

# Palmera

## Annual Report



2022



# Table of Contents



Our Why	3
2022 Year in Review	4
How We Work	5
What We Do	6
Impact	7
Reach	10
Team	11
Financials	12
Declaration	15
Our Community	17
Looking Ahead	18

# OUR WHY



**Palmera is a not-for-profit organization sparking entrepreneurship for left out communities so families can earn a living income.**

This is because we believe that a living income changes everything; nutritious food, shelter, clean water, a decent education, access to health care and a safe environment.

And most importantly, the ability to say no - no to hunger, no to violence and no to trafficking.



# 2022

## -One of Sri Lanka's toughest years

During 2022 more than one-third of its people battled with food insecurity in the wake of the worst economic crisis since its independence in 1948. Families, facing unrelenting hardship were forced to employ coping strategies to put food on their tables, with eight in ten households sacrificing meals, borrowing food, and reducing their daily intake.

July 2022 marked a pivotal moment, with an alarming 49 percent of the population grappling with food insecurity – a drastic surge from 28 percent in the previous month. This unfolded against a backdrop of political instability, skyrocketing month-to-month food prices, and acute fuel shortages. The precarious state of diets further compounds this crisis, with nearly four in ten households contending with insufficient food consumption, deprived of dietary diversity due to soaring food costs.

This turmoil was accompanied by escalating anxieties over prices, as nearly all families (92 percent) fret over the rising cost of food. With little to allay these mounting concerns, societal disparities become glaringly evident, as female-headed households, urban and estate dwellers, as well as individuals across different education levels and income sources, face the brunt of this crisis. Poor harvest forecasts, import restrictions and the relentless economic crisis threaten to intensify the pressure on food insecurity.

In 2022, despite the challenges of fuel – the day long powercuts and the complete disruption to supply chains, Palmera was able to reach nearly 5,000 families, that's 20,000 people with a comprehensive long term food security solution.

To achieve the right solution, we leveraged our real time impact data systems for rapid design development - our local teams were on the ground were collecting data on how families were eating each week, and the strategies they were using to manage their food needs. Based on the real time data that could be gathered, Palmera could quickly send technical experts to address home gardens where women required further help, provide additional microloans where further support was required or work to strengthen village-based banks where sharing/bartering was low. In 2022, Palmera was able to achieve 99% food security in the regions they worked in. In the same period the UN reported that in other similar regions less than 40% achieved food security.





# How we work

We strengthen the systems needed to spark and support entrepreneurship in left out communities.

Decades of research in creating change has revealed one fundamental truth: development projects flourish or flounder based on the dynamics of the specific locale in which they are applied.

Our deep roots and extensive connections within Sri Lanka afford us an unparalleled understanding of the complex challenges and conditions within which we operate.

When we say we know the communities we work with, we genuinely mean it.





# What We Do

## *Our models of entrepreneurship for the left out*

We give left out families a safe pathway to earning a living income and strengthen the pillars of resilience so they can thrive.

Our work is built upon well-established models that have undergone a rigorous process of incubation, proof of concept, and optimization to facilitate their replication and expand our reach to underserved groups.

### **1. Women Empowerment Collectives**

This proven model is designed to empower rural women by providing them with access to financial literacy, creating platforms for savings, facilitating access to loans, and connecting them with mainstream banks.

### **3. Graduating The Poor**

This proven model targets families entrenched in absolute poverty and supports their graduation through meeting basic needs, providing a pathway to a sustainable income, facilitating social integration, and imparting financial literacy.

### **4. Transitioning Out**

This model was in incubation in 2022. It works with sex workers, transitioning them into entrepreneurial roles while providing essential protections.

### **2. Inclusive Market Systems**

This proven model focuses on last mile villages, linking families with profitable markets. It achieves this by lifting entrepreneurs to the market and by transforming actors so they can reach last mile communities.

### **Village2Markets**

This model is the combination of undertaking the first three models together in one community for a 3 – 5 year period. When implemented together the impact is transformative, creating strong community wide impacts.



