social impact measurement framework.

Palmera Projects
ABN 54 135 781 118

Shane Nichols

M. Soc Sc (International Development), B Sc (Behavioural Science) with honours

Non-Executive Director

Shane Nichols was appointed to the Palmera Board in November 2018.

Shane has two decades' experience as a leader and manager of inclusive finance, enterprise development and social impact initiatives. He has worked for and with a wide range of organisations across Asia-Pacific, including government agencies, NGOs, banks, credit unions, non-bank financial institutions and private sector in developing and delivering economic development initiatives. He has experience in strategy and leadership, business planning and business model development, governance and management. Shane serves as Executive Director at Good Return, and as Non-Executive Director at the Australian Council for International Development. He lectures in inclusive finance at Macquarie University.

Praveena Karunaharan

BCom, LLB

Non-Executive Director

Praveena Karunaharan was appointed to the Palmera Board in March 2020

Praveena is a Chartered Financial Analyst and the Head of Compliance and Group Company Secretary at Snowy Hydro Limited. She previously served as Director of Risk Consulting at PwC Australia. Praveena is currently on the board of the Country Universities Centre, and has previously served on the Board Risk Committee of Habitat for Humanity Australia. Praveena's expertise in risk management and compliance both in the corporate and not-for-profit sectors is a critical asset for Palmera in ensuring accountability for its programs and fundraising.

During the financial year, 3 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Tamara Pararajasingham	3	3
Abarna Suthanthiraraj	3	3
Ram Kangatharan	3	3
Rick Millen	3	3
Megan Donnelley	3	3
Shane Nichols	3	3
Praveena Karunaharan	3	3

7. Role of the Board

Palmera operates under a constitution which sets out the objects of the organisation and the major parameters of governance including membership, election of directors, board size and meeting frequency. The number of directors must be no less than three and no more than nine. The Board is ultimately responsible for all matters relating to the running of the organisation.

The Board has a documented Board Charter which includes a statement that the Board is responsible for ensuring that Palmera effectively conducts its activities in accordance with its vision, mission and objectives (as set out in its constitution), with appropriate accountability and controls. The Board is collectively responsible for promoting the success of Palmera in the community and to all its stakeholders.

8. Members' Liability

Palmera Projects
ABN 54 135 781 118

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. As at 31 December 2021 the total amount that members of the company are liable to contribute if the company is wound up is \$120 (2020: \$120).

9. Authority to fundraise

Palmera Projects has been granted authority to raise funds in NSW under the provisions of the Charitable Fundraising Act 1991, in Victoria under the provisions of the Fundraising Act 1998 and in Queensland under the provisions of the Collections Act 1966.

10. Events subsequent to balance date

There were no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years

11. Environmental regulations

The Company's operations are not regulated by any significant environmental regulation under laws of the Commonwealth or of a state or territory.

12. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2021 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Director



Tamara Pararajasingham (Chair)

Director



Abarna Suthanthiraraj (Director and CEO)

Dated this 29th day of March 2022

Palmera Projects
ABN 54 135 781 118

AUDITOR'S INDEPENDENCE DECLARATION
UNDER s 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT
TO THE DIRECTORS OF PALMERA PROJECTS

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 here have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Felsers, Chartered Accountants

Vindran Vengadasalam
Partner
Lvl 6, 1 Chifley Square
Sydney, NSW 2000

Date:

Palmera Projects
ABN 54 135 781 118

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
REVENUE			
Donations and Gifts			
<i>Monetary</i>	2	1,215,994	953,825
<i>Non-Monetary</i>	2	59,079	-
DFAT Grants	2	210,001	92,820
Other income	2	40,301	63,187
TOTAL REVENUE		1,525,375	1,109,832
EXPENDITURE			
International Aid & Development program expenditure			
<i>Funds to international projects</i>	3	1,369,939	910,681
<i>Research costs</i>	3	-	642
<i>Program support costs</i>	3	110,341	77,173
Fundraising costs	3	46,160	51,868
Accountability and Administration costs	3	50,161	31,665
Non Monetary costs	3	59,079	-
TOTAL EXPENDITURE		1,635,680	1,072,029
(Shortfall) / Excess of Revenue over Expenditure		(110,305)	37,803
Other Comprehensive Income		-	-
Net (deficit)/surplus attributable to members of the entity		(110,305)	37,803
Total comprehensive income attributable to members of the entity		(110,305)	37,803