2022

# Our Impact

*in creating food security*



**19,248**

people supported

**4,812**

families supported



**\$169,000**

distributed for long term food security solution



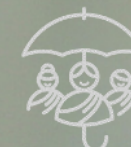
**98%**

families reported they were food secure over the 12 month period



**3,105**

people were engaged in collective paddy purchasing from loans injected in to the Village banking structure Palmera established



**84%**

families were able to avoid engaging in negative coping strategies such as the selling of livelihood assets or taking loans from predatory lenders



**98%**

families able to sustain home gardens and have enough to meet some or all of their nutritional needs





The food security need was great. We engaged with over 1,000 women in a participatory process and designed an in-depth long-term food security approach.

This included:

- **Nutritional Packages** for malnourished pregnant mothers and malnourished children under 5.
- **Establishment of Home Gardens** – we did this in an in-depth way with the provision of longer-term technical monitoring, water saving practices, training on self- production of fertilisers to reduce costs, training on nutritional needs to ensure food diversity and the establishment of village based nurseries so families could access diverse seeds.
- Provision of **interest free loans for women** to collectively purchase paddy during the time of reduced access to food.
- **Provision of Poultry Grants** so families can access 5 chickens – the way we achieved this is through providing women with a grant so they could purchase chicks locally to bolster the local economy.
- **Provide emergency cash vouchers** for urgent health and other critical needs to the most vulnerable

This holistic programme was delivered through the Women Empowerment Collectives we have established to support with participatory monitoring and close connections to families during a time of low mobility.



# Our Impact in Numbers

*across our entrepreneurship models*

## WOMEN EMPOWERMENT COLLECTIVES

---

**6774** engaging in Women's Village Bank  
**\$140,000** saved by women in 2022  
**\$381,000** revolved in loans in 2022  
**83%** women regularly saving

## INCLUSIVE MARKET SYSTEMS

---

**1015** farmers reached  
**87%** increased income  
**150%** productivity improvement  
**69%** increased price  
**\$716,000** additional income earned in 2022  
**92%** report stronger services

## GRADUATING THE POOR

---

**886** engaged in the programme  
**100%** reported as food secure when compared to 45% from before we started the program  
**60%** graduation out of poverty  
**95** women facing high violence and provided with tailored counselling support

## TRANSITIONING OUT

---

**120** previously sex workers engaged  
**58%** completely or significantly transitioned out of work  
**88%** improved food security  
**95%** have access to medical support with a trusted medical health professional



# OUR CURRENT REACH

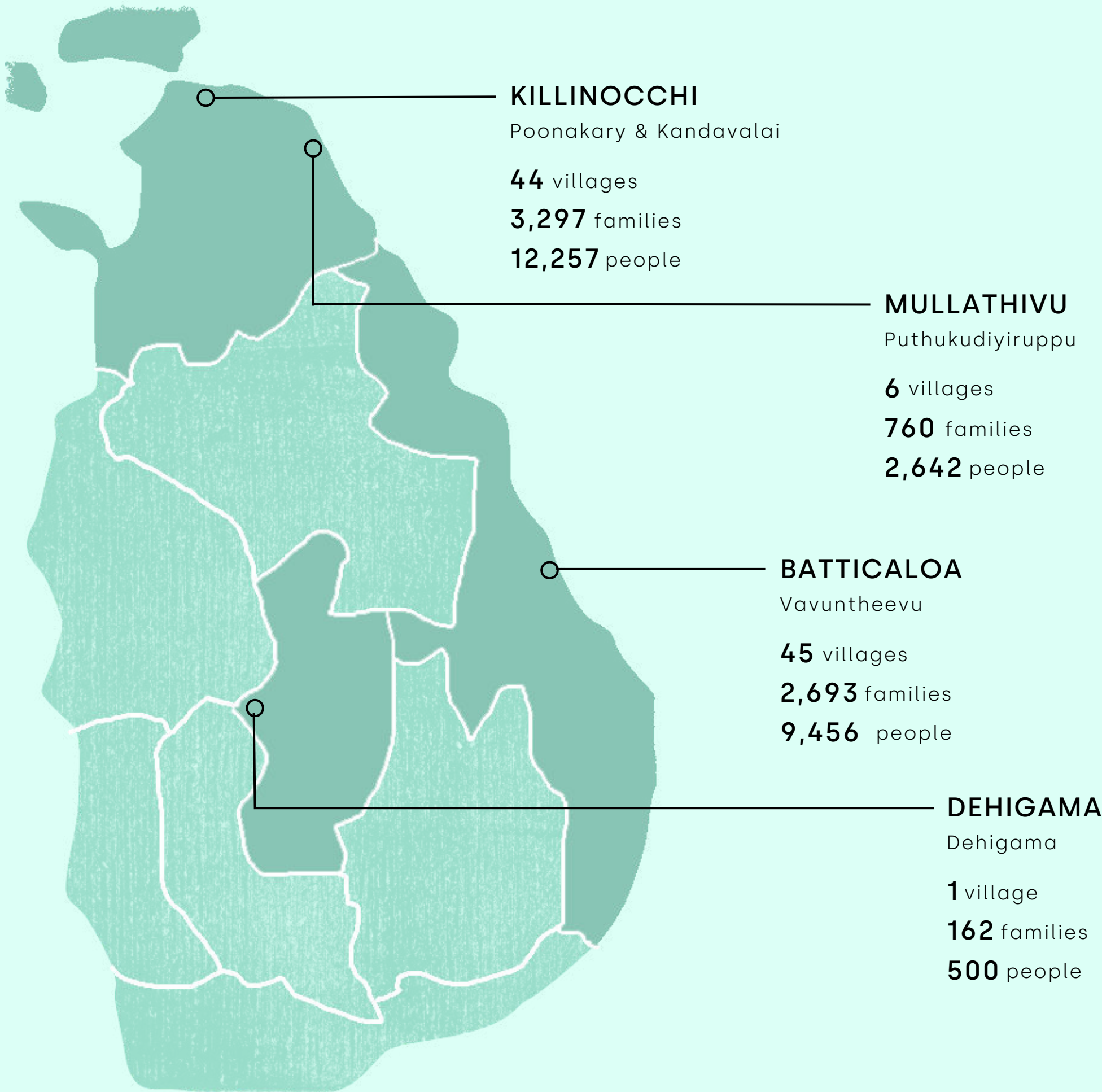
## TOTAL

Current Reach

**96** villages

**6,912** families

**24,855** people







# OUR TEAM

It takes a village to raise one, and that is exactly what our team is – a village of passionate, highly skilled and dedicated people who, together, are greater than the sum of their parts.

But it's no secret that charities have a tough job when it comes to building great teams –they need incredible people to solve tough challenges while keeping overheads low. So, we've had to get creative.

On the ground, working through Palmera's programmes are over 150 staff. They are hired under Palmera or one of the many local partners with whom we work. Our Volunteer Board governs all that we do. They share their expertise, guide Palmera, and make the big decisions. Palmera is led by the founder, Abarna Raj and she is supported by a strong local team with a lean head office. To learn more about our team [click here](#).