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
--	------	------------	------------

Palmera Projects
ABN 54 135 781 118

ASSETS

Cash and cash equivalents	4	1,369,690	1,526,180
Trade and Other Receivables		-	6,226
TOTAL CURRENT ASSETS		<u>1,369,690</u>	<u>1,532,406</u>
TOTAL ASSETS		<u>1,369,690</u>	<u>1,532,406</u>

LIABILITIES

Trade and Other Liabilities	6	91,189	143,600
TOTAL CURRENT LIABILITIES		<u>91,189</u>	<u>143,600</u>
TOTAL LIABILITIES		<u>91,189</u>	<u>143,600</u>

NET ASSETS		<u>1,278,501</u>	<u>1,388,806</u>
-------------------	--	------------------	------------------

EQUITY

Retained surplus		1,278,501	1,388,806
TOTAL EQUITY		<u>1,278,501</u>	<u>1,388,806</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2021

	Retained Surplus	Total
	\$	\$
Balance at 1 January 2020	1,351,003	1,351,003
Comprehensive income		
Surplus for the year	37,803	37,803

Palmera Projects
ABN 54 135 781 118

Other comprehensive income for the year	-	-
Balance at 31 December 2020	<u>1,388,806</u>	<u>1,388,806</u>
Balance at 1 January 2021	<u>1,388,806</u>	<u>1,388,806</u>
Comprehensive income		
Deficit for the year	(110,305)	(110,305)
Other comprehensive income for the year	-	-
Balance at 31 December 2021	<u>1,278,501</u>	<u>1,278,501</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and local government grants		165,000	165,000
Receipts from donations, grants and other philanthropic income		1,262,521	1,059,230
Payments to suppliers and employees		(1,584,562)	(1,136,814)
Interest received		551	4,187
Net cash generated from operating activities	7	<u>(156,490)</u>	<u>91,603</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities		<u>-</u>	<u>-</u>

Palmera Projects
ABN 54 135 781 118

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash used in financing activities	-	-
Net (decrease)/ increase in cash held	(156,490)	91,603
Cash on hand at beginning of the financial year	1,526,180	1,434,577
Cash on hand at end of the financial year	4 1,369,690	1,526,180

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The financial statements cover Palmera Projects as an individual entity, incorporated and domiciled in Australia. Palmera Projects is a company limited by guarantee and is a charity registered with the Australian Charities and Not-for-profits Commission.

The financial statements were authorised for issue on 29th March 2022 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Palmera Projects applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Palmera Projects
ABN 54 135 781 118

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Palmera Projects receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer or donor.

b. Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

c. Provisions

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

d. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding comparative period, in addition to the minimum comparative financial statements, must be disclosed.

e. Income Tax and GST

Palmera Projects
ABN 54 135 781 118

No provision for income tax has been raised as the Company is exempted from Income Tax under Div. 50 of the Income Tax Assessment Act 1997. The Company is also exempted for Good Services Tax (GST) and Fringe Benefits Tax.

f. Trade Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

g. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key judgement – Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services.

h. Economic Dependence

Palmera Projects is dependent on the General Donations for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Public will not continue to support Palmera Projects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 2: REVENUE AND OTHER INCOME

	2021	2020
	\$	\$
REVENUE		
Donations and Gifts		
- <i>Monetary Income</i>		
o <i>Project Income</i>	1,127,993	801,835
o <i>Events and Campaigns</i>	69,934	148,446
o <i>Merchandise</i>	6,867	3,544
o <i>Research Income</i>	11,200	-
	59,079	-
- <i>Non-Monetary Income</i>		
	1,275,073	953,825
DFAT Grants	210,001	92,820
Other Income	40,301	63,187
TOTAL REVENUE	1,525,375	1,109,832