**Tammy Para**

Board Chair - Director, Innovation and Impact, Uniting

**Abarna Raj**

CEO, Palmera

**Ram Kangatharan**

Asia Pacific Group Managing Director and CEO, Auto & General Holdings

**Rick Millen**

Retired Executive Partner, PwC, UNHCR Board Member

**Shane Nichols**

CEO, Good Return

**Praveena Karunakaran**

Head of Compliance and Group Company Secretary at Snowy Hydro

**Dinesh Sanmugathan**

CEO, My Dental Team

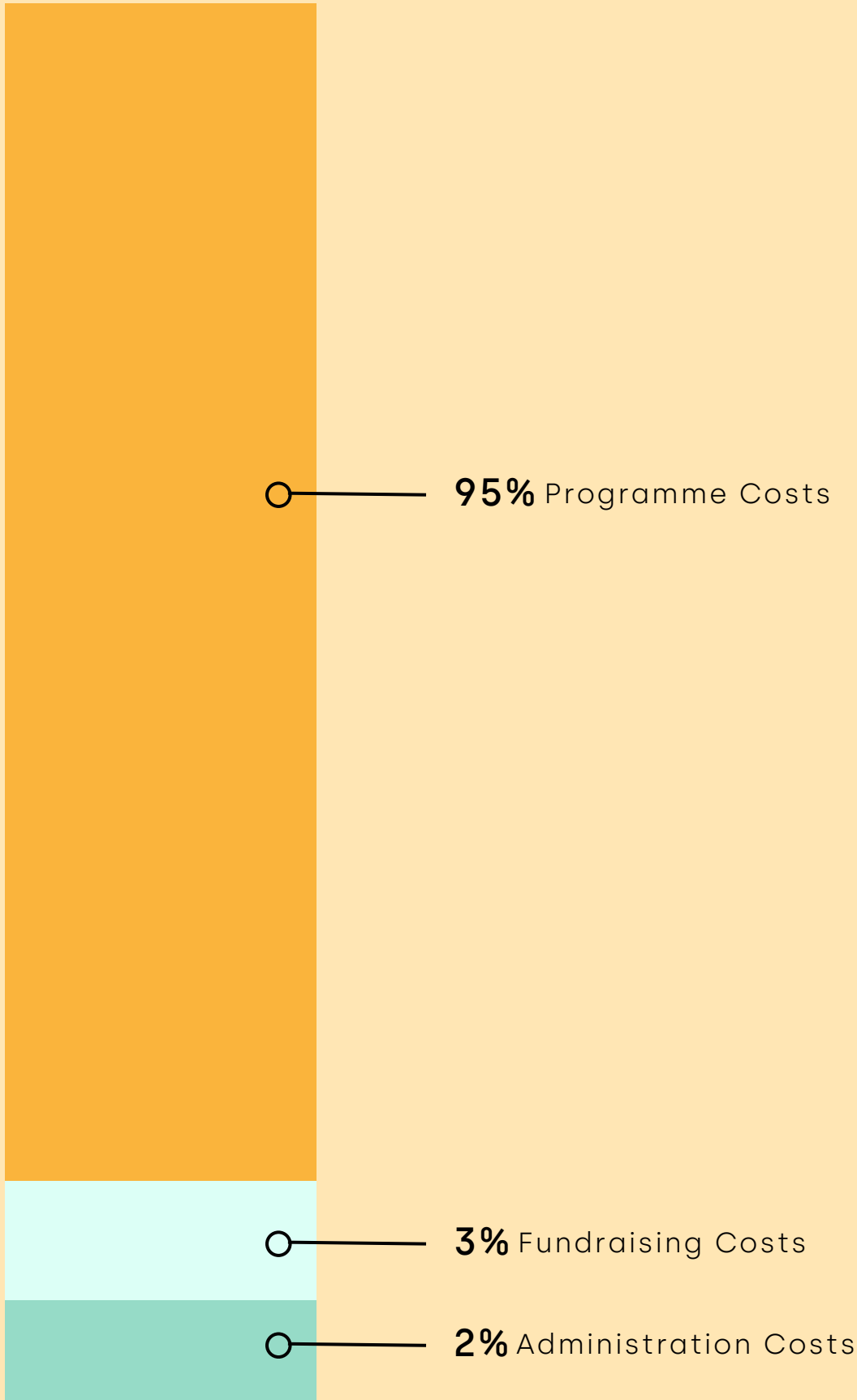


# OUR FINANCIALS

Palmera is committed to ensuring as much of your dollar goes to those in need.

It is extremely difficult to solve the toughest problems with little funds for the people, training, capacitation and resources required to deliver strong programmes. We achieve this through the following:

- Committed lean Australian based staff who have committed to low salaries and working long hours to do the job of many
- Focus on leveraging technology in our operational processes to reduce overhead
- Move to Sri Lanka based operational staff whom with digitization of processes, can support our work
- Relational fundraising – our donors advocating on our behalf allowing us to reduce overhead costs
- Digitisation of fundraising processes to reduce need for support staff





## ACFID Code compliant financial statements for the year ended 31 December 2022.

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 2022.

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 2022 is available upon request emailing [hello@palmera.org](mailto:hello@palmera.org).