NOTE 3: EXPENDITURE

	2021	2020
	\$	\$
EXPENDITURE		
International Aid & Development program expenditure		
- <i>Funds to international projects</i>	1,369,939	910,681

Palmera Projects
ABN 54 135 781 118

- Research costs	-	642
- Program support costs	110,341	77,173
	1,480,280	988,496
Fundraising costs*		
- Head Office Fundraising Salaries	36,413	32,032
- Marketing, Event & Campaign costs	2,241	7,129
- Merchandise costs	1,318	1,073
- Website & IT costs	4,312	11,308
- Donor engagement	1,876	326
	46,160	51,868
Accountability and Administration*	50,161	31,665
Non Monetary costs	59,079	-
TOTAL EXPENDITURE	1,635,680	1,072,029

* Fundraising cost ratio (total fundraising expenses/total fundraising revenue) for 2021 was 3% and for 2020 was 5%

* Fundraising expense ratio (total fundraising expenses/total expense) for 2021 was 3% and for 2020 was 5%

* Accountability and Administration expense ratio (total administration expense/total expense) for 2021 was 3% and for 2020 was 3%

* Combined Fundraising and Accountability and Administration expense ratio (fundraising expenses + Accountability and Administration cost/total expenses) for 2021 was 6% and for 2020 was 8%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 4: CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
CURRENT		
Cash at bank – unrestricted	1,369,690	1,526,180
Total cash on hand as stated in the statement of financial position and statement of cash flows	1,369,690	1,526,180

NOTE 5: CASH MOVEMENTS FOR DESIGNATED PURPOSES

This table discloses the movement of cash received by the Australian Government for a designated purpose.

	Cash available at beginning of 2021	Cash raised during 2021 (PALMERA)	Cash raised during 2021 (DFAT)	Cash disbursed during 2021	Cash available at end of 2021 for future use
Designated purpose	\$		\$	\$	\$
LM4P Capacity Building & Programme Design	15,167	-	-	15,167	-
Building economic resilience in the last mile in Sri Lanka	138,784	30,000	150,000	240,029	78,755
Total	153,951	30,000	150,000	255,196	78,755

NOTE 6: TRADE AND OTHER PAYABLES

Palmera Projects
ABN 54 135 781 118

	2021	2020
	\$	\$
Trade and other payables	2,379	3,044
Income in advance (DFAT)	78,755	138,756
Employee Provisions	7,055	-
Accruals	3,000	1,800
Total trade and other payables	91,189	143,600

NOTE 7: NET CASH GENERATED FROM OPERATING ACTIVITIES

	2021	2020
	\$	\$
Net (deficit)/surplus	(110,305)	37,803
Non-Cash flows:		
Movement:		
(Increase)/decrease in accounts receivable and other debtors	6,226	(1,080)
Increase/(decrease) in accounts payable and other payables	(52,411)	54,880
	(156,490)	91,603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 8: RELATED PARTIES

Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Key management personal compensation (including PAYG and Super)

	2021	2020
	\$	\$
Short term benefits	77,144	75,251

The directors of the company do not receive remuneration for their Board positions.

Related party transactions

Directors don not hold positions in other entities where they have control or significant influence over the financial or operating policies that have transacted with Palmera over the reporting period.

NOTE 9: EVENT AFTER REPORTING PERIOD

No matters of significance have arisen since the end of the financial year which significantly affected or may significantly affect the operation of the entity, the results of those operations or state of affairs of the entity in future financial years.

NOTE 10: ENTITY DETAILS

The registered office and principal place of business of the entity is:

Palmera Projects

Palmera Projects
ABN 54 135 781 118

57 Chalmers Road, Strathfield 2135
New South Wales Australia

Palmera Projects
ABN 54 135 781 118

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 2021.
2. The full financial statements and notes, as set out on pages 7 to 15:
 - 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 the company as at 31 December 2021 and of its performance for the year ended on that date.
3. In the directors' opinion there are reasonable grounds to believe that the company 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 March **2022**