### Statement of profit or loss and other comprehensive income for the year ended 31 December 2022

	2022 \$	2021 \$
<b>REVENUE</b>		
<b>Donations &amp; Gifts</b>		
Monetary	1,747,998	1,215,994
Non-Monetary	15,587	59,079
Grants - Department of Foreign Affairs	226,225	210,001
Other Income	31,310	40,301
<b>TOTAL REVENUE</b>	<b>2,021,140</b>	<b>1,525,375</b>
<b>EXPENDITURE</b>		
<b>International Aid &amp; Development Program Expenditure</b>		
Funds to International Projects	1,677,468	1,369,939
Program Support Costs	190,872	-
Fundraising Costs	45,802	169,420
Accountability & Administration Costs	45,276	46,160
Non Monetary Costs	15,587	50,161
<b>TOTAL EXPENDITURE</b>	<b>1,975,005</b>	<b>1,635,680</b>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<b>46,135</b>	<b>(110,305)</b>
Other comprehensive income	-	-
Net surplus attributable to members of the entity	46,135	(110,305)
Total comprehensive income attributable to members of the entity	46,135	(110,305)



## Statement of financial position as at December 2022

	2022 \$	2021 \$
<b>ASSETS</b>		
Cash & cash equivalents	1,350,150	1,369,690
Trade & other receivables	2,828	-
<b>Total Current Assets</b>	<b>1,352,978</b>	<b>1,369,690</b>
<b>TOTAL ASSETS</b>	<b>1,352,978</b>	<b>1,369,690</b>
<b>LIABILITIES</b>		
Trade & other liabilities	28,342	91,189
Total Current Liabilities	28,342	91,189
<b>TOTAL LIABILITIES</b>	<b>28,342</b>	<b>91,189</b>
<b>Net Assets</b>	<b>1,324,636</b>	<b>1,278,501</b>
<b>EQUITY</b>		
Retained surplus	1,324,636	1,278,501
<b>TOTAL EQUITY</b>	<b>1,324,636</b>	<b>1,278,501</b>

## Statement of changes in equity for the year ended 31 December 2022

	Retained Surplus	Total
<b>BALANCE AT 1 JANUARY 2021</b>	1,388,806	1,388,806
Comprehensive income		
Surplus for the year	(110,305)	(110,305)
Other comprehensive income	-	-
<b>BALANCE AT 31 DECEMBER 2021</b>	<b>1,278,501</b>	<b>1,278,501</b>
<b>BALANCE AT 1 JANUARY 2022</b>	1,278,501	1,278,501
Comprehensive income		
Surplus for the year	46,135	46,135
Other comprehensive income	-	-
<b>BALANCE AT 31 DECEMBER 2022</b>	<b>1,324,636</b>	<b>1,324,636</b>



## DIRECTOR'S 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 2022.
2. The full financial statements and notes (a) comply with the Australian Accounting Standards and the Australian Charities for Not for Profits Commission Act 2021 (b) give a true and fair view of the financial position of the company as at 31 December 2022 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 when they become due and payable.

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



**Tammy Pararajasingham**  
Chair - Director



**Abarna Suthanthiraraj**  
Founding CEO & Director



## **Report on the ACFID Code Compliant Financial Statements**

The accompanying ACFID code compliant financial statements of Palmera Projects, comprising the Statement Of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Table of Cash Movements for Designated Purposes for the year ended 31 December 2022, and abbreviated explanatory notes, are derived from the statutory audited full financial report of Palmera Projects for the year ended 31 December 2022. We have expressed a qualified opinion on those statutory audited financial statements on our report dated 16 May 2023.

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 full audited 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 full audited 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 full statutory financial reports which contain a qualified audit opinion.



**Steven Zabeti**  
Partner — Felsers, Chartered Accountants



# WITH GRATITUDE

Reflecting on 2022, we see our generous donors and dedicated partners behind every transformational moment of impact. Words cannot express our gratitude to everyone who made, and continues to make, our mission possible. Throughout the past 9 years, our global community has helped us fund economic empowerment programmes reaching over 400,000 people.

**Without our supporters the work we do would not be possible. For the families and communities that have fallen through the cracks, we have helped them stand on their own two feet. Keep holding our hand so we can hold theirs.**





# 2022

## THE STORY **CONTINUES**

From the beginning, it's been our mission to empower the rural poor who were being left behind in the country's growth. When we set out on this journey in 2014, more than a million people were living below the poverty line in Sri Lanka. With the support of our generous donors we were able to lift 40% of those people out of poverty.

There is a clear need to continue the hard work of executing our proven model of collaborating with local partners to implement profitable market solutions for rural communities — and to do so at a faster and more efficient pace. This work is far too important to give it anything less than everything we have, and we cannot do it alone. Join us as we turn the page into a new year — with greater impact and more milestones to celebrate. Together, we can ensure no one gets left behind.



# 2022